

David F. Beccaria & Associates



REALTORS & APPRAISERS
830-F Bay Avenue
Capitola, CA 95010

Bus: (831) 462-1406
Fax: (831) 462-3812
Email: davidbeccaria@arilion.com

David F. Beccaria MBA IFAS GAA
State Certified General Appraiser CA # AG001943
National Association of Independent Fee Appraisers IFAS #13282
National Association of Realtors Appraisal Section RAA #36 GAA#4909
National Association of Master Appraisers #9893

Serving Santa Cruz, Monterey, Santa Clara, and San Benito Counties.
Home Page: www.davidbeccaria.com

February 20, 2007

OFFICE POLICY WITH REGARD TO COMP CHECKS

Our office does not provide “Comp Checks”. Unless an appraisal report is completed, a “Scope of Work” clearly defined, “Comp Checks” are generally in violation of the Uniform Standards of Professional Appraisal Practice, commonly called U.S.P.A.P., which must be adhered to by users of appraisal products (lenders, appraisal management companies, mortgage insurers, etc.) as well as appraisers. A “Desk Appraisal” report could be completed with the Scope of Work defined and agreed to by the client, however; we simply do not complete “Desk Appraisals” for Lending Purposes.

It is our judgment that the intended use for a mortgage/finance transaction is to determine whether or not the property subject to the appraisal is adequate security for the loan. The purpose of the appraisal is to form an opinion of market value. A Comp Check is contrary to the very intent of the appraisal process as it intends to prequalify the appraisal and or the appraiser. Most of the lenders ordering these type of products are on the hunt for an appraiser that will play an advocate role favoring them in hopes of future appraisal business, which is a violation of the Office of the Comptroller of Currency regulations. We provide an unbiased third party opinion of value supported by analysis utilizing standard appraisal practice, without advocacy toward any party.

I would refer you to USPAP Advisory Opinion AO-19, which provides a detailed review of this topic. In addition the Ethics Provision of USPAP provides further instruction to this issue.

Unfortunately, the industry today is beleaguered with unethical and illegal activities by mortgage professionals and appraisers alike, some of whom are unaware that these activities are unethical and illegal. The “Comp Check” issue is one of the areas of the profession in which these illegal activities are paramount.

We have set our office apart from the mainstream of the industry today in our effort to understand and comply with the intent of the Ethics Provision and the Standards of U.S.P.A.P. Thank you for understanding our position on this issue.

Sincerely,

David F. Beccaria MBA IFAS
Certified General Real Estate Appraiser #AG001943