

Privacy Notice

Pursuant to the Gramm-Leach Bliley Act of 1999, effective July 1, 2001, Appraisers along with all providers of personal financial services are now required by federal law to inform their clients of the policies of the firm with regard to the privacy of client nonpublic personal information.

As professionals, we understand that your privacy is very important to you and are pleased to provide you with this information. During the inspection process, you may have been presented with an 'Inspection & Privacy Verification Form', which verifies that Dana J Vanderhorst was given the opportunity to inspect the 'real property' and that you were presented with this privacy statement. A sample of the 'Inspection & Privacy Verification Form' is located on our website for your review.

Types of Nonpublic Personal Information We Collect

In the course of performing an appraisal report, we collect what is known as 'nonpublic personal information' about you. This information is used to facilitate the services that we provide to you and may include the information provided to us by you directly or received to us from others with your authorization. In addition, Exterior and interior photographs, and structure measurements are taken during the inspection as required and to further support any conclusions made by HBA, Inc.

Parties to Whom We Disclose Information

We will not disclose any nonpublic information obtained in the course of our engagement with Said Client to non-affiliated third parties, except as necessary or as required by law. By way of example, a necessary disclosure would be to our employees, and in certain situations, to unrelated third party consultants who need to know that information to assist us in providing appraisal services to you. Our employees and any third party consultants are informed that any information they see as a part of an appraisal assignment is to be maintained in strict confidence within the firm.

A disclosure required by law would be a disclosure by us that is ordered by a court of competent jurisdiction with regard to a legal action to which you are a party.

Confidentiality and Security

We will retain records relating to professional services that we have provided to you for a reasonable time (5 years as required by law) so that we are better able to assist you with your needs. In order to protect your nonpublic information from unauthorized access by third parties, we maintain physical, electronical, and procedural safeguards that comply with our professional standards to insure the security and integrity of your information.

It is important to note that the appraisal report is the property of HBA, Inc. and Said Client, as shown on the completed appraisal report. *No copy or information pertaining to the appraisal can be released in any form to any one under any circumstances without the proper written consent of Said Client, as printed on the report.* If there is any concern in the matter; it is recommended that the applicant/borrower get in contact with Said Client immediately. The consumer(s) must be given a copy of the appraisal report by the client, upon written request, under the Equal Credit Opportunity Act.

Please feel free to call us any time at 937-492-4560 if you have any questions about the confidentiality of the information that you provide to us.

You are welcome to visit our website at <http://www.hbainc.net>, where you will find additional information and an opportunity to leave comments, suggestions, etc.



Real Estate Appraisal 'Quick Facts'

At minimum, all real estate appraisers must be licensed or certified in providing appraisal reports for federally related transactions. Each state is responsible for processing of appraiser applications, regulation of the examination process, approval of appraiser continuing education courses, responding to consumer inquiries and complaints and the investigation of appraisers for possible violations of Ohio license law.

The appraiser gets her or his information from a wide variety of sources including the local Multiple Listing Service, local tax assessors records, local real estate professionals, county court house records, private public record data vendors, interviews with the sellers or buyers, appraisal data co-operatives and her or his own personal knowledge (or experience) including office files from previous appraisal reports. The quality and reliability of each piece of information is considered by the appraiser.

It is very important to note that the appraiser is not a whole house inspector, an engineer, architect, an electrician, plumber, H.V.A.C. technician or contractor. The appraiser completes a walk through of the house to get an idea of the general condition, overall quality and room layout. An appraisal is not a guarantee of condition. As a professional, the appraiser will ask about any visible problems and those which may not be visible, and will do her/his best to gauge any impact on value attributable to those problems. You are encouraged to seek the advice of experts if you have any questions about the structural or mechanical aspects.

The appraisal process is an orderly and concise method of reaching an estimate of value. The process has six (6) major steps which include: definition of the problem, preliminary survey and appraisal plan, data collection and analysis, application of the three approaches to value, reconciliations of value indications, and final estimate of defined value. This process assists the appraiser in reaching a sound conclusion. The major phase of this process involves the application of the three approaches to value which include the Market Data Approach, the Cost Approach and Income Approach. The three approaches are reconciled and the value via most applicable approach, in the opinion of the appraiser, is selected as the final estimate of value. In most residential appraisals, particularly those of single or two family dwellings, the direct sales comparison or market approach best reflects the actions of buyers and sellers and is the most convincing and defensible approach to value.

Market Approach or 'fair market value' is the most probable price that a property should bring (will sell for) in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, 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; (3) a reasonable time is allowed for exposure to 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.

The cost approach combines an estimate of land value with an estimate of depreciated reproduction or replacement cost of the improvements. The principle of substitution is the basis of the cost approach, in that no rational person will pay more for a property than the amount for which he can obtain, by purchase of a site and construction of a building, with undue delay, a property of equal desirability and utility

The income approach is based on an estimate of net income from the operation of an income producing property and the selection of the property capitalization rate from market indications of similar properties. The principle of anticipation is the basis of the income approach and affirms that value is created by the expectation of benefits to be derived from possession, operation and/or capital gain at resale.