

# THE REAL PROPERTY APPRAISER QUALIFICATION CRITERIA AND INTERPRETATIONS OF THE CRITERIA



*REAL PROPERTY APPRAISER QUALIFICATION CRITERIA  
EFFECTIVE JANUARY 1, 2008*

*APPENDIX  
REAL PROPERTY APPRAISER QUALIFICATION CRITERIA  
PRIOR TO JANUARY 1, 2008*

*INCLUDES ALL INTERPRETATIONS AND SUPPLEMENTARY  
INFORMATION AS OF FEBRUARY 1, 2007*



**THE APPRAISAL FOUNDATION**

*Authorized by Congress as the Source of Appraisal  
Standards and Appraiser Qualifications*

**APPRAISER QUALIFICATIONS BOARD**



*The Appraisal Foundation, a non-profit organization established in 1989, is dedicated to the professional advancement of the appraisal profession. The Foundation accomplishes its mission through the work of its two independent Boards, the Appraiser Qualifications Board and the Appraisal Standards Board.*

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# WHAT IS THE AQB?

The Appraiser Qualifications Board (AQB) is an independent board of The Appraisal Foundation. The AQB is composed of at least five practicing appraisers who are appointed by the Foundation's Board of Trustees for three-year terms.

Under the provisions of Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA), the AQB establishes the minimum education, experience

and examination requirements for real property appraisers to obtain a state certification. In addition, the AQB performs a number of ancillary duties related to real property and personal property appraiser qualifications (see Other AQB Work on page 3).

## REAL PROPERTY APPRAISER QUALIFICATION CRITERIA, INTERPRETATIONS OF THE CRITERIA AND SUPPLEMENTARY INFORMATION

States are required to implement appraiser certification requirements that are no less stringent than those issued by the AQB in the Real Property Appraiser Qualification Criteria.

The AQB is aware that it has no statutory authority to develop criteria for the Licensed and Trainee classifications and the states are not required to adopt the criteria. The authority to develop requirements for the Licensed and Trainee classifications is vested in the individual states, territories and possessions.

The original criteria, adopted by the AQB in March 1991, included the following classifications: Certified General, Certified Residential and Licensed. Each of these classifications has education, experience, examination and continuing education requirements. The Trainee classification was later adopted by the AQB in 1993 and does not include experience or examination requirements.

After public exposure, the AQB adopted revisions to all classifications in early 1994 for implementation in January 1998. Major components of the revised Criteria include:

- An increase in the education requirements for the Licensed and Certified General classifications to include a 15-hour Uniform Standards of Professional Appraisal Practice (USPAP) course (the Certified Residential education requirements were not increased, however a 15-hour USPAP course is also required);
- An increase in the experience requirements for the Certified Residential and Certified General Classifications from 2,000 to 2,500 hours, and from 2,000 to 3,000 hours, respectively; and
- An increase in the continuing education requirement from 10 to 14 classroom hours for all classifications.

To further clarify AQB intent to users of the Criteria, the AQB periodically issues Interpretations of the Criteria. Interpretations are essential to properly understanding the Criteria and

are, therefore, binding on users of the Criteria. The current Interpretations are included within the text of this document.

In late 1999, the AQB approved the concept of offering Supplementary Information (or Supplements) to the Criteria as a mechanism to offer additional guidance. The Supplements, which can be found toward the end of the current Criteria, explain, describe and further interpret the Criteria and all binding requirements.

After thorough public exposure, the AQB adopted significant revisions to the Criteria in early 2004 for implementation in January 2008. Highlights of the major revisions include:

- An increase in the education requirements for the Licensed, Certified Residential and Certified General classifications. The Licensed classification was raised from 90 to 150 hours, the Certified Residential classification was increased from 120 to 200 hours, and the Certified General classification was raised from 180 to 300 hours; and
- A requirement for college-level education for the Certified Residential and Certified General classifications. The Certified Residential classification requires an Associate degree or higher, or in lieu of a degree, a minimum of 21 college semester hours in specified coursework. The Certified General classification requires a Bachelors degree or higher, or in lieu of a degree, a minimum of 30 college semester hours in specified coursework.

For the reader's convenience, this document includes the current Criteria as well as an Appendix containing the new Criteria effective January 1, 2008.

The section containing the existing Criteria also includes Interpretations following each section (Examination, Education, Experience, and Continuing Education). These Interpretations are listed in subject matter order, which is designed to follow the applicable Criteria. As a result, the dates reflecting the adoption of some Interpretations will not follow a chronological sequence.

### **Supporting the Work of the AQB**

The AQB encourages input from appraisers, users of appraisal services and the public through the exposure draft process, public meetings, speaking engagements and correspondence. Detailed information on how to support the AQB is available online via the Foundation's web site at [www.appraisalfoundation.org](http://www.appraisalfoundation.org) or by contacting the Board's staff at the Foundation by calling (202) 347-7722 or via e-mail at [staff@appraisalfoundation.org](mailto:staff@appraisalfoundation.org).

### **Exposure Draft Process**

In recognition of the public authority of the AQB, all proposed revisions to the Real Property Appraiser Qualification Criteria must be exposed for public comment prior to adoption. The AQB considers all comments in public meetings prior to taking final action.

### **Public Meetings**

The AQB conducts periodic public meetings. Observers are encouraged to attend and may address the Board regarding an agenda item time permitting, if a request is made in writing at least fifteen days prior to the meeting.

### **Speaking Engagements**

Members of the AQB are available for speaking engagements and presentations on the current work of the Board. Invitations to speak should be directed to the Board's staff and should be extended as early as possible in order to facilitate scheduling.

### **Correspondence**

Specific questions regarding the Real Property Appraiser Qualification Criteria or any other AQB matters may be submitted in writing to the AQB in care of the Foundation. Electronic comments may be submitted directly from the web site or via regular mail.

### **Other AQB Work**

In addition to its work on the Real Property Appraiser Qualification Criteria, the AQB is involved in numerous other ongoing projects including:

- Maintenance and periodic updating of the National Uniform Examination Content Outlines (ECO's). These ECO's are used in the development of state licensure and certification examinations.
- Development of and enhancements to the Program to Improve USPAP Education.
- Administration of the Course Approval Program.
- Development of voluntary Personal Property Appraiser Minimum Qualification Criteria.

More information on The Appraisal Foundation and the activities of the AQB is available online at [www.appraisalfoundation.org](http://www.appraisalfoundation.org) or by contacting the Board's staff at The Appraisal Foundation by phone at (202) 347-7722 or via e-mail at [staff@appraisalfoundation.org](mailto:staff@appraisalfoundation.org).



# REAL PROPERTY APPRAISER QUALIFICATION CRITERIA EFFECTIVE JANUARY 1, 2008

## General Interpretations

1. For the purpose of the Real Property Appraiser Qualification Criteria, the following definitions apply:

**Real Property Appraiser Qualification Criteria (Criteria):** Established by the Appraiser Qualifications Board (AOB) of The Appraisal Foundation, these Criteria set forth the minimum education, experience and examination requirements for real property appraisers.

**Required Core Curriculum:** A set of appraisal subject matter major headings known as “modules” which requires a specified number of educational hours at each credential level.

*Comment:* For example, as part of the Required Core Curriculum, a minimum of 30 hours of coverage of the module “Basic Appraisal Principles” is required, as stated in the Criteria effective January 1, 2008.

There is no requirement that the title of courses match the title of the modules in the Required Core Curriculum. Some providers may choose to develop courses using the module titles, while others may not. The title of the course is not the important factor. What matters is how many hours of each of the modules in the Required Core Curriculum are in the course. For example, a provider may have a course that contains 30 hours of the Required Course Curriculum module, “Basic Appraisal Principles.” Another provider may structure their education so that multiple courses combine to provide the 30 hours of coverage required for the “Basic Appraisal Principles” module.

**Subtopics:** Areas of appraisal education (as identified in AOB Guide Note 1) that should be included within the modules of the Required Core Curriculum.

*Comment:* As Guide Note 1 is guidance and not a requirement, coverage of the subtopics is not required for educational offerings to be valid; however, individuals will be expected to demonstrate competency in the subtopics in order to pass the revised licensing/certification examinations.

**Interpretations:** Elaborations or clarifications of the Real Property Appraiser Qualification Criteria issued by the AOB. Interpretations are essential to a proper understanding of the requirements set forth in the Criteria and are, therefore, binding upon users of the Criteria.

**Guide Notes:** Guidance or advice provided by the AOB for assisting in understanding and implementing the Criteria. *Comment:* For example, AOB Guide Note 1 (GN-1) “AOB Guidance for Curriculum Content” provides state regulators, students and educators suggested subtopics and items of coverage for each module in the Required Core Curriculum. The subtopics identified in Guide Note 1 represent those areas of education in which appraisers should be able to demonstrate competency to pass the licensing/certification examinations. (adopted, September 2005)

2. The following are the only acceptable alternatives for implementing the 2008 Real Property Appraiser Qualification Criteria:

### “Firm Date” Scenario

Any credential issued by a state appraiser regulatory body on or after January 1, 2008, must be in compliance with all components of the 2008 AOB Real Property Appraiser Qualification Criteria.

Under this scenario, it would not matter when an applicant completed his or her education, examination, and experience; if the credential is issued on or after January 1, 2008, the applicant must meet the requirements for all components of the 2008 Criteria.

### “Segmented” Scenario

The requirements for a credential are broken down by the three components: education, experience, and examination. An applicant would have to meet the Criteria requirements in effect at the time he or she completes a particular component. Any component completed prior to January 1, 2008, would satisfy the current Criteria, while any component not completed by January 1, 2008, would have to conform to the 2008 Criteria. *Note:* Examination results are only valid for a maximum period of 24 months.

*Example:* An applicant for a Certified General credential completes all of the currently required 180 hours of qualifying education and passes the state’s Certified General examination in 2007, but does not possess the required 30 months and 3,000 hours of experience. Since the applicant completed the education and examination components prior to January 1, 2008, he or she would be deemed to have satisfied those components. Therefore, the only component which the applicant would have to satisfy under the 2008 Criteria would be experience. (adopted, September 2005)

## CRITERIA APPLICABLE TO ALL APPRAISER CLASSIFICATIONS

I. **Appraisers in all classifications shall perform and practice in compliance** with the Uniform Standards of Professional Appraisal Practice (USPAP).

### II. Existing Credential Holders

Existing credential holders in good standing in any jurisdiction shall be considered in compliance with current Appraiser Qualifications Board criteria if they have passed an AQB approved qualifying examination for that credential. This applies to reciprocity, temporary practice, renewals, and applications for the same credential in another jurisdiction. All credential holders must comply with ongoing requirements for Continuing Education, and state renewal procedures.

### III. Generic Education Criteria

#### A. Class hour

1. A class hour is defined as 60 minutes, of which at least 50 minutes are instruction attended by the student.
2. The prescribed number of class hours includes time for examinations.

#### B. Credit for the class hour requirements may be obtained only from the following providers:

1. Colleges or universities
2. Community or junior colleges
3. Real estate appraisal or real estate related organizations
4. State or federal agencies or commissions
5. Proprietary schools

6. Providers approved by state certification/licensing agencies

7. The Appraisal Foundation or its Boards

C. Experience may not be substituted for education.

D. Distance Education is defined as any education process based on the geographical separation of student and instructor. A distance education course is acceptable to meet class hour requirements if:

1. The course provides interaction. Interaction is a reciprocal environment where the student has verbal or written communication with the instructor; and
2. Content approval is obtained from the AQB, a state licensing jurisdiction, or an accredited college, community college, or University that offers distance education programs and is approved or accredited by the Commission on Colleges, a regional or national accreditation association, or by an accrediting agency that is recognized by the U.S. Secretary of Education. Non-academic credit college courses provided by a college shall be approved by the AQB or the state licensing jurisdiction; and
3. Course delivery mechanism approval is obtained from one of the following sources:
  - i. AQB approved organizations providing approval of course design and delivery; or
  - ii. a college that qualifies for content approval in paragraph 2 above that awards academic credit for the distance education course; or
  - iii. a qualifying college for content approval with a distance education delivery program that approves the course design and delivery that incorporate interactivity



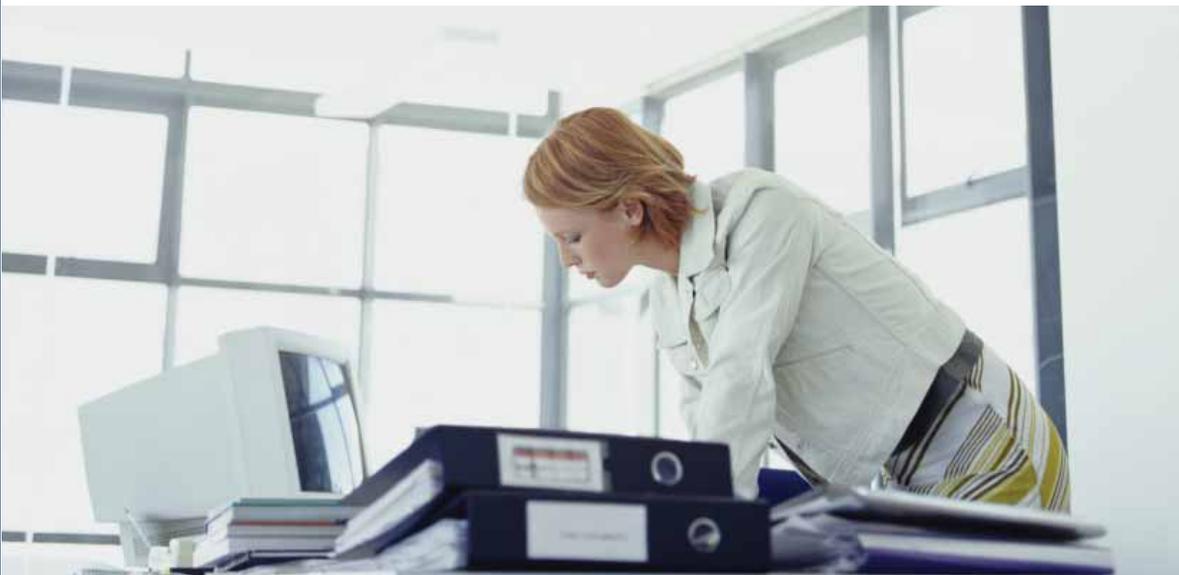
## E. Criteria specific to Qualifying Education

1. Class hours will be credited only for educational offerings with content that follows the Required Core Curriculum in the Appendix for each respective credential. Course content requirements may be general or specific to property types. The Required Core Curriculum is to be followed by major headings with the classroom hours for each. Guide Notes (GN-1) contain guidance for curriculum contents with subtopics listed under each major module listed in the Appendix. Guide Notes (GN-1) with subtopics will be used for developing examination content outlines for each applicable credential level and may also be amended from time to time to reflect changes in technology or in the Body of Knowledge. Guide Notes (GN-1) are not mandatory for meeting the Required Core Curriculum in the Appendix.
2. Class hours may be obtained only where:
  - i. the minimum length of the educational offering is at least 15 hours, and
  - ii. the individual successfully completes an approved closed-book examination pertinent to that educational offering.
3. Where the qualifying education course includes multiple modules as listed in the Required Core Curriculum, there must be appropriate testing of each module included in a course.
4. Courses taken to satisfy the qualifying education requirements must not be repetitive. USPAP Courses taken in different years are not repetitive. Courses shall foster problem-solving skills in the education process by utilizing case studies as a major teaching method when applicable.

5. Applicants must take the 15-Hour National USPAP Course, or its equivalent, and pass the associated 15-Hour National USPAP Course Examination. At least one of the course instructors must be an AQB Certified USPAP Instructor who is also a state certified appraiser. Equivalency shall be determined through the AQB Course Approval Program or by an alternate method established by the AQB. USPAP education presented in a distance education format must be designed to foster appropriate student-to-student, student to instructor, and student to material interaction.
6. In addition to the generic requirements described in III. E, distance education courses intended for use as qualifying education must include a written examination proctored by an official approved by the college or university, or by the sponsoring organization. The testing must be in compliance with the examination requirements of this section.

