

THE APPRAISER



Arkansas Department of Labor and Licensing

Appraiser Licensing and Certification Board

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State Registered Appraiser Transferring to Registered Apprentice Appraiser classification

As you may know, during the 2019 General Session of the Arkansas Legislature, the Board created a specific and distinct classification for trainee appraisers. This credential type is known as a Registered Apprentice Appraiser (RA).

During the Appraisal Subcommittee (ASC) compliance review in March 2018, the ASC informed the Board that we were not in compliance with Title XI concerning Trainee Appraisers. The Appraiser Qualification Board (AQB) Criteria requires appraiser trainees to be subject to direct supervision by a supervisory appraiser who shall be State Certified. The Board inadvertently combined appraisers who are allowed to complete nonfederally related transaction appraisals independently with trainees who are required to have supervision for all appraisal reports completed.

If you are a State Registered Appraiser (SR) working with a qualified supervisor toward upgrading to a licensed or certified credential, you **must** change your classification to RA. If you are an SR without a supervisor or completing only nonfederally related appraisal work, you do not need to change your classification.

The process is simple. If you are transferring to RA, complete a one-page form found on our website. If you wish to remain an SR appraiser, send me an email (diana.piechocki@arkansas.gov) and let me know. If you need help deciding which classification is right for you, please give us a call. Our main number is 501-296-1843, or my direct number is 501-683-3775.

The change will not affect your renewal date of December 31, 2019. As we are currently in the SR/RA renewal cycle, the transfer to RA needs completion by the end of the year. Since this a time-sensitive project, if we have not heard from you by December 2, 2019, we will begin calling you to assist.



Solar Panels and Green Home Valuation – How does it affect Home Values and Appraisals?

The AALCB recently received a letter from a concerned homeowner who added solar panels to their home. When they contacted local appraisers, they became concerned that any appraisal completed would not consider the solar panels installed or the impact that these panels could have on the market value of their home. The letter addressed some valid concerns for both the homeowner and any appraiser who might decide to accept an appraisal assignment on their property.



Below are some of the issues raised.

Based on the information in articles that I have read and links to other articles solar panels could increase a home's value. However, as with anything, there are concerns that come into play. Did the homeowner purchase the panels, if so what type, how efficient, how long ago, what is their output, etc. Was specific information provided or is it just vague and general. If the panels are leased this cost could negate any potential benefits from installing the panels. The articles clearly indicate that specific information about each system is critical to proper valuation.

Depending on the area, market data may be limited or non-existent. The states where solar panels are common are California, Connecticut, Florida, Massachusetts, Maryland, North Carolina, New York and Pennsylvania. If you are in an area of little activity it becomes difficult to support your conclusion especially if you have no training or experience with solar panels or green homes. Competency is always a concern in appraising a property.

It would appear from the articles available that solar panels are here to stay and in time will become more of a standard on homes especially new construction where buyers are looking for the latest innovations.

From the articles that I have read there are several courses available and from more than one source that can give an appraiser a solid base of knowledge in solar energy. There are also some noted appraisal experts in this field who have developed advanced classes for those who want to specialize and prepare for

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this market.

We all are required to take 14 hours of Continuing Education each year, maybe this is a good time to investigate a Solar or Green Energy course to increase your knowledge.

Below are some links to articles about Solar Panels and Green Homes:

<https://news.energysage.com/home-solar-power-increase-property-values-across-us/>

New report says solar panels increase home value.

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<https://www.nrel.gov/docs/fy17osti/68925.pdf>

U.S. Solar Photovoltaic System Cost Benchmark: Q1 2017.

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<https://forsytheappraisals.com/2015/september/300-how-solar-panels-affect-a-home-s-value>

How solar panels affect a home's value.

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<https://forsytheappraisals.com/2015/september/300-how-solar-panels-affect-a-home-s-value>

Valuation of Solar Generation Assets.

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<https://www.appraisalinstitute.org/solar-electric-systems-positively-impact-home-values-appraisal-institute-/>

Solar Electric Systems Positively Impact Home Values: Appraisal Institute

State Registered and Registered Apprentice Appraiser Renewal

It is time to renew your appraiser credential! Your current credential **expires on December 31, 2019**. Your 2020 renewal fees are \$200, minus a temporary reduction of \$75, for a **total of \$125**. This amount is due by December 31, 2019.

