



The

APPRAISER

A PUBLICATION OF THE ARKANSAS APPRAISER LICENSING & CERTIFICATION BOARD

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Opinion of Value

Dwight L. Brown, Chairman

The New Year is upon us and spring is just around the corner. Hopefully 2010 will bring prosperity to our profession as the financial communities adjust to the new guidelines that we must work under together. The past year has been very trying for a lot of appraisers due to the lack of work. Most of Arkansas has seen a slowdown in appraisal work due to the nationwide economic recession.

But there are a few spots in the State that have seen no slowdown in the demand for appraisal work. This economic slowdown is of great concern for our industry and hopefully everyone will survive. I've always felt that in both good and bad economic times there is a demand for our services. The appraisal work is available, but the type of appraisal work just might not be quite what you would prefer. Everyone needs to be flexible as to the way they conduct appraisal business within these times and be willing to adjust.

On Jan. 1, Act 628 the Appraisal Management Company (AMC) law went into effect. Currently 56 of the 300 plus suspected AMC's have registered with the Arkansas Appraiser Licensing & Certification

See **Opinion**, Page 2

ASB USPAP Revised Again

Guess What!

The Appraisal Foundation, via the Appraisal Standards Board, continues to periodically tweak the development and reporting standards of USPAP to the extent that on January 1, 2010 a revised set of Standards became effective. What that means to practicing appraisers is that they must now recognize and consider a number of changes that have been made to the Uniform Standards in their daily development and reporting of appraisal services. A

number of changes have been made to the Standards with significant revisions that affect the Ethics and Competency Rule, the Jurisdictional Exception Rule, and the Review Standards. Most of the changes incorporated in the 2010 Edition were primarily for clarity and do not alter the intent or general requirements.

One of the more significant changes is an amendment to the Conduct Section of the Ethics Rule that now requires an appraiser to disclose to the client and in the report certification any services regarding the subject property provided as an appraiser or in any other capacity during the three (3) years prior to accepting a new assignment. Such disclosure must be made prior to acceptance of an assignment or upon discovery. This added requirement for disclosure does



Tom Rife of Bentonville, the recently elected Chairman of the Board is shown being congratulated by James Foster the newly elected Vice-Chairman of the Appraiser Licensing Board.

not require identification of the prior client, appraisal results, nor is it a prohibition against re-appraising the property. The essential services reportable are not limited to just prior appraisal activities but could be any type of services (broker, property management, leasing, etc.). No disclosure comments or certifications are required if there were no prior services.

A cautionary comment is included in the Conduct Section which advises the appraiser to not disclose or accept a new assignment on previously appraised property when the appraiser has agreed with the client to keep the mere occurrence of a prior assignment confidential.

Another noteworthy change within the Ethics Rules under the Management

See **ASB**, Page 2

ASB, from Page 1

Section has to do with an appraiser's signature. This additional stipulation provides that an appraiser may authorize the use of his or her signature to certify recognition and acceptance of their USPAP responsibilities. However, such an authorization may only be conveyed with the appraiser's consent and on an assignment-by-assignment basis. Appraisers having exercised due care to prevent unauthorized use of their signature will not be responsible for an unauthorized use of his or her signature. Prior language addressing digitized signatures controlled by personal identification numbers was eliminated from the definition section.

The Competency Rule also received attention in the 2010 revision with specifics clarifying comments relating to retrospective appraisals. The rule now states for assignments with retrospective opinions and conclusions, the appraiser must meet the requirements of the Competency Rule in effect at the time of the assignment, rather than as of the

effective date.

Another significant change had to do with the complete rewriting of the Review Standard 3. This rewrite of the Review Standards does not change any current appraisal review practices or create any new appraisal review requirement. The rationale for reworking Std. 3 was that the requirement for review appraisals was not consistent with other USPAP requirements and was not always applicable to contemporary appraisal review practices.

In addition to the above changes to the Ethics and Competency Rules, and Standard 3, appraisers are advised that extensive changes were made to the Jurisdictional Exception Rule for purposes of improving clarity and understandability.

Practicing appraisers are encouraged to review the applicable Q & A's set out in a separate article in this newsletter.

Appraisers who have not completed the 7 hr. USPAP Update course would be well served to carefully read this article and endeavor to put into practice the applicable changes that became effective January 1, 2010.

Renewal of State Registration

December 31, 2009 ended the renewal cycle for the State Registered appraisers (trainees). Currently, there are 155 active State Registered appraisers.

