

On Thursday June 7 the ECAFS and on Friday June 8 the ASB meetings were held in Minneapolis, MN.

The following items were discussed during the two meetings:

ECAFS (Education Council of the Appraisal Foundation Sponsors)

Status of the AQB (David Bunton, President of the Appraisal Foundation)

1. The following 3 national examinations for State credential of real property appraiser are now completed 1) licensed, 2) certified residential, and 3) certified general.
 - Each examination will include 165 questions, 150 of which will be scored, and 15 will be used for future examination development.
 - Fifteen (15) of the 150 questions will be specific for each credential examination, while 135 questions will be credential specific and not offered in the other examinations.
 - The licensed residential real property examination time is estimated to be 4 hours.
 - The certified residential completion time is estimated 5 to 6 hours.
 - The certified general completion time is estimated 8 hours, in 2 parts.
 - State agencies that opted for the segmented scenario should know that the revised examinations will concentrate heavily on the new education criteria, and the assumption that supervision is adequate for experience training. Therefore, the current criteria education coupled with a lack of training may prove to be poor preparation for one to successfully complete the 2008 revised examination.

2. The Appraisal Foundation has available the following DVD's for training purposes. Anyone interested should contact the Appraisal Foundation.
 - 2008 Criteria Implementation (No cost)
 - Fall 2006 Fraud Symposium (\$9.95 each)

3. AQB - Course Approval Program
 - All courses approved by the AQB-Course Approval Program will be available, hopefully by the end of 2007, via electronic format.
 - The AQB-CAP program now has 9 reviewers on board.
 - Hopefully, during the month of July 2007 the approved course information will be available to State appraiser regulatory officials for viewing on-line.
 - The 15-hour USPAP course will be updated by a review committee of ECAFS. Maggie Hambleton, Columbus, Ohio, will be the contractor responsible for making the text corrections.
 - The 7 hour USPAP update course will undergo a major revision of text, examples, working exercises, workbooks, and the power point presentation. A committee of ECAFS will work with Maggie Hambleton in revising the text, workbooks and examples.

4. On behalf of the regulatory agencies Larry Disney inquired if there is a specific agreement or understanding of the Primary Provider who receives the AQB-CAP approval and the secondary providers who will purchase courses from the primary provider?

- The answer is yes. There is an expectation. The agreement language is contained in the CAP program publications, but there is no specific written agreement that can be executed between the two, at this time.
- There is a draft publication, "A Guide for Understanding the AQB Course Approval Program" that will be available soon for education providers and State Appraiser Regulatory Officials. The primary and secondary information will be contained in this document in both Q & A, and policy language.
- It is my opinion the State appraiser regulatory agencies that are going to require the AQB-CAP program approval might want to make certain the secondary providers agree to teach the material they purchase from the primary provider. Also, the State agencies might want to consider having education provider approval requirements in addition to the AQB-CAP requirement for course approval.
- The final answer pertaining to any specific policy will be left to the individual State regulatory agencies, to implement or not.

5. On behalf of the regulatory agencies Larry Disney inquired if there is any specific policy or regulation concerning the proctoring of final examinations that are required for Distance Education delivery courses approved for qualifying education?

- The answer was no. There is no expectation or policy within the AQB-CAP program.
- So, at this time, in absence of examination proctor policy, the education providers can assign any person, entity, or group to administer the examination. Some groups prohibit familial and business relationships. The examination can be delivered to the proctor by any media or means determined acceptable by the provider, including fax, e-mail, U.S. Mail, courier, etc. The choices are unlimited.
- The final answer pertaining to a specific policy will be left to the individual State regulatory agencies, to implement or not.

Ms. Dawn Molitor-Geenrich, ASB member, informed the ECAFS group that the 15 hour USPAP course is possibly out of sequence as one of the first beginning courses a student completes. The reasoning is that much of the USPAP 15 hour course contains language and examples that will no doubt be better understood after the student first completes additional education, training and field experience.

The ECAFS meeting adjourned at approximately 5:00 pm.

