



# THE APPRAISAL FOUNDATION

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

## **An Update on the Activities of The Appraiser Qualifications Board**

**Prepared for the  
*Collateral Risk Network***

**David Bunton, President**

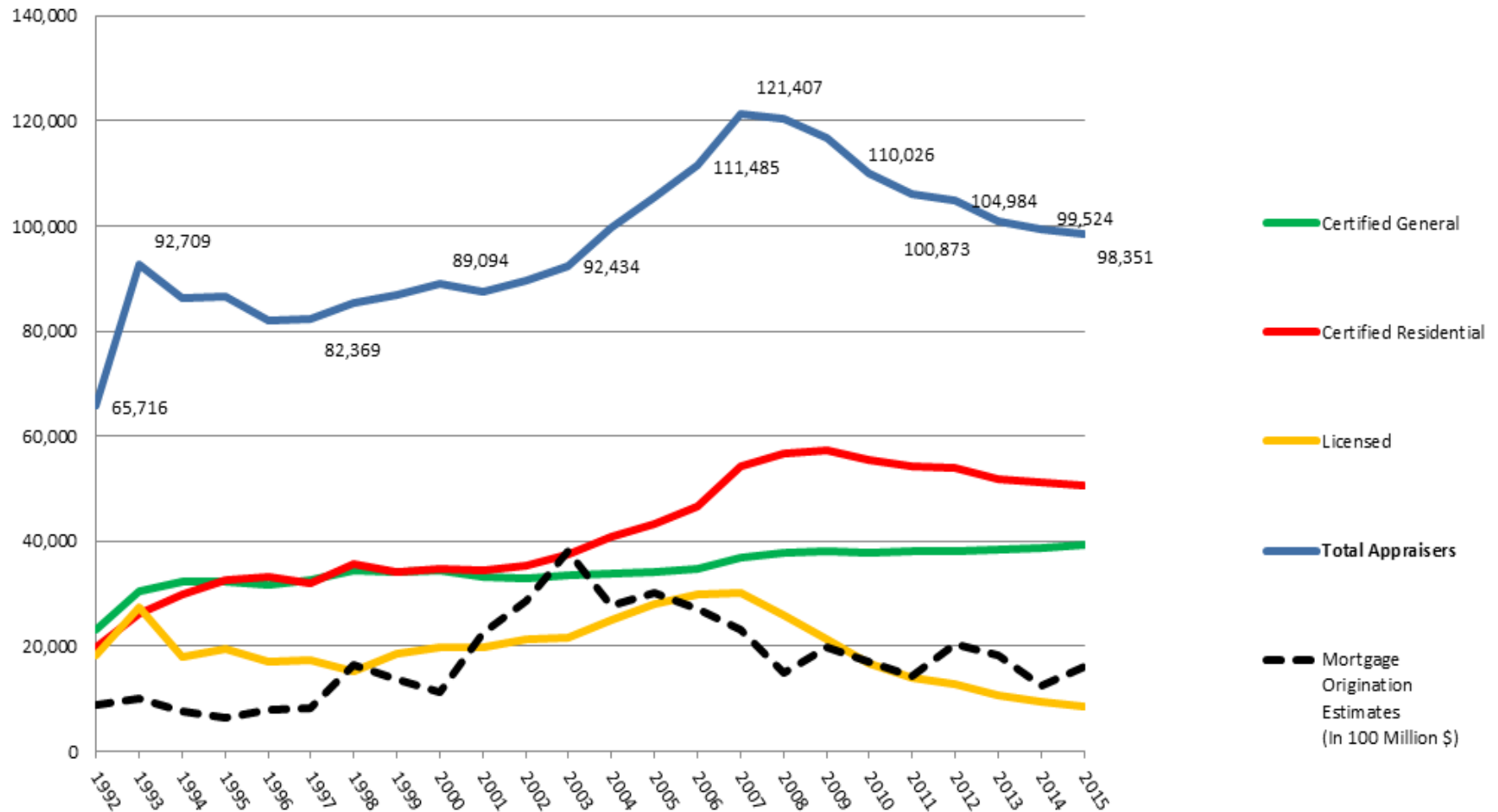
**April 14, 2016**

# OVERVIEW

- Historical Statistics on the Number of Appraiser Credentials
- Current Focus of the Appraiser Qualifications Board
- Possible Appraiser Dispersion Study
- Future Timetable



