A Huge Win For Appraisers - Especially in California!

The National Association of Appraisers succeeded with a request to the California Court of Appeal, Third Appellate District that the Court publish a recent appellate opinion favorable to real property appraisers. The appellate decision is entitled *Tindell v. Murphy*, and it is important to appraisers because it recognizes the significance of an appraiser's identification of intended users in determining whether an appraiser should be held liable to a borrower. In the case, the plaintiff borrowers had purchased a home during the peak of the real estate bubble but later had regrets about that purchase when the real estate market soured. They blamed the appraiser and other parties for various mistakes that purportedly led them to make the purchase. However, the appraiser's appraisal was for the lender's evaluation of the mortgage loan only and identified only the lender as the intended user. Accordingly, the trial court properly dismissed the lawsuit against the appraiser, and the Court of Appeal upheld that ruling.

The Court of Appeal's decision was not originally slated for publication, meaning that it would not serve as precedent in other cases filed against appraisers. However, with the legal help of attorney Peter Christensen of LIA Administrators & Insurance Services, the NAA filed a formal request for publication with the Court, along with the Northern California Chapter of the Appraisal Institute, who also filed a request.

The Court of Appeal granted the NAA's request. Accordingly, the case will now serve appraisers as useful precedent in California in defending future cases by borrowers (or other "non-intended users") and also help appraisers in other states that do not have published opinions on the issue. It is one of only a handful of appellate cases in the U.S. that specifically addresses the concept of intended user.

The decision and the NAA's request for publication are available here on the website of Peter Christensen.