


# USL Report Documenter



Check the appropriate options to select the type of report that you would like to create.

**Welcome**  
—  
—  
**Report Type**  
—  
—  
**Questions**  
—  
—  
**PAGI**  
—  
—  
**Finished**

**Choose the Report Type**  
 Appraisal Report    Restricted Appraisal Report

**Choose the User / Supplemental Standard Type**  
 Lender (Eval)    Lender (FIRREA)    Secondary Market    FHA  
 Non-Lender

If the new Fannie Mae forms are going to be used then choose "Secondary Market or FHA" from the list above even if the lender is keeping in house.

**Choose the Form Type**  
 Standardized    Standardized use USL Certs/Asspts/Lim Conds  
 Narrative & General Purpose Forms

Suggestion: Consider using the USL Limiting Conditions and Certification for all General Purpose forms. Be sure not to include the GP forms Limiting Conditions & Certifications in addition to the USL's copies.

## QUICK- START GUIDE

**This software application aids the appraiser in proper report documentation. It with supplement most residential software and commercial Word templates. It will create a stand-alone Restricted Appraisal Report.**

In order to use this software your computer must be running a modern Windows operating environment. This is not designed for Apple operating systems, but will run in a Windows boot of an Apple system.

If the program does not complete the installation or does not run properly after installation then contact us. Occasionally, one of the older versions of Microsoft's .NET Framework will have to be installed.

The USL Documenter software has been programmed by: Digital Oxygen Software Inc.

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Maryville, TN 37801

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### **Purpose of the USL Documenter**

The USL Documenter Application Software addresses USPAP, Supplemental Standards, and Liability Management. USL is an acronym taken from these topics. It is the author's belief that almost every appraiser can immediately improve his/her reporting with use of the USL Documenter. This program is for both residential and commercial use. This program is designed to aid the appraiser in all aspects of documenting an appraisal Report. It will compile all of the documentation including the Limiting Conditions, Assumptions, Scope of Work, Certification, etc.; or it can produce only a few items to shore up a standard report form like the URAR. It can produce an entire Restricted Appraisal Report or simply supplement your forms software package or commercial template.

***When the only tool you own is a hammer, every problem begins to resemble a nail. ---Abraham Maslow***

The problem with a fixed form is that the appraiser attempts to make the assignment fit the form. This software is dynamic in that it modifies itself to fit the assignment at hand; rather than vice versa.

## **QUICK- START GUIDE**

**User Agreement:** By using AVT's USL Documenter the user agrees not to share or distribute this software. This software is copyrighted 2006-2014 to Automated Valuation Technologies, Inc. This software is for the use of one individual. It may not be reproduced or shared.

Users further agree to use this product at their own risk. The USL Documenter has not been pre-set for any particular appraiser or group of appraisers. This software is very flexible and the user agrees to modify the pre-set phrases to meet their business philosophy and to meet the expectations of their clients and state Appraisal Commission/Board.

This software program can be removed by running the remove program feature in Window's Control Panel.

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Our customers use the USL in conjunction with a number of different residential form packages. Most users apply the built-in "Copy Report" feature and past the USL report into their forms software or word processor.

## **Contents of the CD**

The following files can be found on the CD:

- **Quick-start Guide.pdf**: This is the manual that contains the instructions for installing the USL Documenter. It also contains some basic operating instructions. This guide can be accessed from within the USL Documenter program by clicking the "Help" button.
- **USL Documenter III.msi**: This is the file used to load the USL Documenter.
- **Default.USL-Data**: This is a part of the USL program.

**Go to [www.AVTtools.com](http://www.AVTtools.com) to view other AVT products!**

## **Loading the USL Documenter**

1. Insert the CD into your computer.
2. Open the file USL Documenter III.msi that is on the CD.
3. Once you are in the “Setup Wizard” click on the “Next” button.
4. When the License Agreement becomes visible read it carefully. If you agree to the terms of this agreement then choose “I Agree” and click on the “Next” button.
5. Select the installation folder. If possible use the default folder which is shown by default. Do not load on a network drive (although multiple users may save their documents to a folder on a network drive).
6. For most users select “Everyone”. The Just me selection is an advanced feature for multiple users have their own desktop assigned to them.
7. When asked to confirm installation click the “Next” button.
8. When you are notified that the installation is complete the go to the “Windows Update” site and run the update check. If .NET Framework is an option to either load or update do so.
9. There will be a new shortcut on your desktop. Click it to open the USL Documenter II program. If you receive a message that you need to load .NET Framework then let me know and I will send you a copy to run.

