



TO: All Interested Parties

FROM: Joseph C. Traynor, Chair
Appraiser Qualifications Board

RE: Fourth Exposure Draft of **Proposed Changes to the *Real Property Appraiser Qualification Criteria***

DATE: November 1, 2017

For over two years, the Appraiser Qualifications Board (AQB) has been examining potential areas of change to the *Real Property Appraiser Qualification Criteria (Criteria)*. During this time, the AQB has published a Concept Paper and a Discussion Draft, held a public hearing and an online public briefing, and issued three exposure drafts, each time proposing changes with consideration given to feedback the Board received.

After receiving public comment from its most recent (Third) exposure draft, the AQB formed a Focus Group, made up of constituents from several specific sectors. The Focus Group met with the AQB in Minneapolis as part of the Board's meetings in early September. Input from this Focus Group assisted the AQB in crystalizing potential proposals for revisions to the *Criteria*.

Representatives from the AQB then presented these potential concepts to members of the Association of Appraiser Regulatory Officials (AARO) at its fall conference in Washington, DC, in October. The Board received positive feedback from AARO members regarding these concepts.

After considering all of the feedback received to date, the AQB is now addressing the topics contained in this Fourth Exposure Draft as follows:

- **Degree Requirement for Licensed Residential and Certified Residential:** Section 1 of this document addresses college-level education requirements for the Licensed Residential and Certified Residential classifications.

- **Alternative Track for Licensed Residential to Certified Residential:** Section 2 of this document outlines a pathway for qualified Licensed Residential appraisers to obtain a Certified Residential credential without satisfying the college-level education requirements.
- **Practical Applications of Real Estate Appraisal:** Section 3 of this document outlines the status of the *Practical Applications of Real Estate Appraisal* concept.
- **Experience Requirements:** Section 4 of this document contains proposed revisions to the experience hours and time frames required for the Licensed Residential, Certified Residential, and Certified General classifications.

All interested parties are encouraged to comment in writing to the AQB before Friday, January 12, 2018. The AQB will also accept verbal comments at its public meeting in Washington, DC on Thursday, February 1, 2018. Respondents are assured that each member of the AQB will thoroughly read and consider all comments.

Please submit written comments on this exposure draft by mail or email.

Mail: Appraiser Qualifications Board
The Appraisal Foundation
1155 15th Street NW, Suite 1111
Washington, DC 20005

Email: aqbcomments@appraisalfoundation.org

IMPORTANT NOTE: The Appraisal Foundation will post on its website for public viewing all written comments exactly as submitted. Upon request, The Appraisal Foundation will redact the name(s) of the author(s) from the website.

The Appraisal Foundation reserves the right not to post written comments containing offensive or inappropriate statements.

If you have any questions regarding this exposure draft, please contact Magdalene Vasquez, Qualifications Administrator at The Appraisal Foundation, via e-mail at magdalene@appraisalfoundation.org or by calling (202) 624-3074.

Fourth Exposure Draft of Proposed Changes to the *Real Property Appraiser Qualification Criteria (Criteria)*

**Issued: November 1, 2017
Comment Deadline: January 12, 2018**

Each section of this exposure draft begins with rationale for the proposed changes. The rationale is identified as such and does not have line numbering. Where proposed changes to the *Criteria* are noted, the exposure draft contains line numbers. This difference is intended to distinguish for the reader those parts that explain the changes from the proposed changes themselves.

When commenting on the exposure draft, it is helpful to reference the line numbers, fully explain the reasons for concern or support, provide examples or illustrations, and suggest any alternatives or additional issues for the AQB's consideration.

Where text is deleted from what currently appears in the *Criteria*, that text is shown as strikethrough. For example: ~~This is strikethrough text proposed for deletion.~~ Text added to what currently appears in the *Criteria* is underlined. For example: This is text proposed for insertion.

The primary mission of the AQB is to protect public trust in the appraisal profession. As such, multiple exposure drafts are required to adequately vet the significant issues contained in this document.

