

# **CODE OF PROFESSIONAL CONDUCT**

## **National Association of Appraisers**

### **September 2010**

#### **Introduction:**

The National Association of Appraisers (NAA) is an association of professional appraisers who have been admitted to membership in the Association after meeting the qualifications for such membership and completing the application process as set forth by the Association and its Board of Directors.

The courts have ruled that if membership in a professional association has a substantial effect on the “relevant market,” the association must adopt both admission and disciplinary procedures that conform to the requirements of “due process.” The essential elements of due process of law are “proper notice” and the “opportunity to be heard.”

The Uniform Standards of Professional Appraisal Practice (USPAP) and the Code of Professional Conduct of NAA in effect at the time of a member’s conduct govern whether such conduct fails to meet minimum standards. The procedural rules for handling a particular complaint will be those which are in effect at the time the alleged violation is filed, not those which were in effect at the time of the investigation.

Furthermore, the procedural rules do not provide members with guidance as to ethical and competent professional conduct; rather they govern only the means of processing complaints about past conduct.

#### **Preamble:**

Recognizing the importance of ethical and competent obligations while fulfilling the role of the professional real property appraiser, the NAA has adopted this Code of Professional Conduct. Every member and associate of the NAA is required to conduct his or her professional activities in accordance with the requirements of the Code of Professional Conduct, as adopted by the Board of Directors, and when applicable, with the Uniform Standards of Professional Appraisal Practice.

Each member is asked to report any significant factual information he or she may possess which can reasonably point to the failure of a member to observe the requirements of the NAA Code of Professional Conduct or the USPAP.

For the purpose and intended use of the NAA Code of Professional Conduct, the terms appraisal and appraisal assignment will be the same definition as used in the USPAP.

#### **Principles:**

Principle 1 – Each member of the NAA must refrain from conduct detrimental to the NAA or the real property appraisal profession or that would prejudice the public’s trust in the NAA or its members.

Principle 2 – Each member must assist the NAA in performing its ethical obligations to the intended users who rely on appraisal services performed by NAA members.

Principle 3 – Each member must comply with the Uniform Standards of Professional Appraisal Practice (USPAP) in effect at the time of acceptance of an appraisal, appraisal consulting or appraisal review assignment and will not knowingly fail to observe the requirements of USPAP as promulgated by The Appraisal Foundation's Appraisal Standards Board.

In addition to the previously stated Principles, each member and associate member further agrees to:

- conduct himself/herself in a responsible and professional manner and utilize fair and equitable business practices when dealing with his/her employer, colleagues, clients and associates; and when performing appraisals or rendering other appraisal services;
- encourage and promote ethical and professional conduct within the appraisal profession;
- recognize and discharge his/her responsibility to uphold laws and regulations governing the policies and activities of the appraisal profession;
- render opinions of value on factual information known at the time of the appraisal, and offer only opinions which are objective, impartial and independent;
- decline those appraisal assignments in which issues exist where assignment results are misleading;
- refrain from making unjustified statements or performing unethical acts which would discredit the NAA or any of its members or associate members;
- comply with the provisions of this Code of Professional Conduct.

The following procedures will be followed when complaints of possible violations of this Code are reported to the NAA Professional Conduct Committee.

#### **Member Complaint Procedures:**

Complaints made to the NAA must be filed within one hundred eighty (180) days of the time that the alleged offense and relating facts could have been known by the complainant in the exercise of reasonable diligence.

Complainant must submit complaint to the Executive Director. Complaint must include a written explanation that includes the facts on which the alleged violation(s) is based, citing the appropriate Principle, and including any supporting documentation.

The Executive Director (ED) records the complaint and assigns a date-related complaint number. It is then forwarded to the Professional Practices Screener, who reviews the complaint and all data submitted to determine if the complaint has substance and if it should be submitted to the Professional Practices Committee (PPC). The Screener may contact the complainant, the subject and other witnesses, but must be careful to maintain as much secrecy and confidentiality as possible to assure that the member may not suffer as a result of an unwarranted complaint. If the Screener should determine that there appears to be sufficient evidence to proceed to the PPC, this will be reported to the ED who will appoint a three-member panel of the Committee to hear the complaint. The ED will select the chair of the panel, who will schedule a hearing giving all parties sufficient time to prepare, and as a minimum of ten days. The ED will serve as secretary of the panel. The hearing may be conducted by telephone conferencing or in person.

The standard of proof in a professional practices hearing is "clear, strong and convincing evidence." The PPC shall report the results to the ED who will record these results and enforce the decision of the PPC. Should the PPC ruling be unfavorable to the member the member shall be given thirty days

to appeal to the Board of Directors. The Board may take any action that it deems warranted by the appeal. No other appeal is provided.