

SAMPLE FEE APPRAISER ENGAGEMENT LETTER
(Full-Time Farm and Specialized Agricultural Facility Property)

<Date>

<Business Address>

Subject: <Appraisal service request (reference name & number)>

Dear <appraiser>:

This confirms our request and, with your acceptance, is the contract for your professional appraisal services.

Upon your acceptance of this assignment we expect you to provide us with a <Complete> <Limited> appraisal documented in a <Summary> <Self-Contained> Appraisal Report.

Please confirm your acceptance of this assignment by signing this letter and returning a copy to <Institution's representative> at <Institution name> within seven (7) days of receipt.

I. OBJECTIVE and BUSINESS RELATIONSHIP

Our objective is to obtain candid, impartial, and reliable information about the property to be appraised (subject property) for use in a Farmer Mac loan or servicing action.

Upon your acceptance of this assignment, <Institution Name> is your Client. Your work in this assignment is as an independent contractor and not as an employee / partner, principal, or agent of <Institution name>.

II. AUTHORIZATION and PROPERTY IDENTIFICATION INFORMATION

With your acceptance of this assignment, we authorize you to appraise a <fee / leased fee / leasehold> ownership interest in the <> acre(s) in <> parcel(s) located about <distance> <direction> of <community> in <name> <county> <state>. The subject of your appraisal is identified as <identifier, such as Assessor's Parcel Number(s)>.

The following are enclosed or will be provided as indicated to assist you in your work:

<input type="checkbox"/> Legal Description / Title Report (Form 1010A)	<input type="checkbox"/> Environmental Forms
<input type="checkbox"/> Property Use History	<input type="checkbox"/> Property Marketing
<input type="checkbox"/> Irrigation / Drainage Supplement (Form 1013A) Form 1027A	<input type="checkbox"/> Farmer Mac
<input type="checkbox"/> Other: _____	<input type="checkbox"/> Other: _____

III. GENERAL ASSIGNMENT CONDITIONS

Confidentiality -- The results of your assignment are to be communicated only in writing and only to us. All documents and information furnished to you by this company in connection with this assignment are confidential information.

Access and Communications -- Access to the property and additional information regarding its use, productivity, and history is available from <Borrower/Owner/Agent/Manager>, who can be contacted at <telephone number(s)>.

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Please advise us of the date and time when you have made contact with that party and when you have scheduled the property inspection. Also, please contact us immediately if you encounter unforeseen problems, such as difficulty in making access arrangements or obtaining necessary property information.

Delivery Date -- Your appraisal report shall be delivered to us at <address> on or before <mm / dd / yyyy>.

Original and Copies, and Electronic Files --<Number> original paper copies, plus one electronic (Adobe PDF, via email and on a CD-ROM disk) file containing your appraisal report are required. If you are unable to provide the electronic file, provide an unbound original paper copy.

Fee -- The fee for appraisal services rendered, payable upon our acceptance of your report, shall be \$<>. Please include your tax identification number on your invoice.

IV. GENERAL APPRAISAL ASSIGNMENT REQUIREMENTS

All appraisals of Full-Time Farm property must comply with the following minimum requirements.

1. **Standards and Contract Requirements** -- All appraisals must conform to the applicable requirements in the current edition of the *Uniform Standards of Professional Appraisal Practice* (USPAP), and in the Farmer Mac Collateral Valuation Supplement to its Seller/Service Guide. By accepting this assignment you are representing that you have reviewed that material, are aware of the applicable requirements, and will complete this assignment in compliance with them.
2. **Engagement, Compensation, and Personal Interest** -- An appraisal completed by an appraiser who has a direct or indirect interest, financial or otherwise (except for payment of the appraisal service fee), in the property appraised or with regard to the parties involved in the assignment (Client, Client's Customer, Property Owner(s), Property Broker(s), etc.) is not acceptable to Farmer Mac. By accepting this assignment you are representing that you have no such interests and have disclosed to us any existing or prior involvement you may have with the property to be appraised or with the parties to the loan transaction. If you are unable to make your report certification with regard to compensation or personal interest consistent with these conditions and representations, please return this package to us and do not proceed with this assignment.
3. **Competency** -- Your engagement in this assignment is predicated on your being able to personally complete it in compliance with the assignment requirements. If at any time in the course of this assignment you find that you will not be able to comply with the Competency Rule in USPAP, please contact us immediately and do not proceed with any further effort in this assignment until we have discussed the matter.
4. **Assumptions, Limiting Conditions, Extraordinary Assumptions, and Hypothetical Conditions** -- Except by our prior agreement, the only Assumptions, Limiting Conditions, Extraordinary Assumptions, and Hypothetical Conditions Farmer Mac will accept are those shown on Farmer Mac Form 1037 and described in Farmer Mac Seller/Service Guide Collateral Valuation Supplement at Chapter CV101.9B. If you believe there is

a need to apply others, please contact *<client contact name and telephone number>* to discuss obtaining our prior agreement.