The proposals contained in this Fourth Exposure Draft, if adopted, would result in *Criteria* requirements that are less stringent than those currently in effect. Because states are legally permitted to possess requirements that are greater than, but not less than, the AQB *Criteria*, adoption of any of these proposals would not necessitate a future effective date to allow states time to update statute and regulations to remain in compliance. Therefore, the AQB anticipates that any changes, if adopted, would go into effect immediately. State appraiser regulatory agencies could then elect to implement the revised *Criteria* whenever they deem appropriate.

**Fourth Exposure Draft:
Potential Changes to the
*Real Property Appraiser Qualification Criteria***

**Issued: November 1, 2017
Comment Deadline: January 12, 2018**

Each section of this document identifies the area(s) of the *Criteria* under consideration for potential changes.

When commenting on various aspects of the discussion paper, it is helpful to explain, in detail, the reasons for concern or support, provide examples or illustrations, and suggest any alternatives or additional issues for the AQB's consideration.

For ease in identifying the various issues being addressed, this exposure draft is presented in sections.

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Section 1: Licensed Residential and Certified Residential College-Level Education Requirements

Rationale

The AQB has long considered a Bachelor's Degree is appropriate for the Certified Residential and Certified General credentials, and that some college-level education is necessary for the Licensed Residential credential. However, the AQB also recognizes that shifts occur in the marketplace for appraisal services based on changes in business practices. After examining this issue in-depth for over two years, the AQB believes that public trust can be served without requiring college-level education for the Licensed Residential credential, and by allowing alternatives to the Bachelor's Degree requirement for the Certified Residential credential. The AQB continues to consider a Bachelor's Degree appropriate for the Certified General credential.

The AQB received an unprecedented level of feedback on this particular topic and there has been a great divergence of opinion. Some commenters continue to support a Bachelor's Degree for residential appraisers. Others have expressed that changes in the marketplace in the last several years have not only minimized the need for a Bachelor's Degree, but preclude residential appraising as a viable career option and could ultimately create a shortage of appraisers in some sectors.

The AQB maintains a Bachelor's Degree is a strong attribute and is worthy of recognition, while recognizing other alternatives exist that would achieve a similar level of public trust in the residential appraisal marketplace. These alternatives are more palatable options for those considering residential appraisal as a career option, thereby facilitating an adequate supply of qualified appraisers. It is important to note that while the AQB does not establish *Criteria* with the intent to affect the supply of appraisers, a healthy balance of supply and demand certainly assists with protecting public trust in the appraisal profession.

Therefore, the AQB is proposing:

- 1) Removal of the college-level education requirements for the Licensed Residential credential; and
- 2) Alternatives to the Bachelor's Degree requirement for the Certified Residential credential.

For the Certified Residential credential, the AQB is proposing the following options to demonstrate specific college-level equivalency:

- 1) Bachelor's Degree in any field of study;
- 2) Associate's Degree in a focused field of study;
- 3) Successful completion of 30 college semester credit hours in specified topics;

- 4) Successful completion of College-Level Examination Program (CLEP)¹ exams equivalent to a minimum of 30 semester credit hours in specified subject matter areas; or
- 5) Any combination of #3 and #4 above that includes all of the topics identified.

Option #1 – Bachelor’s Degree in any field of study

Some comments received by the AQB questioned the applicability of a Bachelor’s Degree obtained in a seemingly unrelated field of study. The AQB continues to recognize that individuals obtaining a Bachelor’s Degree in *any* field are required to demonstrate competence in essential skills that teach things such as logic, analysis, reasoning, and communication.

Option #2 – Associate’s Degree in a focused field of study

It is the position of the AQB that an Associate’s Degree in business, finance, accounting, economics, or similar programs would be acceptable alternatives to a Bachelor’s Degree. If adopted, the AQB will develop guidance to assist state appraiser regulators, educators, and practitioners on the acceptability of these programs.

Option #3 – Successful completion of 30 college semester credit hours in specified subject matter areas

The AQB also recognizes many individuals may have acquired significant collegiate hours of education, but did not receive a formal degree. For those individuals, the AQB is proposing an alternative of 30 semester credit hours in specific college course topics. The topics are identical to what existed in the 2008 *Criteria* as an option “in lieu” of a Bachelor’s Degree. They are:

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.

