



The Appraisal
FOUNDATION

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

AARO Conference: Foundation and Board Updates

May 9, 2023

The Appraisal Foundation Update


David Bunton, President
www.appraisalfoundation.org



AARO-ASC-TAF Partnership

Unique and Effective System

32 years in the Making!



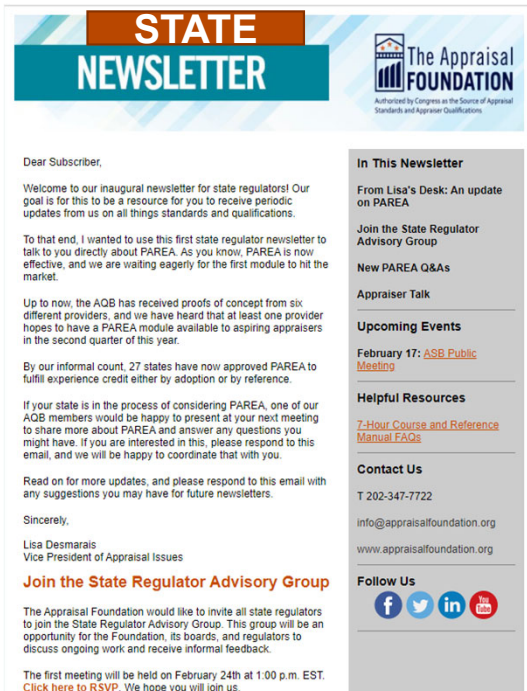
Appraiser Registry
launches and states begin
sending data and fees to
the ASC

1991

ASC provides first grant
funds in the amount of
approximately \$650,000
to the Foundation for
grant-eligible work of the
ASB and AQB

State appraiser regulators
establish AARO and begin
conducting biannual
meetings

Foundation Resources for State Regulators



- Newsletters and Podcasts
- Timely references straight to your favorite device!



Foundation Resources for State Regulators

Voluntary Disciplinary Matrix:

Voluntary Disciplinary Action Matrix January 1, 2020 "This document is being provided in its original format so that state regulators may adapt it for their own use."

The Appraisal Standards Board voted on February 19, 2021 to extend the effective date of the current 2020-21 USPAP through December 31, 2022. Click [here](#) to learn more. The Appraisal Foundation has also issued voluntary guidance that is intended to assist state appraiser regulatory agencies with enforcement cases. Click [here](#) to view.

	Type of Violation(s)	2020-22 USPAP Citation(s)	Examples	SANCTION (also refer to the sanction matrix and aggravating and mitigating circumstances)		
				1st offense	2nd offense	3rd offense
ETHICS RULE						
	Failure to perform valuation services ethically while acting as an appraiser.	Ethics Rule	Intentionally preparing a fraudulent appraisal.	Level V		
	Misrepresentation of role.	Ethics Rule, Conduct				
		Example #1	Preparing an appraisal while pursuing a listing for the subject property without proper disclosure.	Level III	Level IV	Level V
		Example #2	Testifying as an expert without proper experience.	Level II	Level III	Level IV
		Example #3	Acting as unbiased party when there is an interest in the property.	Level IV	Level V	
Conduct Section						
	Willfully or knowingly fails to comply with the RECORD KEEPING RULE	Conduct		Level IV	Level V	
	Being an advocate for the client's interests	Conduct & Management				
		Example #1	Inflating the value to benefit a client's position in litigation.	Level IV	Level V	
		Example #2	Selecting only comparable sales that support the highest price when there are more appropriate sales.	Level III	Level IV	Level V

Corrective Education Courses:

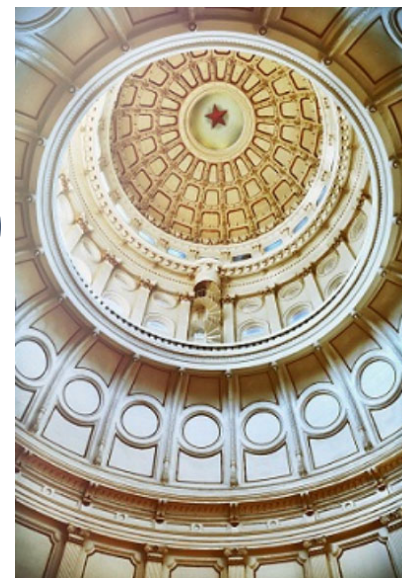
- Appraiser Self Protection: Documentation and Recordkeeping
- Report Certifications – What am I Signing and Why?
- Residential Report Writing vs. Form Filling
- Scope of Work: Appraisals and Inspections
- Assignment Conditions, Elements, and Results
- Missing Explanations
- Sales Comparison Approach Reconciliation
- Ethics, Competency, and Negligence

