

November 24, 2010

Rick Baumgardner, Chair  
Appraiser Qualifications Board  
The Appraisal Foundation  
1155 15<sup>th</sup> Street, NW  
Suite 1111  
Washington, D.C. 20005

Re: First Exposure Draft of Proposed Revisions to the Future *Real Property Appraiser Qualification Criteria* Dated October 19, 2010

Dear Mr. Baumgardner:

Thank you for the opportunity to respond to the AQB's "First Exposure Draft of Proposed Revisions to the Future *Real Property Appraiser Qualification Criteria*" dated October 19, 2010.

The Appraisal Institute has reviewed the Exposure Draft and concluded that overall, the proposed changes will advance the appraisal profession and promote a higher level of public trust in appraisers. We commend the AQB for its work toward these ends.

The Appraisal Institute respectfully encourages the AQB to establish an effective date for any changes to the Real Property Qualifications Criteria far enough in advance to provide those currently working on the existing requirements sufficient time to meet such criteria or to prepare for the changes. We offer the following comments and suggestions regarding specific sections of the Exposure Draft.

**Section 1: Proposed Revision to Require Education and Experience as Prerequisites for the Examination**

The rationale for this proposal references some preliminary data that suggests appraisers who have more appraisal experience tend to perform better on the *National Uniform Licensing and Certification Examinations*. We also have noticed this trend in our comprehensive testing. However, evidence also suggests that students who take the Appraisal Institute's comprehensive examination shortly after completing the required education also are more likely to be successful with the examination. Since accumulating the experience hours likely will extend the time period between the required education and the examination, some students may find passing the examination inappropriately more difficult.

The proposal also may have the unintended consequence of deterring people from attaining an appraisal license or certification. We hear daily from individuals struggling to gain the required experience hours for their licensure or certification requirements due to market realities. Aspiring appraisers often have trouble finding someone under whom to train. Potential employers frequently are not willing to hire a trainee unless he or she first has completed the courses and passed the examinations. Many potential employers find successful completion of the education requirements the best means of ascertaining whether the aspiring appraiser has the knowledge and aptitude required for an appraisal career. Those individuals lucky enough to secure a sponsor often still struggle to accumulate the required hours of experience in a reasonable period of time. Therefore, we are concerned that the proposed change may serve as an unnecessary impediment in the qualifications process and will discourage individuals from entering the appraisal profession.

#### **Section 4: Proposed Revisions Pertaining to College Degrees in Real Estate**

Many colleges and universities offer real estate valuation degrees that appear to require education that is equal to or exceeds the education available from other AQB approved providers. Enabling students to earn a college degree from appropriate programs while also completing qualifying education helps bring the best and brightest of a new generation into the profession. We suggest that the colleges and universities be subject to the same requirements for AQB approval and renewal of approval as other educational providers.

#### **Section 5: Proposed Revision to 7-Hour *National USPAP Update Course Eligibility***

While we agree with the intent of this proposed requirement, we have some concerns about consistent and fair application of the requirement. For instance, consider an appraiser with a continuing education cycle that runs from January 1, 2011 through December 31, 2012. At the beginning of that cycle, the USPAP that is “most recently available” is the 2010-2011 version and the appraiser may not have taken that version yet in a previous cycle. A new USPAP then becomes effective on January 1, 2012. Based on the how the Exposure Draft is written, it is unclear which version of USPAP this appraiser should be taking.

Further, an appraiser may have extenuating circumstances (e.g., health, family obligation, military service, etc.) in the first six months that a new USPAP is in effect, making it difficult or impossible for him or her to complete this education requirement. The requirements should provide some flexibility for these types of circumstances given the short time frame provided.

#### **Section 6: Proposed Removal of Segmented Approach to Criteria Implementation**

We agree that providing an end date for those appraisers who have been subject to the segmented approach is appropriate. As stated earlier, we would encourage that this date be widely distributed so those affected have adequate time to complete the appropriate requirements.

**Section 7: Proposed Restriction on Continuing Education Course Offerings**

We agree that the proposed change to the continuing education requirements is appropriate. The Appraisal Institute already has in effect a similar restriction for its members completing continuing education requirements. Adoption of such a rule further demonstrates a commitment to enhancement of professionalism in the appraisal field.

Thank you again for the opportunity to comment on this Exposure Draft. If you have any questions about our comments or if we can be of further assistance on this Exposure Draft, please let us know.

Sincerely,

Leslie Sellers, MAI, SRA  
President