## Mortgage and Appraiser Trends

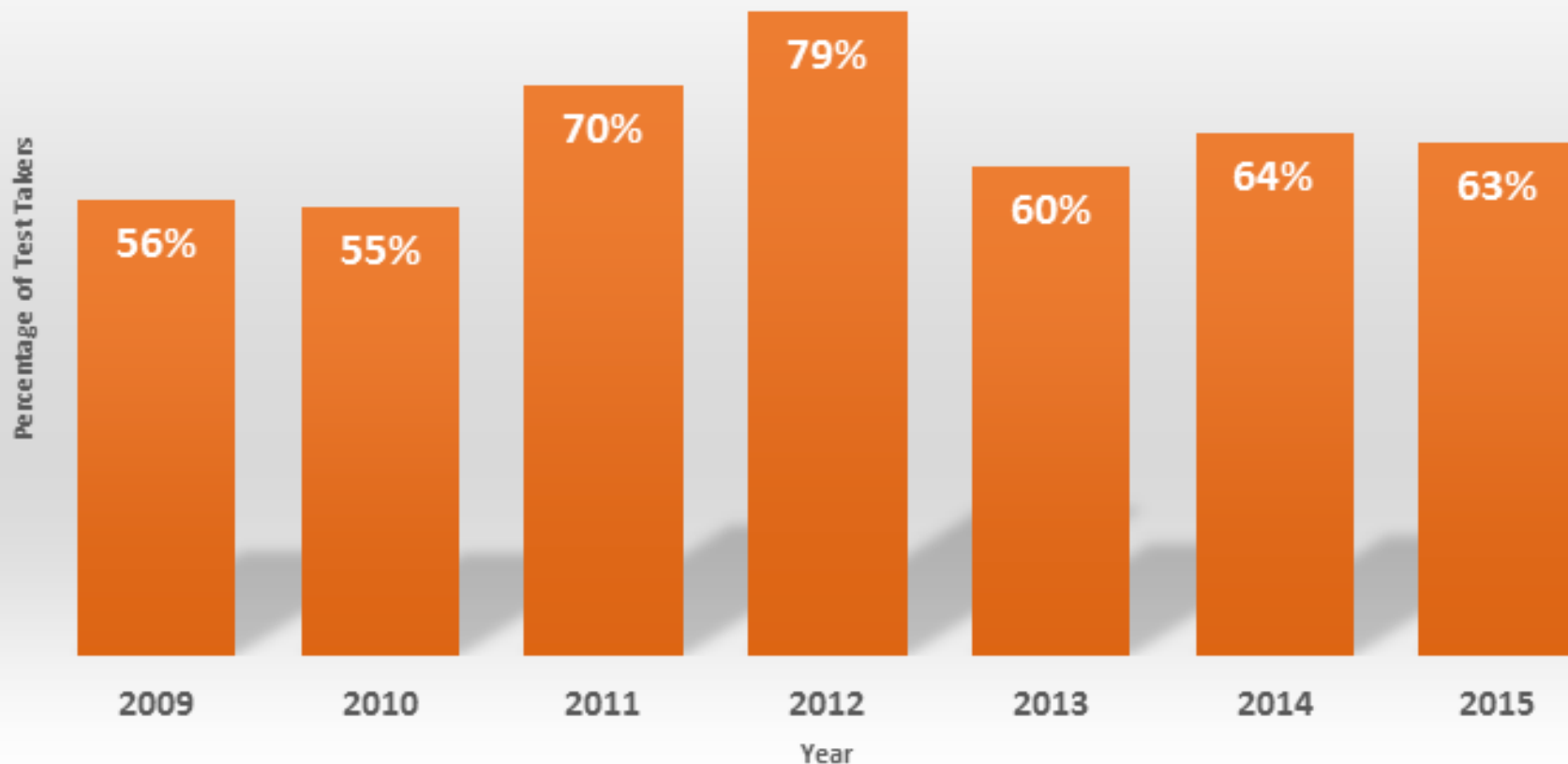


# 10 Year Trend: Appraiser Credentials

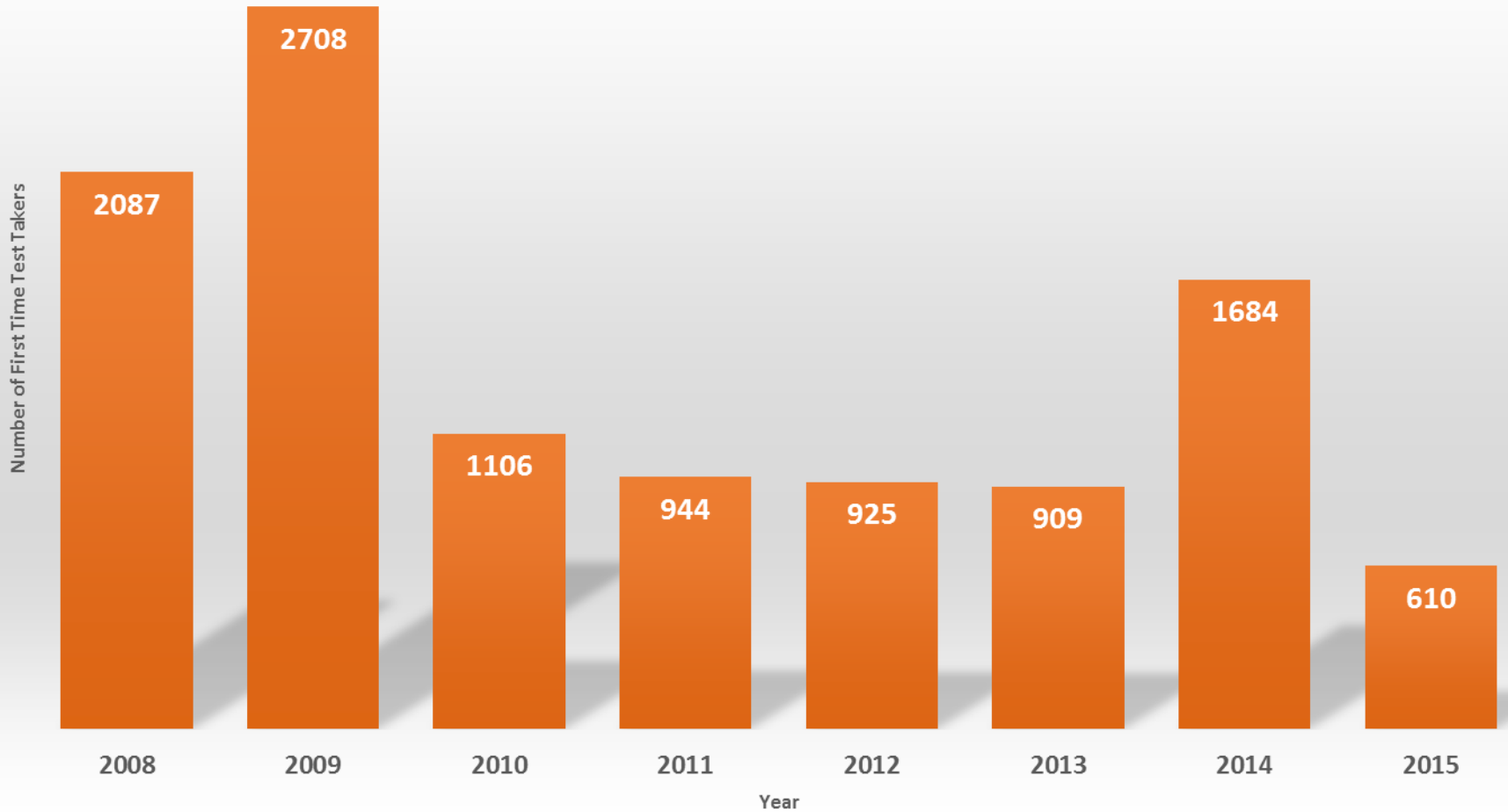
	<u>2006</u>	<u>2016</u>
<b>Certified General</b>	<b>34,812</b>	<b>39,227</b>
<b>Certified Residential</b>	<b>46,701</b>	<b>50,084</b>
<b>Licensed</b>	<b>29,921</b>	<b>8,292</b>