Course Designed for New Regulators:

Introduction to Terms and Concepts of USPAP

Find More at: www.appraisalfoundation.org

Keeping Connected: State Regular Advisory Group (SRAG)



- It is important that we communicate regularly and explore:
 - *Is what we have issued working in the states?*
 - *What else can the Foundation do to assist the states?*
- The advisory group is open to all state appraiser regulators and the group meets virtually. It last met on April 12.



The Appraiser Qualifications Board Update

Brad Swinney, Chair
AQB@appraisalfoundation.org

Appraiser Qualifications Board



Shawn Telford
Certified Residential Appraiser



William Fall
Certified General Appraiser



Miriam Lopez
Certified Residential Appraiser



Jerry Yurek
Certified Residential Appraiser



Valerie Scott
Certified General Appraiser



Brad Swinney
Certified General Appraiser



Byron Miller
Certified Residential Appraiser



Karen Oberman
Certified Residential Appraiser

AQB Authority and Function

- Under the provisions of Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA), the Appraiser Qualifications Board (AQB) establishes the minimum requirements involving Education, Experience, and Examination for real property appraisers to obtain a state license or certification as well as Supervisory Appraiser requirements.
- The AQB regularly solicits and receives comments and suggestions for improving the *Real Property Appraiser Qualification Criteria (Criteria)*.
- AQB also establishes the *Personal Property Appraiser Qualification Criteria*, applicable to members of Foundation sponsors that hold personal property appraiser designations issued by those sponsors. There is no state certification or licensing for personal property appraisers.

Valuation Bias and Fair Housing Laws and Regulations – Required QE & CE

- For the Second Exposure Draft, the Board is exploring the following potential proposal:

Appraisers must successfully complete a course which meets the content requirements of the Valuation Bias and Fair Housing Laws and Regulations Outline, every two calendar years.

- a) The first time the appraiser successfully completes the course, the course length must be 7-hours. If an appraiser successfully completed a 7-hour (plus 1 hour exam) course as part of their qualifying education, they have met this requirement.
- b) Every two calendar years thereafter, the course length must be at least 4-hours.