## F. Criteria Specific to Continuing Education

1. The purpose of continuing education is to ensure that appraisers participate in a program that maintains and increases their skill, knowledge, and competency in real property appraising.
2. Credit towards the continuing education hour requirements for each appraiser classification may be granted only where the length of the educational offering is at least two (2) hours.
3. Credit may be granted for education offerings that are consistent with the purpose of continuing education and cover those real property related appraisal topics, including, but not limited to:
  - i. Ad valorem taxation;
  - ii. Arbitration, dispute resolution;



- iii. Courses related to the practice of real estate appraisal or consulting;
  - iv. Development cost estimating;
  - v. Ethics and standards of professional practice, USPAP;
  - vi. Land use planning, zoning;
  - vii. Management, leasing, timesharing;
  - viii. Property development, partial interests,
  - ix. Real estate law, easements, and legal interests;
  - x. Real estate litigation, damages, condemnation;
  - xi. Real estate financing and investment;
  - xii. Real estate appraisal related computer applications; and/or
  - xiii. Real estate securities and syndication.
4. Up to one half of an individual's continuing education requirement may also be granted for participation, other than as a student, in appraisal educational processes and programs. Examples of activities for which credit may be granted are teaching, program development, authorship of textbooks, or similar activities that are determined to be equivalent to obtaining continuing education. Credit for instructing any given course or seminar can only be awarded once during a continuing education cycle.
5. Educational offerings taken by an individual in order to fulfill the class hour requirement for a different classification than his/her current classification may be simultaneously counted towards the continuing education requirement of his/her current classification.
6. In addition to the generic requirements described in III. E., distance education courses intended for use as continuing education must include at least one of the following:
- i. A written examination proctored by an official approved by the college or university, or by the sponsoring organization; or
  - ii. Successful completion of prescribed course mechanisms required to demonstrate knowledge of the subject matter
7. Real estate appraisal related field trips may be acceptable for credit toward the continuing education requirements. However, transit time to or from the field trip should not be included when awarding credit unless instruction occurs during said transit time.
8. Appraisers must successfully complete the 7-Hour National USPAP Update Course, or its equivalent, every two calendar years. Equivalency shall be determined through the AQB Course Approval Program or by an alternate method established by the AQB.
9. Individuals who are credentialed in more than one jurisdiction shall not have to take more than one 7-Hour National USPAP Update Course within a two calendar year period for the purposes of meeting AQB Criteria.
10. USPAP continuing education credit shall only be awarded when the course is instructed by at least one AQB certified instructor who is also a state certified appraiser.
11. The equivalent of fourteen class hours of instruction in courses or seminars for each year during the period preceding the renewal is required. For example, a two-year continuing education cycle would require twenty-eight hours. The class hour requirement can be fulfilled at any time during the cycle.

Continuing Education Interpretations

1. AQB Certified USPAP Instructors successfully completing the seven-hour Instructor Recertification Course and exam (if required) within the current continuing education cycle, have satisfied the seven-hour National USPAP Update Course continuing education requirement. (adopted, September 2004)
2. Appraiser regulatory agencies with the appropriate authority to do so, may place a credential holder in an "inactive status" in the event that the state determines that a deficiency in continuing education was due to extenuating circumstances.

Prior to reactivation, credential holders in an inactive status must complete all required continuing education hours that would have been required if the credential holder was in an active status. The required hours must also include the most recent edition of a 7-hour National USPAP Update Course

Waivers may not be granted to credential holders who have failed to meet the continuing education requirements.

Deferrals may not be granted to credential holders, except in the case of individuals returning from active military duty. State appraiser regulatory agencies may allow credential holders returning from active military duty to be placed in active status for a period of up to 90 days pending completion of all continuing education requirements. (adopted, May 2006)

3. Credentialed appraisers are required to complete continuing education for a partial year in a continuing education cycle as follows:

For continuing education cycle periods of 185 days or more, 14 hours of continuing education is required.

For continuing education cycle periods of less than 185 days, no hours of continuing education are required.

Example #1: A credential issued on August 15 that expires on December 31 of the same year would not require any continuing education hours for that year.

Example #2: A credential issued on May 15 that expires on December 31 of the same year would require 14 continuing education hours for that year.

Example #3: A credential issued on August 15 that expires on December 31 of the following year would require 14 hours of continuing education to renew. (adopted, May 2006)

4. State appraiser regulatory agencies may award continuing education credit to credentialed appraisers who attend a state appraiser regulatory agency meeting, under the following conditions:

Credit may be awarded for a single state appraiser regulatory agency meeting per continuing education cycle. The meeting must be open to the public and must be a minimum of two (2) hours in length. The total credit cannot exceed seven (7) hours.

The state appraiser regulatory agency must ensure that the credentialed appraiser attends the meeting for the required period of time. (adopted, January 2007)

IV. **Generic Examination Criteria**

A new applicant not currently licensed or certified and in good standing in another jurisdiction, shall have up to 24 months, after approval by the state, to take and pass an AQB approved qualifying examination for the credential. Successful completion of the examination is valid for a period of 24 months, and the applicant must meet the requisite experience requirement within 24 months.

V. **Generic Experience Criteria**

- A. Education may not be substituted for experience, except as shown below in Section D below.
- B. The quantitative experience requirements must be satisfied by time spent on the appraisal process. The appraisal process consists of: analyzing factors that affect value; defining the problem; gathering and analyzing data; applying the appropriate analysis and methodology; and arriving at an opinion and correctly reporting the opinion in compliance with USPAP.
- C. Hours may be treated as cumulative in order to achieve the necessary number of hours of appraisal experience.

1. Cumulative is defined as meaning that experience may be acquired over any time period.

2. The following is an example of cumulative experience:

Year 1	200 Hours
Year 2	800 Hours
Year 3	600 Hours
Year 4	400 Hours
Year 5	500 Hours
Total	2,500 Hours

- D. There need not be a client in a traditional sense (i.e. a client hiring an appraiser for a business purpose) in order for an appraisal to qualify for experience, but experience gained for work without a traditional client cannot exceed 50% of the total experience requirement. Practicum courses that are approved by the AQB Course Approval Program or state appraiser regulatory agencies can satisfy the non-traditional client experience requirement. A practicum course must include the generally applicable methods of appraisal practice for the credential category.

Content includes, but is not limited to: requiring the student to produce credible appraisals that utilize an actual subject property; performing market research, containing sales analysis; and applying and reporting the applicable appraisal approaches in conformity with USPAP. Assignments must require problem solving skills for a variety of property types for the credential category. Experience credit shall be granted for the actual classroom hours of instruction, and hours of documented research and analysis as awarded from the practicum course approval process.

- E. An hour of experience is defined as verifiable time spent in performing tasks in accordance with acceptable appraisal practice. Acceptable real property appraisal practice for experience credit includes appraisal, appraisal review, appraisal consulting, and mass appraisal. All experience must be obtained after January 30, 1989, and must be USPAP compliant. An applicant's experience must be in appraisal work conforming to Standards 1, 2, 3, 4, 5, and/or 6, where the appraiser demonstrates proficiency in appraisal principles, methodology, procedures (development), and reporting conclusions.
- F. Documentation in the form of reports, certifications, or file memoranda, or, if such reports and memoranda are unavailable for good cause, other evidence at the credentialing authority's discretion that the work is compliant with USPAP must be provided as part of the state experience verification process to support the experience claimed.
- G. The verification for experience credit claimed by an applicant shall be on forms prescribed by the state certification/licensing agency, which shall include:
1. Type of property;
  2. Date of report;
  3. Address of appraised property;
  4. Description of work performed by the trainee/ applicant and scope of the review and supervision of the supervising appraiser;
  5. Number of actual work hours by the trainee/ applicant on the assignment; and
  6. The signature and state certification number of the supervising appraiser if applicable. Separate appraisal logs shall be maintained for each supervising appraiser if applicable.
- H. There is no maximum time limit during which experience may be obtained.

#### VI. **Guide Notes (GN)**

From time to time, the AQB may issue new interpretations to these criteria (binding); or Guide Notes (advisory) on interpretations, or application of these qualification criteria.



# TRAINEE REAL PROPERTY APPRAISER CLASSIFICATION

Please consult the **CRITERIA APPLICABLE TO ALL APPRAISER CLASSIFICATIONS** for additional requirements.

## I. General

- A. The scope of practice for the Appraiser Trainee Classification is the appraisal of those properties which the supervising Certified appraiser is permitted by his/her current credential and that the supervising appraiser is qualified to appraise.
- B. The Appraiser Trainee shall be entitled to obtain copies of appraisal reports he/she prepared. The supervising appraiser shall keep copies of appraisal reports for a period of five years, or at least two years after final disposition of any judicial proceedings in which the appraiser provided testimony related to the assignment, whichever period expires last.
- C. All Appraiser Trainees must comply with the COMPETENCY RULE of USPAP.

II. Examination: There is no examination requirement for the Appraiser Trainee Classification, but the trainee shall pass examinations in the prerequisite courses in order to earn credit for core education courses.

III. Qualifying Education: As the prerequisite for application, an applicant must have completed 75 creditable class hours as specified in the required Core Curriculum Appendix. Additionally, applicants must pass the Core Curriculum examinations and pass the 15-Hour National USPAP Course and examination as part of the 75 creditable class hours.

### *Qualifying Education Interpretation*

1. Appraisers holding a valid Licensed Residential Real Property Appraiser credential satisfy the educational requirements for the Trainee Real Property Appraiser credential.

Appraisers holding a valid Certified Residential Real Property Appraiser credential satisfy the educational requirements for the Trainee Real Property Appraiser credential.

Appraisers holding a valid Certified General Real Property Appraiser credential satisfy the educational requirements for the Trainee Real Property Appraiser credential. (adopted, November 2006)

IV. Experience: No experience is required as a prerequisite for the Appraiser Trainee Classification.

## V. Training

- A. The Appraiser Trainee shall be subject to direct supervision by a supervising appraiser in good standing, who shall be state certified.
- B. The supervising appraiser shall be responsible for the training, guidance, and direct supervision of the Appraiser Trainee by:
  1. Accepting responsibility for the appraisal report by signing and certifying the report complies with USPAP;
  2. Reviewing and signing the Appraiser Trainee appraisal report(s); and
  3. Personally inspecting each appraised property with the Appraiser Trainee until the supervising appraiser determines the Appraiser Trainee is competent, in accordance with the COMPETENCY RULE of USPAP for the property type.
- C. The Appraiser Trainee is permitted to have more than one supervising appraiser, but a supervising appraiser may not supervise more than three trainees, at one time, unless a state program in the licensing jurisdiction provides for progress monitoring, supervising certified appraiser qualifications, and supervision and oversight requirements for supervising appraisers.
- D. An appraisal log shall be maintained by the Appraiser Trainee and the supervising appraiser jointly. At a minimum, the appraisal log requirements are:
  1. Type of property;
  2. Date of report;
  3. Address of appraised property;
  4. Description of work performed by the trainee and scope of the review and supervision of the supervising appraiser;
  5. Number of actual work hours by the trainee on the assignment; and
  6. The signature and state certification number of the supervising appraiser. Separate appraisal logs shall be maintained for each supervising appraiser if applicable.
- E. The supervising certified appraiser shall be in good standing in the training jurisdiction and not subject to any disciplinary action within the last two years that affects the supervisor's legal eligibility to engage in appraisal practice.

# LICENSED RESIDENTIAL REAL PROPERTY APPRAISER CLASSIFICATION

Please consult the CRITERIA APPLICABLE TO ALL APPRAISER CLASSIFICATIONS for additional requirements.

Core Curriculum Appendix. The applicant shall complete the 15-hour National USPAP Course and examination. There is no alternative to successful completion of the examination.

I. General

- A. The Licensed Residential Real Property Appraiser Classification applies to the appraisal of non-complex one to four residential units having a transaction value less than \$1,000,000 and complex one to four residential units having a transaction value less than \$250,000.
- B. Complex one- to four-family residential property appraisal means one in which the property to be appraised, the form of ownership, or the market conditions are atypical.<sup>1</sup>
- C. For non-federally related transaction appraisals, transaction value shall mean market value.
  - 1. The classification includes the appraisal of vacant or unimproved land that is utilized for one to four family purposes or for which the highest and best use is for one to four family purposes.
  - 2. The classification does not include the appraisal of subdivisions for which a development analysis/ appraisal is necessary.

*Qualifying Education Interpretation*

- 1. Appraisers holding a valid Trainee Real Property Appraiser credential may satisfy the educational requirements for the Licensed Residential Real Property Appraiser credential by completing the following additional educational hours:

<i>Residential Market Analysis and Highest and Best Use</i>	<i>15 Hours</i>
<i>Residential Appraiser Site Valuation and Cost Approach</i>	<i>15 Hours</i>
<i>Residential Sales Comparison and Income Approaches</i>	<i>30 Hours</i>
<i>Residential Report Writing and Case Studies</i>	<i>15 Hours</i>
<i>Total</i>	<i>75 Hours</i>

*Appraisers holding a valid Certified Residential Real Property Appraiser credential satisfy the educational requirements for the Licensed Residential Real Property Appraiser credential.*

*Appraisers holding a valid Certified General Real Property Appraiser credential satisfy the educational requirements for the Licensed Residential Real Property Appraiser credential. (adopted, November 2006)*

II. All Licensed Residential Real Property Appraisers must comply with the COMPETENCY RULE of USPAP.

III. Examination  
The AQB approved Licensed Residential Real Property Appraiser Examination must be successfully completed. The only alternative to successful completion of the Licensed Residential examination is the successful completion of the Certified Residential or Certified General examination.

IV. Qualifying Education: The prerequisite for taking the AQB approved examination is completion of one hundred fifty (150) creditable class hours as specified in the required

V. Experience: Two thousand (2,000) hours of experience are required to be obtained in no fewer than 12 months.

<sup>1</sup> Bank Holding Company Supervision Manual, 1999, page 10, section 2231.0.9.3

# CERTIFIED RESIDENTIAL REAL PROPERTY APPRAISER

Please consult the **CRITERIA APPLICABLE TO ALL APPRAISER CLASSIFICATIONS** for additional requirements.

## I. General

- A. The Certified Residential Real Property Appraiser Classification qualifies the appraiser to appraise one to four residential units without regard to value or complexity.
1. The classification includes the appraisal of vacant or unimproved land that is utilized for one to four family purposes or for which the highest and best use is for one to four family purposes.
  2. The classification does not include the appraisal of subdivisions for which a development analysis/ appraisal is necessary.
- B. All Certified Residential appraisers must comply with the COMPETENCY RULE of USPAP.

## II. Examination

The AQB approved Certified Residential Real Property Appraiser Examination must be successfully completed. The only alternative to successful completion of the Certified Residential examination is the successful completion of the Certified General examination.

## III. Qualifying Education

- A. Applicants for the Certified Residential license must hold an Associate degree, or higher, from an accredited college, junior college, community college, or university, unless the requirements of Section III.B are satisfied.
- or
- B. In lieu of the Associate degree, an applicant for the Certified Residential license shall successfully pass all of the following collegiate subject matter courses from an accredited college, junior college, community college, or university:
1. English Composition;
  2. Principles of Economics (Micro or Macro);
  3. Finance;
  4. Algebra, Geometry, or higher mathematics;
  5. Statistics;
  6. Computer Science; and
  7. Business or Real Estate Law.

Total hours of equivalent college courses in lieu of an Associate degree: 21 semester credit hours or its equivalent for the certified residential appraiser. If an accredited college or university (accredited by the Commission on Colleges, a regional or national accreditation association, or by an accrediting agency that is recognized by the U.S. Secretary of Education) accepts the College-Level Examination Program® (CLEP) examination(s) and issues a transcript for the exam, showing its approval, it will be considered as credit for the college course.

and

- C. The prerequisite for taking the AQB approved examination is completion of two hundred (200) creditable class hours as specified in the required Core Curriculum Appendix. The applicant shall complete the 15-hour National USPAP Course, or its equivalent, and the examination.

### *Qualifying Education Interpretations*

1. *For college level courses taken in a quarterly system versus a semester system, one quarter hour credit is equivalent to .67 semester credit hours. Conversely, one semester credit hour is equivalent to 1.5 quarter credit hours.*

*For example, if a student wishes to satisfy the 21 semester credit hour requirement in lieu of an Associate Degree for the Certified Residential classification, he or she needs to successfully pass those applicable courses that generate 31.5 quarter credit hours, (i.e. 21 semester credit hours x 1.5 conversion factor).*

*For the Certified General classification, if a student wishes to satisfy the 30 semester credit hour requirement in lieu of a Bachelor's Degree, he or she needs to successfully pass those applicable courses that generate 45 quarter credit hours, (i.e. 30 semester credit hours x 1.5 conversion factor). (adopted, September 2005)*

2. *Appraisers holding a valid Trainee Real Property Appraiser credential may satisfy the educational requirements for the Certified Residential Real Property Appraiser credential by completing the following additional educational hours:*

<i>Residential Market Analysis and Highest and Best Use</i>	15 Hours
<i>Residential Appraiser Site Valuation and Cost Approach</i>	15 Hours
<i>Residential Sales Comparison and Income Approaches</i>	30 Hours
<i>Residential Report Writing and Case Studies</i>	15 Hours
<i>Statistics, Modeling and Finance</i>	15 Hours
<i>Advanced Residential Applications and Case Studies</i>	15 Hours
<i>Appraisal Subject Matter Electives</i>	<u>20 Hours</u>
<i>Total</i>	125 Hours

<i>Statistics, Modeling and Finance</i>	15 Hours
<i>Advanced Residential Applications and Case Studies</i>	15 Hours
<i>Appraisal Subject Matter Electives</i>	<u>20 Hours</u>
<i>Total</i>	50 Hours

*Trainee Real Property Appraisers and Licensed Residential Real Property Appraisers wishing to change to the Certified Residential Real Property Appraiser classification must also satisfy the college-level educational requirements as specified in III.A or III.B.*

*Appraisers holding a valid Certified General Real Property Appraiser credential satisfy the educational requirements for the Certified Residential Real Property Appraiser credential. (adopted, November 2006)*

*Appraisers holding a valid Licensed Residential Real Property Appraiser credential may satisfy the educational requirements for the Certified Residential Real Property Appraiser credential by completing the following additional educational hours:*

- IV. Experience: Two thousand five hundred (2,500) hours of experience obtained during no fewer than twenty-four (24) months is required. While the hours may be cumulative, the required number of months must accrue before an individual can be certified.



