

109. APPRAISING PHYSICAL SEGMENTS (5-ACRE PORTION)

Question: A local lender has asked me to appraise only a 5-acre portion of a 62-acre parcel, stating that Fannie Mae will lend on no more than 5 acres. Am I permitted to comply with this request?

Response: Standards Rule [1-2\(e\)\(v\)](#) states that the subject of an assignment may be a physical segment of a property. However, appraisers must also comply with any supplemental standards that might apply (see [SUPPLEMENTAL STANDARDS RULE](#)).

If the assignment requires compliance with supplemental standards published by Fannie Mae, the appraiser must be aware of the current policy. As stated on page 35 of the *Fannie Mae Handbook for Appraisers*:

Some appraisers report that they have been asked to appraise only a portion of a larger site: for example, the borrower owns a 30-acre site and you are asked to appraise only five acres and the property improvements. Fannie Mae considers this an unacceptable appraisal practice...

Failure to recognize this supplemental standard would be a violation of the [ETHICS RULE](#) or [COMPETENCY RULE](#).

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By: The Appraisal Foundation, Washington, D.C.