



NORTH CAROLINA REAL ESTATE APPRAISER ASSOCIATION

Advocating for Appraisers

To the North Carolina Appraisal Board,

The North Carolina Real Estate Appraiser Association (NCREAA) has recently received requests/inquiries from our members regarding guidance on assignments for “hybrid/interior desktop” appraisals requests they have recently been receiving. After reviewing some of the assignment conditions and engagement letters, NCREAA is requesting that the North Carolina Appraisal Board define and provide clarifying rules for the term “assists” as stated in the North Carolina Appraiser Act, Chapter 93E and corresponding North Carolina Board Rules. (copied below).

93E-1-1-12 Disciplinary Action by the Board

(5) Failed as a licensed or certified real estate appraiser to actively and personally supervise any person not licensed or certified under this Chapter who assists the licensed or certified real estate appraiser in performing real estate appraisals;

21 NCAC 57A .0405 APPRAISAL REPORTS (a) Each written appraisal report prepared by or under the supervision of a licensed or certified real estate appraiser shall bear the signature of the licensed or certified appraiser, the license or certificate number of the licensee or certificate holder in whose name the appraisal report is issued, and the designation "licensed residential real estate appraiser," "certified residential real estate appraiser," or "certified general real estate appraiser," as applicable. Each such appraisal report shall also indicate whether or not the licensed or certified appraiser has personally inspected the property, and shall identify any other person who assists in the appraisal process other than by providing clerical assistance. Such identification must be placed in the body of the report. Appraisers shall personally affix their signature to their appraisal reports and shall not allow any other person or entity to affix their signature. Trainees are not required to affix their signatures to appraisal reports, but if they do so, they must personally affix their signature and shall not allow any other person or entity to affix their signature. Trainees and appraisers shall sign their reports with the same name and in the same manner as it printed on their pocket cards.

(e) Appraisers shall keep a log of all appraisals performed. The log shall contain the appraiser's license or certificate number, the street address of the subject property, the date the report was signed, the name of anyone assisting in the preparation of the report and the name of the client. These logs shall be updated at least every 30 days.

NCREAA believes the term “assists” is clear as written in state law and would require any individual that provided material information (such as information obtained during the property inspection) to be “actively and personally supervised by the licensed or certified appraiser”. However, the new Hybrid appraisal reports instruct an unsupervised & unlicensed third party to perform the physical inspection of the property. The scope of the information provided by the third party inspectors differs (based on the orders we have seen), but their involvement in the appraisal process must be “actively and personally supervised” by a licensed/certified appraiser according to the state law. While the rule states that the appraiser shall identify any person who “assists” in the appraisal process, it does not appear to be as clear, and does not adequately allow enforcement of state law.

We look forward to receiving guidance and clarification on this issue as these “hybrids/interior desktops” are appearing to become more common in the market.

Please feel free to contact me if you have any questions.

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