## **Using the USL Documenter**

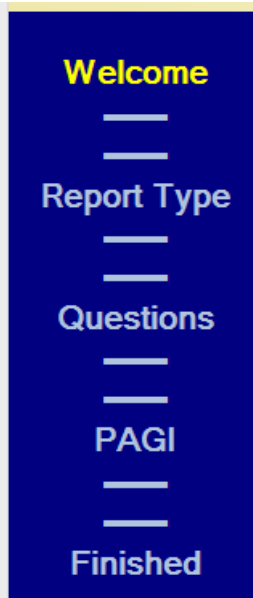
Standard residential forms software and commercial software packages must have a multi-page addenda sheet that is accessible by Microsoft Clipboard to allow the copy the USL Documenter II to be pasted into. Call your software provider for help in identifying the appropriate addenda sheet and how to make it a part of your report template. The documents produced by the USL Documenter may be from one to several pages. If your residential program does not have an addenda page some have a .pdf grabber that will allow you to incorporate the USL Document into the report.

The time it takes to create the desired documentation depends on whether complete report documentation or just some supplementation is needed. However, the first few will take a lot longer to complete.

There are three main components to the USL Documenter: (1 The Wizard, (2 the document, and (3 the Phrase Builder.

Create a folder in your computer to save the USL documents in. This can be a local or network drive. This would ideally be on a drive that is backed up on a regular basis. You can name it any name you wish such as "USL Documents". The USL documents are so easy to create many users never save them individually, and only save them as a part of your appraisal report.

Double click the USL shortcut on your desktop to open the program. Then select "File" on the toolbar. You will then have a choice of starting a new USL Document or retrieving one that you started and saved earlier.



Choose “New” and the Wizard will open. The Wizard consists of four screens:

(1 Welcome, (2 Report Type, (3 Questions, (4 PAGI, and (5 Finished. After the Welcome screen has been filled out the first time, only the Report Type and Questions screens will need to be addressed.

On the “Welcome” screen enter the name of the primary appraiser and if a trainee or secondary appraiser will be signing the report enter their name as well.

Set a link to the signee’s digital signature(s). You may wish to associate the link to the same signature used in your appraisal report software.


	Name	Initials
Primary Appraiser:	David A Braun	DAB
Secondary Appraiser:		

Please Choose the Final Report Layout:

Numbered

Bulleted

Primary Signature... [X]      Secondary Signature... [X]





The next two screens allow the appraiser to enter the information into the computer that the Wizard will need to customize the report to the specific assignment being addressed. The beauty of the USL Documenter is that it allows each user to express his/her personal philosophies of USPAP, supplemental standards, and liability management. It basically produces an outline for the appraiser to follow, manages a database of phrases used in the documentation of an appraisal report, and has numerous time saving features.

For example if the appraiser is doing an appraisal on the new URAR form for the secondary market then the USL manager will not produce the limiting conditions and assumptions. The downside (if there is one) of the USL Documenter is that the flexibility it provides requires that the appraiser consider each question or issue and chooses the appropriate response.

The screenshot shows a software interface with a dark blue vertical navigation menu on the left and a light gray main content area on the right. The menu has the following items: 'Welcome', 'Report Type' (highlighted in yellow), 'Questions', 'PAGI', and 'Finished'. The main content area contains three sections of radio button options:

- Choose the Report Type**
  - Appraisal Report
  - Restricted Appraisal Report
- Choose the User / Supplemental Standard Type**
  - Lender (Eval)
  - Lender (FIRREA)
  - Secondary Market
  - FHA
  - Non-Lender

If the new Fannie Mae forms are going to be used then choose "Secondary Market or FHA" from the list above even if the lender is keeping in house.
- Choose the Form Type**
  - Standardized
  - Standardized use USL Certs/Asspts/Lim Conds
  - Narrative & General Purpose Forms

Suggestion: Consider using the USL Limiting Conditions and Certification

Note: The USL Wizard will try to help by hiding choices that are not recommended.

