

Report to AARO on AQB Meeting

July 10, 2009
Sacramento, CA

Date: July 23, 2009

To: Executive Committee of the
Association of Appraiser Regulatory Officials (AARO)

From: Bob Keith, AARO Immediate Past President

The Appraiser Qualifications Board (AQB) of The Appraisal Foundation held a public meeting in Sacramento, California on July 10, 2009. I attended this meeting on behalf of AARO and offer the following report.

The following items were on the Board's agenda:

- Graduate Real Estate Degree Review Program
- National Uniform Licensing and Certification Examinations
- Course Approval Program Activity
- USPAP Courses
- Instructor Recertification Course and USPAP Instructors

The Appraisal Foundation's President, David Bunton, gave a brief report concerning the Foundations Consistent Enforcement and Best Practices projects, U.S. Congress legislative activity concerning issues pertaining to real estate appraisal, and the Foundation's 7 and 15-hour on-line USPAP projects.

John Brenan, Appraisal Foundation Director of Research and Technical Issues, gave a report on the activities of the Appraisal Standards Board (ASB) that highlighted an April 3, 2009 document titled Summary of Actions Related to Proposed Changes (to USPAP). Here is a link to that document

http://www.appraisalfoundation.org/s_appraisal/bin.asp?CID=60&DID=1359&DOC=FILE.PDF. Brenan also summarized future projects the ASB will be working on for the 2012-2013 edition of USPAP. These projects include: appraisal reporting, re-writing Standards 7 and 8, and draft reports. The ASB will issue a concept paper on draft reports within 30 days and will take public comment on the concept paper at its September 25, 2009 meeting in Seattle, Washington.

The following AQB members gave brief reports on the agenda items:

Wayne Miller – Graduate Degree Program. Mr. Miller reported that the AQB's work on this issue culminated with the adoption of Guide Note (GN) 7, see the following link: http://www.appraisalfoundation.org/s_appraisal/bin.asp?CID=117&DID=1319&DOC=FILE.PDF. Mr. Miller reported that two universities have applied to be reviewed by the

AQB, The University of Denver and Texas A & M University. The Appraisal Subcommittee has agreed to fund four AQB site visits to review university graduate degree programs.

Scott Seely – National Uniform Licensing and Certification Examinations. Mr. Seely reported that Subject Matter Experts (SMEs) have met three times for two-day sessions to develop a bank of exam questions sufficient to develop three forms for each of the credential categories. Additional questions have been developed to ensure an adequate supply of questions for future exams.

Rick Baumgardner - Course Approval Program (CAP): Mr. Baumgardner reported that currently there are 316 courses that have received AQB CAP approval. Of those, 19 are USPAP courses. This year there have been 85 courses submitted and 58 have been approved. He indicated that International Distance Education Certification Center (IDECC) approval of instructors is now required for on-line instructors and the seven states require CAP approval for continuing education courses, a practice that the AQB discourages.

Chad Campbell - USPAP Courses and Instructor Recertification Course and USPAP Instructors. Mr. Campbell reported that the Foundation has contracted with Cengage Learning to convert the 7-hour National USPAP Update Course and the 15-hour USPAP Course to an on-line format. The Appraisal Foundation will act as a wholesale provider to provide these courses to those course providers who wish to offer the course to its students. The USPAP Instructor Certification Course is being updated to reflect changes to the 2010-2011 edition of USPAP and an online version of USPAP Instructor Recertification Course is being developed and will be available in October 2009. The AQB will be issuing a series of Q&A's every six months to provide guidance.

During my comments to the AQB during the public comment period I commended the AQB for its recent work on the Graduate Degree Program and Foreign Degree Equivalent projects and especially for its decision to provide semi-annual Q&A's. I thanked the Board for its diligent effort in working with AARO to help state appraiser regulatory agencies implement the new education criteria that became effective January 1, 2008. I expressed concern about an unintended consequence from implementation of the new criteria, namely that the availability of qualifying education courses and providers has diminished significantly, making entry into the appraisal profession much more difficult.

I recommended the AQB make a concerted effort to promote greater university participation in the Graduate Program and that the AQB expand their effort to include undergraduate degree programs. Also, I encouraged the AQB to provide guidance in the form of topical course-content outlines for the "in lieu of" college courses similar to that found in Guide Note 1 for appraisal qualifying education course content.

I expressed to the AQB that AARO stands ready and willing to assist them in whatever way they determine would be helpful.