Option #4 – Successful completion of CLEP exams equivalent to a minimum of 30 semester credit hours in specified topics

As outlined in prior exposure drafts, CLEP is a well-recognized testing program accepted by 2,900 colleges and universities.² The specific topics considered necessary to protect the public trust for the Certified Residential credential consist of:

¹ CLEP exams involve “scaled scoring” without a pass/fail result. Applicants would be required to achieve exam scores that meet the minimums required to grant college credit at accredited colleges and universities.

- College Algebra
- College Composition
- College Composition Modular
- College Mathematics
- Principles of Macroeconomics
- Principles of Microeconomics
- Introductory Business Law
- Principles of Management

Option #5 – Any combination of #3 and #4 above that includes all of the topics identified
 As outlined in prior exposure drafts, the AQB believes that a combination of the required college semester hours and successful completion of CLEP exams is acceptable to satisfy the college-level education requirement. Any such combination would need to cover all topics identified.

Equivalency Table		
CLEP Exams	CLEP Exam Semester Hours	Applicable College Courses
College Algebra	3	Algebra, Geometry, Statistics, or higher mathematics
College Composition	6	English Composition
College Composition Modular	3	English Composition
College Mathematics	6	Algebra, Geometry, Statistics, or higher mathematics
Principles of Macroeconomics	3	Economics or Finance
Principles of Microeconomics	3	Economics or Finance
Introductory Business Law	3	Business Law or Real Estate Law
Principles of Management	3	Principles of Management, Financial Management, Property Management

Note: The AQB has learned the American Association of College Registrars and Admissions Officers (AACRAO) no longer evaluates degrees from foreign countries for equivalency and, thus, proposes removing them as an approved source for this service.

² www.collegeboard.org

LICENSED RESIDENTIAL REAL PROPERTY APPRAISER

III. Qualifying Education

1 ~~A. Applicants for the Licensed Residential credential shall successfully complete 30~~
2 ~~semester hours of college-level education from an accredited college, junior~~
3 ~~college, community college, or university. The college or university must be a~~
4 ~~degree-granting institution accredited by the Commission on Colleges, a regional~~
5 ~~or national accreditation association, or by an accrediting agency that is~~
6 ~~recognized by the U.S. Secretary of Education. If an accredited college or~~
7 ~~university accepts the College Level Examination Program® (CLEP) and~~
8 ~~examination(s) and issues a transcript for the exam, showing its approval, it will~~
9 ~~be considered as credit for the college course.~~

10 Applicants holding an Associate degree, or higher, from an accredited college,
11 junior college, community college, or university satisfy the 30-hour college-level
12 education requirement.

13 Applicants with a college degree from a foreign country may have their education
14 evaluated for “equivalency” by one of the following:

- 15 • ~~An accredited, degree-granting domestic college or university;~~
- 16 • ~~The American Association of Collegiate Registrars and Admissions Officers~~
17 ~~(AACRAO);~~
- 18 • ~~A foreign degree credential evaluation service company that is a member of~~
19 ~~the National Association of Credential Evaluation Services (NACES); or~~
- 20 • ~~A foreign degree credential evaluation service company that provides~~
21 ~~equivalency evaluation reports accepted by an accredited degree-granting~~
22 ~~domestic college or university or by a state licensing board that issues~~
23 ~~credentials in another discipline.~~

24 BA. The Licensed Residential Real Property Appraiser classification requires
25 completion of one hundred fifty (150) creditable class hours as specified in the
26 *Required Core Curriculum*. As part of the 150 required hours, the applicant shall
27 successfully complete the *15-Hour National USPAP Course*, or its AQB-
28 approved equivalent, and successfully pass the examination. There is no
29 alternative to successful completion of the USPAP Course and examination.