The population of the state registered appraisers declined greatly during this renewal period. At the beginning of the renewal cycle, there were 212 SR's. When the renewal period had ended, there were 155 state registered appraisers. Twenty (20) appraisers decided not to renew and said that they were released by their supervisor because of the market slowdown and some of these dropped because of the additional post-secondary educational requirement for upgrading their registration.

Currently, we are waiting to hear from thirty-seven (37) state registered appraisers who have not responded to the renewal notice or the late notice mailed out in January. The bulk of those 37 do not have sufficient continuing education to renew their registration.

The Board office has seen a decline in the telephone calls from people wanting information to become State Registered.

Opinion, from Page 1

Board. Be sure to check the Board website at www.arkansas.gov/alcb to see if the AMC you are dealing with is registered. If not, you will need to inform your then potential client to contact Jackie or Kelli at the office. While I understand and appreciate the Home Valuation Code of Conduct (HVCC) reasoning for separation of loan officer from appraisers, I find the majority of these AMCs to be a nuisance.

But until federal guidelines are hopefully changed to better address AMCs, this is something appraisers will need to deal with. How you deal with AMCs is a business decision everyone will have to make on their own. Some appraisers have decided not to work for them at all, while others depend on AMCs for the majority of their business. Dealing with an AMC is like the new 1004MC form. Everyone had a real dislike for the form when it first appeared, but everyone has pretty well adjusted to accept the form as part of the residential appraisal process.

I have heard of some appraisers being engaged by AMCs to travel all parts of the State for residential appraisal fees of \$250. If you do travel the State for appraisal work and if you are really honest with yourself and admit you do not know the area you are to be working in, the Uniform Standards of Appraisal Practice (USPAP) requires you to associate yourself with someone knowledgeable of that market.

To complete an appraisal report and fail to meet the Competency Rule of the USPAP may very well be the one appraisal report that results in a complaint filed against you with the Board. The report you least expect might be the very one that requires you to make a trip to Little Rock for a hearing.

As of Jan. 1 we have been working under a new edition of the USPAP. I recently attended the seven hour update course held in Jonesboro. The course had about 65 participants. The classroom interaction and the instructor were very good. While there weren't many changes, everyone should adjust their schedules to take

this update course. As always, there were some changes that will need to be addressed in an appraisal.

In closing I wish to thank the current and past board members for electing me to the position of chairman for the past two years. I feel the torch passed to me by Chairperson Bradley - while heavy with responsibility - has been transferred to someone very qualified to carry the weight of the position. Being allowed to serve on the Board is a very humbling experience and is very educational. I would recommend everyone to seek a term on the Board.

The appraisal profession within Arkansas should be very grateful to the members of the current and past boards and office staff. I have found all very outstanding and very professional with everyone putting their best foot forward to protect the appraiser and the general public. While I still have one year remaining on my term, I'm very thankful to have been given the opportunity to have met so many great folks around our great State and to advance our profession.

THE APPRAISER

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STATUS REPORT

As of January 31, 2010, Board records showed these totals for appraisers:

- State Certified General . . . 370
- State Certified Residential 399
- State Licensed 81
- State Registered 154

(Includes temporary and nonresident appraisers)

Potential applicants should contact the Board's staff for current information relating to application process, exam schedules, fees, and other licensing inquiries by calling (501) 296-1843, using our website at www.arkansas.gov/alcb/, or write to the Appraiser Licensing and Certification Board office, 101 E. Capitol, Suite 430, Little Rock, Arkansas 72201.

Education Offerings

Arkansas Chapter of the Appraisal Institute – Contact Barbara Martin at (501) 776-9630 or appraisalinst@sbcglobal.net for more information.

Career Webschool – Distance Learning on-line. Call 717-919-9191

The Columbia Institute – Contact www.columbiainstitute.org or call 1-800-460-3147 for more information. Offering 28 hours of CE in the Fayetteville area March 23-26 and May 25-28; Little Rock April 27-30 and June 8-11; Memphis area March 16-19 and May 11-14.

Lifetime Learning – Contact Dennis McElroy at (417) 887-2221. All classes held in Springfield, Missouri.

McKissock – Contact 1-800-328-2008 for more information.

ASFMRA – Contact Deanna Ilk for scheduling information at 1-303-758-3513.

Oakcrest Appraisal Academy – Contact 1-918-906-5982 or go to www.oakcrestappraisalacademy.com for the schedule of approved CE classes.

Ozarks Technical Community College – Contact Dana Patterson at 417-447-7500.

National Association of Independent Fee Appraisers – Contact 1-312-527-6736 for more information.

