

RULES  
OF  
GEORGIA REAL ESTATE APPRAISERS BOARD

CHAPTER 539-3  
STANDARDS FOR APPRAISALS

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**539-3-.04 Standards for Developing and Reporting an Evaluation Appraisal.**

In lieu of and notwithstanding anything to the contrary found in Rules 539-3-.01 and 539-3-.02 herein, if an appraiser performs an Evaluation Appraisal, as hereinafter defined, the appraiser shall perform such appraisal subject to the following requirements:

(1) An "Evaluation Appraisal" is defined as follows:

An appraisal which is limited in its scope and development to the requirements for Evaluations as set forth for a lender by a federal financial institutions regulatory agency or any nonfederal financial institutions regulatory agency as the case may be and as defined in and consistent with the Interagency Appraisal and Evaluation Guidelines ("Evaluation Guidelines") promulgated by the Office of the Comptroller of the Currency, et al., effective December 10, 2010.

(2) Transactions for which an Evaluation Appraisal is permitted:

- (a) The transaction has a value equal to or less than the threshold amount of \$250,000.00;
- (b) The transaction involves a business loan with a transaction value equal to or less than a business loan threshold of \$1,000,000.00 and is not dependent on the sale of, or rental income derived from, real estate as the primary source of repayment; or
- (c) The transaction involves an existing extension of credit at a lending institution provided that:
  - (1) There has been no obvious and material change in market conditions or physical aspects of the property that threaten the adequacy of the institution's real estate collateral protection after the transaction, even with the advancement of new monies; or,
  - (2) There is no advancement of new monies other than funds necessary to cover reasonable closing costs;

(3) Development of Evaluation Appraisals:

At a minimum, the Evaluation Appraisal shall contain the following:

- (a) Location of the real property;
- (b) Description of the real property and its current and projected use;
- (c) An estimate of the property's market value in its actual physical condition, use and zoning designation as of the effective date of the evaluation, with any limiting conditions; A valuation method that does not provide a property's market value or

sufficient information and analysis to support the value conclusion is not acceptable as an Evaluation Appraisal. While a broker price opinion (BPO), a competitive market analysis (CMA), an automated valuation model (AVM), and a tax assessment value (TAV) may be useful in developing an Evaluation Appraisal, the information obtained from these methods of valuation is insufficient standing alone to meet all of the criteria necessary to be an Evaluation Appraisal.

- (d) A description of the method used to confirm the property's actual physical condition and the extent to which an inspection was performed;
- (e) A description of the analysis that was performed and the supporting information that was used in valuing the property;
- (f) A description of any supplemental information that was used in the development of the Evaluation Appraisal when using an analytical method, such as an automated valuation model, or technological tool;
- (g) A list of all sources of information used in the development of the Evaluation Appraisal including the following:
  - (1) External data sources such as market sales databases and public tax and land records;
  - (2) Property-specific data such as previous sales data for the subject property, tax assessment data, and comparable sales information;
  - (3) Evidence of a property inspection;
  - (4) Photos of the property;
  - (5) A description of the neighborhood;
  - (6) Local market conditions;
  - (7) Name and contact information for the appraiser who prepares the Evaluation Appraisal;
  - (8) A signature for the appraiser who prepares the Evaluation Appraisal;
  - (9) Factors setting forth the transaction conditions consistent with 539-3-.04(2).

(4) If the Evaluation Appraisal is prepared for a nonfederal financial institution and said institution is not regulated by a federal financial institutions regulatory agency, and if USPAP compliance is not required by said institution for the appraisal reporting format, then the Evaluation Appraisal may be prepared in any reporting format, such as, but not limited to a self-contained appraisal report, a summary appraisal report, and a restricted use appraisal report if the reporting format meets the requirements of the nonfederal financial institution.

(5) Certification. The Evaluation Appraisal report shall include the following items in language substantially similar to the following:

I certify that, to the best of my knowledge and belief:

- the statements of fact contained in this report are true and correct.
- the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions, and conclusions.
- I have no (or the specified) present or prospective interest in the property that is the subject of this report, and I have no (or the specified) personal interest or bias with respect to the parties involved.

- I have no bias with respect to the property that is the subject of this report or to the parties involved in this assignment.
- my engagement in this assignment or in any future assignment is not contingent upon developing or reporting predetermined results.
- my compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
- my analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Georgia Real Estate Appraiser Classification and Regulation Act and the Rules and Regulations of the Georgia Real Estate Appraisers Board.
- I have (or have not) made a personal inspection of the property that is the subject of this report. (If more than one person signs the report, this certification must clearly specify which individuals did and which individuals did not make a personal inspection of the appraised property.)
- no one provided significant professional assistance to the person signing this report. (If there are exceptions, the name of each individual providing significant professional assistance must be stated and the professional assistance provided must be disclosed.)

Authority O.C.G.A. Secs. 43-39A-13, 43-39A-18.