



HOW TO ENTER THE REAL PROPERTY APPRAISAL PROFESSION



THE APPRAISAL FOUNDATION

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

This publication is intended to provide basic information to individuals who are considering a career in the real property appraisal profession. For specific information about the requirements in your state, please contact your state appraiser regulatory agency.

This brochure is published as a public service by The Appraisal Foundation, a non-profit educational organization dedicated to the promulgation of professional appraisal standards and appraiser qualifications for all appraisal disciplines. The Foundation accomplishes this mission through the work of three independent Boards, the Appraisal Practices Board (APB), the Appraiser Qualifications Board (AQB) and the Appraisal Standards Board (ASB). In 1989 the U.S. Congress enacted legislation that gave specific responsibilities to the AQB relating to the minimum criteria an appraiser must meet and to the ASB regarding the minimum performance standards to which they must adhere.



FREQUENTLY ASKED QUESTIONS

What is the demand for qualified real property appraisers?

There is a wide array of clients that use real estate appraisals. For instance, lenders use them for loan collateral purposes; lawyers use them in property disputes, such as divorces; insurance companies use them to assist in determining the value of the property to be insured; and property owners may use them when appealing tax assessments, for estate purposes and for estimating a property's value when buying or selling real estate.

Do I need to obtain a credential or license in order to appraise real property?

Federal law requires all individuals appraising properties in a federally related transaction (e.g., a federally regulated financial institution is involved in the transaction) to be either state licensed or certified. In addition, many states have enacted laws that require all real property appraisals to be performed by an individual who is state licensed or certified. In addition, professional appraiser organizations offer designations that often exceed the minimum requirements of state licensure. Since licensing/certification is required to show minimum competency, designations may offer appraisers a way to further demonstrate their knowledge and professionalism.

Who regulates real property appraisers?

Each state and territory has a real property appraiser regulatory program. In the vast majority of instances, a board composed of between five and nine individuals governs the program. In addition to issuing licenses and certifications, the board is also responsible for disciplining appraisers.

What are the minimum qualifications I need to meet in order to become a state licensed or certified appraiser?

The minimum qualifications are set by the Appraiser Qualifications Board (AQB) of The Appraisal Foundation and cover the education, experience and examination to become an appraiser, as well as the continuing education required to maintain a credential. For an overview of requirements, please reference the chart on the next page. For requirement details, please consult the *Real Property Appraiser Qualification Criteria*.

Classification	Education Hours* (no change effective 1/1/2015)	Current College Degree Requirements (through 12/31/2014)	1/1/2015 College Degree Requirements**	Experience Requirement
Trainee Appraiser	75	None	None	None
Licensed Residential Appraiser	150	None	30 semester credit hours of college-level education from an accredited college, junior college, community college, or university; OR an Associate's degree or higher (in any field).	2,000 hours of experience in no fewer than 12 months.
Certified Residential Appraiser	200	21 semester credit hours in specified collegiate subject matter courses from an accredited college or university; OR an Associate's degree or higher.	Bachelor's degree or higher (in any field) from an accredited college or university.	2,500 hours of experience in no fewer than 24 months.
Certified General Appraiser	300	30 semester credit hours in specific collegiate subject matter courses from an accredited college or university; OR a Bachelor's degree or higher.	Bachelor's degree or higher (in any field) from an accredited college or university.	3,000 hours of experience in no fewer than 30 months (of which 1,500 hours must be in non-residential appraisal work).

* Hours required include specific curriculum courses and hours – please see the *Real Property Appraiser Qualification Criteria* for details.

These requirements are effective for individuals seeking a real property appraiser credential *after* January 1, 2015. However, in some cases, the requirements may also apply to *existing* real property appraisers (for example, a state may require a credentialed appraiser to meet the new *Criteria* if he or she moves from a state that does not have reciprocity with that state. Or some states may require appraisers seeking to change their credential level to meet all of the 2015 *Criteria* prior to obtaining the new credential). In addition, some jurisdictions may elect to adopt the 2015 requirements *prior* to January 1, 2015. **Credentialed appraisers are urged to contact the applicable state appraiser regulatory agencies if they are contemplating relocation or changing credential levels.

