

Notice to Borrowers and Homeowners

NOTICE (as approved by California State Office Of Real Estate Appraisers OREA):

ALTHOUGH YOU MAY HAVE PAID A FEE FOR YOUR APPRAISAL, (EVEN IF YOU PAID THE APPRAISER DIRECTLY), THE LAW PROHIBITS THE APPRAISER FROM PROVIDING YOU WITH A COPY OF THE APPRAISAL REPORT OR DISCUSSING THE APPRAISAL WITH YOU WITHOUT THE CONSENT OF THE LENDER (THE INTENDED USER, WHO WILL BE IDENTIFIED IN THE APPRAISAL). HOWEVER, IF YOU PAID A FEE FOR THE APPRAISAL, YOU ARE ENTITLED TO A COPY OF IT FROM YOUR LENDER.

When an appraisal is performed for a lender (the intended user), the borrower/homeowner is **NOT** entitled to a copy of the appraisal report from the appraiser. This is because the appraiser's client (intended user, as identified in the appraisal report) is the lender, not the borrower, even though the borrower pays the appraisal fee. *A client (intended user) is defined in law as the party who directly engages the appraiser to perform the assignment.* The client is most commonly a mortgage broker, mortgage banker, or direct lender if the purpose of the appraisal assignment is for a loan transaction secured by 1-4 unit residential real property (for purchase or refinancing purposes).

Appraisers receive and accept many appraisal assignments from clients specifically instructing them to collect the appraisal fee at the door (or "C.O.D.") from the borrower. It is considered a common and generally accepted practice for the appraiser to collect this payment directly from the borrower (at times from some other party related or not related to the transaction) on behalf of the client (intended user) to compensate for the appraisal service. However, this does not render the borrower (or any other party) as the client (intended user) or entitle them to a copy of the appraisal from the appraiser.

The appraiser is required to protect the confidential nature of the appraiser-client (intended user) relationship, and thus is prohibited by law to provide a copy, or disclose or discuss the contents of his or her appraisal report to anyone other than the client (intended user). Any licensed appraiser violating this portion of the Uniform Standards of Professional Appraisal Practice may be subject to disciplinary action by the governmental office issuing the appraiser's license.

Although the appraiser cannot provide the borrower with a copy of the appraisal without the client's (intended user's) permission, the borrower has every right to receive a copy of the appraisal from the lender (intended user), provided he or she has paid for the appraisal and the loan involves 1-4 unit residential property. According to California Business and Professions Code Section 11423, a borrower has up to 90 days after the lender (intended user) has provided notice of their lending decision to submit a written request for a copy of the appraisal.