BIAS Article

Bias is the silent destroyer of appraisals. It is akin to a host of termites eating, unseen, through the foundation and framing of a report.

To paraphrase the definition in USPAP*, bias is a tendency to rule out impartial, independent, or objective information in advance of an assignment.

Frequent examples of this occur when an appraiser states that an opinion or conclusion is “based on my experience in the subdivision or market or neighborhood” when, unfortunately, there is nothing to substantiate this in the appraiser’s workfile. Without verifiable data in support of an opinion (or an adjustment, or lack of an adjustment), the appraiser has employed bias with respect to objectivity.

Independence can be compromised if an appraiser allows the non-mandatory guidelines of an AMC or lender to affect the selection of comparable sales. For instance, this can occur when an appraiser compares the subject to sales that are most proximate and/or recent without considering whether they are actually the most comparable. When the appraiser is reporting on the URAR form, this can be a problem because Item #7 in the Appraiser’s Certification says the sales are “locationally, physically, and functionally most similar to the subject.” These may not be the nearest and most recent sales.

USPAP is very clear on this subject of bias in the Conduct component of the Ethics Rule:

> *An appraiser:*
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> - *must not perform an appraisal with bias.*

*BIAS: a preference or inclination that precludes an appraiser’s impartiality, independence, or objectivity in an assignment. [USPAP 2016-2017 Edition (c) The Appraisal Foundation.]