Fourteen (14) hours of CE or QE is required to renew. If you completed your most recent USPAP class before January 1, 2018, you need USPAP to renew this year.

You may use the “Renew your credential here” link at the bottom of the homepage at www.arkansas.gov/alcb to renew online. If you are sending a check, cashier’s check or money order, the form to renew is found on our website at the top of the page under the “Appraiser” link. We do need the paper renewal form with your payment.

Don’t forget to print your pocket card when you renew online. We will be happy to send you a pocket card if requested.

Please call our office if you have any questions. Our main number is 501-296-1843.

Inform the Appraiser Board about email address changes

As you have probably noticed, the Appraiser Board has been communicating via email more frequently. We find this is the best way to share information and contact appraisers. If you have not received a notice from us via email, please contact the board office to ensure your information is current.

If, at any time, you change your email address, please let us know. You may email us at alcb.education@arkansas.gov.

Please be aware that we cannot always separate credential types in some mass emails. If you receive an email and feel it does not apply to you, please understand that it may be primarily intended for another credential level.

As always, if you have any questions, please contact us at 501-296-1843.



Blast from the Past!

If you have attended the Day with Appraisers event or a Supervisor/Trainee Course within the past few years, you have heard me mention Rick Mahan's article from the Spring 2013 newsletter. In discussing common complaint issues with Henk, he reminded me of the article. Rick's article is as appropriate today as it was in 2013. We included a copy in this newsletter as a reminder.

YOUNG MAN, EXPLAIN YOURSELF! By Rick Mahan, Board Chairman 2012 and 2013

When I was growing up I often did things I shouldn't have done, but probably more often I didn't do things that I should have done. At those times, you could have heard my mother say, "Young man, explain yourself!" Unsurprisingly, though, my quick-witted attempts at an explanation did not prevent the discipline that I knew was coming and, now can admit, was well deserved.

Why the story of my boyhood shenanigans? Well, I've often been reminded of my mom taking me to task during the past four years of serving on the Appraiser Licensing and Certification Board. All the board members have had the opportunity to meet in non-judicial settings with appraisers who have had their reports submitted to the board. While discussing the report with the appraiser, it is to be expected that the board member will begin to question the data and conclusions made in the report. Time and again, the explanations that are given by the appraiser are realistic and reasonable. What did not seem logical or accurate in the report increasingly becomes more sensible and exact. The most typical response from the board member to the appraiser is, "If you had told the reader of the report what you just told me or, in other words, explained yourself we would most likely not be here today."

When completing an appraisal report, most of us know what we are doing, but we tend to forget that the majority of the readers of these reports have no idea of the appraisal process. We say and write things that have become second nature to us, but without an explanation, the report will read like a foreign language to the reader.

My advice is to take just another few minutes to explain in further detail the features of the property, whether good or bad. Most certainly give an explanation for the adjustments and conclusions. The majority of the time it only takes a couple more sentences to lead the reader to understand what and why you did what you did. Just because the report is presented in a form does not prevent us from providing good explanations.

We are all pressured to get our reports completed quicker for our clients. So, in order to save a few minutes we are tempted to just check boxes and move on. However, stop and think. Spending a few more minutes on each report will save you much more time than taking a day to come to Little Rock to hear a board member say, "Young man/woman, explain yourself!"

**Arkansas Appraiser
Licensing and Certification
Board**

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**AALCB All Active Registered, Licensed
and Certified Appraisers**

License Type	
Registered Apprentice	75
State Registered	106
State Licensed	50
Certified Residential	380
Certified General	421
Total: *does not include temporary appraisers	1032

Board Members

Cary Matthews, Chair
Randy Minton, Vice-Chair
Josh Barkhimer
Tom Ferstl
James Gibson
Brian Hester
Charles Johnson
Scott McKennon, Treasurer
Shannon Mueller
James Murphy



2020 Day with Appraiser's Event

Please Save the Date for the 2020 Day with Appraiser's event. It will be held at the same location as last year, at the Wyndham Hotel in North Little Rock. The date is Thursday, May 7, 2020. We hope to see you there!

