

Preamble to the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute

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Note about the Standards of Professional Appraisal Practice of the Appraisal Institute

The Standards of Professional Appraisal Practice of the Appraisal Institute are composed of the Uniform Standards of Professional Appraisal Practice (USPAP), promulgated by the Appraisal Standards Board (ASB) of The Appraisal Foundation, and the Certification Standard of the Appraisal Institute; or the International Valuation Standards (IVS), promulgated by the International Valuation Standards Committee (IVSC), applicable national Standards, and the Certification Standard of the Appraisal Institute.

USPAP is printed in a separate booklet entitled Uniform Standards of Professional Appraisal Practice. The IVS can be ordered online at: www.ivsc.org/standards/index.html.

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Real estate is one of the basic sources of wealth in the global economy. Therefore, homeowners, business entities, governments, individuals, and others who own, manage, sell, purchase, invest in, or lend money on the security of real estate must have ready access to the services of Appraisal Institute Members who provide unbiased opinions of value, as well as sound information, analyses, and advice on a wide range of real estate–related issues. Members of the Appraisal Institute also are increasingly called upon to use their expertise to value other property types such as personal property, machinery and equipment, and businesses. Therefore, the services of Appraisal Institute Members are vital to the well being of our society and the global economy, and foster economic growth, stability, and public confidence.

Because of this vital role and the commitment of Appraisal Institute Members to professionalism, the Appraisal Institute has adopted its Code of Professional Ethics and Standards of Professional Appraisal Practice to establish requirements for ethical and competent practice. These requirements also serve to promote and maintain a high level of public trust and confidence in Appraisal Institute Members.

The Code of Professional Ethics is composed of the Canons, Ethical Rules, and Explanatory Comments. The Standards of Professional Appraisal Practice are composed of the Uniform Standards of Professional Appraisal Practice (USPAP), promulgated by the Appraisal Standards Board (ASB) of The Appraisal Foundation, and the Certification Standard of the Appraisal Institute; or the International Valuation Standards (IVS), promulgated by the International Valuation Standards Committee (IVSC), applicable national Standards, and the Certification Standard of the Appraisal Institute. The Appraisal Institute has also issued Guide Notes that provide guidance on how the Standards of Professional Appraisal Practice may apply to specific issues.

Each Appraisal Institute Member must comply with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, which establish requirements not only for appraisal, appraisal review, and appraisal consulting services, but also for real property consulting services. These obligations exceed those imposed on state certified and licensed real estate appraisers and distinguish Appraisal Institute Members in the marketplace. Moreover, if a Member fails to comply with the Code of Professional Ethics or Standards of Professional Appraisal Practice, the Member will be subject to disciplinary or remedial action under Regulation No. 6 of the Appraisal Institute.

The commitment of Appraisal Institute Members to professionalism extends to helping ensure that other Members understand and comply with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute. Therefore, each Member of the Appraisal Institute has a responsibility to provide the Director of Ethics and Standards Counseling of the Appraisal Institute with any significant factual information that reasonably suggests that another Member may have violated the Code of Professional Ethics or Standards of Professional Appraisal Practice. Each Member also has a responsibility to volunteer to serve on peer review committees reviewing possible violations under Regulation No. 6 of the Appraisal Institute.

