

Notice to Borrowers & Homeowners

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 without the consent of the lender.

However, if you paid a fee for the appraisal you are entitled to a copy of the appraisal from the lender.

When an appraisal is performed for a lender, the borrower/homeowner is NOT entitled to a copy of the appraisal report from the appraiser. This is because the appraiser's client is the lender, NOT the borrower/homeowner even though the borrower/homeowner pays the appraisal fee. A client is defined as the party that 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 a 1-4 unit residential real property (for purchase or refinance purposes).

Appraisers receive and accept many appraisal assignments specifically instructing them to collect the fee at the door or ("C.O.D.") from the borrower. It is considered a common and generally accepted practice for an appraiser to collect his payment on behalf of the client to compensate for the appraisal service. However, this does not render the borrower as the client 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 relationship, and thus is prohibited by law to provide a copy or discuss the contents of his/her appraisal report with anyone other than the client. Any appraiser violating this section of the Uniform Standards of Professional Appraiser Practice may be subject to disciplinary action by the Office of Real Estate Appraisers. (OREA)

Although the appraiser can not provide the borrower with a copy of the appraisal report without the client's permission, the borrower has every right to receive a copy of the appraisal from the lender provided he or she has paid for the appraisal and it involves 1-4 unit residential property. According to California Business Professions Code Section 11432, a borrower has up to 90 days after a lender has provided notice of their lending decision to submit a written request for a copy of the appraisal.