30 ~~C. For college-level courses taken in a quarterly system versus a semester system,~~
31 ~~one quarter hour credit is equivalent to .67 semester credit hours. Conversely,~~
32 ~~one semester credit hour is equivalent to 1.5 quarter credit hours. For example,~~
33 ~~to satisfy the 30 semester credit hour requirement for the Licensed Residential~~
34 ~~Real Property Appraiser classification, an applicant needs to successfully pass~~
35 ~~those applicable courses that generate 45 quarter credit hours, (i.e. 30 semester~~
36 ~~credit hours x 1.5 conversion factor).~~

37 DB. Appraisers holding a valid **Trainee Appraiser** credential may satisfy the
38 educational requirements for the Licensed Residential Real Property Appraiser
39 credential by completing the following additional educational hours:

40	1. Residential Market Analysis and Highest and Best Use	15 Hours
41	2. Residential Appraiser Site Valuation and Cost Approach	15 Hours
42	3. Residential Sales Comparison and Income Approaches	30 Hours
43	4. Residential Report Writing and Case Studies	15 Hours
44		TOTAL 75 Hours

45 ~~E. **Trainee Appraisers** wishing to change to the Licensed Residential Real~~
46 ~~Property Appraiser classification must also satisfy the college level education~~
47 ~~requirements as specified in III.A.~~

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

51 GD. Appraisers holding a valid **Certified General Real Property Appraiser**
52 credential satisfy the educational requirements for the Licensed Residential Real
53 Property Appraiser credential.

CERTIFIED RESIDENTIAL REAL PROPERTY APPRAISER

III. Qualifying Education

54 A. All college-level education must be obtained from a degree-granting institution
55 accredited by the Commission on Colleges, a national or regional accreditation
56 association, or by an accrediting agency that is recognized by the U.S. Secretary
57 of Education.

58 ~~Applicants for the Certified Residential credential must hold a Bachelor's Degree,~~
59 ~~or higher, from an accredited college or university. The college or university must~~
60 ~~be a degree-granting institution accredited by the Commission on Colleges, a~~
61 ~~national or regional accreditation association, or by an accrediting agency that is~~
62 ~~recognized by the U.S. Secretary of Education.~~

63 Applicants with a college degree from a foreign country may have their education
64 evaluated for "equivalency" by one of the following:

- 65 • An accredited, degree-granting domestic college or university;
- 66 • ~~The American Association of Collegiate Registrars and Admissions Officers~~
67 ~~(AACRAO);~~
- 68 • A foreign degree credential evaluation service company that is a member of
69 the National Association of Credential Evaluation Services (NACES); or
- 70 • A foreign degree credential evaluation service company that provides
71 equivalency evaluation reports accepted by an accredited degree-granting
72 domestic college or university or by a state licensing board that issues
73 credentials in another discipline.

74 B. Applicants for the Certified Residential credential must satisfy at least one of the
75 following five options (III.B.1, III.B.2, III.B.3, III.B.4, or III.B.5):

- 76 1. Possession of a Bachelor's Degree in any field of study;
- 77 2. Possession of an Associate's Degree in a field of study related to:
 - 78 a. Business Administration;
 - 79 b. Accounting;
 - 80 c. Finance;
 - 81 d. Economics; or
 - 82 e. Real Estate
- 83 3. Successful completion of 30 semester hours of college-level courses in the
84 following specific topic areas:
 - 85 a. English Composition (3 semester hours);
 - 86 b. Micro Economics (3 semester hours);
 - 87 c. Macro Economics (3 semester hours);
 - 88 d. Finance (3 semester hours);
 - 89 e. Algebra, Geometry, or higher mathematics (3 semester hours);
 - 90 f. Statistics (3 semester hours);
 - 91 g. Principles of Management (3 semester hours);