# CERTIFIED GENERAL REAL PROPERTY APPRAISER

Please consult the **CRITERIA APPLICABLE TO ALL APPRAISER CLASSIFICATIONS** for additional requirements.

## I. General

- A. The Certified General Real Property Appraiser Classification qualifies the appraiser to appraise all types of real property.
- B. All Certified General appraisers must comply with the COMPETENCY RULE of USPAP.

## II. Examination

The AQB approved Uniform State Certified General Real Property Appraiser Examination must be successfully completed. There is no alternative to successful completion of the examination.

## III. Qualifying Education

- A. Applicants for the Certified General license must hold a Bachelors degree or higher from an accredited college or university, unless the requirements of the following Section III.B are satisfied.

or

- B. In lieu of the Bachelors degree, an applicant for the Certified General credential shall successfully pass all of the following collegiate level subject matter courses from an accredited college, junior college, community college or university:

1. English Composition;
2. Micro Economics;
3. Macro Economics;
4. Finance;
5. Algebra, Geometry, or higher mathematics;
6. Statistics;
7. Computer Science;
8. Business or Real Estate Law; and
9. Two elective courses in accounting, geography, agricultural economics, business management, or real estate.

Total hours of equivalent college courses in lieu of a Bachelor's degree: 30 semester credit hours or its equivalent for the certified general appraiser. If an accredited college or university (accredited by the Commission on Colleges, a regional or national accreditation association, or by an accrediting agency that is recognized by the U.S. Secretary of Education) accepts the College-Level Examination Program® (CLEP) examination(s) and issues a

transcript for the exam, showing its approval, it will be considered as credit for the college course.

and

- C. The prerequisite for taking the AQB approved examination is completion of three hundred (300) creditable class hours as specified in the required Core Curriculum Appendix. The applicant shall complete the 15-hour National USPAP Course and examination.
- and
- D. Applicants must demonstrate that their education includes the core courses listed in these criteria, with particular emphasis on non-residential properties. Residential is defined as "composed of one to four residential units."

### *Qualifying Education Interpretations*

1. *For college level courses taken in a quarterly system versus a semester system, one quarter hour credit is equivalent to .67 semester credit hours. Conversely, one semester credit hour is equivalent to 1.5 quarter credit hours.*

*For example, if a student wishes to satisfy the 21 semester credit hour requirement in lieu of an Associate Degree for the Certified Residential classification, he or she needs to successfully pass those applicable courses that generate 31.5 quarter credit hours, (i.e. 21 semester credit hours x 1.5 conversion factor).*

*For the Certified General classification, if a student wishes to satisfy the 30 semester credit hour requirement in lieu of a Bachelor's Degree, he or she needs to successfully pass those applicable courses that generate 45 quarter credit hours, (i.e. 30 semester credit hours x 1.5 conversion factor). (adopted, September 2005)*

2. *Appraisers holding a valid Trainee Real Property Appraiser credential may satisfy the educational requirements for the Certified General Real Property Appraiser credential by completing the following additional educational hours:*

General Appraiser Market Analysis and Highest and Best Use	30 Hours
Statistics, Modeling and Finance	15 Hours
General Appraiser Sales Comparison Approach	30 Hours
General Appraiser Site Valuation and Cost Approach	30 Hours
General Appraiser Income Approach	60 Hours
General Appraiser Report Writing and Case Studies	30 Hours
Appraisal Subject Matter Electives	30 Hours
Total	225 Hours

Appraisers holding a valid Certified Residential Real Property Appraiser credential may satisfy the educational requirements for the Certified General Real Property Appraiser credential by completing the following additional educational hours:

General Appraiser Market Analysis and Highest and Best Use	15 Hours
General Appraiser Sales Comparison Approach	15 Hours
General Appraiser Site Valuation and Cost Approach	15 Hours
General Appraiser Income Approach	45 Hours
General Appraiser Report Writing and Case Studies	10 Hours
Total	100 Hours

Appraisers holding a valid Licensed Residential Real Property Appraiser credential may satisfy the educational requirements for the Certified General Real Property Appraiser credential by completing the following additional educational hours:

General Appraiser Market Analysis and Highest and Best Use	15 Hours
Statistics, Modeling and Finance	15 Hours
General Appraiser Sales Comparison Approach	15 Hours
General Appraiser Site Valuation and Cost Approach	15 Hours
General Appraiser Income Approach	45 Hours
General Appraiser Report Writing and Case Studies	15 Hours
Appraisal Subject Matter Electives	30 Hours
Total	150 Hours

Trainee Real Property Appraisers, Licensed Residential Real Property Appraisers, and Certified Residential Real Property Appraisers wishing to change to the Certified General Real Property Appraiser classification must satisfy the requirement in III.D.

In addition, Trainee Real Property Appraisers, Licensed Residential Real Property Appraisers, and Certified Residential Real Property Appraisers wishing to change to the Certified General Real Property Appraiser classification must also satisfy the college-level educational requirements as specified in III.A or III.B. (adopted, November 2006)

- IV. Experience: Three thousand (3,000) hours of experience obtained during no fewer than thirty (30) months is required, of which, one thousand five hundred (1,500) hours must be in non-residential appraisal work. While the hours may be cumulative, the required number of months must accrue before an individual can be certified.

# REQUIRED CORE CURRICULUM EFFECTIVE JANUARY 1, 2008

## TRAINEE

BASIC APPRAISAL PRINCIPLES . . . . .	30 HOURS
BASIC APPRAISAL PROCEDURES . . . . .	30 HOURS
THE 15-HOUR NATIONAL USPAP COURSE OR ITS EQUIVALENT. . . . .	15 HOURS

TRAINEE EDUCATION REQUIREMENTS . . . . .	75 HOURS
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## LICENSED

BASIC APPRAISAL PRINCIPLES . . . . .	30 HOURS
BASIC APPRAISAL PROCEDURES . . . . .	30 HOURS
THE 15-HOUR NATIONAL USPAP COURSE OR ITS EQUIVALENT. . . . .	15 HOURS
RESIDENTIAL MARKET ANALYSIS AND HIGHEST AND BEST USE . . . . .	15 HOURS
RESIDENTIAL APPRAISER SITE VALUATION AND COST APPROACH . . . . .	15 HOURS
RESIDENTIAL SALES COMPARISON AND INCOME APPROACHES . . . . .	30 HOURS
RESIDENTIAL REPORT WRITING AND CASE STUDIES . . . . .	15 HOURS

LICENSED EDUCATION REQUIREMENTS . . . . .	150 HOURS
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**CERTIFIED RESIDENTIAL**

BASIC APPRAISAL PRINCIPLES . . . . .	30 HOURS
BASIC APPRAISAL PROCEDURES . . . . .	30 HOURS
THE 15-HOUR NATIONAL USPAP COURSE OR ITS EQUIVALENT. . . . .	15 HOURS
RESIDENTIAL MARKET ANALYSIS AND HIGHEST AND BEST USE . . . . .	15 HOURS
RESIDENTIAL APPRAISER SITE VALUATION AND COST APPROACH . . . . .	15 HOURS
RESIDENTIAL SALES COMPARISON AND INCOME APPROACHES . . . . .	30 HOURS
RESIDENTIAL REPORT WRITING AND CASE STUDIES . . . . .	15 HOURS
STATISTICS, MODELING AND FINANCE . . . . .	15 HOURS
ADVANCED RESIDENTIAL APPLICATIONS AND CASE STUDIES . . . . .	15 HOURS
APPRAISAL SUBJECT MATTER ELECTIVES. . . . .	20 HOURS
(May include hours over minimum shown above in other modules)	

CERTIFIED RESIDENTIAL . . . . .	200 HOURS
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**CERTIFIED GENERAL**

BASIC APPRAISAL PRINCIPLES . . . . .	30 HOURS
BASIC APPRAISAL PROCEDURES . . . . .	30 HOURS
THE 15-HOUR NATIONAL USPAP COURSE OR ITS EQUIVALENT. . . . .	15 HOURS
GENERAL APPRAISER MARKET ANALYSIS AND HIGHEST AND BEST USE . . . . .	30 HOURS
STATISTICS, MODELING AND FINANCE . . . . .	15 HOURS
GENERAL APPRAISER SALES COMPARISON APPROACH . . . . .	30 HOURS
GENERAL APPRAISER SITE VALUATION AND COST APPROACH. . . . .	30 HOURS
GENERAL APPRAISER INCOME APPROACH . . . . .	60 HOURS
GENERAL APPRAISER REPORT WRITING AND CASE STUDIES . . . . .	30 HOURS
APPRAISAL SUBJECT MATTER ELECTIVES. . . . .	30 HOURS
(May include hours over minimum shown above in other modules)	

CERTIFIED GENERAL. . . . .	300 HOURS
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# AQB GUIDE NOTE 1 (GN-1)

## AQB GUIDANCE FOR CURRICULUM CONTENT EFFECTIVE JANUARY 1, 2008

Guide Note 1 (GN-1) contains guidance for curriculum content with subtopics listed under each major module listed in the Appendix. The subtopics in Guide Note 1 will be used for developing examination content outlines for each applicable credential level and may also be amended from time to time to reflect changes in technology or in the Body of Knowledge.

### **BASIC APPRAISAL PRINCIPLES**

#### *30 HOURS*

- A. Real Property Concepts and Characteristics
  - 1. Basic Real Property Concepts
  - 2. Real Property Characteristics
  - 3. Legal Description
- B. Legal Consideration
  - 1. Forms of Ownership
  - 2. Public and Private Controls
  - 3. Real Estate Contracts
  - 4. Leases
- C. Influences on Real Estate Values
  - 1. Governmental
  - 2. Economic
  - 3. Social
  - 4. Environmental, Geographic and Physical
- D. Types of Value
  - 1. Market Value
  - 2. Other Value Types
- E. Economic Principles
  - 1. Classic Economic Principles
  - 2. Application and Illustrations of the Economic Principles
- F. Overview of Real Estate Markets and Analysis
  - 1. Market Fundamentals, Characteristics, and Definitions
  - 2. Supply Analysis
  - 3. Demand Analysis
  - 4. Use of Market Analysis
- G. Ethics and How They Apply in Appraisal Theory and Practice

### **BASIC APPRAISAL PROCEDURES**

#### *30 HOURS*

- A. Overview of Approaches to Value
- B. Valuation Procedures
  - 1. Defining the Problem
  - 2. Collecting and Selecting Data
  - 3. Analyzing
  - 4. Reconciling and Final Value Opinion
  - 5. Communicating the Appraisal
- C. Property Description
  - 1. Geographic Characteristics of the Land/Site
  - 2. Geologic Characteristics of the Land/Site
  - 3. Location and Neighborhood Characteristics
  - 4. Land/Site Considerations for Highest and Best Use
  - 5. Improvements - Architectural Styles and Types of Construction
- D. Residential Applications

### **THE 15-HOUR NATIONAL USPAP COURSE OR ITS EQUIVALENT**

#### *15 HOURS*

- A. Preamble and Ethics Rules
- B. Standard 1
- C. Standard 2
- D. Standards 3 to 10
- E. Statements and Advisory Opinions

### **RESIDENTIAL MARKET ANALYSIS AND HIGHEST AND BEST USE**

#### *15 HOURS*

- A. Residential Markets and Analysis
  - 1. Market Fundamentals, Characteristics and Definitions
  - 2. Supply Analysis
  - 3. Demand Analysis
  - 4. Use of Market Analysis
- B. Highest and Best Use
  - 1. Test Constraints
  - 2. Application of Highest and Best Use
  - 3. Special Considerations
  - 4. Market Analysis
  - 5. Case Studies

**RESIDENTIAL APPRAISER SITE VALUATION AND COST APPROACH***15 HOURS*

- A. Site Valuation
  - 1. Methods
  - 2. Case Studies
- B. Cost Approach
  - 1. Concepts and Definitions
  - 2. Replacement/Reproduction Cost New
  - 3. Accrued Depreciation
  - 4. Methods of Estimating Accrued Depreciation
  - 5. Case Studies

**RESIDENTIAL SALES COMPARISON AND INCOME APPROACHES***30 HOURS*

- A. Valuation Principles & Procedures - Sales Comparison Approach
- B. Valuation Principles & Procedures - Income Approach
- C. Finance and Cash Equivalency
- D. Financial Calculator Introduction
- E. Identification, Derivation and Measurement of Adjustments
- F. Gross Rent Multipliers
- G. Partial Interests
- H. Reconciliation
- I. Case Studies and Applications

**RESIDENTIAL REPORT WRITING AND CASE STUDIES***15 HOURS*

- A. Writing and Reasoning Skills
- B. Common Writing Problems
- C. Form Reports
- D. Report Options and USPAP Compliance
- E. Case Studies

**STATISTICS, MODELING AND FINANCE***15 HOURS*

- A. Statistics
- B. Valuation Models (AVM's and Mass Appraisal)
- C. Real Estate Finance

**ADVANCED RESIDENTIAL APPLICATIONS AND CASE STUDIES***15 HOURS*

- A. Complex Property, Ownership and Market Conditions
- B. Deriving and Supporting Adjustments
- C. Residential Market Analysis
- D. Advanced Case Studies

**GENERAL APPRAISER MARKET ANALYSIS AND HIGHEST AND BEST USE***30 HOURS*

- A. Real Estate Markets and Analysis
  - 1. Market Fundamentals, Characteristics and Definitions
  - 2. Supply Analysis
  - 3. Demand Analysis
  - 4. Use of Market Analysis

## B. Highest and Best Use

- 1. Test Constraints
- 2. Application of Highest and Best Use
- 3. Special Considerations
- 4. Market Analysis
- 5. Case Studies

**GENERAL APPRAISER SALES COMPARISON APPROACH***30 HOURS*

- A. Value Principles
- B. Procedures
- C. Identification and Measurement of Adjustments
- D. Reconciliation
- E. Case Studies

**GENERAL APPRAISER SITE VALUATION AND COST APPROACH***30 HOURS*

- A. Site Valuation
  - 1. Methods
  - 2. Case Studies
- B. Cost Approach
  - 1. Concepts and Definitions
  - 2. Replacement/Reproduction Cost New
  - 3. Accrued Depreciation
  - 4. Methods of Estimating Accrued Depreciation
  - 5. Case Studies

**GENERAL APPRAISER INCOME APPROACH***60 HOURS*

- A. Overview
- B. Compound Interest
- C. Lease Analysis
- D. Income Analysis
- E. Vacancy and Collection Loss
- F. Estimating Operating Expenses and Reserves
- G. Reconstructed Income and Expense Statement
- H. Stabilized Net Operating Income Estimate
- I. Direct Capitalization
- J. Discounted Cash Flow
- K. Yield Capitalization
- L. Partial Interests
- M. Case Studies

**GENERAL APPRAISER REPORT WRITING AND CASE STUDIES***30 HOURS*

- A. Writing and Reasoning Skills
- B. Common Writing Problems
- C. Report Options and USPAP Compliance
- D. Case Studies

# AQB GUIDE NOTE 2 (GN-2)

## AQB GUIDANCE FOR CRITERIA IMPLEMENTATION

*RETIRED, OCTOBER 2005*

# AQB GUIDE NOTE 3 (GN-3)

## AQB GUIDANCE FOR CRITERIA IMPLEMENTATION

THIS GUIDE NOTE RELATES TO THE SCOPE OF PRACTICE FOR THE LICENSED AND CERTIFIED RESIDENTIAL CLASSIFICATIONS IN THE REAL PROPERTY APPRAISER QUALIFICATION CRITERIA EFFECTIVE JANUARY 1, 2008.