## Examination Pass Rates (for first time test takers)



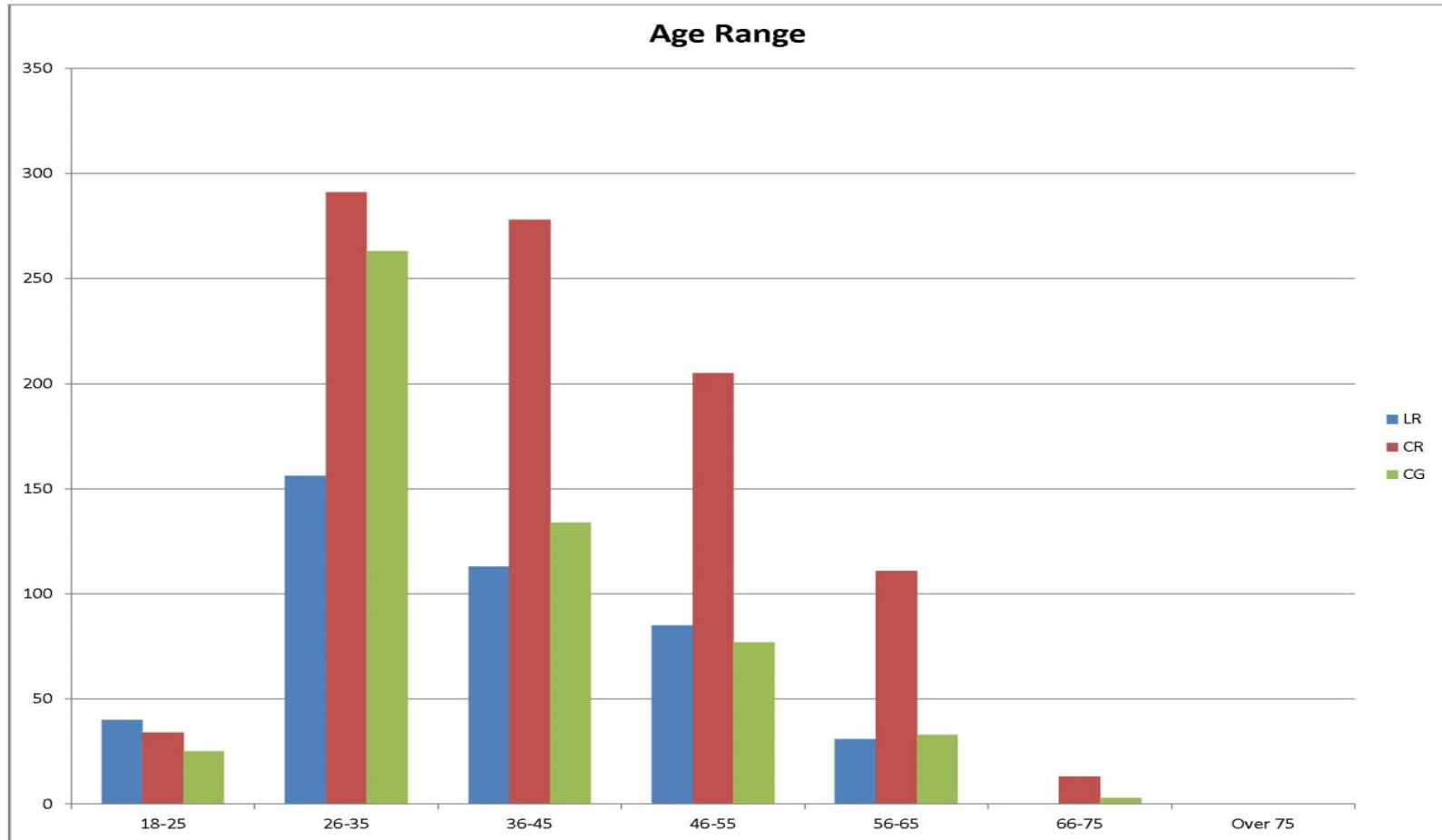
## Number of First Time Test Takers Passing the Examination



