

Appraiser Licensee Advisory

Unlicensed Persons Signing the Fannie Mae Appraisal Report Form Certification



On January 31, 2017, Fannie Mae (FNMA) issued the following Announcement SEL-2017-01 which addressed updates to their Selling Guide.

"We have clarified our existing policy that allows an unlicensed or uncertified appraiser, or an appraiser trainee to complete the property inspection. When the unlicensed or uncertified appraiser or appraiser trainee completes the property inspection, the supervisory appraiser is not required to also inspect the property."

The updated FNMA Selling guide states

Appraiser Trainee: Fannie Mae allows an unlicensed or uncertified appraiser, or trainee (or other similar classification) to perform a significant amount of the appraisal (or the entire appraisal if he or she is qualified to do so). If an unlicensed or uncertified individual provides significant professional assistance, he or she must sign the left side of the appraiser certification as the Appraiser if:



- he or she is working under the supervision of a state-licensed or state-certified appraiser as

- an employee or sub-contractor,
- the right side of the appraiser certification is signed by that supervisory appraiser, and
- it is acceptable under state law.

If the jurisdiction does not provide license numbers for trainees, the term “Trainee” should be entered in the “Other” field in the Appraiser Certification section. (Section B4-1.1-03, Appraiser Selection Criteria)

In light of this clarification from FNMA, the Division is providing the following to appraisers

The FNMA Selling Guide identifies the “appraiser,” whether unlicensed or not, as the individual who



- personally inspected the property being appraised,
- inspected the exterior of the comparables,
- performed the analysis, and
- prepared and signed the appraisal report as the appraiser. (Section B4-1.1-03, Appraiser Selection Criteria)

FNMA will allow an unlicensed person to sign on the left side of their forms if they have met the FNMA criteria identifying them as the “appraiser.” FNMA’s expectation is that whoever signs on the left side of their forms, whether unlicensed or not, is competent and has abided by the certifications that are pre-printed on their forms.

If an unlicensed person’s assistance was limited to only part of the assignment, such as property inspection, then they do not meet the FNMA criteria for an “appraiser” and it is not appropriate for that person to sign on the left side of the form.

Colorado’s appraiser license law does not prohibit an unlicensed person from performing a property inspection or from performing a significant amount of the appraisal. Additionally, Colorado’s appraiser license law does not prohibit an unlicensed person from signing on the left side of the FNMA forms if they have met the FNMA criteria identifying them as the “appraiser.”

When an unlicensed person signs on the left side of the form, it is important that the client and other intended users are not misled. Since Colorado does not have a credential for “trainees” the unlicensed person should include commentary in the appraisal report stating that they are unlicensed. The licensed or certified appraiser signing on the right side of the form should check one of the boxes to indicate whether or not they inspected the subject property. If they did not inspect the subject property, the licensed or certified appraiser must check the “Did not inspect

subject property” box so as to not be misleading. Commentary should be included in the appraisal report which states:

- That the “trainee” is unlicensed.
- The extent of the significant real property appraisal assistance provided by the unlicensed person. This is necessary for the Division to determine if the unlicensed person has obtained acceptable experience in the appraisal process.
- The name or names of the person(s) who performed the inspection of the subject property.
- That the licensed or certified appraiser believes that the unlicensed person who performed the inspection is competent to do so and has no reason to doubt that the work of this person is credible.

As previously noted, an unlicensed person would not sign on the left side of the form if their assistance was limited to only part of the assignment; instead, their significant appraisal assistance, including property inspection, must be disclosed in line with the USPAP requirements. USPAP states that “The names of individuals providing significant real property appraisal assistance who do not sign a certification must be stated in the certification” (Standards Rule 2-3), and “When any portion of the work involves significant real property appraisal assistance, the appraiser must summarize the extent of that assistance” within the appraisal report (Standards Rule 2-2(a)(vii)).



Online Services



Tell Us What You
Think



HOA Information
Forums



Visit Us Online

For more information please contact the Division of Real Estate at 303.894.2166,
or visit our website at www.dora.colorado.gov/dre.

Share this email:



[Manage](#) your preferences | [Opt out](#) using TrueRemove™

Got this as a forward? [Sign up](#) to receive our future emails.

View this email [online](#).

1560 Broadway Suite 925
Denver, CO | 80202 US

This email was sent to jennifer@stomporassociates.com.
To continue receiving our emails, add us to your address book.