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5. **Intended Users** – <originating lender(s)>, <Seller> <Servicer> and Farmer Mac are intended users of your assignment results. We may, without your prior authorization or a notice to you, provide your report or elements of it to other parties for their use in lending-related activities.
6. **Intended Use** – It is our intention to use your assignment results in a Farmer Mac-related loan transaction or servicing action, or in similar lending-related transactions.
7. **Purpose of Appraisal** – The “purpose” in the assignment is to develop and provide the property, market, analysis, and Market Value information in a report that responds to the requirements stated or referenced in this engagement letter.
8. **Date(s) of Value and Date of Report** – The date of value must be a *current date*, typically the date of your last property inspection or a date between the date of your report and the date of this letter. The date of report is the date you sign your appraisal report, and must appear concurrent with your signature in each instance.

V. APPRAISAL DEVELOPMENT (SCOPE OF WORK) AND REPORT CONTENT REQUIREMENTS

Farmer Mac’s “Scope of Work” and “Report Content” requirements are contained in its Seller/Servicer Guide Collateral Valuation Supplement. Chapter CV 101.4 applies to non-irrigated and irrigated land property appraisals and, if the property has building or planting improvements Chapter CV 101.5 applies. If the property is a Specialized Production Agricultural Facility, CV 101.6 also applies.

We expect your report to be documented with content as illustrated on Farmer Mac Form 1027A (attached), using:

- ☐ A narrative style or format
- ☐ The Uniform Agricultural Appraisal Report (UAAR)
- ☐ A form set other than the UAAR

If, in your opinion, the report option indicated above is not appropriate for documenting the appraisal, please contact us immediately to resolve the matter.

NOTE: The areas of the Farmer Mac Form 1027A above your signature are to be completed by you as a report table of contents and content verification checklist.

A signed and signature dated copy of this letter, together with a copy of the Farmer Mac Form 1027A also signed and dated by you, is to be included in the Addenda to your report.

Certification -- Your appraisal report must include your personal certification. Your signature must be in a personal capacity as well as in any business capacity and include your state licensing and certification information as well as any professional accreditation.

This assignment is placed with you on the express condition that your certification constitutes your representation that the assignment was accepted and preformed by

you with knowledge of and in compliance with Farmer Mac's scope of work, report content, and disclosure requirements applicable in the assignment.

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VI. APPRAISAL ACCEPTANCE, APPRAISAL REVIEW, SUBSEQUENT REQUESTS, and SUPPLEMENTAL ASSIGNMENTS

Acceptance Audit -- Your appraisal report will be read and the result compared to your responses to the requirements stated in this engagement letter and Farmer Mac Seller/Service Guide Collateral Valuation Supplement Chapter CV101.

Appraisal Review -- As part of our collateral valuation quality assurance effort, some appraisal reports are subject to an appraisal review completed in accordance with Standard 3 in USPAP.

Subsequent Requests -- You may be contacted to provide responses to questions resulting from our reading or review of your report. By accepting this assignment, you agree to respond promptly to our subsequent requests. When the cause of our subsequent request is a deficiency in your appraisal or report that was under your control, you agree to cure that deficiency promptly without cost to us.

Supplemental Assignments -- If, during or following completion of your work, we determine a need for additional research, analysis, or supplemental appraisal information, that need may be addressed as a supplemental assignment.

VII. ENGAGEMENT / ASSIGNMENT CONTRACT ACCEPTANCE SIGNATURES

I / We agree to the terms of the assignment stated in this engagement letter:

<Institution Name>
name>

<Appraiser and appraisal firm

By _____
Date: _____

<Signature of Representative>

By _____

<Signature of Appraiser>

Attachment: Farmer Mac Form 1027A - SUMMARY OF APPRAISAL
ASSIGNMENT REQUIREMENTS
(Full-Time Farm and Specialized Agricultural Facility Property)