- 92 h. Business or Real Estate Law (3 semester hours); and
 93 i. Two elective courses in: accounting, geography, agricultural economics,
 94 business management, or real estate (3 semester hours each).
- 95 4. Successful completion of at least 30 hours of College Level Examination
 96 Program® (CLEP®) examinations from the following subject matter areas:
- 97 a. College Algebra
 98 b. College Composition
 99 c. College Composition Modular
 100 d. College Mathematics
 101 e. Principles of Macroeconomics
 102 f. Principles of Microeconomics
 103 g. Introductory Business Law
 104 h. Principles of Management
- 105 5. Any combination of III.B.3 and III.B.4 above that includes all of the topics
 106 identified.
- 107 **BC.** The Certified Residential Real Property Appraiser classification requires
 108 completion of two hundred (200) creditable class hours as specified in the
 109 *Required Core Curriculum*. As part of the 200 required hours, the applicant shall
 110 successfully complete the *15-Hour National USPAP Course*, or its AQB-
 111 approved equivalent, and the examination. There is no alternative to successful
 112 completion of the USPAP Course and examination.
- 113 **GD.** Appraisers holding a valid **Trainee Appraiser** credential may satisfy the
 114 educational requirements for the Certified Residential Real Property Appraiser
 115 credential by completing the following additional educational hours:
- | | | |
|-----|---|-----------------------------|
| 116 | 1. Residential Market Analysis and Highest and Best Use | 15 Hours |
| 117 | 2. Residential Appraiser Site Valuation and Cost Approach | 15 Hours |
| 118 | 3. Residential Sales Comparison and Income Approaches | 30 Hours |
| 119 | 4. Residential Report Writing and Case Studies | 15 Hours |
| 120 | 5. Statistics, Modeling and Finance | 15 Hours |
| 121 | 6. Advanced Residential Applications and Case Studies | 15 Hours |
| 122 | 7. Appraisal Subject Matter Electives | 20 Hours |
| 123 | | TOTAL 125 Hours |
- 124 **DE.** Appraisers holding a valid **Licensed Residential Real Property Appraiser**
 125 credential may satisfy the educational requirements for the Certified Residential
 126 Real Property Appraiser credential by completing the following additional
 127 educational hours:
- | | | |
|-----|---|----------------------------|
| 128 | 1. Statistics, Modeling and Finance | 15 Hours |
| 129 | 2. Advanced Residential Applications and Case Studies | 15 Hours |
| 130 | 3. Appraisal Subject Matter Electives | 20 Hours |
| 131 | | TOTAL 50 Hours |
- 132 **EF.** **Trainee Appraisers** and **Licensed Residential Real Property Appraisers**
 133 wishing to change to the Certified Residential Real Property Appraiser

134 classification must also satisfy the college degree requirements as specified in
135 III.BA.

136 FG. Appraisers holding a valid **Certified General Real Property Appraiser**
137 credential satisfy the educational requirements for the Certified Residential Real
138 Property Appraiser credential.

Section 2: Alternative Track for Licensed Residential to Certified Residential

Rationale

As stated previously, the AQB recognizes that many Licensed Residential appraisers have a demonstrated track record of providing quality residential appraisal services for a number of years without any disciplinary sanctions. Some of these individuals worked under the premise that they would be able to continue to practice with their current credentials and, through no fault of their own, subsequently found their practice significantly limited due to changes in the marketplace. These changes commenced when Congress mandated the Federal Housing Administration to use only state certified appraisers. For whatever reason, many users of appraisal services followed suit and as a result, Licensed Residential appraisers were no longer eligible to provide appraisals in many transactions.

Some of these Licensed Residential credential holders lived in rural markets providing a variety of services besides appraisals (e.g., brokerage, property management, insurance) and may have only performed a few appraisals per month. When the *Criteria* changed to require a Bachelor's Degree for the Certified Residential credential, those without a degree simply decided it was not worthwhile to consider upgrading to the certified level. As a result, many rural markets are now deemed underserved because Certified Residential appraisers must perform those assignments. Many of these markets have very few, if any, Certified Residential appraisers, resulting in the need to bring in eligible appraisers from distant markets. This may increase turnaround times for rural assignments, while at the same time placing a strain on urban markets due to those appraisers taking time away to perform rural assignments.

As stated previously, the AQB does not revise the *Criteria* in an attempt to adjust the supply of credentialed appraisers. However, the AQB recognizes ethical and competent Licensed Residential appraisers with a history of performing residential appraisals should have an alternative path to obtain a Certified Residential credential, given they only lack the required college-level education. Therefore, the AQB is proposing such a path.

Note: For the sake of clarity, the AQB is exposing this proposal separately from the proposed revisions to the college-level education requirements for the Certified Residential credential shown in Section 1 of this document. This proposal would apply to the college-level requirements for the Certified Residential credential, whether the proposed revisions shown in Section 1 are adopted or not. Therefore, the proposed revisions on the following page are shown based on the *current* Criteria.

CERTIFIED RESIDENTIAL REAL PROPERTY APPRAISER

III. Qualifying Education

139 A. Applicants for the Certified Residential credential must hold a Bachelor's Degree,
140 or higher, from an accredited college or university. The college or university must
141 be a degree-granting institution accredited by the Commission on Colleges, a
142 national or regional accreditation association, or by an accrediting agency that is
143 recognized by the U.S. Secretary of Education.

144 Applicants with a college degree from a foreign country may have their education
145 evaluated for "equivalency" by one of the following:

- 146 • An accredited, degree-granting domestic college or university;
- 147 • ~~The American Association of Collegiate Registrars and Admissions Officers~~
148 ~~(AACRAO);~~
- 149 • A foreign degree credential evaluation service company that is a member of
150 the National Association of Credential Evaluation Services (NACES); or
- 151 • A foreign degree credential evaluation service company that provides
152 equivalency evaluation reports accepted by an accredited degree-granting
153 domestic college or university or by a state licensing board that issues
154 credentials in another discipline.

155 B. As an alternative to the Bachelor's Degree requirement, individuals who have
156 held a Licensed Residential credential for a minimum of five (5) years may qualify
157 for a Certified Residential credential by satisfying all of the following:

- 158 1. No finally adjudicated disciplinary action affecting the Licensed Residential
159 appraiser's legal eligibility to engage in appraisal practice within the five (5)
160 years immediately preceding the date of application for a Certified Residential
161 credential;
- 162 2. Successful completion of the additional required qualifying education as
163 specified in Section III.E below;
- 164 3. Successful completion of the required experience as specified in Section IV
165 below; and
- 166 4. Successful completion of the Certified Residential Real Property Appraiser
167 examination as specified in Section II above.

168 BC. The Certified Residential Real Property Appraiser classification requires
169 completion of two hundred (200) creditable class hours as specified in the
170 *Required Core Curriculum*. As part of the 200 required hours, the applicant shall
171 successfully complete the *15-Hour National USPAP Course*, or its AQB-
172 approved equivalent, and the examination. There is no alternative to successful
173 completion of the USPAP Course and examination.

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

177	1. Residential Market Analysis and Highest and Best Use	15 Hours
178	2. Residential Appraiser Site Valuation and Cost Approach	15 Hours
179	3. Residential Sales Comparison and Income Approaches	30 Hours
180	4. Residential Report Writing and Case Studies	15 Hours
181	5. Statistics, Modeling and Finance	15 Hours
182	6. Advanced Residential Applications and Case Studies	15 Hours
183	7. Appraisal Subject Matter Electives	20 Hours
184	TOTAL	125 Hours

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

189	1. Statistics, Modeling and Finance	15 Hours
190	2. Advanced Residential Applications and Case Studies	15 Hours
191	3. Appraisal Subject Matter Electives	20 Hours
192	TOTAL	50 Hours

193 EF. **Trainee Appraisers** and **Licensed Residential Real Property Appraisers**
194 wishing to change to the Certified Residential Real Property Appraiser
195 classification must also satisfy the college degree requirements as specified in
196 III.A.

197 FG. Appraisers holding a valid **Certified General Real Property Appraiser**
198 credential satisfy the educational requirements for the Certified Residential Real
199 Property Appraiser credential.

Section 3: Practical Applications of Real Estate Appraisal

Rationale

In the past three exposure drafts, the consideration of an experience-training curriculum known as the *Practical Applications of Real Estate Appraisal* (PAREA) was proposed. The PAREA concept would provide an alternative to gaining experience in the traditional sense of training (i.e., in an appraisal office with a supervisor mentoring the trainee). The proposed PAREA curriculum consists of three modules that would encapsulate appraisal experience in both a classroom and external practice-based environment. The proposed objectives and guidelines would have required a rewrite of *AQB Guide Note 4 (GN-4)* in the *Criteria*.

