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# Appraisal Subcommittee

*Federal Financial Institutions Examination Council*

April 22, 2002

AQB Comments

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

Dear AQB:

Thank you for the opportunity to comment on the Appraiser Qualifications Board's ("AQB") February 25, 2002 Exposure Draft on revising the *Real Property Appraiser Qualification Criteria*. In your transmittal letter, you identified the seven "most significant proposed changes." We will comment on these items.

Please note that these comments are ASC staff comments. Although the ASC members have discussed some of the issues discussed in your February 25<sup>th</sup> exposure draft, and commented on some of the items in its February 5 and September 6, 2001 comment letters, the comments expressed in this letter are those of the staff.

General Comments:

In general, we support the changes proposed in the Exposure Draft, *i.e.*, increasing the qualifying education hours for the Licensed, Certified Residential, and Certified General classifications to 140, 200, and 315 hours, respectively; adding a required core curriculum for each classification level; requiring a four-year bachelors degree to become Certified General; requiring a two-year associates degree to become Certified Residential; and allowing Certified appraisers to gain four hours of continuing education for supervising and managing Trainee appraisers. We note that you used the term "Licensed Residential Appraisers" in the transmittal letter. It appears that the correct term should be "Licensed Real Property Appraisers," as specified in the Criteria. We encourage the AQB to use the correct terminology when referring to the appraiser classifications to avoid potential confusion.

Specific Comments:

- Page 6, II. B. – Consider changing the word "institutions" to "providers."
- Page 6, II. C. – This provision is not clear on its face. Does it mean only that it is permissible for instructors to earn education credit by teaching a course, as opposed to attending a course? How does this provision apply to instructors who teach the same course repeatedly? For example, if an instructor teaches a certain 20 hour course five times in a year, does the instructor earn 20 hours of credit or 100 hours?
- Page 6, II. E. – Recommend moving the provision regarding "interaction between the learner and the instructor" into the same listing as the other three itemized provisions. This would create a listing of four necessary provisions and make the structure more consistent.

- Page 6, II. E. – What is meant by “interaction between the learner and the instructor?” Can you define the term “interaction?”
- Page 6, II. E. – This appears to be the appropriate place to clarify that distance education is subject to two evaluation considerations – content and delivery. For example, if an education provider develops the content of a course and contracts with a university to deliver the course, who has evaluated the course content? Content and delivery evaluations need to be specified in each of the alternatives listed in the Criteria.
- Page 7, II. F. – It appears that items 2 and 3 should be combined and presented in the manner of item 7.
- Page 7, II. F. 4. – “Should” in the phrase “should represent a progression” is difficult to enforce. Is this intended as a requirement or a recommendation?
- Page 7, II. F. 7. – What do you mean by “provided the course meets the generic distance education requirements?” We recommend you specify the requirements, such as “provided the course meets the generic distance education requirements specified in Section II. E. of the Criteria Applicable to All Appraiser Classifications.”
- Page 7, II. F. 7. i. – This provision appears based on the concept that only a college or university can approve the proctoring official.
- Page 7, II. G. 1. – What “term” is intended in the phrase “anytime during the term?”
- Page 8, II. G. 4. – See our comment regarding Page 6, II. C.
- Page 8, II. G. 5. – Use of “An appraiser” and “their” is inconsistent terminology.
- Page 8, II. G. 7. – See our comment regarding Page 7, II. F. 7.
- Page 8, II. G. 7. i. – Move the “and” at the end of this provision to the end of 7.ii.
- Page 9, II. G. 7. iii. – See our comment regarding Page 7, II. F. 7. i.
- Page 9, II. G. 10. – You need to clarify this provision by adding wording similar to “for the purposes of meeting AQB Criteria” at the end of the sentence.
- Page 9, III. – We suggest clarifying by changing wording to something similar to “Once an applicant has received a State’s approval to take an appraiser examination, the applicant must take and pass the examination within 24 months of that approval date for the examination to meet AQB Criteria. When an applicant passes a State appraiser examination, the applicant must meet the requisite experience criterion within 24 months of the date he/she passed the examination.”
- Page 10, IV. G. – We question whether the AQB has the authority to specify what information shall be contained on a State form. The AQB should reconsider what it is trying to accomplish with this provision and reword the provision appropriately.
- Page 11, IV. J. ii. – We recommend that you add a provision that clarifies that the applicant must provide adequate documentation to support that the experience complied with USPAP.
- Page 11, IV. J. 2. and 3. – These two provisions seem duplicative. Consider combining into a single provision.
- Page 11, IV. J. 5. – Change the wording “has not complied with USPAP” to require compliance with USPAP to be consistent with terminology in other provisions.
- Page 13, V. 3. – The terms “disciplinary action” and “disciplinary proceeding” are subject to considerable interpretation. We suggest that the AQB clarify its intent by rewording this provision.
- Page 14, I. – We suggest incorporating the language regarding a consensus scope of practice vis-à-vis other government agencies such as that contained in the existing Criteria. Considering that many States have adopted scope of practice provisions that match those established by the Federal financial institution regulatory agencies, we suggest that the AQB

consider incorporating the provisions in that scope of practice for consistency and understandability within the profession and industry.

- Page 15, I. A. – The phrase ending the sentence should state “without regard to value or complexity.”

We acknowledge the AQB’s efforts to restructure the Criteria into a more regulatory framework. We believe the current proposal moves significantly in this direction. However, we noted numerous instances of incorrect grammar and punctuation. Some of the inaccuracies could create enforcement problems. We recommend that the AQB undertake a comprehensive review of the revised Criteria to ensure accurate and consistent grammar and punctuation.

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

Sincerely,

Ben Henson  
Executive Director