In the existing (pre-2008) Criteria for these two classifications, the following paragraph appears in the scope of practice section:

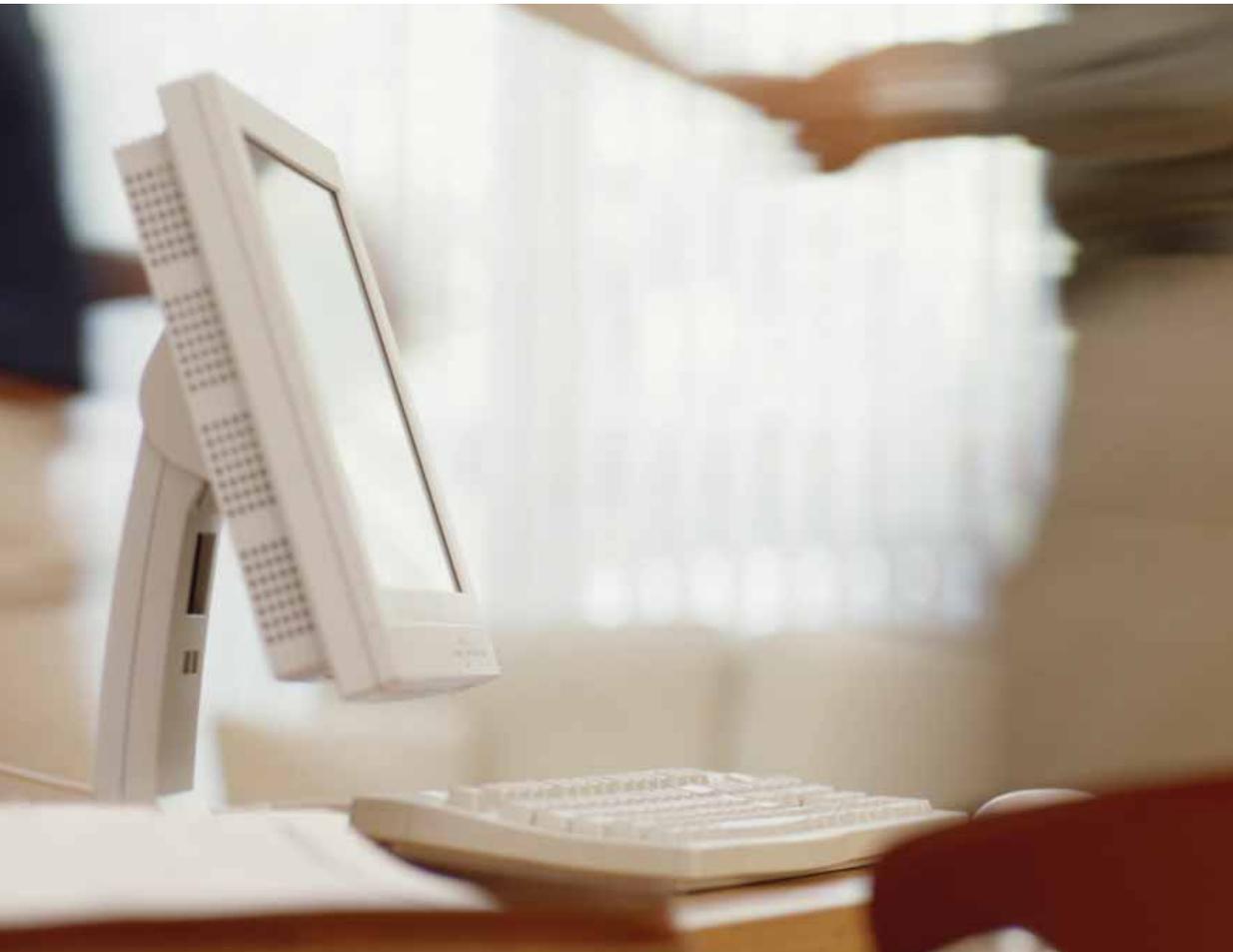
*The scope of practice identified herein represents the consensus of the Appraiser Qualifications Board. The Federal Financial Institutions Regulatory Agencies, as well as other agencies and regulatory bodies permit the Certified Residential (or Licensed) classification to appraise properties other than those identified within this Criteria. Individuals should refer to agency regulations and state law to determine the type of property that may be appraised by the Certified Residential (or Licensed) appraiser.*

During the Criteria Exposure Draft and revision process, the AQB determined that this paragraph was more of explanatory guidance than actual AQB Criteria. As a result, it was removed from the Criteria effective January 1, 2008.

However, while it is not contained in the 2008 Criteria, it should be noted that the paragraph italicized above still reflects the consensus of the AQB. The scope of practice for the Licensed and Certified Residential classifications does not change in 2008. Federal and state agencies continue to establish scope of practice thresholds that are specific to their particular needs.

For example, because federally related transactions less than \$250,000 fall below the regulatory de minimus established by the Federal Financial Institution Regulatory Agencies, the scope of practice restrictions placed on individuals who can appraise commercial and residential properties below that threshold for financial institutions are few, if any.

The AQB continues to encourage individuals to refer to agency regulations and state law to determine the type of property that may be appraised by the Licensed and Certified Residential classifications.



# AQB GUIDE NOTE 4 (GN-4)

## AQB GUIDANCE FOR CRITERIA IMPLEMENTATION

THIS GUIDE NOTE RELATES TO PRACTICUM COURSES TO BE USED FOR EXPERIENCE CREDIT, AS SPECIFIED IN THE REAL PROPERTY APPRAISER QUALIFICATION CRITERIA EFFECTIVE JANUARY 1, 2008.

Under "Criteria Applicable to All Appraiser Classifications" in the 2008 Criteria, Section V Generic Experience Criteria, Paragraph D, reads as follows:

There need not be a client in a traditional sense (i.e. a client hiring an appraiser for a business purpose) in order for an appraisal to qualify for experience, but experience gained for work without a traditional client cannot exceed 50% of the total experience requirement. Practicum courses that are approved by the AQB Course Approval Program or state appraiser regulatory agencies can satisfy the non-client experience requirement. **A practicum course must include the generally applicable methods of appraisal practice for the credential category. Content includes, but is not limited to: requiring the student to produce credible appraisals that utilize an actual subject property; performing market research, containing sales analysis; and applying and reporting the applicable appraisal approaches in conformity with USPAP. Assignments must require problem solving skills for a variety of property types for the credential category.** Experience credit shall be granted for the actual classroom hours of instruction, and hours of documented research and analysis as awarded from the practicum course approval process. (Bold added for emphasis)

The bolded language above sets forth the broad requirements for practicum courses. However, more detailed guidance is needed for developers of such courses, as well as state appraiser regulatory agencies seeking to approve such courses. The following is designed to offer this guidance:

### 1. General Practicum Course Guidelines

- a. The time period for any non-residential practicum course should be consistent with the type and complexity of the assignment.
- b. The time period for a residential practicum course should be consistent with the type and complexity of the assignment.
- c. Practicum courses that cover multiple property types should allocate appropriate times for each assignment and subject properties should be significantly different from one another to provide appropriate training.
- d. The maximum number of students per course should be consistent with best practices for proper student/instructor ratios.
- e. In order for this type of experience to be compliant with USPAP, the student/appraiser must list the course provider for the practicum course as the client and the intended user.
- f. The intended use of the report should be indicated as, "For experience credit."



## 2. Appraisal Assignment Guidelines

- a. *The appraisal should employ all of the approaches to value applicable to the assignment.*
- b. *Property types and complexity should be those typically encountered by an appraiser seeking experience within the specified credential category.*
- c. *The appraisal should indicate the intended user, intended use and should solve typical appraisal problems - eg., mortgage assignments, tax appeals, estates, etc.*
- d. *There should be an identifiable subject property and the student should inspect it.*
- e. *The actual subject property may change from time to time, but the property type should remain the same.*
- f. *All comparable data researched, analyzed, and used in the assignment should be actual and identifiable market data.*
- g. *All comparables utilized should be verified with at least one market participant of the sale/rent – e.g. buyer, seller, or broker – and the student should also inspect the exterior of each comparable utilized.*
- h. *The final assignment should be communicated in compliance with either the Self-Contained or Summary Appraisal Report options of STANDARD 2 of USPAP.*
- i. *The final reports should be maintained by the student according to the Record Keeping section of the ETHICS RULE of USPAP.*

- j. *The practicum course should result in an appraisal and appraisal report completed in accordance with the current version of USPAP.*

## 3. Instructor Guidelines

- a. *An instructor conducting a residential experience practicum course should hold either a Certified Residential or Certified General credential in good standing.*
- b. *An instructor conducting a general experience practicum course should hold a Certified General credential in good standing.*
- c. *The instructor should demonstrate compliance with the COMPETENCY RULE of USPAP for the type of assignment.*
- d. *The instructor should grade and correct all assignments and should assure USPAP compliance.*
- e. *The instructor should meet with the students a minimum of 50% of the course hours during the course.*

*There is an underlying assumption that experience is valuable because clients and instructors tend to demand competency. Because experience in a classroom setting calls this assumption into question, credentialing authorities should carefully assess the quality and adequacy of appraisals made under such circumstances. They should also give consideration to restricting the percentage of this type of experience.*

*Therefore, while practicum course appraisals are eligible to qualify for experience credit, the credentialing authority should audit a significant sample of appraisals made in such instances for quality and conformance with USPAP.*

# AQB GUIDE NOTE 5 (GN-5)

## AQB GUIDANCE FOR CRITERIA IMPLEMENTATION

THIS GUIDE NOTE RELATES TO RECIPROCITY, TEMPORARY PRACTICE, RENEWALS, AND APPLICATIONS FOR THE SAME CREDENTIAL IN ANOTHER JURISDICTION, AS SPECIFIED IN THE REAL PROPERTY APPRAISER QUALIFICATION CRITERIA EFFECTIVE JANUARY 1, 2008.

*Under "Criteria Applicable to All Appraiser Classifications" in the 2008 Criteria, Section II Existing Credential Holders, reads as follows:*

*Existing credential holders in good standing in any jurisdiction shall be considered in compliance with current Appraiser Qualifications Board criteria if they have passed an AQB approved qualifying examination for that credential. This applies to reciprocity, temporary practice, renewals, and applications for the same credential in another jurisdiction. All credential holders must comply with ongoing requirements for Continuing Education, and state renewal procedures.*

*The intent of the AQB is to allow current credential holders who are in good standing within their jurisdictions to obtain reciprocal credentials, temporary practice permits, renewals of existing credentials, and an equivalent credential in another jurisdiction on or after January 1, 2008 without having to meet the 2008 AQB Criteria. If an appraiser holds a valid appraiser credential supported by an AQB approved examination, the appraiser will be deemed by the AQB to be in full compliance with the 2008 criteria.*

*For example, if a Certified General credential holder who received a credential prior to January 1, 2008 in one jurisdiction were to relocate to another jurisdiction after January 1, 2008, for AQB purposes that existing "home" state credential would be sufficient to support an equivalent credential in the "new" state. The credential holder would be deemed to have met the 2008 Criteria for education, experience and examination.*

*The AQB understands that the individual Title XI jurisdictions must operate in compliance with applicable state laws with regard to reciprocity, temporary practice, renewals and applications for the same credential in another jurisdiction. While Title XI jurisdictions are only required to meet the AQB Criteria, existing state laws may require that these minimums be exceeded. It is possible that a jurisdiction, because of existing law, might require an applicant for an equivalent credential from another jurisdiction meet all of the January 1, 2008 AQB Criteria (i.e., education, experience, and examination) in order to obtain the credential in their jurisdiction.*

*For example, consider an appraiser who holds a Certified General credential in State A and decides to relocate to State B. State B must apply both AQB Criteria and State law in determining whether the appraiser from State A qualifies for an appraiser credential in State B. While the AQB considers the valid existing credential in State A to be adequate documentation of conformance to AQB Criteria, some State laws might require the appraiser to submit a complete application, including appropriate documentation of experience, education, and successful exam completion. This new application requirement might involve some of the following issues:*

- *Depending on the wording of the State law, this could mean that the appraiser from State A would have to conform to the 2008 Criteria to obtain a credential from State B. Among other things, the appraiser would have to reconstruct his/her appraisal education, perhaps going back as much as 20 to 30 years. The State, then, would have to determine whether that education conformed to the 2008 AQB Criteria as implemented by State law.*
- *Virtually all appraiser education obtained in the past was provided in what is considered the "integrated" approach for 2008 Criteria. If State B does not accept integrated educational courses, the appraiser from State A would be required to obtain 300 hours of education acceptable under 2008 Criteria, plus a college degree or acceptable college course work, to qualify for a Certified General credential in State B.*

*It was not the AQB's intent to impose such hardships on appraisers or regulatory agencies. It was the intent of the AQB in drafting the language in Section II that the jurisdictions would recognize those appraisers that held credentials prior to the adoption of the 2008 criteria. The acceptance of the existing credential holders would provide for a smooth transition from the pre-2008 Criteria to the 2008 Criteria.*

*The AQB encourages the jurisdictions to examine their statutes and regulations and initiate any changes that might be necessary to facilitate a smooth transition.*



# APPENDIX

REAL PROPERTY APPRAISER QUALIFICATION  
CRITERIA PRIOR TO JANUARY 1, 2008

# TRAINEE REAL PROPERTY APPRAISER CLASSIFICATION

- A. The scope of practice for the Appraiser Trainee Classification is the appraisal of those properties which the supervising appraiser is permitted to appraise
- B. The appraiser trainee shall be subject to the Uniform Standards of Professional Appraisal Practice.
- C. The appraiser trainee shall be entitled to obtain copies of appraisal reports he or she prepared. The supervising appraiser shall keep copies of appraisal reports for a period of at least five years or at least two years after final disposition of any judicial proceeding in which testimony was given, whichever period expires last.
- D. An appraiser trainee must meet the following requirements:
1. **Examination**
    - a. There is no examination requirement for the Appraiser Trainee Classification.
  2. **Education**  
Prerequisite to application.
    - a. 75 classroom hours of courses in subjects related to real estate appraisal.
    - b. Fifteen of the seventy-five hours must include the successful completion of the National USPAP Course, or its equivalent. Equivalency shall be determined through the AQB Course Approval Program or by an alternate method established by the AQB.
      - 1) USPAP qualifying education credit shall only be awarded when the class is instructed by an AQB Certified Instructor(s); and
      - 2) USPAP qualifying education credit shall only be awarded when the class is instructed by at least one residential or general state certified appraiser.
    - c. A classroom hour is defined as fifty minutes of teaching out of each sixty minute segment.
    - d. Classroom hours may only be obtained where the minimum length of the educational offering is 15 hours and the individual successfully completes an examination pertinent to that educational offering.
    - e. Credit for the classroom hour requirement may be obtained from the following:
      - 1) Colleges or Universities
      - 2) Community or Junior Colleges
      - 3) Real Estate Appraisal or Real Estate Related Organizations
      - 4) State or Federal Agencies or Commissions
      - 5) Proprietary Schools
      - 6) Other providers approved by the state certification/licensing agency
- f. Qualifying education must have been obtained within the five year period immediately preceding application for licensure.
- g. The content for courses, seminars, workshops, or conferences should include coverage of real estate appraisal related topics, such as:
- 1) Influences on Real Estate Value
  - 2) Legal Considerations in Appraisal
  - 3) Types of Value
  - 4) Economic Principles
  - 5) Real Estate Markets and Analysis
  - 6) Valuation Process
  - 7) Property Description
  - 8) Highest and Best Use Analysis
  - 9) Appraisal Statistical Concepts
  - 10) Sales Comparison Approach
  - 11) Site Value
  - 12) Cost Approach
  - 13) Income Approach
  - 14) Valuation of Partial Interests
  - 15) Appraisal Standards and Ethics
- Education Interpretation:*
1. "Education Criteria," for purposes of this section, should be understood as Qualifying Education Criteria. (adopted, June, 1997)
  2. The qualifying education obtained to meet the seventy-five hour trainee education requirement can be creditable toward the state licensed and state certified qualifying education requirements. (adopted, June, 1997)
  3. A classroom hour is defined as sixty minutes, of which fifty minutes are instruction. (adopted, June, 1997)
  4. The prescribed number of classroom hours includes time devoted to examinations which are considered to be part of the course. (adopted, November, 1990)
  5. Open book examinations are not acceptable in qualifying education courses. (adopted, June, 1997)
  6. For qualifying education, distance education is defined as any educational process based on the

geographical separation of learner and instructor (e.g., CD ROM, on-line learning, correspondence courses, video conferencing, etc.). For qualifying education, distance education must provide interaction between the learner and instructor and include testing. (adopted, June, 1997)

7. Distance education courses may be acceptable to meet the classroom hour requirement, or its equivalent, provided that the course is approved by the state certification / licensing authority, the learner successfully completes a written examination proctored by an official approved by the presenting entity, college or university, the course meets the requirements for qualifying education established by the Appraiser Qualifications Board, the course is equivalent to the minimum of 15 classroom hours, and meets one of the following conditions: (adopted, June, 1991)
  - a) The course is presented by an accredited (Commission on Colleges or a regional accreditation association) college or university that offers distance education programs in other disciplines; or (adopted, June, 1991)
  - b) The course has received approval of the International Distance Education Certification Center (IDECC) for the course design and delivery mechanism and either a) the approval of the Appraiser Qualifications Board through the AQB Course Approval Program, or b) the approval of the licensing or certifying jurisdiction where the course is being offered, for the content of the course. (adopted, June 1997, revised October, 2001, effective November 1, 2001)
8. The American Council on Education through its ACE/Credit Program is no longer an approved entity for review of distance learning course mechanisms. (adopted, November 2003, effective April 1, 2004)
9. Credit awarded for the classroom hour requirement when an individual seeks a different classification than that held may also be awarded for the continuing education requirement the classification held. (adopted, June, 1991)
10. Courses taken in satisfying the qualifying education requirements should not be repetitive in nature. Each course credited toward the required number of qualifying education hours should represent a progression in which the appraiser's knowledge is increased. (adopted, November, 1993)

### 3. Experience

- a. The appraiser trainee shall be subject to direct supervision by a supervising appraiser who shall be state licensed or certified in good standing.
- b. The supervising appraiser shall be responsible for the training and direct supervision of the appraiser trainee by:
  - 1) accepting responsibility for the appraisal report by signing and certifying the report is in compliance with the Uniform Standards of Professional Appraisal Practice (USPAP).
  - 2) reviewing the appraiser trainee appraisal report(s); and
  - 3) personally inspecting each appraised property with the appraiser trainee until the supervising appraiser determines the appraiser trainee is competent in accordance with the COMPETENCY RULE of the Uniform Standards of Professional Appraisal Practice (USPAP) for the property type.

- c. The appraiser trainee is permitted to have more than one supervising appraiser.
- d. An appraisal log shall be maintained by the appraiser trainee and shall, at a minimum, include the following for each appraisal:
  - 1) Type of Property
  - 2) Client name and address
  - 3) Address of appraised property
  - 4) Description of work performed
  - 5) Number of work hours
  - 6) Signature and state license/certification number of the supervising appraiser
- e. Separate appraisal logs shall be maintained for each supervising appraiser.

