

# APPRAISER ENGAGEMENT LETTER

Farm & Ranch and Specialized Agricultural Facility Property

Current Date:

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## Seller/Lending Institution Information

Institution Name:

Street:

City:  State:  ZIP:

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## Appraiser Information

Appraisal Firm Name:

Street:

City:  State:  ZIP:

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**Subject:** Appraisal Service Request

Reference Name & Number:

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Dear ,

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 an appraisal developed in compliance with Farmer Mac's Collateral Valuation Supplement\* (CV) Chapter 101 and documented in an Appraisal Report with content as described in the Appraisal Report Content Summary Requirements (Form 1027A\*), using:

- A narrative style or format, or
- 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.

**CERTIFICATION:** This assignment is placed with you on the express condition that your certification constitutes your representation that the assignment was accepted and performed by you with knowledge of and in compliance with Farmer Mac's scope of work, report content, and disclosure requirements applicable in the assignment.

Your Appraisal Report must include your personally signed and dated certification. Your signature must include your state licensing and certification information as well as any professional accreditation, and the two following statements:

- "I am aware of the requirements stated in the Farmer Mac Seller/Service Guide and have completed this assignment in accordance with those requirements as they applied in this assignment."
  - "My analyses, opinions, and conclusions were developed and the appraisal, and this report has been prepared for use in a lending transaction that may include Farmer Mac as an intended user."
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Please confirm your acceptance of this assignment by signing this letter and returning a copy to [redacted] at [redacted] within seven (7) days of receipt. A signed and signature dated copy of this letter is to be included in the Addenda to your report.

**1. BUSINESS RELATIONSHIP:**

Upon your acceptance of this assignment, [redacted] is your Client. Your work in this assignment is as an independent contractor and not as an employee / partner, principal, or agent of [redacted].

**2. AUTHORIZATION AND PROPERTY IDENTIFICATION INFORMATION:**

With your acceptance of this assignment, we authorize you to appraise a [redacted] ownership interest in the [redacted] acre(s) in [redacted] parcel(s) located [redacted] in [redacted], [redacted], [redacted].

The subject of your appraisal is identified as [redacted].

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

- |   |   |
|---|---|
| <input type="checkbox"/> Legal Description / Title Report | <input type="checkbox"/> Agricultural Water Supply Questionnaire (Form 1020*) |
| <input type="checkbox"/> Property Use History             | <input type="checkbox"/> Assumptions & Limiting Conditions (Form 1037*)       |
| <input type="checkbox"/> Property Marketing History       | <input type="checkbox"/> Environmental Form (e.g. Form 1010A*)                |
| <input type="checkbox"/> Other: [redacted]                | <input type="checkbox"/> Other: [redacted]                                    |

- If the subject of your appraisal includes a proposed permanent planting development project, attached is the project plan, which we have reviewed and approved for use in your appraisal. Your appraisal is to include your opinions of Market Value 'As Is, as of a Current Date', 'As If Currently Completed (As Will be), as of a Current Date' under the hypothetical condition that the project is completed, and 'Prospective, At Stabilized Income, as of the Future Date' under the extraordinary assumption that the planting was completed and has reached that production level.

\*These forms can be obtained through the originating institution or by emailing Farmer Mac's Client Services team at ClientServices@FarmerMac.com.

**3. 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 [redacted] who can be contacted at [redacted].

Please advise us of the date and time when you have contacted 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:** Your Appraisal Report shall be delivered to us at [REDACTED] on or before [REDACTED]. [REDACTED] original paper copies, plus one electronic (Adobe PDF, via email) 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 [REDACTED]. Please include your tax identification number on your invoice.

#### 4. GENERAL APPRAISAL ASSIGNMENT REQUIREMENTS:

All appraisals must comply with the following minimum requirements:

- **Competency:** Your engagement in this assignment is predicated on you being able to personally complete it in compliance with the assignment requirements. If at any time during this assignment you find that you will not be able to comply with the Competency Rule in USPAP, please contact us immediately.
- **Assumptions, Limiting Conditions, Extraordinary Assumptions, and Hypothetical Conditions:** Farmer Mac will accept the Assumptions and Limiting Conditions (Form 1037\*). If you believe there is a need to apply others or Extraordinary Assumptions and/or Hypothetical Conditions, please contact [REDACTED] to obtain our prior agreement.
- **Intended Users and Intended Use:** [REDACTED] 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. 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.

\*Form 1037 can be obtained through the originating institution or by emailing Farmer Mac's Client Services team at ClientServices@FarmerMac.com.

#### 5. APPRAISAL ACCEPTANCE, APPRAISAL REVIEW, SUBSEQUENT REQUESTS, AND SUPPLEMENTAL ASSIGNMENTS:

- **Acceptance Audit and Appraisal Review:** Your Appraisal Report will be read and the result compared to your responses to the requirements stated in this engagement letter. 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.

**4. ENGAGEMENT / ASSIGNMENT CONTRACT ACCEPTANCE SIGNATURES:**

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

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**Seller/Lending Institution Representative**

Signature:  Date:

Electronic and physical signatures accepted.

Print Name:

Title:

Institution Name:

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**Appraiser**

Signature:  Date:

Electronic and physical signatures accepted.

Print Name:

Appraisal Firm Name: