

7. How To Pick a Competent, Ethical Appraiser: 13 Interview Questions

(5 Minutes)

- Q1. How does one pick a good, ethical appraiser? Are there certain questions that can be asked?
- A1. Yes. In my book, Be Smart Homebuying With 500 Years Experience, I have one chapter devoted to appraisals and appraisers, and I have developed 13 question areas that should be addressed when picking out an appraiser:
1. Is he or she licensed? Will they provide a copy of the license?
 2. How long have they been licensed? Many times there are different types of licensing in a state. Some are just residential, some are commercial, and some are for trainees. Find out specifically what kind of a license they hold.
 3. How long have they been a resident of the state where the property is located? How long have they been appraising property in that area?
- Q2. Would it be a good idea to see if people have other similar job experiences or licenses?
- A2. Absolutely. That's a very good question. Ask if they have training as a home inspector, or do they have a builder's license? Do they have a real estate license?
- Q3. Should a person ask if they carry insurance?
- A3. Not only is it important for the appraiser to have errors and omissions insurance for some serious defect in the appraisal, but it would be wise to ask if the appraiser carries any type of health or accident insurance, or workman's comp insurance? How about bonding insurance? *I personally have been attacked by the neighbor's dog while I was on the home owner's premises, and fortunately escaped without serious injury. The dog was tied up and hidden without any knowledge of the home owner, but he very possibly could have been subject to a lawsuit. Especially if the appraiser has no other means to recover his or her medical bills, guess who's going to get brought into a lawsuit.*
- Q4. What types of residential appraisals does the appraiser do might be another question area.
- A4. That is very, very good. You're really into this. What should be asked are if they do:
1. Sales... and are these (A) for sale by owner, or (B) sales after the purchase agreement, such as for a mortgage.
 2. Do they do proposed construction from plans and specs, such as from blueprints and specification sheets?
 3. Do they do divorce appraisals?
 4. What about estate appraisals?
 5. Relocation appraisals?

6. Foreclosure appraisals?
7. Tax appraisals/government taking by eminent domain?
8. Insurance appraisals?

- Q5. Would it be good to ask if they have any additional training leading to past or present professional degrees or designations?
- A5. That is another good question. You should ask (1) what type of designations that person has or did have in the past, and (2) find out the training involved in getting that designation.
- Q6. How about court testimony and giving depositions? Would those be good things to ask?
- A6. Absolutely. You obviously have been reading my book. It would not be wise to get a cheap divorce or estate appraisal, and later have the appraiser testify or have to give a deposition to attorneys, making less than a believable presentation of the appraisal. Cheap is not always the best. Paying the fee of an expert is usually cheaper in the long run.
- Q7. Would it be good to ask if they have references, such as past customers and the names and phone numbers of those individuals?
- A7. That is really another good question. And I did mention that in my appraisal chapter.
- A7. Personal endorsements and references are the best. Ask bankers, attorneys, REALTORS, or other friends who had appraisals done. Their recommendations can be like gold.
- Q8. How about telephone yellow pages ads?
- A8. Telephone book classified advertising can be extremely helpful to get credentials and experience, but a lot of this information can be inflated.
- A8. Looking over directories from state or national appraisal organizations. That could be a good guide. Ask the appraiser if he or she has ever been listed in any of these directories, or is presently listed.
- Q9. Has the appraiser ever studied or have a register of closed landfills when they do rural appraisals?
- A9. That is a very, very good and very sophisticated question. Many states have registers of closed landfills. They are rated according to the Environmental Protection Agency as to potential hazards and if they are dangerous or not dangerous in a rating system. So that's a very good question, because if you are new to the area and you move in and you want to buy a lot, you certainly don't want to be buying one next to a closed landfill or in an area that would be considered to be dangerous in the proximity of a closed landfill.