#### Experience Interpretation:

None is required as a prerequisite for this category. (adopted, June 1997)

### 4. Continuing Education

An appraiser trainee who remains in this classification in excess of two years shall be required in the third and successive years to obtain:

- a. The equivalent of fourteen classroom hours of instruction in the courses or seminars for each year during the period preceding the renewal. (For example, a two year appraiser trainee term would require twenty-eight hours.) Continuing education hours may be obtained anytime during the term.
- b. A classroom hour is defined as fifty minutes out of each sixty minute segment.
- c. Credit toward the classroom hour requirement may be granted only where the length of the educational offering is at least two hours.
- d. Credit for the classroom hour requirement may be obtained from the following:
  - 1) Colleges or Universities
  - 2) Community or Junior Colleges

- 3) Real Estate Appraisal or Real Estate Related Organizations
  - 4) State or Federal Agencies or Commissions
  - 5) Proprietary Schools
  - 6) Other providers approved by the state certification/licensing agency.
- e. Credit may be granted for educational offerings which are consistent with the purpose of continuing education stated in subparagraph "h" below and cover real estate related appraisal topics such as those listed below.
- 1) Ad Valorem Taxation
  - 2) Arbitration
  - 3) Business Courses related to practice of real estate appraisal
  - 4) Construction estimating
  - 5) Ethics and standards of professional practice
  - 6) Land use planning, zoning and taxation
  - 7) Management, leasing, brokerage, timesharing
  - 8) Property development
  - 9) Real estate appraisal (valuations/evaluations)
  - 10) Real estate law
  - 11) Real estate litigation
  - 12) Real estate financing and investment
  - 13) Real estate appraisal related computer applications
  - 14) Real estate securities and syndication
  - 15) Real property exchange
- f. Appraiser trainees must successfully complete the seven-hour National USPAP Update Course, or its equivalent, at a minimum of every two years. Equivalency shall be determined through the AQB Course Approval Program or by an alternate method established by the AQB.
- 1) USPAP continuing education credit shall only be awarded when the class is instructed by an AQB Certified Instructor(s); and
  - 2) USPAP continuing education credit shall only be awarded when the class is instructed by at least one residential or general state certified appraiser.
- g. Continuing education credit may also be granted for participation, other than as a student, in appraisal educational processes and programs. Examples of activities for which credit may be granted are teaching, program development, authorship of textbooks, or similar activities which are determined to be equivalent to obtaining continuing education.
- h. The purpose of continuing education is to ensure that the appraiser participates in a program that maintains and increases his/her skill, knowledge and competency in real estate appraising.
2. Credit awarded for the continuing education requirement may also be awarded for the qualifying education classroom hour requirement when an individual seeks a different classification than that held, providing the educational offering meets the criteria established (i.e., minimum length of 15 hours and successful completion of an examination). (adopted, June, 1991)
  3. For continuing education, distance education is defined as any educational process based on the geographical separation of instructor and learner (e.g., CD ROM, on-line learning, correspondence courses, video conferencing, etc.). (adopted, June, 1997)
  4. Distance education courses may be acceptable to meet the continuing education requirement provided that the course is approved by the state certification/licensing authority, the course is a minimum of 2 classroom hours and meets the requirements for continuing education courses established by the Appraiser Qualifications Board, and meets one of the following conditions: (adopted, June, 1997)
    - a) the course is presented to an organized group in an instructional setting with a person qualified and available to answer questions, provide information, and monitor student attendance, or (adopted, June, 1997)
    - b) the course has been presented by an accredited (Commission on Colleges or a regional accreditation association) college or university that offers distance education programs in other disciplines and the student successfully completes a written examination proctored by an official approved by the presenting college or university or by the sponsoring organization consistent with the requirements of the course accreditation; or if a written examination is not required for accreditation, the student successfully completes the course mechanisms required for accreditation which demonstrates mastery and fluency (said mechanisms must be present in a course without an exam in order to be acceptable), (adopted June, 1997) or
    - c) the course has received approval of the International Distance Education Certification Center (IDECC) for the course design and delivery mechanism and either a) the approval of the Appraiser Qualifications Board through the AQB Course Approval Program or b) the approval of the licensing or certifying jurisdiction where the course is being offered, for the content of the course and the student successfully completes a written examination proctored by an official approved by the presenting college or university or by the sponsoring organization consistent with the requirements of the course accreditation; or if a written examination is not required for accreditation, the student successfully completes the course mechanisms required for accreditation which demonstrates mastery and fluency (said mechanisms must be

*Continuing Education Interpretations:*

1. A classroom hour is defined as sixty minutes, of which fifty minutes are instruction. (adopted, June, 1997)

present in a course without an exam in order to be acceptable). (adopted June, 1997, revised October 2001, effective November 1, 2001)

5. The American Council on Education through its ACE/Credit Program is no longer an approved entity for review of distance learning course mechanisms. (adopted, November 2003, effective April 1, 2004)
6. Real estate appraisal related field trips are acceptable for continuing education credit. However, transit time to or from the field trip location should not be included when awarding credit if instruction does not occur. (adopted, February, 1996)
7. The two year USPAP CE (continuing education) term may be either:
  - a) Every two calendar years, commencing on January 1, 2003; or
  - b) In conjunction with a jurisdiction's continuing education cycle that commences after the effective date of January 1, 2003, as long as 7 hours of USPAP CE have been taken by December 31, 2005.

It is the intent of the AQB that individuals who are credentialed in more than one jurisdiction should not have to take more than one 7 hour USPAP update within a two year period. (adopted, October, 2001)

8. For continuing education purposes in 2003 and 2004, the 15-hour National USPAP Course, or its equivalent may be taken in lieu of the 7-hour National USPAP Course, or its equivalent. The licensing/certifying jurisdiction must determine whether the student is required to take and pass the associated examination. (adopted, August 2003)
9. AQB Certified USPAP Instructors successfully completing the seven-hour Instructor Recertification Course and exam (if required) within the current continuing education cycle, have satisfied the seven-hour National USPAP Update Course continuing education requirement. (adopted, September 2004)
10. Waivers or deferrals may not be granted to credential holders who have failed to meet the continuing education requirements. Appraiser regulatory agencies with the appropriate authority to do so, may place a credential holder in an "inactive status" in the event that the state determines that the deficiency in continuing education was due to extenuating circumstances. Prior to reactivation, credential holders in an inactive status must complete all required continuing education hours that would have been required if the credential holder was in an active status. The required hours must also include the most recent edition of a 7-hour National USPAP Update Course. (adopted, September 2005; **retired, May 2006**)

11. Appraiser regulatory agencies with the appropriate authority to do so, may place a credential holder in an "inactive status" in the event that the state determines that a deficiency in continuing education was due to extenuating circumstances.

Prior to reactivation, credential holders in an inactive status must complete all required continuing education hours that would have been required if the credential holder was in an active status. The required hours must also include the most recent edition of a 7-hour National USPAP Update Course

Waivers may not be granted to credential holders who have failed to meet the continuing education requirements.

Deferrals may not be granted to credential holders, except in the case of individuals returning from active military duty. State appraiser regulatory agencies may allow credential holders returning from active military duty to be placed in active status for a period of up to 90 days pending completion of all continuing education requirements. (adopted, May 2006)

12. Credentialed appraisers are required to complete continuing education for a partial year in a continuing education cycle as follows:

For continuing education cycle periods of 185 days or more, 14 hours of continuing education is required.

For continuing education cycle periods of less than 185 days, no hours of continuing education are required.

Example #1: A credential issued on August 15 that expires on December 31 of the same year would not require any continuing education hours for that year.

Example #2: A credential issued on May 15 that expires on December 31 of the same year would require 14 continuing education hours for that year.

Example #3: A credential issued on August 15 that expires on December 31 of the following year would require 14 hours of continuing education to renew. (adopted, May 2006 – effective January 1, 2007)

# LICENSED REAL PROPERTY APPRAISER CLASSIFICATION

- I. The Licensed Real Property Appraiser Classification applies to the appraisal of non-complex one to four residential units having a transaction value less than \$1,000,000 and complex one to four residential units having a transaction value less than \$250,000

The scope of practice identified herein represents the consensus of the Appraiser Qualifications Board. The Federal Financial Institutions Regulatory Agencies, as well as other agencies and regulatory bodies permit the licensed classification to appraise properties other than those identified above. Individuals should refer to Agency regulations and State law to determine the type of property that may be appraised by the Licensed appraiser.

All Licensed appraisers are bound by the COMPETENCY RULE of the Uniform Standards of Professional Appraisal Practice.

## Scope of Practice Interpretations:

1. *The Licensed Real Property Classification includes the appraisal of vacant or unimproved land that is utilized for 1-4 family purposes or for which the highest and best use is for 1-4 family purposes. (adopted, November, 1990)*
  2. *The Licensed Real Property Classification does not include the appraisal of subdivisions for which a development analysis/appraisal is necessary. (adopted, November, 1990)*
- A. Applicants must meet the following examination, education, and experience requirements. Subsequent to licensure, individuals must meet the continuing education requirement.

### 1. Examination

- a. Successful completion of the Appraiser Qualifications Board endorsed Uniform State Licensed Real Property Appraiser Examination or its equivalent.
- b. Refer to the National Uniform Examination Content Outline for the Licensed Real Property Appraiser Classification.

## Examination Interpretations:

1. *The examination must be successfully completed. There is no alternative to successful completion of the examination. (adopted, November, 1990)*
2. *Applicants have a reasonable period of time (up to 24 months after state approval) to take the examination. Successful completion of the examination is valid for a period of 24 months. (adopted, April 2000)*

### 2. Education

Prerequisite to sit for the examination

- a. Ninety classroom hours of courses in subjects related to real estate appraisal.
- b. Fifteen of the ninety hours must include successful completion of the National USPAP Course, or its equivalent. Equivalency shall be determined through the AQB Course Approval Program or by an alternate method established by the AQB.
  - 1) USPAP qualifying education credit shall only be awarded when the class is instructed by an AQB Certified Instructor(s); and
  - 2) USPAP qualifying education credit shall only be awarded when the class is instructed by at least one residential or general state certified appraiser.
- c. A classroom hour is defined as fifty minutes out of each sixty minute segment.
- d. Credit toward the classroom hour requirement may only be granted where the length of the educational offering is at least fifteen hours, and the individual successfully completes an examination pertinent to that educational offering.
- e. Credit for the classroom hour requirement may be obtained from the following:
  - 1) Colleges or Universities
  - 2) Community or Junior Colleges
  - 3) Real Estate Appraisal or Real Estate Related Organizations
  - 4) State or Federal Agencies or Commissions
  - 5) Proprietary Schools
  - 6) Other providers approved by the state certification/licensing
- f. Credit toward the classroom hour requirement may be awarded to teachers of appraisal courses.
- g. There is no time limit regarding when Qualifying education credit must have been obtained.
- h. State appraiser certification and licensing agencies may grant credit for courses where the applicant obtained credit from the course provider by challenge examination without attending the courses, provided that such credit was granted by the course provider prior to

July 1, 1990, and provided further that the state agency is satisfied with the quality of the challenge examination that was administered by the course provider.

- i. Various appraisal courses may be credited toward the ninety classroom hour education requirement. Applicants must demonstrate that their education involved coverage of all topics listed below with particular emphasis on the appraisal of one to four unit residential properties.

- 1) Influences on Real Estate Value
  - Physical and environmental
  - Economic
  - Governmental and legal
  - Social
- 2) Legal Considerations in Appraisal
  - Real estate vs. real property
  - Real property vs. personal property
  - Limitations on real estate ownership
  - Legal rights and interests
  - Forms of property ownership
  - Legal descriptions
  - Transfer of title
- 3) Types of Value
  - Market Value or Value in Exchange
  - Price
  - Cost
  - Investment Value
  - Value in Use
  - Assessed Value
  - Insurable Value
- 4) Economic Principles
  - Anticipation
  - Balance
  - Change
  - Competition
  - Conformity
  - Contribution
  - Increasing and decreasing returns
  - Substitution
  - Supply and demand
  - Surplus Productivity
- 5) Real estate Markets and Analysis
  - Characteristics of real estate markets
  - Absorption analysis
  - Role of money and capital markets
  - Real estate financing
- 6) Valuation Process
  - Definition of the problem
  - Collection and analysis of data
  - Analysis of highest and best use
  - Application and limitations of each approach to value
  - Reconciliation and final value estimate
  - The appraisal report

- 7) Property Description
  - Site description
  - Improvement description
  - Basic construction and design
- 8) Highest and Best Use
  - Four tests
  - Vacant site or as if vacant
  - As improved
  - Interim use
- 9) Appraisal Statistical Concepts
  - Mean
  - Median
  - Mode
  - Range
  - Standard deviation
- 10) Sales Comparison Approach
  - Research and selection of comparables
  - Elements of comparison
  - Adjustment process
  - Application of sales comparison approach
- 11) Site Value
  - Sales comparison
  - Land residual
  - Allocation
  - Extraction
  - Plottage and assemblage
- 12) Cost Approach
  - Steps in Cost Approach
  - Application of the Cost Approach
- 13) Income Approach
  - Estimation of income and expenses
  - Operating expense ratios
  - Gross rent multiplier
- 14) Valuation of Partial Interests
  - Life estates
  - Undivided interest in commonly held property
  - Easements
  - Timeshares
  - Cooperatives
  - Leased fee estate
  - Leasehold estate
- 15) Appraisal Standards & Ethics

*Education Interpretations:*

1. *"Education Criteria," for purposes of this section, should be understood as Qualifying Education Criteria. (adopted, June, 1997)*
2. *The only prerequisite to sit for the examination is completion of the education/classroom hour requirement. (adopted, November, 1990)*

3. *A classroom hour is defined as sixty minutes, of which fifty minutes are instruction. (adopted, June, 1997)*
4. *The prescribed number of classroom hours includes time devoted to examinations which are considered to be part of the course. (adopted, November, 1990)*
5. *Open book examinations are not acceptable in qualifying education courses for appraisal licensing and certification. (adopted, June, 1997)*
6. *For qualifying education, distance education is defined as any educational process based on the geographical separation of learner and instructor (e.g., CD ROM, on-line learning, correspondence courses, video conferencing, etc.). For qualifying education, distance education must provide interaction between the learner and instructor and include testing. (adopted, June, 1997)*
7. *Distance education courses may be acceptable to meet the classroom hour requirement, or its equivalent, provided that the course is approved by the state certification/licensing authority, the learner successfully completes a written examination proctored by an official approved by the presenting entity, college or university, the course meets the requirements for qualifying education established by the Appraiser Qualifications Board, the course is equivalent to the minimum 15 classroom hours, and meets one of the following conditions; (adopted, June, 1991)*
  - a) *The course is presented by an accredited (Commission on Colleges or a regional accreditation association) college or university that offers distance education programs in other disciplines; or (adopted, June, 1991)*
  - b) *The course has received approval of the International Distance Education Certification Center (IDECC) for the course design and delivery mechanism and either a) the approval of the Appraiser Qualifications Board through the AQB Course Approval Program, or b) the approval of the licensing or certifying jurisdiction where the course is being offered, for the content of the course. (adopted June 1997, revised October, 2001, effective November 1, 2001)*
8. *The American Council on Education through its ACE/Credit Program is no longer an approved entity for review of distance learning course mechanisms. (adopted, November 2003, effective April 1, 2004)*
9. *Experience may not be substituted for education. (adopted, November, 1990)*
10. *Credit awarded for the classroom hour requirement when an individual seeks a different classification than that held may also be awarded for the continuing education requirement of the classification held. (adopted, June, 1991)*
11. *Courses taken in satisfying the qualifying education requirements should not be repetitive in nature.*

*Each course credited toward the required number of qualifying education hours should represent a progression in which the appraiser's knowledge is increased. (adopted, November, 1993)*

### **3. Experience**

Two thousand hours of appraisal experience is required. If requested, experience documentation in the form of reports or file memoranda should be available to support the experience claimed.