Do I need a college education to become an appraiser?

Yes, there are college-level education requirements for the Certified Residential and Certified General classifications. Effective January 1, 2015, college-level education will also be required for the Licensed Residential classification. These requirements can be found in the *Real Property Appraiser Qualification Criteria* or in the chart above. Please be aware that individual states may adopt requirements more stringent than the national requirements above. Therefore, applicants for a real property appraiser credential should always check with their state appraiser regulatory agency for individual requirements.

How can I find out about available educational offerings in appraising?

Professional appraiser organizations are one of the primary providers of appraisal education. A listing of some of those organizations and their contact information is contained in this brochure.

How can I gain the necessary experience?

One of the best ways to gain experience is to serve in an apprentice or trainee capacity with a state certified appraiser. Many states offer a trainee classification that formalizes the relationship between the state certified appraiser and a trainee appraiser. Professional appraiser organizations may also be helpful in assisting with mentor programs.

What do I have to do to qualify to sit for the examination?

In order to qualify to take the state examination, you must have completed your qualifying education classroom hour requirement. Effective January 1, 2015, you must also complete the necessary experience requirements prior to taking the state examination.

How long is the examination?

The national examination contains 165 questions and takes approximately six to eight hours to complete (depending on the classification an applicant is seeking to obtain).

Do appraisers have to follow any set of performance standards or guidelines?

The *Uniform Standards of Professional Appraisal Practice* (USPAP), which is promulgated by the Appraisal Standards Board of The Appraisal Foundation, are generally recognized as the performance standards for the appraisal profession. Violation of these standards can lead to disciplinary action by government regulators and appraiser organizations. A copy of USPAP can be obtained from The Appraisal Foundation.

May I appraise any type of real property once I become state licensed?

Generally, real property appraisers can obtain one of four credentials issued by a state. Each credential allows an appraiser to perform assignments within the following parameters:

Trainee Appraiser: may only appraise those properties which the supervising Certified appraiser is permitted to appraise with his/her current credential and is competent to appraise.

Licensed Residential Appraiser: may appraise non-complex 1-4 unit residential properties with transaction values up to \$1 million and all other properties with

transaction values up to \$250,000 (subject to the COMPETENCY RULE in USPAP and applicable state laws).

Certified Residential: may appraise 1-4 unit residential properties without regard to value or complexity, and all other properties with transaction values up to \$250,000 (subject to the COMPETENCY RULE in USPAP and applicable state laws).

Certified General: may appraise all types of real property (subject to the COMPETENCY RULE in USPAP).

As indicated above, although a license/certification might be obtained, competency in a specific field of expertise is needed.

In addition, certain states may have laws that differ from the AQB criteria. All appraisers should consult their state appraiser regulatory agency prior to accepting certain appraisal assignments.

Why should I consider belonging to one of the professional appraiser organizations?

Many professional appraiser organizations offer quality educational opportunities and can keep you abreast of the most recent changes impacting the profession. Many offer “designations” that are awarded when you have completed a certain level of education and experience. These designations may allow appraisers to demonstrate a higher level of expertise and specialization. In addition, they can serve as your voice on state and federal government issues. Many appraiser organizations are structured on a “chapter” basis, which allows members to network with their colleagues in a local area.

What does the future hold for the appraisal profession?

Of course, predicting the future is risky business. Like most professions, the appraisal business is rapidly changing due to technology and globalization of the American economy. It is clear that these changes will open many doors to valuation experts, particularly those with analytical backgrounds. Appraisers are important when the economy is growing and also when it is in recession. Overall there may be fewer appraisers in the future but those that find their niche are likely to be prosperous.

How do I become a designated appraiser?

You will need to contact one of the many professional organizations representing appraisers regarding membership and the course of action for designation. The Appraisal Sponsors of the Foundation (listed on the back panel) are a great resource for education and offer designations for appraisers.

APPRAISAL SPONSORS

American Society of Appraisers

www.appraisers.org

**American Society of Farm
Managers & Rural Appraisers**

www.asfmra.org

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www.appraisersassoc.org

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Puerto Rico**

www.iepr.net

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www.iaao.org

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www.naifa.com

**North Carolina Professional
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www.ncpac.org

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