

FIN-12
APPRAISAL REVIEW CHECKLIST POLICY

Adopted: April 28, 2026

The purpose of this Appraisal Review Checklist Policy is to provide reasonable assurance that appraisals are performed according to relevant regulatory provisions and professional standards.

1. The District shall hire an appraiser licensed by the California Bureau of Real Estate Appraisers.
2. The appraiser’s appraisal shall comply with the Uniform Standards of Professional Appraisal Practice.
3. The Finance Committee will complete the following Appraisal Review Checklist for all appraisals.

APPRAISAL REVIEW CHECKLIST

Tenant Name:	Appraiser/Company:
Property Address:	Appraisal Date:
	Value Estimate:
Property Type: Commercial/Residential	<input type="checkbox"/> Commercial <input type="checkbox"/> Residential

Yes	No	*Those items noted with an asterisk are minimum requirements	
<input type="checkbox"/>	<input type="checkbox"/>	Is the appraiser approved by The Grossmont Healthcare District? If not, was the appraisal prepared by another qualified appraiser and was it reviewed by an appraiser approved by The Grossmont Healthcare District under established procedures for review of Uniform Standards of Professional Appraisal Practice (USPAP) and documented in writing?	

Discussion			
<input type="checkbox"/>	<input type="checkbox"/>	Does the appraisal comply with USPAP?	
Discussion			
<input type="checkbox"/>	<input type="checkbox"/>	Does the appraiser state the purpose of the appraisal?	USPAP 2-2
Discussion			
<input type="checkbox"/>	<input type="checkbox"/>	Does the appraisal contain a statement concerning the appraiser's competency or steps taken to comply with the competency provision?	USPAP
Discussion			
<input type="checkbox"/>	<input type="checkbox"/>	Did the appraiser adequately identify the real estate using a legal description? Did he/she identify the real property interest, define the purpose, and intended use of the appraisal, define the extent of the data collection process; identify any special limiting conditions and extraordinary assumptions affecting the value of the property?	USPAP 1-2 USPAP 2-1* USPAP 2-2
Discussion			
<input type="checkbox"/>	<input type="checkbox"/>	Does the appraisal set forth the effective date of the appraisal, as well as the date of the appraisal?	USPAP 1-2 USPAP 2-1*
Discussion			
<input type="checkbox"/>	<input type="checkbox"/>	Is the appraisal based on and contain a definition of market value as defined in USPAP.	USPAP
Discussion			
<input type="checkbox"/>	<input type="checkbox"/>	<p>Did the appraiser define the value being considered? Is the appraisal sufficiently descriptive to enable the reader to ascertain the estimated market value and rationale for the estimate? Does the appraiser clearly indicate whether the estimate is the most probable price:</p> <ul style="list-style-type: none"> • In terms of cash or; • In terms of financial management's equivalent to cash or; <p>In such other terms as may be precisely defined, if an estimate of value is based on submarket financing or financing with unusual conditions or incentives, the terms of such financing must be clearly set forth, their</p>	USPAP 1-2 USPAP 2-2

		contributions to or negative influence on value must be described and explained.	
Discussion			
<input type="checkbox"/>	<input type="checkbox"/>	Does the appraisal contain sufficient supporting documentation with all pertinent information reported so that the appraiser's logic, reasoning, judgment and analysis in arriving at a conclusion indicates the reasonableness of the market value reported? Does it contain sufficient information to be understood properly?	USPAP 1-2 USPAP 2-2
Discussion			
<input type="checkbox"/>	<input type="checkbox"/>	Has the appraiser considered and explained whether an appraisal fractional interest, physical segment or partial holding can be used to estimate the value of the whole by mathematical extension? When considered leased fee estate or leasehold estate, does the appraisal consider and analyze the effect on value, if any, of the terms and conditions of the lease(s)?	USPAP 1-2 USPAP 1-4
Discussion			
<input type="checkbox"/>	<input type="checkbox"/>	Does the appraisal consider easements, restrictions, encumbrances, leases, reservations, covenants, contracts, declarations, special assessments, ordinances, or other items of a similar nature?	USPAP 1-2
Discussion			
<input type="checkbox"/>	<input type="checkbox"/>	Has the appraiser considered the effect on use and value of the following factors: existing land use and regulations, reasonably probable modifications of such land use regulations, economic demand, the physical adaptability of the real estate neighborhood trends?	USPAP 1-3
Discussion			
<input type="checkbox"/>	<input type="checkbox"/>	Does the appraisal set forth the appraiser's opinion of the highest and best use of the real estate, when such an opinion is necessary and appropriate?	USPAP 2-2
Discussion			
<input type="checkbox"/>	<input type="checkbox"/>	Does the appraiser recognize that land is appraised as though vacant and available for development to its highest and best use and the appraisal of improvements is based on their actual contribution to the site?	USPAP 1-3

