



**THE APPRAISAL FOUNDATION**

*Authorized by Congress as the Source of Appraisal  
Standards and Appraiser Qualifications*

**STATEMENT TO**  
**THE SPONSORING ORGANIZATIONS OF**  
**THE APPRAISAL FOUNDATION**

The Board of Trustees of The Appraisal Foundation met in open session on Tuesday, June 15, 2010 to hear allegations that the Appraisal Institute had engaged in conduct detrimental to the interests of The Appraisal Foundation. The Board then went into Executive Session to deliberate the matter and subsequently recessed the meeting prior to the completion of its agenda. The Board reconvened on Monday, July 12, 2010 to complete its work and we want to advise you of the actions taken by the Board of Trustees.

The following resolutions of the Board of Trustees were adopted by the required two-thirds majority as set forth in the Foundation Bylaws:

**RESOLUTION #1**

RESOLVED, that upon consideration of the information and materials presented to the Board of Trustees with respect to the conduct of the Appraisal Institute related to an amendment to Title XI, namely,

*"to maintain the independence of the Appraisal Standards and Appraiser Qualifications Boards and to avoid potential conflicts of interest, the Appraisal Foundation shall not directly or indirectly offer or sponsor any qualifying or continuing education courses for certified or licensed real estate appraisers beyond the National Uniform Standards of Professional Appraisal Practice course specifically required for licensure and certification"*

The Board of Trustees has concluded that the Appraisal Institute engaged in conduct materially and seriously prejudicial to the purposes and interests of the Foundation;

**RESOLUTION #2**

RESOLVED, that as a result of engaging in such conduct, the Appraisal Institute shall be sanctioned as follows:

- 1) The Appraisal Institute shall be suspended as an Appraisal Sponsor effective September 15, 2010 and ending on April 15, 2011;
- 2) Permission by The Appraisal Foundation to the Appraisal Institute to reproduce the Uniform Standards of Professional Appraisal Practice (USPAP) without charge and (b) its discount on the purchase price of USPAP shall be revoked for a period commencing September 15, 2010 and ending on July 1, 2012;

### **RESOLUTION #3**

RESOLVED, The Chair of The Appraisal Foundation shall promptly appoint a task force comprised of not less than three nor more than five members from the Board of Trustees to liaison with the Appraisal Institute during the period of suspension, or for such longer period as the Chair may determine, for the purpose of rehabilitating the relationship of the Appraisal Institute with The Appraisal Foundation as an Appraisal Sponsor.

The bylaws of The Appraisal Foundation outline a process for Sponsors who are about to be expelled or suspended from the Foundation to address the Board of Trustees. Section 5.04 (c) (ii) states:

“The Sponsor shall be given an opportunity to be heard (either orally or in writing at the election of the Sponsor) not fewer than ten (10) days prior to the effective date of any proposed suspension or expulsion. If requested by a Sponsor, a hearing shall be held by the Board of Trustees to determine whether the suspension or expulsion should take place. If a written statement is submitted by the Sponsor, such written statement shall be considered by the Board of Trustees prior to determining whether the suspension or expulsion should take place.”

If a hearing is requested by the Appraisal Institute, we have set a date of such a hearing for Wednesday, September 1, with the location and time yet to be determined. It should be noted that only the suspension, and not the USPAP reproduction limitation, is appealable. If the Appraisal Institute intends to submit a written statement to the Board of Trustees, we have asked that it be received by the Foundation not later than ten days prior to the September 1st hearing.

If you have any questions or need additional information regarding this matter, please contact David Bunton at [david@appraisalfoundation.org](mailto:david@appraisalfoundation.org) or at 202-624-3040.