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# Real Property Appraisal Regulatory Counsel and Defense

Appraisers and real estate investors, as well as investment bankers and brokers who rely on appraisals, have come under increased scrutiny from regulatory and licensing agencies, the Internal Revenue Service, the Federal Home Loan Mortgage Corporation (Freddie Mac), the Federal National Mortgage Association (Fannie Mae), compliance reviewers, and others for alleged manipulation and negligence in the performance of valuations, among other charges.

Two especially common areas today involve the valuation of lands for conservation easement to obtain an income tax deduction, and in the field of securitization related to financing for multifamily housing. Additionally, appraisers and their firms often find themselves the subject of action by state licensing authorities concerning ethics and standards in the performance of appraisal assignments, inconsistencies in appraisals, and data reliability.

We provide counsel to appraisers and transaction stakeholders in an advisory capacity to protect against potential appraisal-based liability as well as representation in the event of government proceedings challenging a valuation of real property.

Real estate appraisals involve an inherent degree of subjectivity, but are also subject to an extensive set of practice standards, including the Uniform Standards of Professional Appraisal Practice (USPAP); statutory and jurisdictional requirements often come into play as well that govern the scope of work to be followed by the appraiser for an assignment.

In a growing number of instances, government agencies have called into question the integrity of the valuations used to support a variety of transactions. The consequences for both the parties to the transactions as well as the appraisers involved can be catastrophic and often come with draconian penalties and fines. These actions may also arise in some instances years after the transaction was completed.

While there are some instances that may warrant scrutiny, the government's net is often cast too broadly and ensnares credible and reputable appraisers and the transactions they have served. Scenarios like these can become costly and time consuming. For the appraiser, ancillary but significant concerns relating to their state license may also arise in connection with such allegations.

The first goal of our practice in this area is to advise clients early on in the transaction, including oversight of an appraisal review process so that potential hurdles are anticipated and our clients are protected in the event of government action. In the event of government investigation or prosecution, we guide clients through the process

while providing zealous advocacy on their behalf to achieve a favorable outcome.

Our attorneys bring an extensive depth of knowledge of the appraisal profession, valuation standards and practices. They are highly regarded among the appraisal profession nationally, and bring an experience level unique to this practice area that includes previous service at the highest levels of U.S. and global regulation of the valuation profession.