- a. *Hours may be treated as cumulative in order to achieve the necessary 2,000 hours of appraisal experience.*
- b. *Acceptable appraisal experience includes, but is not limited to, the following: Fee and staff appraisal, ad valorem tax appraisal, condemnation appraisal, technical review appraisal, appraisal analysis, real estate consulting, highest and best use analysis, and feasibility analysis/study.*
- c. *The verification for experience credit claimed by an applicant shall be on forms prescribed by the state certification/licensing agency which should include:*
  - 1) *Type of property*
  - 2) *Date of report*
  - 3) *Address of appraised property*
  - 4) *Description of work performed*
  - 5) *Number of work hours*

#### *Experience Interpretations:*

1. *The experience requirement is a minimum of 2,000 hours. (adopted, November, 1990)*
2. *Education may not be substituted for experience. (adopted, November, 1990)*
3. *There need not be a client in order for an appraisal to qualify for experience. (See Supplement 1) (October 1, 1999)*
4. *An hour of experience is defined as verifiable time spent in performing tasks in accordance with acceptable appraisal experience as identified in the AQB Licensed Appraiser Qualification Criteria (I.A.3.b). (adopted, November, 1990)*
5. *Experience documentation in the form of reports or file memoranda, or if unavailable, other evidence at the credentialing authority's discretion, must be provided to support the experience claimed. (adopted, June, 1997)*
6. *There is no time limit during which experience may be obtained. (adopted, November, 1990)*
7. *Experience obtained after January 1, 1991 shall comply with the Uniform Standards of Professional Appraisal Practice (USPAP). (adopted, February, 1995)*

8. *The appraisal process should be utilized in determining various areas which are creditable for experience purposes. (adopted, November, 1990)*
9. *The appraisal process consists of an analysis of factors that bear upon value; definition of the problem; gathering and analyzing data; applying the appropriate value approaches and methodology; arriving at an opinion of value and reporting the opinion of value. (adopted, June, 1997)*
10. *The time spent driving to and from an appraisal assignment ("drive time") may qualify as appraisal experience if it is considered to be a part of the appraisal process. (adopted, February 1997)*
11. *Cumulative is defined as meaning that experience may be acquired over any time period. (adopted, November, 1990)*

*The following is an example of cumulative experience:*

Year 1	200 Hours
Year 2	800 Hours
Year 3	100 Hours
Year 4	400 Hours
Year 5	500 Hours
Total	2,000 Hours

12. *Mass Appraisal experience must conform to USPAP Standard 6 subsequent to January 1, 1991. Mass appraisal experience claimed by the applicant should be given credit to the extent that it demonstrates proficiency in appraisal principles, techniques, or skills used by appraisers practicing under USPAP Standard 1. (adopted, June, 1997)*
13. *Review appraisal experience must conform to USPAP Standard 3 subsequent to January 1, 1991. Review appraisal experience should be given credit to the extent that it demonstrates proficiency in appraisal principles, techniques, or skills used by appraisers practicing under USPAP Standard 1. (adopted, June, 1997)*
14. *Real estate or real property consulting services, including market analysis, cash flow and/or investment analysis, and feasibility analysis must conform to USPAP Standards 4 and 5 subsequent to January 1, 1991. Experience credit for these functions should be given credit to the extent that it demonstrates proficiency in appraisal principles, techniques, or skills used by appraisers practicing under USPAP Standard 1. (adopted, June, 1997)*
15. *A market analysis typically performed by a Real Estate Broker or Sales Person should be awarded experience credit when the analysis is prepared in conformity with Standards 1 and 2 of USPAP, and the individual can demonstrate that he or she is using similar techniques as appraisers to value properties and effectively utilizes the appraisal process. (adopted, March, 1991)*

16. *Real property appraisal experience credit should be awarded for appraisals of real estate components or interests unless the appraiser has not complied with USPAP Standards 1 and 2. (adopted, June, 1997)*

#### 4. Continuing Education

- a. The equivalent of fourteen classroom hours of instruction in courses or seminars for each year during the period preceding the renewal is required. (For example, a two-year continuing education term would require twenty-eight hours.)

The purpose of continuing education is to ensure that the appraiser participates in a program that maintains and increases his/her skill, knowledge and competency in real estate appraising.

Continuing education hours may be obtained anytime during the term.

- b. Appraisers must successfully complete the seven-hour National USPAP Update Course, or its equivalent, at a minimum of every two years. Equivalency shall be determined through the AQB Course Approval Program or by an alternate method established by the AQB.
  - 1) USPAP continuing education credit shall only be awarded when the class is instructed by an AQB Certified Instructor(s); and
  - 2) USPAP continuing education credit shall only be awarded when the class is instructed by at least one residential or general state certified appraiser.
- c. A classroom hour is defined as fifty minutes of teaching out of each sixty-minute segment.
- d. Credit toward the classroom hour requirement may be granted only where the length of the educational offering is at least two hours.
- e. Credit for the classroom hour requirement may be obtained from the following:
  - 1) Colleges or Universities
  - 2) Community or Junior Colleges
  - 3) Real Estate Appraisal or Real Estate Related Organizations
  - 4) State or Federal Agencies or Commissions
  - 5) Proprietary Schools
  - 6) Other providers approved by the state certification/licensing agency.
- f. Credit may be granted for educational offerings which are consistent with the purpose of continuing education stated previously in subparagraph "a" and cover real estate related appraisal topics such as those listed below.
  - 1) Ad Valorem Taxation
  - 2) Arbitration
  - 3) Business courses related to practice of real estate appraisal

- 4) Development cost estimating
  - 5) Ethics and standards of professional practice
  - 6) Land use planning, zoning, taxation
  - 7) Management, leasing, brokerage, timesharing
  - 8) Property development
  - 9) Real estate appraisal
  - 10) Real estate law
  - 11) Real estate litigation
  - 12) Real estate financing and investment
  - 13) Real estate appraisal related computer applications
  - 14) Real estate securities and syndication
  - 15) Real property exchange
- g. Continuing education credit may also be granted for participation, other than as a student, in appraisal educational processes and programs. Examples of activities for which credit may be granted are teaching, program development, authorship of textbooks, or similar activities which are determined to be equivalent to obtaining continuing education.

#### *Continuing Education Interpretations:*

1. *The period preceding the renewal is defined to mean the continuing education term established by the state. (adopted, November, 1997)*
2. *Credit awarded for the continuing education requirement may also be awarded for the qualifying education classroom hour requirement when an individual seeks a different classification than that held, providing the educational offering meets the criteria established (i.e., minimum length of 15 hours and successful completion of an examination). (adopted, June, 1991)*
3. *For continuing education, distance education is defined as any educational process based on the geographical separation of instructor and learner (e.g., CD ROM, on-line learning, correspondence courses, video conferencing, etc.). (adopted, June, 1997)*
4. *Distance education courses may be acceptable to meet the continuing education requirement provided that the course is approved by the state certification/licensing authority, the course is a minimum of 2 classroom hours and meets the requirements for continuing education courses established by the Appraiser Qualifications Board, and meets one of the following conditions: (adopted, June, 1997)*
  - a. *the course is presented to an organized group in an instructional setting with a person qualified and available to answer questions, provide information, and monitor student attendance, or (adopted, June, 1997)*
  - b. *the course has been presented by an accredited (Commission on Colleges or a regional accreditation association) college or university that offers distance education programs in other disciplines and the student successfully completes a written examination proctored by an official approved by the presenting college or university or by the sponsoring organization consistent with the requirements of the course accreditation; or if a written examination is not required for accreditation, the student successfully completes the course mechanisms required for accreditation which demonstrates mastery and fluency (said mechanisms must be present in a course without an exam in order to be acceptable), (adopted June, 1997) or*
  - c. *the course has received approval of the International Distance Education Certification Center (IDECC) for the course design and delivery mechanism and either a) the approval of the Appraiser Qualifications Board through the AQB Course Approval Program or b) the approval of the licensing or certifying jurisdiction where the course is being offered, for the content of the course and the student successfully completes a written examination proctored by an official approved by the presenting college or university or by the sponsoring organization consistent with the requirements of the course accreditation; or if a written examination is not required for accreditation, the student successfully completes the course mechanisms required for accreditation which demonstrates mastery and fluency (said mechanisms must be present in a course without an exam in order to be acceptable). (adopted June, 1997, revised October 2001, effective November 1, 2001)*
5. *The American Council on Education through its ACE/Credit Program is no longer an approved entity for review of distance learning course mechanisms. (adopted, November 2003, effective April 1, 2004)*
6. *Real estate appraisal related field trips are acceptable for continuing education credit. However, transit time to or from the field trip location should not be included when awarding credit if instruction does not occur. (adopted, February, 1996)*
7. *The two year USPAP CE (continuing education) term may be either:*
  - a. *Every two calendar years, commencing on January 1, 2003; or*
  - b. *In conjunction with a jurisdiction's continuing education cycle that commences after the effective date of January 1, 2003, as long as 7 hours of USPAP CE have been taken by December 31, 2005.*

*It is the intent of the AQB that individuals who are credentialed in more than one jurisdiction should not have to take more than one 7 hour USPAP update within a two year period. (adopted, October, 2001)*

8. *For continuing education purposes in 2003 and 2004, the 15-hour National USPAP Course, or its equivalent may be taken in lieu of the 7-hour National USPAP Course, or its equivalent. The licensing/certifying jurisdiction must determine whether the student is required to take and pass the associated examination. (adopted, August 2003)*
9. *AQB Certified USPAP Instructors successfully completing the seven-hour Instructor Recertification Course and exam (if required) within the current continuing education cycle, have satisfied the seven-hour National USPAP Update Course continuing education requirement. (adopted, September 2004)*
10. *Waivers or deferrals may not be granted to credential holders who have failed to meet the continuing education requirements. Appraiser regulatory agencies with the appropriate authority to do so, may place a credential holder in an "inactive status" in the event that the state determines that the deficiency in continuing education was due to extenuating circumstances. Prior to reactivation, credential holders in an inactive status must complete all required continuing education hours that would have been required if the credential holder was in an active status. The required hours must also include the most recent edition of a 7-hour National USPAP Update Course. (adopted, September 2005; **retired, May 2006**)*
11. *Appraiser regulatory agencies with the appropriate authority to do so, may place a credential holder in an "inactive status" in the event that the state*

*determines that a deficiency in continuing education was due to extenuating circumstances. Prior to reactivation, credential holders in an inactive status must complete all required continuing education hours that would have been required if the credential holder was in an active status. The required hours must also include the most recent edition of a 7-hour National USPAP Update Course. Waivers may not be granted to credential holders who have failed to meet the continuing education requirements. Deferrals may not be granted to credential holders, except in the case of individuals returning from active military duty. State appraiser regulatory agencies may allow credential holders returning from active military duty to be placed in active status for a period of up to 90 days pending completion of all continuing education requirements. (adopted, May 2006)*

12. *Credentialed appraisers are required to complete continuing education for a partial year in a continuing education cycle as follows: For continuing education cycle periods of 185 days or more, 14 hours of continuing education is required. For continuing education cycle periods of less than 185 days, no hours of continuing education are required.*

Example #1: *A credential issued on August 15 that expires on December 31 of the same year would not require any continuing education hours for that year.*

Example #2: *A credential issued on May 15 that expires on December 31 of the same year would require 14 continuing education hours for that year.*

Example #3: *A credential issued on August 15 that expires on December 31 of the following year would require 14 hours of continuing education to renew. (adopted, May 2006 – effective January 1, 2007)*



# CERTIFIED RESIDENTIAL REAL PROPERTY APPRAISER CLASSIFICATION

- II. The Certified Residential Real Property Appraiser Classification applies to the appraisal of one to four residential units without regard to transaction value or complexity.

The scope of practice identified herein represents the consensus of the Appraiser Qualifications Board. The Federal Financial Institutions Regulatory Agencies, as well as other agencies and regulatory bodies permit the Certified Residential classification to appraise properties other than those identified within this criteria. Individuals should refer to Agency regulations and State law to determine the type of property that may be appraised by the Certified Residential appraiser.

All Certified appraisers are bound by the COMPETENCY RULE of the Uniform Standards of Professional Appraisal Practice.

## *Scope of Practice Interpretations:*

1. *The Certified Residential Real Property Classification includes the appraisal of vacant or unimproved land that is utilized for 1-4 family purposes or for which the highest and best use is for 1-4 family purposes. (adopted, March, 1991)*
  2. *The Certified Residential Real Property Classification does not include the appraisal of subdivisions for which a development analysis/appraisal is necessary. (adopted, March, 1991)*
- A. Applicants must meet the following examination, education, and experience requirements. Subsequent to certification, individuals must meet the continuing education requirement.

### **1. Examination**

- a. Successful completion of the Appraiser Qualifications Board endorsed Uniform State Certified Residential Real Property Appraiser Examination or its equivalent.
- b. Refer to the National Uniform Examination Content Outline for the Certified Residential Real Property Appraiser Classification.

## *Examination Interpretations:*

1. *The examination must be successfully completed. There is no alternative to successful completion of the examination. (adopted, March, 1991)*

2. *The Certified General examination is not equivalent to the Certified Residential Real Property Appraiser Examination. (adopted, June, 1997)*
3. *Applicants have a reasonable period of time (up to 24 months after state approval) to take the examination. Successful completion of the examination is valid for a period of 24 months. (adopted, April, 2000)*

### **2. Education**

Prerequisite to sit for the examination

- a. One hundred twenty classroom hours, which may include the ninety classroom hour requirement for the Licensed Real Property Appraiser Classification, of courses in subjects related to real estate appraisal.
- b. Fifteen of the one hundred twenty hours must include successful completion of the National USPAP Course, or its equivalent. Equivalency shall be determined through the AQB Course Approval Program or by an alternate method established by the AQB.
  - 1) USPAP qualifying education credit shall only be awarded when the class is instructed by an AQB Certified Instructor(s); and
  - 2) USPAP qualifying education credit shall only be awarded when the class is instructed by at least one residential or general state certified appraiser.
- c. A classroom hour is defined as fifty minutes out of each sixty minute segment.
- d. Credit toward the classroom hour requirement may only be granted where the length of the educational offering is at least fifteen hours, and the individual successfully completes an examination pertinent to that educational offering.
- e. Credit for the classroom hour requirement may be obtained from the following:
  - 1) Colleges or Universities
  - 2) Community or Junior Colleges
  - 3) Real Estate Appraisal or Real Estate Related Organizations
  - 4) State or Federal Agencies or Commissions
  - 5) Proprietary Schools
  - 6) Other providers approved by the state certification/licensing agency.

- f. Credit toward the classroom hour requirement may be awarded to teachers of appraisal courses.
- g. There is no time limit regarding when Qualifying education credit must have been obtained.
- h. State appraiser certification and licensing agencies may grant credit for courses where the applicant obtained credit from the course provider by challenge examination without attending the courses, provided that such credit was granted by the course provider prior to July 1, 1990, and provided further that the state agency is satisfied with the quality of the challenge examination that was administered by the course provider.
- i. Various appraisal courses may be credited toward the one hundred twenty classroom hour education requirement. Applicants must demonstrate that their education involved coverage of all topics listed below with particular emphasis on the appraisal of one to four (1-4) unit residential properties.
- 1) Influences on Real Estate Value
    - Physical and environmental
    - Economic
    - Governmental and legal
    - Social
  - 2) Legal Considerations in Appraisal
    - Real estate vs. real property
    - Real property vs. personal property
    - Limitations on real estate ownership
    - Legal rights and interests
    - Forms of property ownership
    - Legal descriptions
    - Transfer of title
  - 3) Types of Value
    - Market Value or Value in Exchange
    - Price
    - Cost
    - Investment Value
    - Value in Use
    - Assessed Value
    - Insurable Value
  - 4) Economic Principles
    - Anticipation
    - Balance
    - Change
    - Competition
    - Conformity
    - Contribution
    - Increasing and decreasing returns
    - Opportunity cost
    - Substitution
    - Supply and demand
    - Surplus productivity
  - 5) Real Estate Markets and Analysis
    - Characteristics of real estate markets
    - Absorption analysis
    - Role of money and capital markets
    - Real estate financing
  - 6) Valuation Process
    - Definition of the problem
    - Collection and analysis of data
    - Analysis of highest and best use
    - Application and limitations of each approach to value
    - Reconciliation and final value estimate
    - The appraisal report
  - 7) Property Description
    - Site description
    - Improvement description
    - Basic construction and design
  - 8) Highest and Best Use Analysis
    - Four tests
    - Vacant site or as if vacant
    - As improved
    - Interim use
  - 9) Appraisal Math and Statistics
    - Compound interest concepts
    - Statistical concepts used in appraisal
  - 10) Sales Comparison Approach
    - Research and selection of comparables
    - Elements of comparison
    - Adjustment process
    - Application of sales comparison approach
  - 11) Site Value
    - Sales comparison
    - Land residual
    - Allocation
    - Extraction
    - Plottage and assemblage
  - 12) Cost Approach
    - Steps in Cost Approach
    - Application of the Cost Approach
  - 13) Income Approach
    - Estimation of income and expenses
    - Operating expense ratios
    - Direct capitalization
    - Gross rent multiplier analysis
  - 14) Valuation of Partial Interests
    - Life estates
    - Undivided interest in commonly held property
    - Easements
    - Timeshares
    - Cooperatives
    - Leased fee estate
    - Leasehold estate
  - 15) Appraisal Standards and Ethics
  - 16) Narrative Report Writing

*Education Interpretations:*

1. "Education Criteria," for purposes of this section, should be understood as *Qualifying Education Criteria*. (adopted, June, 1997)
  2. The only prerequisite to sit for the examination is completion of the education/classroom hour requirement. (adopted, March, 1991)
  3. A classroom hour is defined as sixty minutes, of which fifty minutes are instruction. (adopted, June, 1997)
  4. The prescribed number of classroom hours includes time devoted to examinations which are considered to be part of the course. (adopted, March, 1991)
  5. Open book examinations are not acceptable in qualifying education courses for appraisal licensing and certification. (adopted, June, 1997)
  6. For qualifying education, distance education is defined as any educational process based on the geographical separation of learner and instructor (e.g., CD ROM, on-line learning, correspondence courses, video conferencing, etc.). For qualifying education, distance education must provide interaction between the learner and instructor and include testing. (adopted, June, 1997)
  7. Distance education courses may be acceptable to meet the classroom hour requirement, or its equivalent, provided that the course is approved by the state certification/licensing authority, the learner successfully completes a written examination proctored by an official approved by the presenting entity, college or university, the course meets the requirements for qualifying education established by the Appraiser Qualifications Board, the course is equivalent to the minimum of 15 classroom hours, and meets one of the following conditions; (adopted, June, 1991)
    - a. The course is presented by an accredited (Commission on Colleges or a regional accreditation association) college or university that offers distance education programs in other disciplines; or (adopted, June, 1991)
    - b. The course has received approval of the International Distance Education Certification Center (IDECC) for the course design and delivery mechanism and either a) the approval of the Appraiser Qualifications Board through the AQB Course Approval Program, or b) the approval of the licensing or certifying jurisdiction where the course is being offered, for the content of the course. (adopted June 1997, revised October, 2001, effective November 1, 2001)
  8. The American Council on Education through its ACE/Credit Program is no longer an approved entity for review of distance learning course mechanisms. (adopted, November 2003, effective April 1, 2004)
  9. Experience may not be substituted for education. (adopted, March, 1991)
  10. Credit awarded for the classroom hour requirement when an individual seeks a different classification than that held may also be awarded for the continuing education requirement of the classification held. (adopted, June, 1991)
  11. Courses taken in satisfying the qualifying education requirements should not be repetitive in nature. Each course credited toward the required number of qualifying education hours should represent a progression in which the appraiser's knowledge is increased. (adopted, November, 1993)
- 3. Experience**
- 2,500 hours of appraisal experience obtained during no fewer than 24 months is required. If requested, experience documentation in the form of reports or file memoranda should be available to support the experience claimed. Hours may be treated as cumulative in order to achieve the necessary 2,500 hours of appraisal experience.
- a. Acceptable appraisal experience includes, but is not limited to, the following:
 

Fee and staff appraisal, ad valorem tax appraisal, condemnation appraisal, technical review appraisal, appraisal analysis, real estate consulting, highest and best use analysis, and feasibility analysis/study.