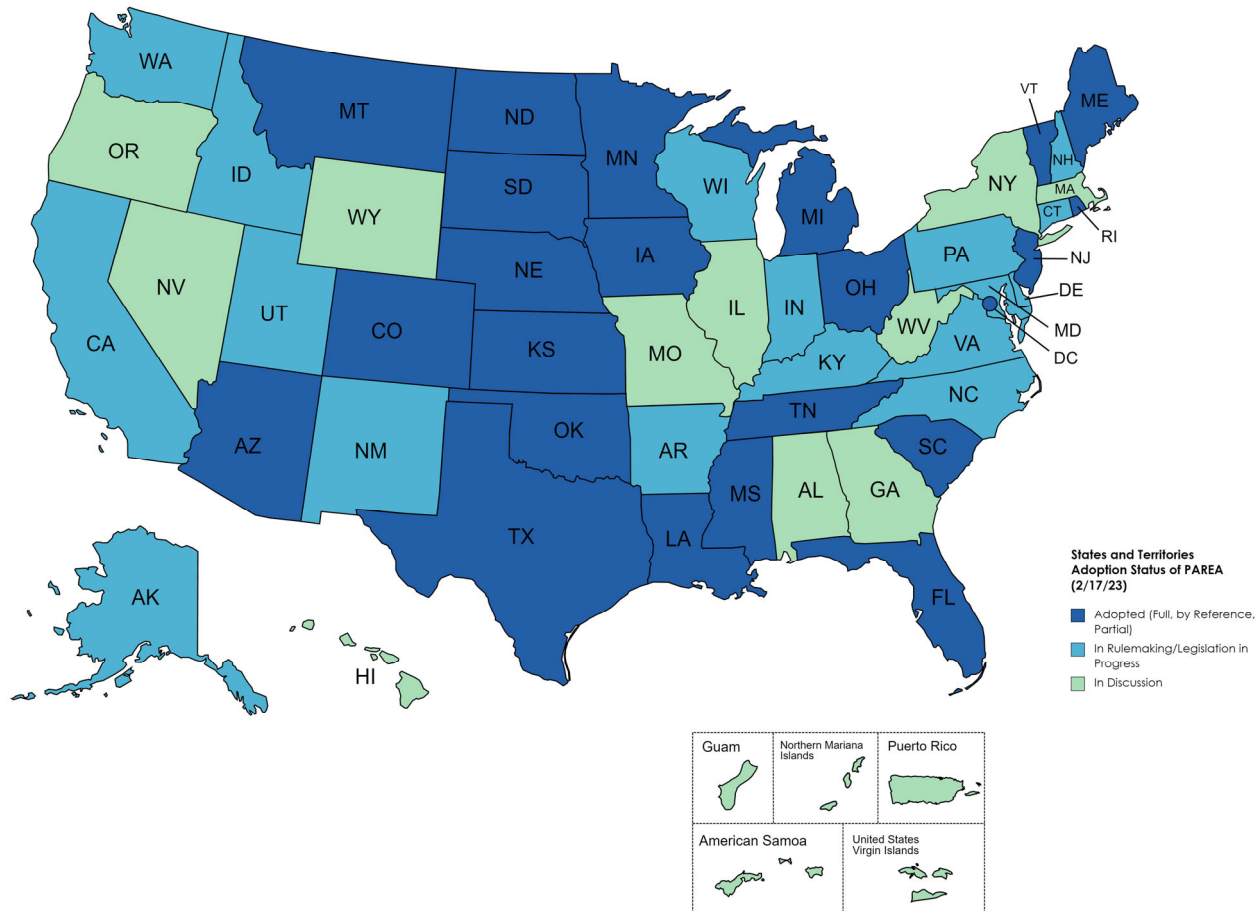
Potential Proposed changes in the Second Exposure Draft

- The completed course must meet the course content requirements of the Valuation Bias and Fair Housing Laws and Regulations course content outline
- Proposed increased in qualifying education requirements for Trainee and LR classification (total of 8 hours for each classifications)
- Proposed name changes to courses: *7-Hour National USPAP Continuing Education Course* and *Instructor Recertification Course*

Updates on PAREA:

- Nine concept reviews submitted to date
- Eight providers are actively working on developing PAREA programs. Three have publicly announced their development of PAREA:
 - Appraisal Institute hopes to launch by September 2023
 - OPTEON is actively developing their PAREA
 - McKissock hopes to launch in 2024
- 3,000 interested in PAREA

PAREA – State Adoption



PAREA - More Information

- Various resources posted on [PAREA webpage](#)
- Want to stay informed, or have questions? Please contact Aida Dedajic (aida@appraisalfoundation.org)
 - Including if you would like an AQB member to present at your next Board meeting to present and answer any questions you may have.

AQB Approved Degrees in Real Estate

Undergraduate Degrees

[Baruch College \(CUNY\)](#)
[Colorado State University](#)
[Fort Valley State University](#)
[Indiana University](#)
[Indiana University-Purdue](#)
[Lehigh University](#)
[Oklahoma State University](#)
[Old Dominion University](#)
[Penn State University](#)
[Roosevelt University](#)
[South Dakota State University](#)
[Temple University](#)
[Texas A&M University](#)
[Texas Christian University](#)
[Texas Tech University](#)
[University of Central Florida](#)
[University of Denver](#)
[University of Memphis](#)


[University of Mississippi](#)
[University of Missouri Columbia](#)
[University of Missouri Kansas City](#)
[University of Nebraska - Omaha](#)
[University of Northern Iowa](#)
[University of Texas Arlington](#)
[University of Wisconsin - Madison](#)
[Virginia Commonwealth University](#)

Graduate Degrees

[Baruch College \(CUNY\)](#)
[Florida International University](#)
[John Hopkins University](#)
[New York University \(2\)](#)
[Penn State University](#)
[Roosevelt University](#)
[Texas A&M University](#)
[University of Central Florida](#)
[University of Denver](#)
[University of Florida](#)
[University of Missouri – Kansas City](#)
[University of Wisconsin - Madison](#)
[Virginia Commonwealth University](#)

Do you know of a college who would be interested in this program?

