

ARTICLE 8 Code of Ethics

8.1 Professional Conduct. A member shall conduct himself/herself at all times in a manner beneficial to the Association and to the community. A member when engaged in appraisal practice shall practice in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP). The Uniform Standards of Professional Appraisal Practice (USPAP) is incorporated by reference into this Code of Ethics.

8.2 Fees. No appraisal fees may be contingent upon the valuation of an appraisal. All fees for trial testimony must be determined prior to the trial. No fees may be split without the full consent of all interested parties.

8.3 Appraisal Reports. Each appraisal must contain the following items in addition to all pertinent information known to the appraiser at the time of the appraisal:

- A. A statement as to purpose and/or objectives of the appraisal, with value defined.
- B. A legal description and/or adequate identification of the property appraised.
- C. The date of the value estimate, the date at which the value estimate applies.
- D. An adequate description of the physical characteristics of the property appraised.
- E. A statement as to the known and/or observed encumbrances, if applicable.
- F. A statement and analysis of the highest and best use of the property appraised, if appropriate.
- G. A statement as to the property rights appraised.
- H. A direct sales comparison approach and analysis, if applicable.
- I. A cost approach and analysis, if applicable.
- J. An income approach and analysis, if applicable.
- K. A statement as to the conclusions reached in the appraisal report.
- L. Documentation requirements (the appraiser must have the minimum data requirements in his/her file to properly support the final estimate of value).
- M. A statement as to the assumption and limiting conditions affecting the appraisal.
- N. The signature of the responsible appraiser together with his/her particular designation (IFA, IFAA, IFAS, IFAC).
- O. A statement concerning the maintenance of confidentiality regarding the Appraisal assignment and results thereof.
- P. Designated members (IFA, IFAA, IFAS, IFAC) must disclose continuing education status clearly in every appraisal report.

8.4 Value Reports. Appraisal reports must not include:

- A. Improbable and non supportable premises.
- B. Vague assumptions unsupported by fact.
- C. Improbable highest and best use.

8.5 Certification Statement. The certification of each appraisal must contain the statement: **"This appraisal has been prepared in conformity with the code of ethics of the National Association of Independent Fee Appraisers, and the Uniform Standards of Professional Appraisal Practice as promulgated by the Appraisal Foundation."** On printed forms supplied or required by client, the appraiser is bound by the above code and certification even though the statement is not contained therein.

8.6 Professional Practice. It is unethical for an appraiser to do the following:

- A. Conduct himself/herself in any manner which will prejudice his/her professional status or the reputation of any appraisal organization with which he/she is connected.
- B. Compete unfairly with other appraisers.
- C. Injure by falsification or by malice, directly or indirectly, the professional reputation, prospects or business of any other appraiser.

- D.** Fail to report to the Association the actions of any member who, in the opinion of the reporting member, has violated this code of ethics.
- E.** Advertise or solicit appraisal business in any manner not consonant with accepted professional practice.
- F.** Reveal in any way the substance of any appraisal without permission of the client or due process of law.
- G.** Issue a separate appraisal report when another appraiser assigned to appraise the property has had a part in the formation of the opinion of value.
- H.** Issue an appraisal report on only a part of a whole property without stating that it is a fractional appraisal; and, as such, subject to use in a manner consistent with such limitations.
- I.** Accept an assignment to appraise a property of a type with which he/she has had no previous experience unless in making the appraisal, he/she associates himself/herself with an appraiser who has had experience with the type of property being appraised; or, makes full disclosure of the degree of his/her experience, background and training to his/her client.
- J.** Appraise knowingly, a property that is subject to existing leases, encumbrances or other specific factors without disclosing the effects thereof upon the value of the property.
- K.** Appraise property in which the appraiser has an interest without that interest being fully disclosed.
- L.** Contract for or accepts compensation for appraisal or analysis services in the form of a commission, rebate, division of brokerage commissions, or any similar form.
- M.** Receive or pay any finders or referral fees.

8.7 Conflict of Interest. The following rules apply concerning conflicts of interest:

- A.** Any member, director, or officer having a direct or indirect interest in any contracts or transactions presented to the Association for acceptance shall give full and complete disclosure of such interest to the Board prior to the acceptance of such transaction. Such disclosures shall reveal all facts, including advantages to the individual, and adverse effects on the Association.
- B.** Any member having a vote upon a submitted matter, who has a conflict of interest shall abstain from voting on such matter.
- C.** Any contract or transaction between the Association and other associations, groups or individuals whereas one or more members have a conflict of interest shall be deemed approved if by majority vote of members authorized to vote and not having a conflict of interest approve same.
- D.** A member's failure to comply with these terms may result in the expulsion of such member from the Association.