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Appraisal Subcommittee

Federal Financial Institutions Examination Council

February 5, 2001

AQB Comments
The Appraisal Foundation
1029 Vermont Avenue, NW
Suite 900
Washington, DC 20005-3517

Dear Sir or Madam:

Thank you for the opportunity to provide comments on the Appraiser Qualifications Board's Public Forum on Future Qualification Criteria. Attached please find the consensus views of the Appraisal Subcommittee.

Thank you again for the opportunity to comment. Please contact us if you have any questions.

Sincerely,

Ben Henson
Executive Director

Appraiser Qualifications Board ("AQB") Public Forum on Future Qualification Criteria

1. Should a (4-year college) degree be required to be a certified appraiser?

The ASC's answer is "yes," for a certified appraiser. We are assuming the AQB intended the college degree to be a 4-year program, not an Associate Degree.

1a. Should a college degree be required for a licensed appraiser?

If the licensed appraiser only appraises residential property, we believe a 4-year degree might be excessive and unnecessary. However, since we are looking at 2010 qualifications, the AQB might want to consider an Associate Degree requirement in a real estate related field.

2. Should formal education offset appraiser education requirements?

Not unless the formal education was in a real estate or real estate related appraisal degree. Credit for general real estate courses, such as Real Estate Finance 101, would not be appropriate.

3. Should appraiser education transition from classroom hours to credit hours?

This matter requires additional thought and discussion. What is the norm for other professions that require continuing education?

Should pre-licensing or pre-certification appraiser educational requirements be considered separate from continuing educational requirements?

Some form of transition matrix to translate college credit hours to classroom hours would be beneficial. For example, if an appraiser took a college real estate course and received 3 credit hours for a 16-week course, would the appraiser receive 16 classroom hours?

Finally, does the administrative and bureaucratic hurdles warrant a change?

4. Should continuing education be tested?

Generally, we all agree the answer is "yes," but we are divided on which courses must be tested. In its present state, no one knows if the appraiser benefits from the continuing education and increases his or her level of knowledge. We all agree, if testing takes place, it must be meaningful and objective. Our minority position believes that certain courses (for example, USPAP, correspondence, or Internet courses) must be tested, but tests for other courses would not be necessary. This ASC member also raised the issue of additional administrative burden on the States, and what would be the cost/benefit of such a decision.

What about an appraiser enrolling in a course, skipping the classroom session, challenging the test, and receiving a passing grade? Should credit be awarded for existing knowledge?

5. Should continuing education include mandatory courses, in addition to USPAP, on a periodic basis?

Yes. There should be tracks for core curricula for licensed, certified residential, and certified general appraisers, in addition to USPAP requirements. The tracks should become progressively more intense.

6. Should the licensing and certification examinations be more comprehensive and challenging?

Since the AQB acknowledges that the initial criteria were set at a low threshold, the obvious answer is "yes."

6a. Since the initial criteria were set low, should recertification or relicensing tests be required?

Yes, since the threshold was set low, appraisers should be retested to identify their strengths and weaknesses. If necessary, they would take specific courses to address their weakness and subsequently be retested to validate their increased knowledge. If they do not correct their weakness within a certain time period, consideration should be given to downgrading their classification until the weakness is corrected.

7. Should state examinations be segmented into subject areas, such as USPAP, income, core knowledge, etc?

Yes! At the September 2000 ASB meeting, an AQB representative acknowledged that someone could pass the certified examination and not correctly answer any USPAP questions. With USPAP being the basis for all appraisals, this was shocking. This deficiency needs attention.

A higher level of proficiency in core knowledge subjects should be established and required for certified general appraisers versus certified residential and licensed appraisers.