This should not be construed as limiting experience credit to only those individuals who are state licensed.
  - b. The verification for experience credit claimed by an applicant shall be on forms prescribed by the state certification/licensing agency which should include:
    - 1) Type of property
    - 2) Date of report
    - 3) Address of appraised property
    - 4) Description of work performed
    - 5) Number of work hours
- Experience Interpretations:*
1. The experience requirement is a minimum of 2,500 hours and two calendar years. There is no limitation on the number of hours which may be awarded in any year. (adopted, March, 1991)
  2. Education may not be substituted for experience. (adopted, March, 1991)
  3. There need not be a client in order for an appraisal to qualify for experience. (See Supplement 1) (October 1, 1999)

4. An hour of experience is defined as verifiable time spent performing tasks in accordance with acceptable appraisal experience as identified in the AQB Certified Residential Appraiser Qualification Criteria (II.A.3.a.). (adopted, March, 1990)
5. Experience documentation in the form of reports or file memoranda, or if unavailable, other evidence at the credentialing authority's discretion, must be provided to support the experience claimed. (adopted, June, 1997)
6. There is no time limit during which experience may be obtained. (adopted, March, 1991)
7. Experience obtained after January 1, 1991 shall comply with the Uniform Standards of Professional Appraisal Practice (USPAP). (adopted, February, 1995)
8. The appraisal process should be utilized in determining various areas which are creditable for experience purposes. (adopted, March, 1991)
9. The appraisal process consists of an analysis of factors that bear upon value: definition of the problem; gathering and analyzing data; applying the appropriate value approaches and methodology; arriving at an opinion of value and reporting the opinion of value. (adopted, June, 1997)
10. Cumulative is defined as meaning that experience may be acquired over any time period in two years. There is no minimum number of hours which must be acquired in any one year. (adopted, March, 1991) The following is an example of cumulative experience:
 

Year 1	700 Hours
Year 2	800 Hours
Year 3	100 Hours
Year 4	400 Hours
Year 5	500 Hours
Total	2,500 Hours
11. 2,500 hours of experience and 24 months are required. The hours may be cumulative, but the required number of months of real estate appraisal experience must accrue before an individual can be certified. (adopted, February, 1995)
12. The time spent driving to and from an appraisal assignment ("drive time") may qualify as appraisal experience if it is considered to be a part of the appraisal process. (adopted, February, 1997)
13. Mass appraisal experience must conform to USPAP Standard 6 subsequent to January 1, 1991. Mass appraisal experience claimed by the applicant should be given credit to the extent that it demonstrates proficiency in appraisal principles, techniques, or skills used by appraisers practicing under USPAP Standard 1. (adopted, June, 1997)
14. Review appraisal experience must conform to USPAP Standard 3 subsequent to January 1, 1991. Review appraisal experience should be given credit to the extent that it demonstrates proficiency in appraisal principles, techniques, or skills used by appraisers practicing under USPAP Standard 1. (adopted, June, 1997)
15. Real estate or real property consulting services, including market analysis, cash flow and/or investment analysis, and feasibility analysis must conform to USPAP Standards 4 and 5 subsequent to January 1, 1991. Experience credit for these functions should be given credit to the extent that it demonstrates proficiency in appraisal principles, techniques, or skills used by appraisers practicing under USPAP Standard 1. (adopted, June, 1997)
16. A market analysis typically performed by a Real Estate Broker or Sales Person should be awarded experience credit when the analysis is prepared in conformity with Standards 1 and 2 of USPAP, and the individual can demonstrate that he or she is using similar techniques as appraisers to value properties and effectively utilizes the appraisal process. (adopted, March, 1991)
17. Real property appraisal experience credit should be awarded for appraisals of real estate components or interests unless the appraiser has not complied with USPAP Standards 1 and 2. (adopted, June, 1997)

#### 4. Continuing Education

- a. The equivalent of fourteen classroom hours of instruction in courses or seminars for each year during the period preceding the renewal is required. (For example, a two-year continuing education term would require twenty-eight hours.) The purpose of continuing education is to ensure that the appraiser participates in a program that maintains and increases his/her skill, knowledge and competency in real estate appraising. Continuing education hours may be obtained anytime during the term.
- b. Appraisers must successfully complete the seven-hour National USPAP Update Course, or its equivalent, at a minimum of every two years. Equivalency shall be determined through the AQB Course Approval Program or by an alternate method established by the AQB.
  - 1) USPAP continuing education credit shall only be awarded when the class is instructed by an AQB Certified Instructor(s); and
  - 2) USPAP continuing education credit shall only be awarded when the class is instructed by at least one residential or general state certified appraiser.
- c. A classroom hour is defined as fifty minutes of teaching out of each sixty-minute segment.

- d. Credit toward the classroom hour requirement may be granted only where the length of the educational offering is at least two hours.
- e. Credit for the classroom hour requirement may be obtained from the following:
- 1) Colleges or Universities
  - 2) Community or Junior Colleges
  - 3) Real Estate Appraisal or Real Estate Related Organizations
  - 4) State or Federal Agencies or Commissions
  - 5) Proprietary Schools
  - 6) Other providers approved by the state certification/licensing agency.
- f. Credit may be granted for educational offerings which are consistent with the purpose of continuing education stated previously in subparagraph a and cover real estate related appraisal topics such as those listed below.
- 1) Ad Valorem Taxation
  - 2) Arbitration
  - 3) Business courses related to practice of real estate appraisal
  - 4) Development cost estimating
  - 5) Ethics and standards of professional practice
  - 6) Land use planning, zoning, taxation
  - 7) Management, leasing, brokerage, timesharing
  - 8) Property development
  - 9) Real estate appraisal
  - 10) Real estate law
  - 11) Real estate litigation
  - 12) Real estate financing and investment
  - 13) Real estate appraisal related computer applications
  - 14) Real estate securities and syndication
  - 15) Real property exchange
- g. Continuing education credit may also be granted for participation, other than as a student, in appraisal educational processes and programs. Examples of activities for which credit may be granted are teaching, program development, authorship of textbooks, or similar activities which are determined to be equivalent to obtaining continuing education.
- hours and successful completion of an examination). (adopted, June, 1991)
3. For continuing education, distance education is defined as any educational process based on the geographical separation of instructor and learner (e.g., CD ROM, on-line learning, correspondence courses, video conferencing, etc.). (adopted, June, 1997)
  4. Distance education courses may be acceptable to meet the continuing education requirement provided that the course is approved by the state certification/licensing authority, the course is a minimum of 2 classroom hours and meets the requirements for continuing education courses established by the Appraiser Qualifications Board, and meets one of the following conditions: (adopted, June, 1997)
    - a. the course is presented to an organized group in an instructional setting with a person qualified and available to answer questions, provide information, and monitor student attendance; or (adopted, June, 1997)
    - b. the course has been presented by an accredited (Commission on Colleges or a regional accreditation association) college or university that offers distance education programs in other disciplines and the student successfully completes a written examination proctored by an official approved by the presenting college or university or by the sponsoring organization consistent with the requirements of the course accreditation; or if a written examination is not required for accreditation, the student successfully completes the course mechanisms required for accreditation which demonstrates mastery and fluency (said mechanisms must be present in a course without an exam in order to be acceptable); or (adopted June, 1997)
    - c. the course has received approval of the International Distance Education Certification Center (IDECC) for the course design and delivery mechanism and either a) the approval of the Appraiser Qualifications Board through the AQB Course Approval Program or b) the approval of the licensing or certifying jurisdiction where the course is being offered, for the content of the course and the student successfully completes a written examination proctored by an official approved by the presenting college or university or by the sponsoring organization consistent with the requirements of the course accreditation; or if a written examination is not required for accreditation, the student successfully completes the course mechanisms required for accreditation which demonstrates mastery and fluency (said mechanisms) must be present in a course without an exam in order to be acceptable. (adopted June, 1997, revised, October 2001, effective November 1, 2001)

#### *Continuing Education Interpretations:*

1. *The period preceding the renewal is defined to mean the continuing education term established by the state. (adopted, November, 1997)*
2. *Credit awarded for the continuing education requirement may also be awarded for the qualifying education classroom hour requirement when an individual seeks a different classification than that held, providing the educational offering meets the criteria established (i.e., minimum length of 15*

5. *The American Council on Education through its ACE/Credit Program is no longer an approved entity for review of distance learning course mechanisms. (adopted, November 2003, effective April 1, 2004)*
6. *Real estate appraisal related field trips are acceptable for continuing education credit. However, transit time to or from the field trip location should not be included when awarding credit if instruction does not occur. (adopted, February, 1996)*
7. *The two year USPAP CE (continuing education) term may be either:*
  - a. *Every two calendar years, commencing on January 1, 2003; or*
  - b. *In conjunction with a jurisdiction's continuing education cycle that commences after the effective date of January 1, 2003, as long as 7 hours of USPAP CE have been taken by December 31, 2005.*

*It is the intent of the AQB that individuals who are credentialed in more than one jurisdiction should not have to take more than one 7 hour USPAP update within a two year period. (adopted, October, 2001)*
8. *For continuing education purposes in 2003 and 2004, the 15-hour National USPAP Course, or its equivalent may be taken in lieu of the 7-hour National USPAP Course, or its equivalent. The licensing/certifying jurisdiction must determine whether the student is required to take and pass the associated examination. (adopted, August 2003)*
9. *AQB Certified USPAP Instructors successfully completing the seven-hour Instructor Recertification Course and exam (if required) within the current continuing education cycle, have satisfied the seven-hour National USPAP Update Course continuing education requirement. (adopted, September 2004)*
10. *Waivers or deferrals may not be granted to credential holders who have failed to meet the continuing education requirements. Appraiser regulatory agencies with the appropriate authority to do so, may place a credential holder in an "inactive status" in the event that the state determines that the deficiency in continuing education was due to extenuating circumstances. Prior to reactivation, credential holders in an inactive status must complete all required continuing education hours that would have been required if the credential holder was in an active status. The required hours must also include the most recent edition of a 7-hour National USPAP Update Course. (adopted, September 2005; **retired, May 2006**)*

11. *Appraiser regulatory agencies with the appropriate authority to do so, may place a credential holder in an "inactive status" in the event that the state determines that a deficiency in continuing education was due to extenuating circumstances. Prior to reactivation, credential holders in an inactive status must complete all required continuing education hours that would have been required if the credential holder was in an active status. The required hours must also include the most recent edition of a 7-hour National USPAP Update Course.*

*Waivers may not be granted to credential holders who have failed to meet the continuing education requirements.*

*Deferrals may not be granted to credential holders, except in the case of individuals returning from active military duty. State appraiser regulatory agencies may allow credential holders returning from active military duty to be placed in active status for a period of up to 90 days pending completion of all continuing education requirements. (adopted, May 2006)*

12. *Credentialed appraisers are required to complete continuing education for a partial year in a continuing education cycle as follows:*

*For continuing education cycle periods of 185 days or more, 14 hours of continuing education is required.*

*For continuing education cycle periods of less than 185 days, no hours of continuing education are required.*

*Example #1: A credential issued on August 15 that expires on December 31 of the same year would not require any continuing education hours for that year.*

*Example #2: A credential issued on May 15 that expires on December 31 of the same year would require 14 continuing education hours for that year.*

*Example #3: A credential issued on August 15 that expires on December 31 of the following year would require 14 hours of continuing education to renew. (adopted, May 2006 – effective January 1, 2007)*

# CERTIFIED GENERAL REAL PROPERTY APPRAISER CLASSIFICATION

- III. The Certified General Real Property Appraiser Classification applies to the appraisal of all types of real property.

All Certified appraisers are bound by the COMPETENCY RULE of the Uniform Standards of Professional Appraisal Practice.

- A. Applicants must meet the following examination, education, and experience requirements. Subsequent to certification, an individual must meet the continuing education requirement.

## 1. Examination

- a. Successful completion of the Appraiser Qualifications Board endorsed Uniform State Certified General Real Property Appraiser Examination or its equivalent.
- b. Refer to the National Uniform Examination Content Outline for the Certified General Real Property Appraiser Classification

### *Examination Interpretations:*

1. *The examination must be successfully completed. There is no alternative to successful completion of the examination. (adopted, November, 1990)*
2. *Applicants have a reasonable period of time (up to 24 months after state approval) to take the examination. Successful completion of the examination is valid for a period of 24 months. (adopted, April, 2000)*

## 2. Education

Prerequisite to sit for the examination

- a. One hundred eighty classroom hours, which may include the ninety classroom hour requirement for the Licensed Real Property Appraiser Classification or the one hundred twenty classroom hour requirement for the Certified Residential Real Property Appraiser Classification, of courses in subjects related to real estate appraisal.
- b. Fifteen of the one hundred eighty hours must include successful completion of the National USPAP Course, or its equivalent. Equivalency shall be determined through the AQB Course Approval Program or by an alternate method established by the AQB.

- 1) USPAP qualifying education credit shall only be awarded when the class is instructed by an AQB Certified Instructor(s); and
  - 2) USPAP qualifying education credit shall only be awarded when the class is instructed by at least one residential or general state certified appraiser.
- c. A classroom hour is defined as fifty minutes out of each sixty minute segment.
  - d. Credit toward the classroom hour requirement may only be granted where the length of the educational offering is at least fifteen hours, and the individual successfully completes an examination pertinent to that educational offering.
  - e. Credit for the classroom hour requirement may be obtained from the following:
    - 1) Colleges or Universities
    - 2) Community or Junior Colleges
    - 3) Real Estate Appraisal or Real Estate Related Organizations
    - 4) State or Federal Agencies or Commissions
    - 5) Proprietary Schools
    - 6) Other providers approved by the state certification/licensing agency.
  - f. Credit toward the classroom hour requirement may be awarded to teachers of appraisal courses
  - g. There is no time limit regarding when Qualifying education credit must have been obtained.
  - h. State appraiser certifying and licensing agencies may grant credit for courses where the applicant obtained credit from the course provider by challenge examination without attending the courses, provided that such credit was granted by the course provider prior to July 1, 1990, and provided further that the state agency is satisfied with the quality of the challenge examination that was administered by the course provider.
  - i. Various appraisal courses may be credited toward the one hundred eighty classroom hour education requirement. Applicants must demonstrate that their education included coverage of all topics listed below with particular emphasis on the appraisal of non-residential properties. Residential is defined as one to four residential units.

