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**Publisher’s Note:** Kudos to the AQB for proposing positive changes that are vital to the entire industry.

**AQB Proposes Alternative to College Degree Requirement**  
By Isaac Peck, Editor

In a long-awaited and highly anticipated announcement, the Appraisers Qualifications Board (AQB) has just released an Exposure Draft (May 18) that indicates it intends to walk back the bachelor’s degree requirement for Certified Residential appraisers and more. The AQB also is proposing significant changes to appraiser experience requirements.

An AQB Exposure Draft is issued in anticipation of implementing changes to the Real Property Appraiser Qualification Criteria (Criteria), which is the set of education, experience, and examination requirements for appraisers to achieve a state license or certification. The AQB always sets a comment deadline and is committed to reading and considering all comments before making any changes to the Criteria. See below on how to submit your comments to the AQB.

The AQB’s controversial bachelor’s degree requirement, which took effect on January 1, 2015, has been hotly debated by appraisers and stakeholders on both sides of the issue. Many appraisers complain of being unable to advance in the profession with no time, opportunity or resources to return to school and earn a four year degree. On the other hand, many appraisers argue the college requirement encourages professionalism.

**Degree Alternatives**

The AQB is proposing two alternative tracks that will allow Licensed Residential appraisers to earn a Certified Residential license without a college degree.   
  
According to the AQB, it wants to create a “consistent, measurable method” that will ensure Certified Residential candidates have acquired analytical, mathematical, and written communication skills. The first alternative to a four-year degree is for an appraiser to pass a series of College-Level Examination Program (CLEP) exams. The specific subject areas to be covered in the CLEP exams include: (1) College Algebra, (2) College Composition, (3) Principles of Macroeconomics, (4) Principles of Microeconomics, and (5) Introductory Business Law.

The second alternative to a four-year degree is for an appraiser to pass a handful of relevant college-level courses from an accredited college, junior college, community college, or university. This would involve the completion of 15 semester hours of higher education to include the following courses:  
1. English Composition (3 semester hours)

2. Economics or Finance (6 semester hours)

3. Algebra, Geometry, or higher mathematics (3 semester hours)

4. Business or Real Estate Law (3 semester hours)

**No College for Licensed Residential**Included in the AQB’s proposal is the complete elimination of the 30-semester hour requirement for Licensed Residential appraisers. Under the proposed changes, Licensed Residential appraisers will no longer need any semester hours from an accredited college or university. In terms of college level courses, only 15 semester hours will be needed for an appraiser to advance to Certified Residential.

These alternatives would essentially roll back the majority of the current education requirements, significantly reducing the amount of higher education required to be both a Licensed Residential or Certified Residential appraiser.

In its exposure draft, the AQB indicates that these proposals are in response to concerns that the bachelor’s degree requirement for Certified Residential “creates an unnecessary hurdle for many otherwise highly qualified and experienced” appraisers and discourages “motivated and skilled individuals who would like to enter the appraisal profession, but find they are not well-suited to the traditional collegiate experience.”

**Experience Requirements**

In addition to proposing sweeping changes to the education requirements, the AQB is also proposing significant changes to appraiser experience requirements.   
  
The AQB acknowledges that experience requirements for all levels of appraiser credentials need some adjustment. Based on the feedback it received, the AQB writes that there is “strong support and rationale” for revising the experience requirements because of the many obstacles currently facing the old appraiser-trainee model. As the rationale behind its proposals, the AQB cites trainees being unable to “locate a supervisor or losing their supervisor during the training period,” and the fact that potential supervisors are unwilling to take on trainees for a variety of reasons, including “increased liability, a requirement by many users of appraisal services that the supervisor accompany the trainee on all inspections, the refusal of many users to accept reports signed by trainees, and a lack of economic viability due to lower appraisal fees.”   
  
In response, the AQB is proposing (1) accepting coursework in lieu of experience for Certified Residential and Certified General credentials (not for Trainees), (2) shortening the timeframe requirements for earning the experience for all license levels, (3) changing the number of hours required for experience for all license levels, (4) allowing for the substitution of experience from other real estate professions.   
  
First, the AQB is proposing the development of *practicum coursework* that could account for up to 100% of the experience requirements needed to earn a Certified Residential and Certified General credentials. For clarification purposes, the AQB is relabeling the practicum coursework concept as *Practical Applications of Real Estate Appraisal,* which would include classes utilizing case studies as a means of providing practical experience.

Appraisers would be able to use *Practical Applications of Real Estate Appraisal* courses to meet the experience requirements needed to become Certified Residential and Certified General.   
  
There are no proposed changes for Trainees. Despite acknowledging that “opportunities for appraisal training have significantly diminished” and that “many experienced appraisers are reluctant to train because of the costs incurred and the lack of future monetary return,” the AQB indicates that it does not intend to allow *Practical Applications of Real Estate Appraisal* courses to substitute for a trainee’s experience requirements, meaning that a trainee would still need to complete all of his or her hours to achieve the Licensed Residential credential.

When contacted for comment, John Brenan, Director at TAF, confirmed that trainees would not be able to use these practicum courses towards the experience required for the Licensed Residential classification. However, Brenan left the possibility open, indicating that the goal of the exposure draft process is to solicit feedback. “It’s possible the AQB may receive feedback suggesting the Licensed Residential classification be included as well. If so, the AQB may revise the proposal in subsequent exposure drafts,” Brenan says.