RCI Career Enhancements – Contact David Reinold (479) 968-7752 or www.raycampinc.com.

“USPAP Update”, 7 hrs. Jan. 25 in Jonesboro;

“Foreclosures & Shorts, Dilemmas & Solutions”, 7 hrs. Jan. 26 in Jonesboro;

“USPAP Update”, 7 hrs., Feb. 8 in Hot Springs;

“Foreclosures & Shorts, Dilemmas & Solutions”, 7 hrs. Feb. 9 in Hot Springs;

“Resi. Report Writing (Gen Rpt Writing A)” 15 hrs. QE, Feb. 15-16, 2010 in Russellville;

“Basic Appraisal Principles “B”, 15 hrs. QE Feb. 22-23, in Russellville;

“Appraisal procedures A”, 15 hrs. March 8-9 in Russellville.

John C. Wilkerson, Jr. – Pryor Creek, OK. Contact 1-918-825-1514 for more information on class schedules.

ASB Responds to Inquiries

In response to various questions, the Appraisal Standards Board (ASB) frequently issues its answers that are designed to clarify the applicability of USPAP to specific situations.

QUESTION: I am aware of the new disclosure requirements in the Conduct section of the ETHICS RULE for the 2010-11 edition of USPAP that requires me to disclose any services I performed regarding the subject property within the prior three years. If I have not performed any such services, am I required to make that disclosure as well?

RESPONSE: No. USPAP does not specifically require disclosure when

no prior services were performed by the appraiser within the last three years.

QUESTION: If I have appraised a property multiple times within the previous three years, do I have to disclose the number of appraisal services? (e.g., “I have appraised the subject property three times during the previous three years.”)

RESPONSE: Yes. Each prior service must be disclosed to the client and included in the report certification. This disclosure is similar to when an appraiser has any current or prospective interest in the subject property or the parties involved, which requires that each interest be specified. Therefore, each service must be disclosed to the client and appear in the certification. (See

See **Q&A**, Page 7

Investigators Corner

First I want to start off by saying 2009 was a year full of changes for all of us! We have seen a year that has put us in an economic environment we've not had to deal with in a long time. I hope all of you have seen the good times and only a little of the hard. I hope this article is informative and answers a few questions I know some of you have.

The unhappy homeowner is the leading complainant for 2009 followed closely by the review appraiser. We all know that we cannot please everyone every day and that there will always be someone in the world we will butt heads with, but let's not let it get us down or get in the way of doing the top-notch job I know all of you do on a daily basis.

The most common reporting mistake by appraisers is failure to develop an opinion of site value using an appropriate method. There are plenty of classes out there that can help you if you have difficulty in this area and I am also available to answer any questions if you run into something that stumps you. I have found that the biggest mistake appraisers make these days is becoming distracted – a practice which leads to errors and omissions, just like texting and driving leads to car accidents. Although they are honest errors and omissions they still count as far as Uniform Standards of Professional Appraisal Practice (USPAP) goes.

The 2010-2011 USPAP changes are straightforward and easily understood (when you have read them twice). Get your new USPAP book soon and please take the USPAP Update course early in 2010 – get ahead of the appraisers who will be required to complete it before renewal by June 30.

Self-service

Speaking of renewals, it has come to my attention that the Arkansas Appraisers are not making use of the Board's website, www.arkansas.gov/

[alcb](#). Bookmark the website in your internet browser so you can easily access it. The website offers the answer to many of your questions - you can search for appraisal management companies (AMC) via the AMC roster search, see how many continuing education hours you have or find other appraisers for those times you get out of your market area and need some assistance. The site is always up and gets updated weekly – if not daily – with all the information the Arkansas Appraiser Licensing & Certification Board receives.

Every year more responsibility is placed on the appraiser. There are more laws, guidelines, markets and specific client requirements than ever before. We all need to make sure we are up on all our rules and regulations and are following all of our guidelines so that the appraisal business remains a reputable profession.

Complaint Status

Mark Twain once said “there are lies, damn lies, and statistics.” Here are some stats for you. In 2009 the Board heard 51 complaints. Of those 51 complaints 16 ended at the probable cause level, which was either a dismissal or a dismissal with advice; 22 of them ended at the Non-Judicial level, meaning a consent agreement was signed or the complaint was dismissed; two of the complaints were taken before the Full Board and adjudicated. Furthermore, 11 of the complaints fell under the “other” category – two of those resulted in license forfeitures, the Board didn't have jurisdiction over four of them and five of those complaints remain open as they are scheduled for non-judicial hearings.