- 1) Influences on Real Estate Value
  - Physical and environmental
  - Economic
  - Governmental and legal
  - Social
- 2) Legal Considerations in Appraisal
  - Real estate vs. real property
  - Real property vs. personal property
  - Limitations on real estate ownership
  - Legal rights and interests
  - Forms of property ownership
  - Legal descriptions
  - Transfer of title
- 3) Types of Value
  - Market Value or Value in Exchange
  - Price
  - Cost
  - Investment Value
  - Value in Use
  - Assessed Value
  - Insurable Value
  - Going Concern Value
- 4) Economic Principles
  - Anticipation
  - Balance
  - Change
  - Competition
  - Conformity
  - Contribution
  - Increasing and decreasing returns
  - Opportunity cost
  - Substitution
  - Supply and demand
  - Surplus productivity
- 5) Real Estate Markets and Analysis
  - Characteristics of real estate markets
  - Absorption analysis
  - Role of money and capital markets
  - Real estate financing
- 6) Valuation Process
  - Definition of the problem
  - Collection and analysis of data
  - Analysis of highest and best use
  - Application and limitations of each
  - Approach to value
  - Reconciliation and final value estimate
  - The appraisal report
- 7) Property Description
  - Site description
  - Improvement description
  - Basic construction and design
- 8) Highest and Best Use Analysis
  - Four tests
  - Vacant site or as if vacant
  - As improved
  - Interim use
- 9) Appraisal Math and Statistics
  - Compound interest concepts
  - Statistical concepts used in appraisal
- 10) Sales Comparison Approach
  - Research and selection of comparables
  - Elements of comparison
  - Adjustment process
  - Application of sales comparison approach
- 11) Site Value
  - Sales comparison
  - Land residual
  - Allocation
  - Extraction
  - Ground rent capitalization
  - Subdivision analysis
  - Plottage and assemblage
- 12) Cost Approach
  - Steps in Cost Approach
  - Application of the Cost Approach
- 13) Income Approach
  - Estimation of income and expenses
  - Operating statement ratios
  - Direct capitalization
  - Cash flow estimates (before tax only)
  - Measures of cash flow
  - Discounted cash flow analysis (DCF)
- 14) Valuation of Partial Interests
  - Interests created by a lease
  - Lease provisions
  - Valuation considerations
  - Other partial interests
- 15) Appraisal Standards and Ethics
- 16) Narrative Report Writing

#### Education Interpretations:

1. *"Education Criteria," for purposes of this section, should be understood as Qualifying Education Criteria. (adopted, June, 1997)*
2. *The only prerequisite to sit for the examination is completion of the education/classroom hour requirement. (adopted, November, 1990)*
3. *A classroom hour is defined as sixty minutes, of which fifty minutes are instruction. (adopted, June, 1997)*
4. *The prescribed number of classroom hours includes time devoted to examinations which are considered to be part of the course. (adopted, November, 1990)*
5. *Open book examinations are not acceptable in qualifying education courses for appraisal licensing and certification. (adopted, June, 1997)*
6. *For qualifying education, distance education is defined as any educational process based on the*

*geographical separation of learner and instructor (e.g., CD ROM, on-line learning, correspondence courses, video conferencing, etc.). For qualifying education, distance education must provide interaction between the learner and instructor and include testing. (adopted, June, 1997)*

7. *Distance education courses may be acceptable to meet the classroom hour requirement, or its equivalent, provided that the course is approved by the state certification/licensing authority, the learner successfully completes a written examination proctored by an official approved by the presenting entity, college or university, the course meets the requirements for qualifying education established by the Appraiser Qualifications Board, the course is equivalent to the minimum of 15 classroom hours, and meets one of the following conditions; (adopted, June, 1991)*
  - a. *The course is presented by an accredited (Commission on Colleges or a regional accreditation association) college or university that offers distance education programs in other disciplines; or (adopted, June, 1991)*
  - b. *The course has received approval of the International Distance Education Certification Center (IDECC) for the course design and delivery mechanism and either a) the approval of the Appraiser Qualifications Board through the AQB Course Approval Program, or b) the approval of the licensing or certifying jurisdiction where the course is being offered, for the content of the course. (adopted June 1997, revised October, 2001, effective November 1, 2001)*
8. *The American Council on Education through its ACE/Credit Program is no longer an approved entity for review of distance learning course mechanisms. (adopted, November 2003, effective April 1, 2004)*
9. *Experience may not be substituted for education. (adopted, November, 1990)*
10. *Credit awarded for the classroom hour requirement when an individual seeks a different classification than that held may also be awarded for the continuing education requirement of the classification held. (adopted, June, 1991)*
11. *Courses taken in satisfying the qualifying education requirements should not be repetitive in nature. Each course credited toward the required number of qualifying education hours should represent a progression in which the appraiser's knowledge is increased. (adopted, November, 1993)*

### **3. Experience**

3,000 hours of appraisal experience obtained during no fewer than 30 months is required. If requested, experience documentation in the form of reports or file memoranda should be available to support the experience claimed. Hours may be treated as cumulative in order to achieve the necessary 3,000 hours of appraisal experience.

- a. *The applicant, for experience credit, must have accumulated a total of three thousand hours of appraisal experience of which at least one thousand five hundred hours must be in non-residential appraisal work. Residential is defined as one to four residential units.*
- b. *Acceptable appraisal experience includes, but is not limited to, the following:*

*Fee and staff appraisal, ad valorem tax appraisal, condemnation appraisal, technical review appraisal, appraisal analysis, real estate consulting, highest and best use analysis, and feasibility analysis/study.*

*This should not be construed as limiting experience credit to only those individuals who are licensed or certified residential.*
- c. *The verification for experience credit claimed by an applicant shall be on forms prescribed by the state certification/licensing agency which should include:*
  - 1) *Type of property*
  - 2) *Date of report*
  - 3) *Address of appraised property*
  - 4) *Description of work performed*
  - 5) *Number of work hours*

#### *Experience Interpretations:*

1. *The experience requirement is a minimum of 3,000 hours and 30 months. There is no limitation on the number of hours which may be awarded in any year. (adopted, November, 1990)*
2. *Education may not be substituted for experience. (adopted, November, 1990)*
3. *There need not be a client in order for an appraisal to qualify for experience. (See Supplement 1) (October 1, 1999)*
4. *An hour of experience is defined as verifiable time spent in performing tasks in accordance with acceptable appraisal experience as identified in the AQB Certified General Appraiser Qualification Criteria (III.A.3.b.). (adopted, November, 1990)*
5. *Experience documentation in the form of reports or file memoranda, or if unavailable, other evidence at the credentialing authority's discretion, must be provided to support the experience claimed. (adopted, June, 1997)*
6. *There is no time limit during which experience may be obtained. (adopted, March, 1991)*
7. *Experience obtained after January 1, 1991 shall comply with the Uniform Standards of Professional Appraisal Practice (USPAP). (adopted, February, 1995)*

8. *The appraisal process should be utilized in determining various areas which are creditable for experience purposes. (adopted, November, 1990)*
9. *The appraisal process consists of an analysis of factors that bear upon value: definition of the problem; gathering and analyzing data; applying the appropriate value approaches and methodology; arriving at an opinion of value and reporting the opinion of value. (adopted, June, 1997)*
10. *Cumulative is defined as meaning that experience may be acquired over any time period. There is no minimum number of hours which must be acquired in any one year. (adopted, November, 1990)*
16. *A market analysis typically performed by a Real Estate Broker or Sales Person should be awarded experience credit when the analysis is prepared in conformity with Standards 1 and 2 of USPAP, and the individual can demonstrate that he or she is using similar techniques as appraisers to value properties and effectively utilizes the appraisal process. (adopted, March, 1991)*
17. *Real property appraisal experience credit should be awarded for appraisals of real estate components or interests unless the appraiser has not complied with USPAP Standards 1 and 2. (adopted, June, 1997)*

*The following is an example of cumulative experience:*

Year 1	1,200 Hours
Year 2	800 Hours
Year 3	100 Hours
Year 4	400 Hours
Year 5	500 Hours
Total	3,000 Hours

11. *3,000 hours of experience and 30 months are required. The hours may be cumulative, but the required number of months of real estate appraisal experience must accrue before an individual can be certified. (adopted, February, 1995)*
  12. *The time spent driving to and from an appraisal assignment ("drive time") may qualify as appraisal experience if it is considered to be a part of the appraisal process. (adopted, February 1997)*
  13. *Mass appraisal experience must conform to USPAP Standard 6 subsequent to January 1, 1991. Mass appraisal experience claimed by the applicant should be given credit to the extent that it demonstrates proficiency in appraisal principles, techniques, or skills used by appraisers practicing under USPAP Standard 1. (adopted, June, 1997)*
  14. *Review appraisal experience must conform to USPAP Standard 3 subsequent to January 1, 1991. Review appraisal experience should be given credit to the extent that it demonstrates proficiency in appraisal principles, techniques, or skills used by appraisers practicing under USPAP Standard 1. (adopted, June, 1997)*
  15. *Real estate or real property consulting services, including market analysis, cash flow and/or investment analysis, and feasibility analysis must conform to USPAP Standards 4 and 5 subsequent to January 1, 1991. Experience credit for these functions should be given credit to the extent that it demonstrates proficiency in appraisal principles, techniques, or skills used by appraisers practicing under USPAP Standard 1. (adopted, June, 1997)*
- 4. Continuing Education**
- a. The equivalent of fourteen classroom hours of instruction in courses or seminars for each year during the period preceding the renewal is required. (For example, a two-year continuing education term would require twenty-eight hours.)
 

The purpose of continuing education is to ensure that the appraiser participates in a program that maintains and increases his/her skill, knowledge and competency in real estate appraising.

Continuing education hours may be obtained anytime during the term.
  - b. Appraisers must successfully complete the seven-hour National USPAP Update Course, or its equivalent, at a minimum of every two years. Equivalency shall be determined through the AQB Course Approval Program or by an alternate method established by the AQB.
    - 1) USPAP continuing education credit shall only be awarded when the class is instructed by an AQB Certified Instructor(s); and
    - 2) USPAP continuing education credit shall only be awarded when the class is instructed by at least one residential or general state certified appraiser.
  - c. A classroom hour is defined as fifty minutes of teaching out of each sixty-minute segment.
  - d. Credit toward the classroom hour requirement may be granted only where the length of the educational offering is at least two hours.
  - e. Credit for the classroom hour requirement may be obtained from the following:
    - 1) Colleges or Universities
    - 2) Community or Junior Colleges
    - 3) Real Estate Appraisal or Real Estate Related Organizations
    - 4) State or Federal Agencies or Commissions
    - 5) Proprietary Schools
    - 6) Other providers approved by the state certification/licensing agency.

- f. Credit may be granted for educational offerings which are consistent with the purposes of continuing education stated previously in subparagraph a and cover real estate related appraisal topics such as those listed below.
- 1) Ad Valorem Taxation
  - 2) Arbitration
  - 3) Business courses related to practice of real estate appraisal
  - 4) Development cost estimating
  - 5) Ethics and standards of professional practice
  - 6) Land use planning, zoning, taxation
  - 7) Management, leasing, brokerage, timesharing
  - 8) Property development
  - 9) Real estate appraisal
  - 10) Real estate financing and investment
  - 11) Real estate law
  - 12) Real estate litigation
  - 13) Real estate appraisal related computer applications
  - 14) Real estate securities and syndication
  - 15) Real property exchange
- g. Continuing education credit may also be granted for participation, other than as a student, in appraisal educational processes and programs. Examples of activities for which credit may be granted are teaching, program development, authorship of textbooks, or similar activities which are determined to be equivalent to obtaining continuing education.

#### *Continuing Education Interpretations:*

1. *The period preceding the renewal is defined to mean the continuing education term established by the state. (adopted, November, 1997)*
  2. *Credit awarded for the continuing education requirement may also be awarded for the qualifying education classroom hour requirement when an individual seeks a different classification than that held, providing the educational offering meets the criteria established (i.e., minimum length of 15 hours and successful completion of an examination). (adopted, June, 1991)*
  3. *For continuing education, distance education is defined as any educational process based on the geographical separation of instructor and learner (e.g., CD ROM, on-line learning, correspondence courses, video conferencing, etc.). (adopted, June, 1997)*
  4. *Distance education courses may be acceptable to meet the continuing education requirement provided that the course is approved by the state certification/licensing authority, the course is a minimum of 2 classroom hours and meets the requirements for*
- continuing education courses established by the Appraiser Qualifications Board, and meets one of the following conditions: (adopted, June, 1997)*
- a. *the course is presented to an organized group in an instructional setting with a person qualified and available to answer questions, provide information, and monitor student attendance, or (adopted, June, 1997)*
  - b. *the course has been presented by an accredited (Commission on Colleges or a regional accreditation association) college or university that offers distance education programs in other disciplines and the student successfully completes a written examination proctored by an official approved by the presenting college or university or by the sponsoring organization consistent with the requirements of the course accreditation; or if a written examination is not required for accreditation, the student successfully completes the course mechanisms required for accreditation which demonstrates mastery and fluency (said mechanisms must be present in a course without an exam in order to be acceptable) (adopted June, 1997), or*
  - c. *the course has received approval of the International Distance Education Certification Center (IDECC) for the course design and delivery mechanism and either a) the approval of the Appraiser Qualifications Board through the AQB Course Approval Program or b) the approval of the licensing or certifying jurisdiction where the course is being offered, for the content of the course and the student successfully completes a written examination proctored by an official approved by the presenting college or university or by the sponsoring organization consistent with the requirements of the course accreditation; or if a written examination is not required for accreditation, the student successfully completes the course mechanisms required for accreditation which demonstrates mastery and fluency (said mechanisms must be present in a course without an exam in order to be acceptable). (adopted June, 1997, revised October 2001, effective November 1, 2001)*
5. *The American Council on Education through its ACE/Credit Program is no longer an approved entity for review of distance learning course mechanisms. (adopted, November 2003, effective April 1, 2004)*
  6. *Real estate appraisal related field trips are acceptable for continuing education credit. However, transit time to or from the field trip location should not be included when awarding credit if instruction does not occur. (adopted, February, 1996)*
  7. *The two year USPAP CE (continuing education) term may be either:*

- a. Every two calendar years, commencing on January 1, 2003; or
- b. In conjunction with a jurisdiction's continuing education cycle that commences after the effective date of January 1, 2003, as long as 7 hours of USPAP CE have been taken by December 31, 2005.

*It is the intent of the AQB that individuals who are credentialed in more than one jurisdiction should not have to take more than one 7 hour USPAP update within a two year period. (adopted, October, 2001)*

8. For continuing education purposes in 2003 and 2004, the 15-hour National USPAP Course, or its equivalent may be taken in lieu of the 7-hour National USPAP Course, or its equivalent. The licensing/certifying jurisdiction must determine whether the student is required to take and pass the associated examination. (adopted, August 2003)
9. AQB Certified USPAP Instructors successfully completing the seven-hour Instructor Recertification Course and exam (if required) within the current continuing education cycle, have satisfied the seven-hour National USPAP Update Course continuing education requirement. (adopted, September 2004)
10. Waivers or deferrals may not be granted to credential holders who have failed to meet the continuing education requirements. Appraiser regulatory agencies with the appropriate authority to do so, may place a credential holder in an "inactive status" in the event that the state determines that the deficiency in continuing education was due to extenuating circumstances. Prior to reactivation, credential holders in an inactive status must complete all required continuing education hours that would have been required if the credential holder was in an active status. The required hours must also include the most recent edition of a 7-hour National USPAP Update Course. (adopted, September 2005; **retired, May 2006**)
11. Appraiser regulatory agencies with the appropriate authority to do so, may place a credential holder in an "inactive status" in the event that the state determines that a deficiency in continuing education was due to extenuating circumstances.

*Prior to reactivation, credential holders in an inactive status must complete all required continuing education hours that would have been required if the credential holder was in an active status. The required hours must also include the most recent edition of a 7-hour National USPAP Update Course. Waivers may not be granted to credential holders who have failed to meet the continuing education requirements.*

*Deferrals may not be granted to credential holders, except in the case of individuals returning from active military duty. State appraiser regulatory agencies may allow credential holders returning from active military duty to be placed in active status for a period of up to 90 days pending completion of all continuing education requirements. (adopted, May 2006)*

12. Credentialed appraisers are required to complete continuing education for a partial year in a continuing education cycle as follows:

*For continuing education cycle periods of 185 days or more, 14 hours of continuing education is required.*

*For continuing education cycle periods of less than 185 days, no hours of continuing education are required.*

Example #1: *A credential issued on August 15 that expires on December 31 of the same year would not require any continuing education hours for that year.*

Example #2: *A credential issued on May 15 that expires on December 31 of the same year would require 14 continuing education hours for that year.*

Example #3: *A credential issued on August 15 that expires on December 31 of the following year would require 14 hours of continuing education to renew. (adopted, May 2006 – effective January 1, 2007)*

# SUPPLEMENTARY INFORMATION

Supplementary Information (Supplements) explain, describe, and/or further interpret The Real Property Appraiser Qualification Criteria and Interpretations of the Criteria. As such, they are binding.

## SUPPLEMENT NO. 1 – EXPERIENCE

### Reference

“There need not be a client in order for an appraisal to qualify for experience.” (see Interpretations under the Experience sections associated with the Applications identified below).

### Application(s)

Licensed, Certified Residential, and Certified General real property appraisers.

### Background

Appraisals in conformance with USPAP may be made without a client. They can qualify for experience credit toward a credential, but there are special considerations a credentialing authority must consider. Without a client, the appraiser determines the type of appraisal and type of report. In instances where appraisals were never presented to anyone with a stake in a potential transaction, there is no oversight entity to verify data and ensure that it was correctly analyzed and interpreted. There is no potential for feedback to the appraiser on his or her performance.

There is an underlying assumption that experience is valuable because clients tend to demand competency. Because experience without a client calls this assumption into question, credentialing authorities must carefully assess the quality and adequacy of appraisals made without clients. They must also give consideration to restricting the percentage of this type of experience. It would be clearly unacceptable, for instance, for an appraiser to be granted 100% of the required experience for limited appraisals reported in a restricted format and with no client.

### Conclusions

- There need not be a client in order for an appraisal to qualify for experience.
- The credentialing authority must audit a significant sample of appraisals made without clients for quality and conformance with USPAP.
- Greater weight should be given to complete appraisals reported in self contained or summary formats.
- Lesser weight should be given to limited appraisals reported in restricted formats.
- Appraisals made without clients can fulfill up to one-third of the total experience requirement, depending on the quality of the experience.





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