Discussion			
<input type="checkbox"/>	<input type="checkbox"/>	Does the appraisal follow a reasonable valuation method that addresses the direct sales comparison, income, and cost approaches to market value, consider the quality and quantity of data, reconciles the data and approaches, and explains the elimination of each approach not used?	USPAP 1-5 USPAP 2-2 USPAP 1-4
Discussion			
<input type="checkbox"/>	<input type="checkbox"/>	Did the appraiser provide detail and depth analysis that reflects the complexity of the real estate appraised?	
Discussion			
<input type="checkbox"/>	<input type="checkbox"/>	Did the appraiser employ those recognized methods and techniques that are necessary to produce a creditable appraisal?	USPAP 1-1*
Discussion			
<input type="checkbox"/>	<input type="checkbox"/>	Are there errors of commission or omission that significantly affect the appraisal?	USPAP 1-1*
Discussion			
<input type="checkbox"/>	<input type="checkbox"/>	Is the appraisal report carefully prepared, without negligence, such as a series of errors which are minor by themselves, but when considered in aggregate could be misleading?	USPAP 1-1*
Discussion			
<input type="checkbox"/>	<input type="checkbox"/>	Did the appraiser analyze and report in reasonable detail any prior sales that occurred within one year preceding the date when the appraisal was prepared, for 1-4 family residential property, and three years preceding date when the appraisal was prepared for all other properties?	USPAP 1-5
Discussion			
<input type="checkbox"/>	<input type="checkbox"/>	Does the appraiser consider and analyze any current agreements of sale, options, or listings of the property being appraised, if such information was available?	USPAP 1-5
Discussion			
<input type="checkbox"/>	<input type="checkbox"/>	Does the appraiser analyze and report the reasonable marketing period for the subject property?	

Discussion			
<input type="checkbox"/>	<input type="checkbox"/>	Does the appraisal identify and separately value any personal property, fixtures, or intangible items that are not real property but are included in the appraisal, and discuss the impact of their inclusion or exclusion on the estimate of market value?	USPAP 1-2
Discussion			
<input type="checkbox"/>	<input type="checkbox"/>	Does the appraisal analyze and report on current revenues, expenses, and vacancies for property if it is and will continue to be income producing? Are projections of future rent and expenses based on reasonable clear and appropriate evidence?	USPAP 1-4
Discussion			
<input type="checkbox"/>	<input type="checkbox"/>	Does the appraisal analyze and report on current market conditions and trends that will affect projected income or the absorption period, to the extent they affect the value of the subject property?	
Discussion			
<input type="checkbox"/>	<input type="checkbox"/>	Does the appraisal consider and analyze the effect on value, if any, of anticipated public or private improvements located on or off the site, to the extent that market actions reflect such anticipated improvements as of the effective appraisal date?	USPAP 1-4
Discussion			
<input type="checkbox"/>	<input type="checkbox"/>	Does the appraisal report include an "as is" market value? Does it analyze and report appropriate deductions and discounts for any proposed construction, or any completed properties that are partially leased or leased at other than market rents as of the date of the appraisal, or any tract developments with unsold units?	
Discussion			
<input type="checkbox"/>	<input type="checkbox"/>	Has the appraiser collected, verified, analyzed, and reconciled comparable cost data to estimate the cost of new improvements, or to estimate the difference between new cost and the present worth of improvements?	USPAP 1-4
Discussion			

<input type="checkbox"/>	<input type="checkbox"/>	Has the appraiser examined plans, specifications, or other documentation sufficiently to identify the scope and character of proposed construction?	USPAP 1-4
Discussion			
<input type="checkbox"/>	<input type="checkbox"/>	Is it apparent that the appraiser has used clear and appropriate evidence supporting development costs, anticipated earnings, occupancy projections, and the anticipated competition at the time of completion?	USPAP 1-4
Discussion			
<input type="checkbox"/>	<input type="checkbox"/>	Has the appraiser indicated an estimated time of completion for proposed construction?	USPAP 1-4
Discussion			
<input type="checkbox"/>	<input type="checkbox"/>	Is the comparable sales data current (in most cases, the residential property data will not be more than three months old), and does it have the same highest and best use as the subject property? Are they physically and economically comparable? Has the appraiser adequately explained differences?	USPAP 1-4
Discussion			
<input type="checkbox"/>	<input type="checkbox"/>	Has the appraiser adjusted all comparables in a reasonable and consistent manner? Were they adjusted to a cash equivalent price if affected by non-market financing?	USPAP 1-4
Discussion			
<input type="checkbox"/>	<input type="checkbox"/>	Has the appraiser made numerous or excessive adjustments? Discuss any discrepancies, including mathematical errors.	USPAP 1-4
Discussion			
<input type="checkbox"/>	<input type="checkbox"/>	Is the appraiser using computer generated data? Are the facts and comments accurate and applicable? Do you draw the same conclusions? Has the appraiser proved his/her case?	USPAP 1-4
Discussion			
<input type="checkbox"/>	<input type="checkbox"/>	Does the appraisal include a certification that the appraisal conforms to requirements of USPAP and a	USPAP 2-3*

		statement that the assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan?	
Discussion			
<input type="checkbox"/>	<input type="checkbox"/>	Is there a telephone number on the report and/or a cover letter that would enable the reviewer to contact the appraiser and clarify a questionable report?	
Discussion			
<input type="checkbox"/>	<input type="checkbox"/>	Does the report identify whether the subject property is located in a flood zone?	
Discussion			
<input type="checkbox"/>	<input type="checkbox"/>	Does the report identify whether the subject property is located in an earthquake area?	
Discussion			
<input type="checkbox"/>	<input type="checkbox"/>	If the subject credit request was approved by The Grossmont Healthcare District subject to certain conditions, to be contained/explained within appraisal, explain below which conditions have/have not been met.	
Discussion			
<input type="checkbox"/>	<input type="checkbox"/>	Is the appraisal written and in a narrative format or on forms that satisfy all the requirements of this checklist? Is it clearly set forth in a manner that is not misleading?	USPAP 2-1*
General Discussion/ Comments			Date:
Reviewed By:			
Reviewed By:			