

“The USL Documenter provides professionalism to my appraisals and keeps me from worrying about liability issues. I wouldn’t send out an appraisal without it.” - Greg Beck

Introducing New USL Report Documenter II Software

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The Documenter Software operates in any modern Windows environment and no longer requires MS Excel to run.

Appraisers may be getting tired of hearing about Scope of Work but there are several reasons why they cannot afford to keep sweeping it under the rug.

This is pretty much what has been happening since 1999 when USPAP began requiring appraisers to report Scope of Work (SOW). There are several real benefits that can result from a well-documented appraisal report; especially with respect to SOW. Here are a few: liability management, being able to *showcase* your appraisal product to clients and dealing successfully with compliance issues.

Liability Management

Complying with SOW requirements can be time consuming. However, it is also the perfect place protect yourself by adding statements to help prevent lawsuits. The value of these statements is in what you say, and in how and where you say them. In the past, a client could severely restrict what might be included in an appraisal report but the new SOW Rule has decreased the client’s control of these issues. Much has been written on this subject. In the end, it is a good idea to consult a local attorney to maximize your efforts in this area.

Showcasing your Appraisal Product

Another perk is that SOW can be a place to showcase the quality of your appraisal product. If the appraisal you do is better than your competition, this is place show your clients. If you drive by the sales, report it. If you complete interviews in your data gathering, report them. If you do extra analysis, report it.

USPAP Compliance

If USPAP compliance is not a high priority for you, it should be. Many state appraisal commissions are focusing on SOW reporting. Federal agencies, regulating federally-insured lenders, hold lenders responsible for making sure that the appraisals they process conform to USPAP. Greater pressure will be on you to do things by the book. If you successfully document your appraisal reports, including SOW and other issues required by USPAP, you can worry much less about client reviews and your state appraisal commission. Now that you are convinced of the benefits of improving the documentation of your reports, how do you do it?

Improving Documentation

Improving the documentation of appraisal reports is a problem facing many appraisers, especially since the new version of USPAP went into effect July 1, 2006. This can be a fairly complex task, depending on the assignment. The number one rule of a well-written SOW is that it is *customized*. It should never contain phrases like, “The appraiser may have.....”, or “The appraiser performed either task A or Task B.” This means you cannot include one big “canned” phrase, or copy over the SOW you did in the last report.

If you are an appraiser who has attempted to write a SOW from scratch, you know how difficult and time-consuming it can be. First, you need a checklist so nothing is left off. Next, you need to pull a previous appraisal to reuse a wonderfully written phrase from an appraisal with a similar SOW that somehow escapes you now. Then, you need to print off a standardized form so that you can leave off the items that the form already addresses. Then there are Supplemental and USPAP standards that can be very confusing. An hour later, in frustration, you may simply give up. Is there a solution? I think there is.

Evolution- New USL Report Documenter II Software

In 1999 my appraisal office began using perhaps the first computerized SOW checklist. It was a list of possible appraisal tasks. The appraiser-user would check the tasks completed and mark the level of “thoroughness” for each task.

The appraiser provided specific information to the program that enabled it to identify the tasks that the appraiser had to do. The program then reported only the tasks the appraiser did. In 2002 we developed a superior product to report SOW and expanded it to address most all compliance issues. In addition, we provided the program with items that were already addressed on most standardized forms. Instead of a checklist, this system managed a series of canned phrases that could be added, deleted, modified, etc.

As the concept of SOW evolved, so did the program. In 2005 we began designing and developing the USL Documenter II. This is our latest version of the appraisal report documenter. Today we have a very professional software program that does not require MS Excel to run. It runs on most any modern Windows platform.

What it is and isn't

This program is *not* a lot of things. It is not a substitute for understanding appraisal reporting requirements. It is not a magic way to produce report documentation. It does serve as a good checklist; it will manage a series of canned phrases for each task that the appraiser creates. It is very flexible, very controllable and very fast to use. It will copy into most standardized appraisal forms or into a word document. Also, it will create a complete restricted use report.

How it Works

The USL Document Wizard asks some questions:



The screenshot shows a window titled "USL Documenter Wizard" with a red 'X' close button in the top right corner. The window has a yellow header bar with a red treasure chest icon on the left and the text "Check the appropriate options to select the type of report that you would like to create." on the right. Below the header is a dark blue vertical sidebar with a white progress indicator. The sidebar contains the following text from top to bottom: "Welcome", "Report Type" (highlighted in yellow), "Questions", "PAGI", and "Finished". Each text item is preceded by a small white square icon. The main content area is light gray and contains three sections of radio button options:


- Choose the Report Type**
 - Summary
 - Self Contained
 - Restricted Use
- Choose the User / Supplemental Standard Type**
 - Lender (Eval)
 - Lender (FIRREA)
 - Secondary Market
 - FHA
 - Non-Lender

If the new Fannie Mae forms are going to be used then choose "Secondary Market or FHA" from the list above even if the lender is keeping in house.
- Choose the Form Type**
 - Standardized
 - Standardized use USL Certs/Asspts/Lim Conds
 - Narrative

At the bottom of the window are three buttons: "Prev" with a left arrow, "Next" with a right arrow, and "Finished" with a document icon.

Then it asks more questions:

USL Documenter Wizard

 Please answer the following questions:

Welcome

Report Type

Questions

PAGI

Finished

Yes No Are there any hypothetical conditions?

Yes No Are there any extraordinary assumptions?

Yes No Are there any previous sales to report?

Yes No Is there any current agreement of sale, option, or listing?

Yes No Were you incompetent to perform this assignment at the onset?

Yes No Did you pay or receive a fee in the procurement of this assignment?

Yes No Are you a member of a professional appraisal organization?

Prev **Next** **Finished**

Then it structures a document that conforms to the rigors of your specific appraisal assignment. The document is in three text colors.

- * Red text represents issues that the Report Wizard believes you must address.
- * Gray text represents issues you may want to address.
- * Black text represents issues that the Report Wizard feels you do not have to address. It automatically includes these in the document.

The text in black can be modified or added to. If it is changed, the program will ask if you want to save the changes for future use. If you say “yes,” then the phrases in black text will have those changes the next time you open the report.

Phase Builder

Phrase Builder allows you to address those specific tasks colored in red and gray with individual phrases (that you create) for each specific issue. The users of the USL Documenter II are beginning to send me suggestions for phrases which I will be sharing with current users.

The screenshot shows a dialog box titled "USL Phrase Builder: Property Identification". At the top, it says "Extent that the subject property has been identified." Below this, there are two main sections: "Phrase Keyword:" and "Phrase Preview:". The "Phrase Keyword:" section has four buttons: "Add", "Edit", "Rename", and "Delete". Below these buttons is a list of keywords: "Address & Owner-No interview", "Address only- No interview", "Address, Owner & On site Interview", "Current Survey", "Old Survey", "Sales Contract", and "Segment- Lender including all property". The "Phrase Preview:" section shows a preview of the text: "The subject property was identified to the appraiser by the client providing the property address and the current owner's name. A tax card and plat were pulled for that address via a third party provider. At the client's request no one was interviewed for additional information." Below the preview is a button labeled "Insert Phrase into Field Text". At the bottom of the dialog, there is a "Field Text:" section with a text area containing the same preview text. At the very bottom, there are three buttons: "Reset Field Text", "OK", and "Cancel".

Summary

With the USL Documenter II you will quickly produce a very professional looking document that you can either print out to insert into the appraisal report or copy into your standard form report. When needed, it will produce a complete stand alone restricted use report.