

40. **APPRAISAL REPORT RECEIVED BY OTHERS (NEW)**

**Question:** I was recently contacted by a lender regarding an appraisal I had performed for another client. The lender had somehow obtained a copy of my appraisal report and had some questions they wanted me to answer. However, this lender was not my original client and was not named as an intended user. Are there any USPAP prohibitions against discussing my appraisal with this lender?

**Response:** Yes. USPAP prohibits the appraiser from communicating *assignment results* or *confidential information* (as defined in USPAP) to anyone other than the client and parties specifically authorized by the client (with the exception of those authorized by due process of law, state appraiser regulatory agencies, and a duly authorized professional peer review committee under certain conditions). Even if the lender who had contacted the appraiser was identified as an

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ETHICS RULE - CONFIDENTIALITY

intended user in the original appraisal report, that lender is not part of the appraiser-client relationship. Therefore, authorization from the client would be needed if that lender wanted to discuss *assignment results* or *confidential information*.

Barring an agreement between the appraiser and the original client prohibiting disclosure of any information pertaining to the assignment, the appraiser may confirm that he or she performed an appraisal on the subject property, and may communicate anything other than *assignment results* (which include the appraiser's opinions and conclusions, in addition to the value conclusion) or *confidential information* (as defined in USPAP).

48. **CONFIDENTIALITY AND INTENDED USERS (NEW)**

**Question:** I recently performed an appraisal. Yesterday, an intended user who is not the client contacted me to discuss the appraisal. Do I need the client's authorization to discuss the appraisal with this intended user?

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**Response:** Yes. Although intended users have an important role in the appraiser's decisions about the appropriate scope of work and the content of the report, the appraiser cannot discuss the appraisal with an intended user without the client's authorization. The Confidentiality section of the ETHICS RULE states:

*An appraiser must not disclose: (1) confidential information; or (2) assignment results to anyone other than:*

- *the client;*
- *persons specifically authorized by the client...*

The appraiser-client relationship is distinct from the appraiser's relationship to intended users.