**Other Changes to Experience Requirements**

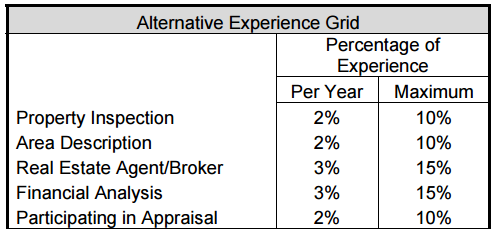
The AQB is considering these changes to the experience requirements as well.   
  
**Option 1** would allow appraisers to earn their hours in a shorter time frame. Currently, trainees must complete 2,000 hours to become a Licensed Residential appraiser but in no fewer than 12 months. The 2,500 hours for a Certified Residential appraiser must be obtained in no fewer than 24 months, and the 3,000 hours for a Certified General appraiser must be obtained in no fewer than 30 months. The AQB is proposing that the candidates for advancement can complete these same hour requirements without any restriction on how quickly or efficiently it can be done. For example, a trainee would be able to complete 2,000 hours in less than 12 months.

**Option 2** would reduce the hours of experience required. Under this option, a trainee would only need 1,500 hours to become a Licensed Residential appraiser, the experience for a Certified Residential appraiser would be reduced to 1,750 hours, and the experience for a Certified General appraiser would be reduced to 2,000 hours.   
  
**Option 3** would permit experience from other professions could be considered for a portion of the overall experience required for licensure or certification. This experience could account for up to 50 percent of the overall experience required for the credential.

As part of Option 3, the AQB outlines several professions with skill sets that could be considered as alternative experience, including (1) Property Inspections, (2) Area Descriptions, (3) Real Estate Agent/Broker Experience, (4) Financial Analysis, and (5) Participation in the Appraisal Process. The AQB writes that it did not include real estate assessors within this concept because their “mass appraisal” experience already qualifies as experience under current Criteria rules.

By allowing experience from other professions, the AQB is potentially opening up the appraisal profession to professionals with experience in home inspecting, real estate sales and brokering and other real estate related professions.

The AQB proposes the following matrix that indicates allowable credit for up to 50% of a trainee’s experience requirements:



This table seems to indicate that a real estate agent/broker, for instance, can defer 3% of the trainee experience requirement for every year they’ve been an agent or broker, up to a maximum of 15% of the total. These categories can be combined but cannot exceed 50% of the trainee’s total experience requirement.

**More on Trainees**  
The AQB is also proposing the removal of the three-year supervisory jurisdictional rule that requires an appraiser to be in good standing within a particular state before taking on a trainee. This change will not remove the requirement that an appraiser be in good standing for at least three years, but simply removes the requirement that the appraiser be licensed and in good standing within a particular state or jurisdiction for three years prior to hiring a trainee in that jurisdiction.  
  
Lastly, the AQB writes that it has considered requests by some stakeholders to change the Trainee label due to a perceived lack of public trust that may be attached to the word. While noting the concerns, the AQB is declining to suggest any changes to the trainee label. However the AQB notes that “because of the misunderstandings by some that the Criteria prohibits Trainees from performing inspections without a supervisor or from signing an appraisal report, the AQB intends to issue guidance (in the form of one or more Q&As) that will distinguish the requirements in the Criteria from those in the marketplace.”

[To read the AQB’s Exposure Draft in its entirety, click here.](http://www.workingre.com/aqb-may-2016-exposure-draft/)

**Send Your Feedback!**

Appraisers are encouraged to submit their (concise, considered and spell-checked) comments to the AQB before the June 17, 2016 deadline: Email: [aqbcomments@appraisalfoundation.org](mailto:aqbcomments@appraisalfoundation.org) or mail to: Appraiser Qualifications Board, The Appraisal Foundation, 1155 15th Street, NW, Suite 1111, Washington, DC 20005.

**Future of Appraisers Survey**  
In addition to sending the AQB your feedback regarding these particular proposals, you can also take Working RE’s [Future of Appraisers Survey](https://www.surveymonkey.com/r/VYKCCC9). Share your opinion on the college degree requirement, trainee experience requirements, and more with Working RE’s [Future of Appraisers Survey](https://www.surveymonkey.com/r/VYKCCC9).

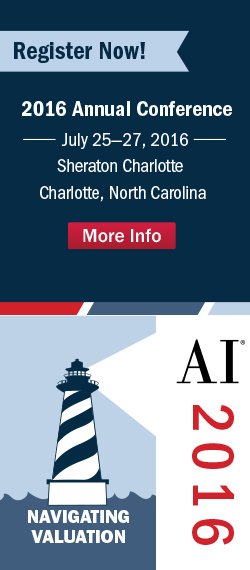
**About the Author**  
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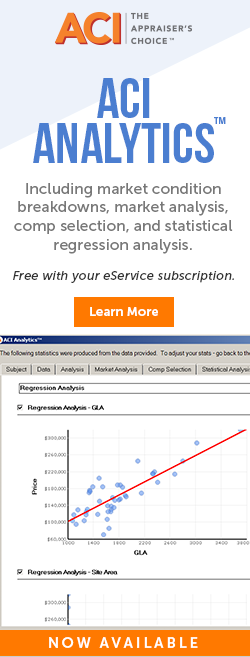
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