- Learn more about the program on the Foundation's website
- Contact: Jalin Debeuneure
jalin@appraisalfoundation.org



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

[Sign In](#) [Cart](#) [f](#) [t](#) [in](#) [v](#)

[ABOUT US](#) [STANDARDS & QUALIFICATIONS](#) [RESOURCES](#) [EVENTS](#) [STORE](#) [NEWS](#)


Resources

Courses

Aspiring Appraisers

- How to Become an Appraiser
- How to Become a Real Property Appraiser
- Find a Certified USPAP Instructor
- National Uniform Licensing and Certification Exam
- PAREA
- Real Estate Degree Review Program
- List of Approved

Real Estate Degree Review Program



The Appraiser Qualifications Board (AOB) of The Appraisal Foundation has established a review program for college degrees in real estate to provide students with a path to receive credit for the Required Core Curriculum in the [Real Property Appraiser Qualification Criteria \(Criteria\)](#). Instead of utilizing a course-by-course approval process the AOB will review a college/university's graduate, undergraduate, or associate degree in real estate to determine how much of the Required Core Curriculum is met by graduates of the degree program and will identify areas where additional course work will be required (the 15-Hour National USPAP Course is one possible example).

Highlights of the program include the following. Read our Fact Sheet (below) for more highlights and information:

- "Retroactive" approval - the program will be approved retroactively back to the date in which the current program was established
- Graduates of approved programs may receive up to 300 hours (based on the degree content) of qualifying education credit toward a real property appraiser credential

[Click here to see the list of approved degree review programs.](#)

Other Activities and Upcoming

APPRAISER QUALIFICATIONS BOARD UPDATE

- Course Approval Program (CAP)
 - 306 Approved Course
 - 16 USPAP Courses
 - Delivery Mechanism Approval available for asynchronous courses
- National Uniform Licensing & Certification Examination
 - 2022 Exam Stats on the Foundation's website
 - SME writing new exam items & reviewing exam items this Summer
- Certified USPAP Instructor Program
 - 403 Instructors
 - Next ICC will be posted on the Foundation website
- Next scheduled virtual Public Meeting – September 28 at 1:00 PM ET
- Joint TAFAC/IAC Meeting – Crystal City, VA – June 27

The Appraisal Standards Board Update

Michelle Czekałski Bradley, Chair
ASB@appraisalfoundation.org



2024 USPAP

- In March, the Board issued Fifth Exposure Draft focused on the ETHICS RULE.
- On May 5, the Board has adopted the 2024 USPAP effective January 1, 2024.
- Summary of Actions forthcoming

Nondiscrimination Section of the ETHICS RULE

- New Nondiscrimination Section in the ETHICS RULE (focused on core concepts from key antidiscrimination laws).
 - Clarifies that nondiscrimination obligations exist for all appraisers, regardless of whether specific antidiscrimination laws apply to the appraiser or to the appraiser's assignment.
 - Continues explicitly to require that appraisers be knowledgeable about and follow antidiscrimination laws that apply to the appraiser or the assignment.
- Deletion of all language relating to supported and unsupported conclusions in the Conduct section of the ETHICS RULE.
- The ASB views it as critical to set out nondiscrimination requirements for the appraisal profession as a whole, regardless of appraisal discipline.

