**AARO Communications Committee Report**

**Practical Applications of Real Estate Appraisal – PAREA**

During the AARO Conference Anne Petit Moderated a session devoted to providing the attendees with an update on the progress relating to the recently approved experience program for real estate appraisers as part of the AQB Minimum Criteria.

The session was moderated by Ann Petit, Supervisor Ohio Division of Real Estate and Professional Licensing and past ARRO President, with panelists Mark Lewis Chair of the AQB, Guy Wesslekamper, state of Ohio, Brandy March, Iowa Real Estate Appraiser Examining Board, Managing Director, AARO, and John Brenan, Chief Appraiser, Clear Capital.

Mark Lewis began the session with a PAREA Overview advising the conference attendees PAREA provides an alternative to the traditional Supervisor and Trainee Model and reminded everyone it is specifically not intended to provide “competency”. Mark said the subject of PAREA has been a topic for all eight years he has been on the AQB, has seen it morphed several times, considers it to have been well vetted, well publicized and is the most recent solution to the Supervisory / Trainee model.

Some of the aspects Mark shared are:

* The program is currently available to licensed residential and certified residential appraiser credentials;
* Participants are required to complete all Q.E. prior to beginning the program;
* According to the AQB, it can provide up to 100% of experience credit for licensed appraiser credential, certified residential appraiser credential and up to 50% of the 3,000 hours for certified general credential – which would be the non-general experience credit.
* It will require periodic monitoring
* Requires participants to complete USPAP-compliant appraisals
* Once successfully completing PAREA, participants must also pass the national licensing exam.

Mark went on to provide examples of sample content of PAREA for Licensed Appraiser Module, and also provided the PAREA website[**https://appraisalfoundation.org/imis/TAF/Standards/Qualification\_Criteria/PAREA/TAF/PAREA.aspx**](https://appraisalfoundation.org/imis/TAF/Standards/Qualification_Criteria/PAREA/TAF/PAREA.aspx)**.**

* For participants – includes information for signing up for notification once a program is available;
* For Providers – includes various documents to aid in the creation of a PAREA program including PAREA Implementation Policies, Q&As, application submission link, provider guide, and PAREA minimum content requirements matrices.
* For States – PAREA Handout and State Approvals.

As of his presentation Mark stated the AQB has received PAREA concepts from potential providers and have provided appropriate feedback to those potential providers. He further stated the AQB looks forward to receiving other concepts to review as providers begin to commit to develop a PAREA program.

Brandy March provided a presentation entitled PAREA: A Deeper Dive Into State Adoption giving time lines of October 28, 2020, where after Board deliberation the topic was tabled, November 18, 2020where again the topic was deliberated and tabled, and January 27, 2021 where the Board conducted a Provider Review, Reciprocity Considerations and formally Adopted PAREA.

Guy Wesselkamper expanded on Brandy’s presentation advising the attendees the Ohio Division of Real Estate and Professional Licensing recognized problems with appraiser trainee opportunities, especially in the more rural areas where supervisory appraisers were not available and saw opportunity in PAREA.

Guy stated that 1/3 of the credentialed appraisers in Ohio are from out of state and the Division came to a consensus very quickly to move forward to accept PAREA.

John Brenan, formerly with The Appraisal Foundation and now with Clear Capital, provided a presentation entitled “PAREA: A Deeper Dive and State Adoption “ citing three objectives –

* Provide states with a better vision of PAREA
* Foster adoption of PAREA for 100% credit
* Reduce concerns related to reciprocity

John told the attendees the traditional model of supervisor/trainee and PAREA are two different things, more like apples and oranges with far more varied training and we should not try to equate one vs the other.

According to John, full adoption by the state regulators can help appraisers remain relevant:

* An adequate supply of qualified appraisers
* Pathway to diversify the appraiser population
	+ Younger people embrace technology
	+ Veterans transitioning into civilian life
	+ Historically black colleges and universities
	+ Endorsed by the National Society of Real Estate Appraisers and the National Association of Hispanic Real Estate Professionals
	+ Reduce potential bias and discrimination by making sure the appraiser population looks more like the general population.
* Adopting anything less than the AQB-allowed 100% of experience credit simply does not solve the current trainee/supervisor problem.
* Under the current supervisor/trainee model, work samples are actually reflecting the Supervisor’s ability, not the Trainee’s.

John went on to provide a video demonstration of a technology simulation covering Market, Neighborhood, and Subject Property Research and presented a compelling argument for PAREA adoption by the state appraiser regulators in attendance.