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# National Uniform Licensing & Certification Examination



# AQB Areas of Focus

- Alternative Track for Licensed Residential to Certified Residential
- Enhanced Practicum Curriculum
- Documenting Alternative Experience
- “Trainee” Nomenclature
- Three-Year Supervisory Residency Requirement





# AQB Areas of Focus

- Very strong interest in these topics
- Concept paper issued last July received over 100 responses.
- Public hearing last October attended by over 100 individuals.
- Over 270 comments letters received on the Discussion Draft issued on February 11<sup>th</sup>
- April 8<sup>th</sup> public meeting in Phoenix attended by almost 200 people.



# Alternative Track for Licensed to Certified Residential

Should a Licensed Residential appraiser with years of experience and no disciplinary action be required to possess a college degree to become Certified Residential?

One Possible Alternative: Require selective College Level Entrance Program (CLEP) Examinations



# CLEP Examinations

33 Examinations in Subject Areas such as:

- Composition and Literature
- History and Social Sciences
- Science and Mathematics
- Business



# Enhanced Practicum Curriculum

- Practicum courses counting towards experience credit have been part of the Qualification Criteria since 2008.
- They have not proven to be economically feasible to date due to a lack of students and high course development costs.
- Hours of experience credit awarded would be relatively minimal.



# Enhanced Practicum Curriculum

## Possible Alternatives:

- Assist in developing college internship programs
- New path for a credential
  - No evaluation of experience (i.e., hours and months)
  - Case study courses as part of the required core curriculum
  - Practice-based examinations



# Experience Requirement

- The AQB may expose a few different alternatives regarding revisions to the experience requirement.
- They could range from a minor tweak to a complete overhaul of the current requirements.



# Documenting Alternative Experience

Should the work of property tax assessors, real estate brokers, mortgage brokers, market researchers and real estate investment professionals count towards the overall appraisal experience requirement?



# Documenting Alternative Experience

- Biggest challenge? Administration by state appraiser regulators.
- How do you calculate related experience into hours of appraisal experience?
- Few, if any, related professions log their experience in hours.





# “Trainee” Nomenclature

- Does the term “Trainee Appraiser” have negative connotations?
- The term “trainee” appears in the section of the Dodd-Frank Wall Street Reform and Consumer Protection Act which gives authority to the AQB regarding qualifications for trainees and supervisory appraisers.



# “Trainee” Nomenclature

Current AQB Criteria states: *Recognizing that individual credentialing jurisdictions may use different terminologies, “Trainee Appraisers” include, but are not limited to: registered appraisers, apprentice appraisers, provisional appraisers, or other similar designations created by state appraiser regulatory agencies.*



# “Trainee” Nomenclature

The AQB intends to notify the state appraiser regulators, perhaps through the issuance of a Q & A, that they currently have the latitude to use any term they wish in lieu of the term “trainee.”



# Three Year Supervisory Residency Requirement

- Problematic for appraisers living near state borders or in metropolitan areas covering multiple jurisdictions.
- Geographic competency is already covered in USPAP.
- Residency requirement will likely be repealed.



# Timetable on AQB Action

- This the top priority for the AQB.
- An exposure draft should be issued next month.
- Two additional AQB public meetings have been added this year.
- Next public meeting: Friday, June 24<sup>th</sup> in Las Vegas.



# Possible AQB Commissioned Appraiser Dispersion Study

- How many *practicing* appraisers are there and where are they located?
- Currently in discussions with a couple of government agencies, data collection companies and a university.
- The results would be analyzed by outside professionals, not the AQB



# Contact Us

## Communicating with the Foundation and its Boards is easy:

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