New Guidance on the ETHICS RULE

- Advisory Opinion 39, *Antidiscrimination Laws and Nondiscrimination*
- Advisory Opinion 40, *Antidiscrimination and the Research, Analysis, and Reporting of Location Data, including Demographics, for Residential Real Property Appraisal Assignments*
 - Retirement of Advisory Opinion 16, *Fair Housing Laws and Appraisal Report Content*

Personal Inspection

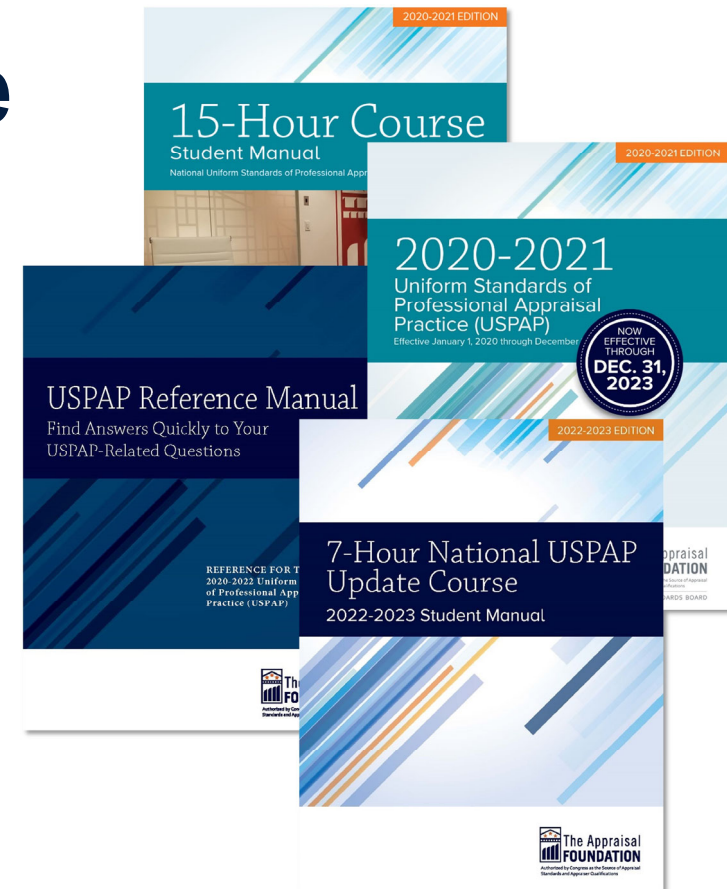
- Modification of the definition of Personal Inspection
- Updated Advisory Opinion 2, *Inspection of Subject Property*

Other Changes for 2024 USPAP

- Transfers and Sales
- Retired definitions of Assignment Elements, Misleading, Relevant Characteristics
- Modified definitions of Appraiser, Personal Inspection, and Workfile
- Minor edits to STANDARD 6, Standard Rules 2-3, 4-3, 6-3, 8-3, and 10-3, and Standards Rule 8-2(b)(xii)(3)

7-Hour National USPAP Course

- New Course Format & Objectives:
 - Built around most frequently & recently asked questions/topics
 - Teaching students how to use the USPAP publication to answer specific questions
 - Apply it to day-to-day practice
- Course contains 90 minutes on bias and discrimination as it relates to USPAP.



USPAP Reference Manual

- Find where certain content is located is in the various sections of the USPAP publication
- Interconnected with USPAP

Analyze “Restrictions” or Encumbrances

What are these?

They are something that prohibits a property owner from exercising any of the traditional rights of ownership.

They may impact value.

Examples

Constraints on the exhibition of a work of art, a prohibition or limit on the breeding of an animal, the limit on the sale of an item.

How to handle

They may or may not impact value; however, the appraiser is required to analyze the effect on value, if any.

FAQ 221, page 280

FAQ 221, page 280

FAQ 221, page 280

FAQ 222, page 280; Standards Rule 7-4(d), page 44, lines 1419-1420

Analyze Supply and Demand

Sudden market conditions changes

The appraiser is required to identify, analyze, and report economic property characteristics, regardless of if they are negative or positive.

FAQ 220, page 279; Standards Rule 1-2(e), 1-3(a)(iii); 2-2(a)(iv), pages 17-18

Upcoming

- Public Meeting – Virtual, September 14 at 1:00 PM ET

THANK YOU

Communicating with the Foundation and its Boards is easy

www.appraisalfoundation.org

**1155 15th Street NW, Suite 1111 Washington, DC 20005
202.347.7722**

info@appraisalfoundation.org

AQB@appraisalfoundation.org

ASB@appraisalfoundation.org



**The Appraisal
FOUNDATION**

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