

Appraiser Qualifications Board



THE APPRAISAL FOUNDATION
*Authorized by Congress as the Source of Appraisal
Standards and Qualifications*

April 7, 1999

Mr. Ben Henson
Executive Director
2000 K St., N.W.
Suite 3 10
Washington, DC 20006

APR 12 1999

Dear Ben:

This letter is in response to your letter of March 1, 1999. In that letter, you asked a series of questions about an example contained in the letter. You indicated the purpose of the example was to further clarify our response to questions you had in an earlier letter. The Appraiser Qualifications Board (AQB) discussed your March 1, 1999 letter during a telephone conference call on March 8, 1999. Below is a restatement of the example contained in your letter, a restatement of your questions, and the AQB's answer to your questions.

A person has taken 165 hours of qualifying appraisal education and has gathered 2000 hours of experience over a 24-month period prior to January 1, 1999. On December 30, 1997, the appraiser files the appropriate application with his or her State appraiser regulatory agency to become a State certified general appraiser. On January 10, 1998, the agency sends the applicant a letter acknowledging receipt of the application and informing the applicant that he or she qualifies to sit for the next certified general examination scheduled for February 1, 1998. The applicant takes and passes the examination and is awarded a credential by the State on May 1, 1998. On January 1, 1998, your Certified General Real Property Appraiser Classification Qualification Criteria became effective, which increased the number of minimum hours of education to 180 and the minimum hours of experience to 3000 obtained over no less than 30 months.

1. Which AQB criteria apply in this example?

AQB Answer: This is a question about the rules governing transition between the AQB Qualification Criteria prior to January 1, 1998 and the new rules that took effect on January 1, 1998. As I previously indicated to you, the AQB is allowing states to decide transition issues for applications filed prior to January 1, 1998. All applications filed after January 1, 1998 must meet the new qualification criteria. The AQB criteria that apply in

the example above are either the old criteria or the new criteria depending upon the decision of the state.

2. What would be your answer if the person filed his or her application on January 2, 1998 instead of December 30, 1997?

AQB Answer: As indicated above, applications filed on or after January 1, 1998 have to meet the new qualification criteria. Therefore an application filed January 2, 1998 has to meet the new qualification criteria

3. What if the person filed his or her application, completed his or her experience and education, and passed the examination before January 1, 1998, but did not pay his or her fees and/or was not awarded a credential until May 1, 1998?

AQB Answer: Since the application was filed prior to January 1, 1998, state rule would determine whether the applicant has to meet the old criteria or the new criteria.

4. What if the person filed his or her application on March 1, 1996 and the agency qualified the person to take the examination within the next two years, as specified under State law. The person does not take the examination until February 5, 1998, and passes the examination? What if the State allowed a person three years to take the examination?

AQB Answer: As I indicated to you in my letter of December 22, 1998, the AQB believes the issue raised by these questions goes beyond the transition to higher qualification criteria. Existing qualification criteria say only that "successful completion of the Appraiser Qualifications Board endorsed uniform state ... real property appraiser examination or its equivalent" is a requirement. At the time the qualification criteria were promulgated, the AQB assumed states would establish an orderly process in which states would give applicants approval to take the examination and it would be taken within a reasonable period of time. Your office has indicated that some states do not impose any time limits and, in effect, give applicants an unlimited period of time to take the examination. This was not the intent of the AQB. To address this issue, the AQB, during its March 8, 1999 telephone meeting, adopted the following interpretation for all three levels of state real property licensing and certification:

Applicants have a reasonable period of time (up to 24 months after state approval) to take the examination.

In light of the new interpretation, the answers to your questions are that it is acceptable to the AQB if the person does not take the examination until February 5, 1998 and passes the examination. It is unacceptable to the AQB if the state allows a person three years to take the examination.

Mr. Ben Henson
April 7, 1999
Page 3

5. If any of the time periods noted above in Question #4 are unacceptable to you, should the AQB take formal regulatory action, e.g., amend the appropriate Criteria or issue appropriate Interpretations, to clarify its position?

AQB Answer: As indicated under Question #4, the AQB has adopted a new interpretation which is effective immediately. The AQB is sending a memo to states informing them of the adoption of this interpretation as well as reminding them that applications for credentials received on or after January 1, 1998 must meet the new criteria. A copy of the memo is attached.

Thank you for the opportunity to address issues raised in your letter. The AQB is always pleased to assist the Appraisal Subcommittee with interpretations of AQB documents as the need arises.

Sincerely,

A handwritten signature in cursive script that reads "Scott R. Williams /rjs".

Scott R. Williams, Chair

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MEMORANDUM

TO: State Regulatory Boards
FROM: The Appraiser Qualifications Board
RE: Adoption of Interpretation of the Real Property Appraiser
Qualification Criteria
DATE: 04/07/99

New AQB qualification criteria for real property appraiser licensing and certification went into effect January 1, 1998. Subsequent to that time, the Appraisal Subcommittee (ASC) has asked the AQB a number of questions about its intent concerning implementation of the new criteria. The purpose of this memo is to explain AQB thinking on this issue and transmit a new interpretation adopted by the AQB.

The new qualification criteria were adopted by the AQB in 1994 and given an effective date of January 1, 1998. The almost four year phase-in period was designed to give state regulators wishing to comply with the new criteria ample time to adjust their law and administrative code. The new criteria went into effect January 1, 1998, so applications received on or after that date have to comply with the new criteria in order to be considered in compliance with AQB qualification criteria.

Applications received prior to January 1, 1998 but where the credential was not granted by the state prior to January 1, 1998 are in a transitional category. The AQB has been silent on transitional rules because it believes individual states are in the best position to handle the transition. At a minimum, however, states have to meet the AQB qualification criteria in effect when the application is received in order to be in compliance with AQB qualification criteria.

During AQB discussions with the ASC, a question came up concerning how long an applicant has under AQB qualification criteria to take the examination after receiving state approval to do so. Apparently, there are a few states that have no time limit during which the applicant must take the examination. While the qualification criteria are silent on this point, it has always been the expectation of the AQB that the application process would be both orderly and timely, leading to approval or denial of the application. The AQB does not expect applicants will be given an unlimited period of time to take the examination. This could allow "warehousing" of exam eligibility which would not be appropriate.

It is the intent of the AQB that applicants have a reasonable period of time after state approval to take the examination. The AQB believes an eligibility period of up to 24 months is reasonable. During an AQB telephone meeting March 8, 1998, the AQB adopted the following interpretation that applies to **all** three license and certification categories under the heading "Examination":

Applicants have a reasonable period of time (up to 24 months after state approval) to take the examination.

This new interpretation is effective immediately.

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