The AQB has received widespread support to develop alternatives to current training methods. Those in favor very much agreed that an alternate method of gaining experience was necessary, primarily because of the current lack of training opportunities in appraisal firms and the financial disincentives inherent in training programs for both the mentors and trainees. Also cited was the desire for an experience program offering a consistent educational format and qualified mentors.

Some respondents expressed concern, stating there is no substitute for actual field experience. However, the goal of the practical applications program would be to emulate actual field experience, and the module structures would include actual field experience. As a result, individuals completing these modules would perform actual and/or virtual appraisal assignments.

Some of the responses conveyed a lack of understanding of the AQB's goals in developing this alternative form of experience.

Because of the varied responses, it is evident more information and illustration is necessary in order for responders to credibly evaluate this concept. At this time, the PAREA concept is being removed from this exposure draft and will be developed separately. Its development will require a more extensive time frame than the other proposals. As part of the PAREA development, the AQB is considering developing one initial module to serve as a model for subsequent modules. This will likely be accomplished in conjunction with subject matter experts with expertise in this type of endeavor. Look for additional information on PAREA in the coming months.

Section 4: Experience Requirements

Rationale

As stated in prior exposure drafts, the role experience plays in determining an individual's eligibility for a real estate appraiser credential has been an item of substantial debate. The model that has been in place for many years is familiar and seems "natural" to many. However, virtually all commenters acknowledge the difficulty with obtaining appraisal experience in today's environment.

The simple fact that experience is difficult to obtain does not warrant reducing the amount of experience needed for a credential. The AQB's charge is to maintain and promote public trust in the appraisal profession by establishing appropriate *minimum* qualifications necessary to qualify for a credential. It's important to keep in mind that being *qualified* is different than being *competent*.

Many commenters felt any reduction in the experience requirements would not render a competent appraiser; however, the AQB *Criteria* must ensure that an individual is qualified to appraise, even though that individual may not necessarily be competent yet. Competency is gained over time based on an appraiser's practice. Regardless of the amount of experience required to obtain a credential, there will always be assignments appraisers are not competent to perform at the time they initially receive a credential.

As stated in prior exposure drafts, the experience requirements in the *Criteria* have not increased since January 1, 1998. However, since that time:

- The number of hours of qualifying education required for a credential has increased dramatically;
- Qualifying education must now follow a specified Required Core Curriculum, including completion of case study and report writing courses;
- Successful completion of each qualifying education course requires a candidate to pass a closed-book, proctored, final examination;
- College-level education is now required;
- Applicants must pass the practice-based *National Uniform Licensing and Certification* examinations, which are far more robust and challenging than the pre-2008 exams were;
- A comprehensive program for instruction related to the *Uniform Standards of Professional Appraisal Practice* (USPAP) has been implemented; and
- There are qualification requirements for supervisory appraisers.

With these enhancements to the education and examination components of the *Criteria*, the AQB continues to consider it appropriate to offer a more balanced approach to the qualifications needed for a credential by reducing the number of hours of experience required for the residential classifications. The AQB has also evaluated the required experience hours in comparison to the minimum time frames (i.e., months required). Using a typical 40-hour work week as a basis, the Board is proposing corresponding reductions in the months of experience required for all classifications.

LICENSED RESIDENTIAL REAL PROPERTY APPRAISER

IV. Experience

200 ~~Two thousand (2,000)~~ One thousand (1,000) hours of experience are required to
201 be obtained in no fewer than ~~12~~ six (6) months.

CERTIFIED RESIDENTIAL REAL PROPERTY APPRAISER

IV. Experience

202 ~~Two thousand five hundred (2,500)~~ One thousand five hundred (1,500) hours of
203 experience are required to be obtained during no fewer than ~~twenty-four (24)~~
204 ~~months is required~~ twelve (12) months. While the hours may be cumulative, the
205 required number of months must accrue before an individual can be certified.

CERTIFIED GENERAL REAL PROPERTY APPRAISER

IV. Experience

206 Three thousand (3,000) hours of experience are required to be obtained during
207 no fewer than ~~thirty (30) months is required~~ eighteen (18) months, of which o
208 One thousand five hundred (1,500) hours must be in non-residential appraisal
209 work. While the hours may be cumulative, the required number of months must
210 accrue before an individual can be certified.