



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

APPRAISER QUALIFICATIONS BOARD

March 31, 2021

Via Email

James R. Park
Executive Director
Appraisal Subcommittee
1325 G Street, NW
Suite 500
Washington, DC 20005

Re: The 7-Hour National USPAP Update Course requirement

Dear Mr. Park:

The Appraiser Qualifications Board is in receipt of the Appraisal Subcommittee's March 19, 2021 letter requesting "the AQB to consider waiving the biennial requirement for the *7-Hour National USPAP Update Course*" for at least one year. In its reasoning, the ASC cites the recent decision of the Appraisal Standards Board to extend the effective date of the *Uniform Standards of Professional Appraisal Practice* (USPAP) to December 31, 2022.

As adopted by the AQB on October 26, 2001 with an effective date of January 1, 2003¹, *The Real Property Appraiser Qualification Criteria (Criteria)* requires appraisers to successfully complete the *7-Hour National USPAP Update Course* (7-Hour Course), or its AQB-approved equivalent, every two calendar years. The AQB's Second Exposure Draft on the topic offers insights about the Board's reasoning:

For some time, federal and state regulators have shared their concerns with The Appraisal Foundation and the AQB about deficiencies in USPAP education (the quality of the course materials as well as the competency of the instructors). Very few would argue that sound education is an essential component of understanding USPAP due to the complexities of the document and its content that changes on a yearly basis.²

It is important to note that when the AQB proposal to add the biennial 7-Hour Course requirement to the *Criteria* was being exposed, discussed, and adopted, USPAP was being updated annually. There is no mention in the Exposure Drafts that the requirement to take the

¹ Appraiser Qualifications Board Final Public Meeting Minutes, October 26, 2001

² AQB Second Exposure Draft of the Following: *New Interpretations of the Education Criteria and Interpretations for *The Real Property Appraiser Qualification Criteria and Interpretations of the Criteria*. *USPAP Instructor Minimum Competency. *Proposed USPAP Instructor Certification Procedure; August 21, 2000

7-hour Course is or was meant to be tied to the frequency of USPAP changes. Given that the ASB subsequently adopted USPAP on a two-year cycle that is similar to that of the 7-Hour Course, it is easy to understand how some mistakenly believe the two are tied to one another.

There is another common misconception that the 7-Hour Course was only meant to cover “updates to USPAP.” The course has never covered just the changes that were adopted by the ASB. In fact, the course objective as described in the first 7 Hour Course, the *2003 7-Hour National USPAP Course*, was clear (bold added for emphasis):

*“The purpose of this course is to update students on recent changes to the Uniform Standards of Professional Appraisal Practice and to **address current USPAP issues as well as misconceptions and problem areas that have been identified by appraisers, instructors, regulators, and others.**”*

The course has always included, in addition to any more recent changes to USPAP, some mix of USPAP common misconceptions, errors, myths, deficiencies, violations, “hot topics,” and appraisal issues that affect the appraiser’s day to day practice.

It is as important as ever to continue to provide timely education on contemporary USPAP-related topics. The outline for the upcoming 2022-23 edition of the 7-Hour Course includes a focus on Advisory Opinion 16 regarding fair housing and content specifically designed to help appraisers understand how to prevent bias from creeping into their practice. With academic studies, media reports, and a Congressional spotlight on alleged discriminatory acts by appraisers, it seems unwise, as the ASC proposes, to delay such important education.

The ASC’s March 19, 2021 letter further asserts the difficult situation “at least two States” face in adopting changes because their state statutes or administrative regulations exceed the minimum *Criteria*. We trust that during compliance reviews, the ASC has noted those States’ increased requirements on appraisers and encouraged consistency with the *Criteria* as part of the ASC’s charge under 12 U.S.C. 3351 to promote reciprocity.

The AQB also trusts that the ASC will continue to exercise its regulatory discretion, as it has numerous times in the past³, and not penalize those States who are unable to update their regulations to meet the *Criteria* in a timely way. The AQB encourages the ASC to focus on helping those jurisdictions and their appraisers to maintain the minimum continuing education requirements as set forth in the *Criteria*.

Finally, it is important to correct a misstatement in the ASC’s March 19, 2021 letter: “the ASB and AQB’s commitment to offer relief wherever possible.” To clarify, the ASB and the AQB would not be acting responsibly if it had a “commitment to offer relief wherever possible.” Rather, the Boards have a commitment to offer relief when it is a responsible decision on behalf of the public trust. Removing the requirement to take seven hours of education every two years on the profession’s core standards and ethics for appraisers who are due to take the course in 2022 would mean that every real property appraiser who took the course in January of 2020, would not have to take the course again until no later than December of 2024—a period of 4 years, 11 months.

³ Letter from Mark L Weinberg, Attorney at Law to Mr. James R. Park, Executive Director, Appraisal Subcommittee, February 16, 2016

Today, as when the *Criteria* requirement regarding the 7-Hour Course was originally deliberated, the AQB remains committed to promoting public trust in the appraisal profession. The challenges faced by professional appraisers may be different than a decade ago, but maintaining regular continuing professional education grounded in ethics and the uniform standards that underpin appraisers' daily practice is just as vital now as it was then.

The AQB finds no sound reason to alter the *Criteria* or waive its requirement as the ASC proposes.

Sincerely,

A handwritten signature in blue ink, appearing to read "Mark Lewis".

Mark Lewis, Chair
Appraiser Qualifications Board

cc: ASC Board Members
AQB Board Members