

## Chattel Appraisal Letter of Engagement

Date:

Dear

We are requesting a chattel appraisal and report to be completed by you/your firm. You have agreed to provide this report to our office in \_\_\_\_\_ no later than \_\_\_\_\_, which you have agreed to in the placing of this order. You have agreed to complete and deliver this report for the sum of \_\_\_\_\_. It shall be completed in an original and 1 (one) copy.

Your Point of Contact shall be \_\_\_\_\_ at \_\_\_\_\_. He/She will coordinate access to the property. Discussions with the property owner shall be limited to only those necessary to assure a Farm Service Agency compliant appraisal report.

This appraisal and report shall provide the "As Is" market value of the property.

This appraisal is to be completed in accordance with the written appraisal requirements of the Farm Service Agency. These requirements are found in paragraph 142 A of FSA 1-FLP and in paragraph 182 of 2-FLP. You can utilize any reporting format desired however the report must contain, at a minimum, an identification of all chattel items appraised. As set forth in the above referenced handbooks the appraisal shall also include the following details on the various items:

The quantity, kind, sex, breed, color, weight or average weight, brands or other identification, and value of livestock.

The quantity, kind, manufacturer, size and type, condition, year of manufacture, serial or motor number (major items), and value of machinery and other equipment. On major items identify the key components contributing to value such as duals, cabs, MFWD, etc.

Do not include the aggregated value of items not readily or separately identified, i.e. Misc. Hand Tools @ \$5,000.

**The appraisal must identify the source of values for the items appraised.** The appraised value should always be based upon local auction results of same or similar property. In the absence of local information it may be based upon trade publications such as the F.A.C.T.S report. In no cases shall they represent retail value.

Prior to issuing payment for this report it will be reviewed administratively by the Bank and may also be reviewed by the Farm Service Agency as guarantor of the loan.

If you have any questions on this assignment, please contact me at \_\_\_\_\_ ext. \_\_\_\_ or email at \_\_\_\_\_.

Sincerely,