### **Choose the “Report Type” format that is appropriate for the assignment.**

This is self-explanatory.

### **Choose the “User/Supplemental Standard Type”**

There are five User/Supplemental Standard choices. Of these, the Lender (Eval) and the Lender (FIRREA) may be confusing. These are valuations performed for Federally Regulated Lenders. The Evaluation is a low risk transaction and has much fewer supplemental standards to be complied with. In a time that lenders want the least expensive valuation it is strange that the person ordering the valuation generally has no idea if they want an Evaluation that is not FIRREA compliant or an Appraisal which is FIRREA compliant. The main test for whether a loan can be based on an Evaluation is whether the transaction amount (loan in most cases) is at or below the De Minimus threshold of \$250,000. If the client does not know which is needed then the appraiser should choose the “Lender (FIRREA) option. This ignorance does cost the lender money as Evaluations are typically less expensive and have quicker turn-times. In this category supplemental standards trump the user class. For example if a lender orders a residential appraisal on the new URAR form that it intends to keep in house I suggest choosing the “Secondary Market” choice over one of the “Lender” choices.

### **Choose the “Form Type”**

A lot of the same things are on most standardized forms and the USL manager does not reproduce these items if a standard form is to be used by the appraiser. The USL manager does not produce the custom limiting conditions and assumptions if the appraiser chooses the “Standard” form. It is suggested that the standard form with the USL limiting conditions and assumptions be used whenever possible. However, be warned that many lenders have clerks that have a check list they use for completeness of the report. Not using the standard limiting conditions and assumptions often freaks them out. Because the USL provides the appraiser with more flexibility, the USL has been programmed to always use the USL certs, Limiting Conditions, and assumptions

in conjunction with the "Narrative & General Purpose Forms. Click the "Next" button when those choices are made. Then the "Questions" screen will appear.

## Questions

<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	Are there any hypothetical conditions?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	Are there any extraordinary assumptions?
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Are there any previous sales to report?
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Is there any current agreement of sale, option, or listing?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	Were you incompetent to perform this assignment at the onset?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	Did you pay a fee in the procurement of this assignment?
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Are you a member of a professional appraisal organization?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	Do you have any current or prospective interest in the subject property or parties involved?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	Have you performed any services regarding the subject property within the three year period immediately preceding acceptance of the assignment, as an appraiser

By answering these questions the USL manager can begin customizing the documentation to meet the demands of the assignment. This is not only huge in liability management it actually saves the appraiser time. Basically the "Yes" column means the appraiser will have to specifically address the topic in the USL document. The "No" column means the Wizard can address the topic for the appraiser. The competency question had to be written a little oddly in order to meet this rule, so just remember click "No" if the appraiser does not have to address it later in the USL document.

**Note that the number of questions change based on the things that are built into some residential forms.**

## Primary Appraiser Generated Information (PAGI)

The book, Appraising in the New Millennium; Due Diligence and Scope of Work emphasized that the appraiser must customize the job (scope of work) to the demands of the assignment. USPAP's Scope of Work Rule emphasizes problem identification. One of the issues confusing everyone is the purpose of the appraisal. The purpose of the appraisal is and has always been to provide the intended user with information upon which he/she can base a course of action.

In an appraisal this is usually an opinion of market value. However, sometimes it is not market value, and often it is more than one market value opinion that is need by the intended user. The purpose of diagnosing the intended user's problem is to decide what primary appraisal generated information (PAGI) the intended user needs.

The USL has a unique feature in that it allows the appraiser to identify the PAGI to the reader of the report. It is paramount for the intended user, a reviewer, and your State Appraisal Commission/Board to know specifically what PAGI you are trying to generate.

Welcome

Report Type

Questions

**PAGI**

Finished

The appraiser has diagnosed the intended user's problem and determined what information will be generated to assist the intended user in their decision process. This Primary Appraiser Generated Information is information that will be isolated and considered by the intended user in conjunction with unique aspects of their over-all problem.

**The scope of work for the following PAGI will be addressed:**

Value Opinion

Approach Performed?    Why Not?

