

NOTICE TO ALL REAL ESTATE APPRAISERS

Guidance Regarding Prohibited Discriminatory Practices

Prohibited Discriminatory Practices

Federal and State Laws prohibit licensed and certified appraisers from reporting appraisal assignments in a discriminatory manner.

NY Executive Law Section 160-d requires, in part, that all appraisers licensed or certified by the Department of State (the “Department”) conform to the uniform standards of professional appraisal practices as promulgated by the Appraisal Standards Board of the Appraisal Foundation (“ASB”).

The ASB, responsible in part for developing the Uniform Standards of Professional Appraisal Practice (“USPAP”), requires each appraisal assignment to be prepared according to appropriate ethical standards. The ASB, in advisory opinion 16 to the 2020-2021 USPAP, opined:

Fair housing law(s) preclude the use of certain specific information or supported conclusions related to protected group(s) in some assignments. Accordingly, an appraiser should be knowledgeable about the laws that affect the subject property of an assignment. Laws and regulations on fair lending and fair housing (such as the Fair Housing Act; the Equal Credit Opportunity Act (ECOA), and the laws and regulations of applicable federal, state, and local jurisdictions) continue to evolve. Further, appraisers must continue to provide appraisals that do not illegally discriminate or contribute to illegal discrimination. The Conduct section of the ETHICS RULE states in part, *An appraiser must not use or rely on **unsupported** conclusions relating to characteristics such as race, color, religion, national origin, gender, marital status, familial status, age, receipt of public assistance income, handicap, or an **unsupported** conclusion that homogeneity of such characteristics is necessary to maximize value* (bold added for emphasis).

In some cases, even **supported** conclusions in assignments relating to characteristics such as race, color, religion, national origin, gender, marital status, familial status, age, receipt of public assistance income, handicap, or group homogeneity cannot be used because they are precluded by applicable law.
(emphasis in original).

Any appraiser, licensed or certified by the Department, that produces an appraisal assignment that fails to comply with appropriate ethical standards or produces an assignment that “contributes to illegal discrimination” may be subject to discipline, including but not limited to the issuance of a fine, suspension or revocation.

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