ASB Public Meeting – June 8, 2007

1. Report by David Bunton, President of the Appraisal Foundation
 - Congressional Update, including the following:
 - Possibly within the next 30-days legislation will be presented that will reform Title XI language that will mandate the minimum AQB criteria be required for the licensed and training credentials.
 - Grant the ASC more authority in monitoring the experience and training of appraisers.
 - Mr. Bunton reported a likelihood of a 70% to 80% chance the proposals will pass.
2. IRS showing strong interest in USPAP becoming the minimum acceptable appraisal standard for personal and real property assignments.
3. 2008 edition of USPAP format to include:
 - FAQ's with pocket for inserting monthly Q and A.
 - Tabs for Advisory Opinions
 - Shelf life of 24 months
 - Fee for the revised edition will be \$50.00
4. Course implementation DVD is available from the Appraisal Foundation free of charge.
5. Valuation fraud symposium DVD is available for \$9.95, the cost to produce.
6. The Appraisal Foundation is working on a supervisor/trainee best practice program. In the near future a call to States that currently have a program will be made for input and assistance in developing the program.
7. John Brennan presented the AQB report:
 - Criteria changes for 2008 coming fast and furious.
 - AQB members are in the process of contacting each jurisdiction for status of individual State program implementation policies.
 - Many States now require AQB-CAP approval for all education courses, including continuing education.
 - This was not envisioned when the AQB-CAP program was initiated as a voluntary program. Following are questions exist for those States that require approval:
 - How will the decision impact local providers?
 - How will the decision impact college and university courses?
 - How will the decision impact a secondary provider that purchases courses from a primary provider?
 - How will the decision impact the 2 hour type sessions offered by professional organizations and others?
 - How will the decision impact reciprocity with other States and courses that are taken in States that will not require AQB-CAP approval?
 - Will the State agency plan to also approve education providers, even though course approval is recognized by AQB-CAP?

8. The ASB members reviewed the following Proposed Changes to the 2006 edition of the Uniform Standards of Professional Appraisal Practice (USPAP):
 - Proposal to delete the Supplemental Standards Rule and the definition of the Supplemental Standards Rule
 - Retire Statement 10, Assignments for Use by a Federally Insured Depository Institution in a Federally Related Transaction
 - Insertion of an Advisory Opinion on the application of USPAP to appraisal for use by a federally regulated financial institution
 - Proposed edits related to the Conduct section of the Ethics Rule and the definition of Advocacy.
 - Proposed Edits to the Report Certification Requirements.
 - Proposed Edits Related to Highest and Best Use in Standard 7, Personal Property Appraisal, Development, Standard 8, Personal Property Appraisal Reporting, and Standard 6, Mass Appraisal Development and Reporting.
 - Proposed edits to Reconciliation and Reporting Requirements.
 - Proposed Advisory Opinion, Assignments Involving More than One Appraiser, and Proposed Retirement of Advisory Opinion 5, Assistance in the Preparation of an Appraisal.
 - Proposed Advisory Opinion, Ad Valorem Property Tax Appraisal Mass Appraisal Assignments.
9. After hearing public comment from the meeting attendees the ASB went into closed session to discuss the proposals referenced above.
10. After re-convening into open session the ASB received motions and votes from the members. With the exception of one (1) vote, the decision was unanimous to approve the above listed changes.

The one dissenting vote cast was in response to the proposal to eliminate the Supplemental Standards Rule and the definition of the Supplemental Standards Rule. Board member Noreen Dorenburg cast the dissenting vote followed by explanation and rationale.

The proposed 2006 edition changes will become effective in the 2008 edition of USPAP.

Anyone who wishes to review the specific changes, the language, and the revised text can do so on-line at the Appraisal Foundation web-site, www.appraisalfoundation.org appraisal standards.

11. It was announced that the ASB will begin immediately exploring future work, some of the topics discussed were:
 - Development versus reporting.
 - Reporting and the Scope of Work Rule/Development
 - Effective Date versus report date.
 - Draft Reports

The ASB Public Meeting was adjourned at 11:45 am.