Cost


Direct Comparison

Income

Site Value

Market Rent

Other 1

 The Income Approach is not applicable, because th

This feature allows the USL to build the information to be reported for more than one PGI. An example is a lender's reliance on the value as complete and the value "as is" under the current zoning. This is required for the "Lender (FIRREA)" choice by federal regulations where the property is a proposed structure. An example is where the lender wants the whole property value, but also wants the appraiser to form an opinion of the site value. The lender does not care about the cost approach in general, and is probably using the site value in some combination with the value opinion to gauge the amount of hazard insurance to require. The USL manager will allow for the appraiser to present and discuss the scope of work used for the main value opinion and for the opinion of the site value separately.

Currently USPAP requires that the appraiser identify any of the three main approaches to value that are not used. Once you have selected a PGI, the Wizard allows you to address which approaches you used, or will be using. If you wish to modify a response in the Wizard while working in the USL document you may recall the Wizard by either selecting File/USL Document Wizard, or hitting your [Ctrl] & [w] keys simultaneously. The "Finished" screen is the last part of the Wizard. After the user becomes familiar with the information on this screen he/she will skip it.

<b>Welcome</b> — —	There is now enough information to build your document. Your document will now be opened in the document editor window.
<b>Report Type</b> — —	Double-click each field to edit the text in that field.
<b>Questions</b> — —	<b>Black Fields</b> are standard text, and usually don't need to be edited. Double-clicking a black field will allow you to edit the text directly.
<b>PAGI</b> — —	<b>Red Fields</b> are associated with lists of common phrases for that field. Double-clicking these fields will open a phrase builder window, in which you may build the phrase you desire by choosing one or more phrase fragments. You may edit the text of these fields directly by right-clicking the field and selecting the <i>Edit Cell Directly</i> option.
<b>Finished</b>	<b>Gray Fields</b> are optional text that will not be included in the final document. To include a gray field in your document, check the "Inc." box to the left of the field, which will turn the field black.

## Utilizing the features of the Phrase Builder

Once the appraiser feels comfortable answering the questions discussed above the only other thing to learn is how to operate USL's Phrase Builder. This is the system that allows the appraiser to create, store, edit, rename, delete, and retrieve common phrases. This becomes very important as the appraiser will generally have to choose from two to four choices for each item to be addressed. As most appraisers are uncomfortable with writing out their thoughts it is a good idea to save those topics that are well written.

The screenshot shows a software dialog box titled "USL Phrase Builder: Value Def & Source". The main instruction is "Define the type of value and Identify the source of the definition." The interface is divided into several sections:

- Phrase Keyword:** A list of keywords including "Fair Value OCC", "Federal Regs" (which is highlighted), "Gift & Inheritance", "Investment Value", "Liquidation Value", "Market Val <120", "Offer Price", "Reasonable- Bordering property", and "Use Value". Above the list are buttons for "Add", "Edit", "Rename", and "Delete".
- Phrase Preview:** A text area showing the definition for "MARKET VALUE DEFINITION & SOURCE: The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, and acting in what they consider their own best interests; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. Source: OCC [12 CFR, Part 34, Subpart C-Appraisals, §34.42".
- Field Text:** A text area where the selected phrase is inserted into the document text. The text area shows the same definition as the preview, with red wavy lines under the words "knowledgeably" and "Source: OCC [12 CFR, Part 34, Subpart C-Appraisals, §34.42".

At the bottom of the dialog, there are buttons for "Reset Field Text", "Paste Field Text", "OK", and "Cancel".

Note that there is a spell checker built-in the Phrase Builder.

## **Conclusion**

The flexibility that the USL Report Documenter software offers represents a huge leap in appraisal reporting. No one knows for sure how deeply each state appraisal commission/board will demand that the scope of work be broken-down and discussed. I hope that the users of this USL will all work together and share their common phrases and general philosophies by sending comments to me at [david@AVTtools.com](mailto:david@AVTtools.com).

Please include "USL" somewhere in the subject line. I will compile these notes and distribute them to all users. Notify me of any Email address changes if you wish to receive updates and other information.

For help getting started Email me at the above address.

Thanks,

*David Braun*