I have to say that 2010 has come quickly and is moving even faster than I thought it would. The decade ended before I even realized 10 years had passed. The past 10 years have brought 491 complaints into this of-

fice - an average of 49 per year. We have seen 178 probable cause panels for an average of 18 a year, 209 Non-Judicial Hearings that average to 21 a year, 54 cases have gone before the Full Board for an average of five a year, and 50 have ended in the “other” category giving us 5 on average for the last 10 years.

If you compare the stats from 2009 and those for the last 10 years you can see we stayed on track with the average. I hope this number goes down a little, not that I don't enjoy visiting with an appraiser in my office but I would prefer it be for good things and not mandatory!

Final Thoughts

I have, on more than one occasion, heard an appraiser say, in a non-judicial hearing, “I'm a good appraiser”. After reading through several reports, I agree! Then what, you may ask, is with all the complaints and probation? We can all get distracted with health problems, family issues, getting in a hurry and multi-tasking. For some of us though it's as simple as just buying a new pair of glasses or putting new batteries in our hearing aids! I just want you all to know you are doing good work but taking a little education and having someone critique a few appraisals should be the least of the issues you have to deal with in this world.

In closing I'd like to say that my time in this office, to this point, has been full of learning things and getting to know new people. I have truly enjoyed my time thus far and I look forward to enjoying a lot more good times to come! Please do not hesitate to call my office, 501-683-3776, I am here to answer any and all questions that all of you may have and that come up in your day to day work. This is the view, as I see it, from the Investigators Corner.

Sincerely,
Frank Manzer
Board Investigator

Annual Seminar Scheduled

The Arkansas Appraiser Licensing Boards' Education Committee Chair Rhona Weaver has announced that Thursday, April 22, 2010 is the date for the next "Day With The Appraisers" seminar. This day long event will again be held at the Shrine Temple located at #1 Scimitar Circle, Little Rock.

The Education Committee along with the Board staff is currently developing a seminar outline as well as timely topics to be discussed by special guest speakers, board members, board moderator and staff. It is anticipated that this years event will follow the format that consist of the morning devoted to guest speakers discussing relevant issues while the afternoon sessions would be divided by property types with relevant subject matters covered. The committee would welcome input from licensees as to any issues or concerns they would like addressed. The focus of the keynote speakers and the theme of the program have yet to be determined. Those attending the seminar will be credited with 7 hours of continuing education which will be timely in view of the renewal requirement on or before July 1, 2010. More details about the seminar program will be released in a promotional and registration brochure.

AMC Registration Status

The Appraisal Management Company (AMC) Registration Act of 2009 was effective on January 1st and is being implemented.

As of the publication of this edition of *The Appraiser*, the Arkansas Appraiser Licensing & Certification Board staff has received, reviewed and issued a total of 56 registrations with five others pending. The applications for registration continue to dribble in while calls by potential registrants and the questioning of appraisers are on the rise. For the most part, inquiring AMC personnel have been amicable and quick to respond to what they must be do to become registered.

Only a few appraisers have provided the Board office of any new names of unregistered AMC companies from whom they are receiving orders. As we work through this additional newly created administrative maze of registering AMCs, input from appraisers is essential if there is to be a fair and equitable implementation of the Registration Act. The practicing appraiser must now be on the front lines of any effort to prohibit unregistered AMCs from soliciting appraisers and offering them appraisal assignments

To that end, if you are solicited to join an AMC's network or provide appraisal services through an AMC that is not on the Board's roster, you should make

their name(s) known to the Board office. Upon receiving an order from an AMC that is not listed on the roster, appraisers should contact the Board office and verify if an application from the AMC is pending or recently registered.

Cases have already been reported to the Board staff that - upon notifying an unregistered AMC of the state's requirement - appraisers very quickly

...It is imperative that appraisers be on guard against unregistered AMCs sending out requests for appraisals...

received emails cancelling the orders from the unregistered AMC. Members of the Board staff will investigate if, in fact, a named entity should be registered or if it is a computer software program that a lender may be using to order their appraisals. Either way the Board staff needs the names of any and all unregistered AMC's sending out requests for appraisal services to Arkansas appraisers.

It is imperative that appraisers be on guard against unregistered AMCs that are offering to or actually placing orders with Arkansas appraisers. Those appraisers should provide any and all information about unregistered AMC's to the Board for a follow-up.

The Board desperately needs this information from appraisers if it is to equitably implement the act.

ASC To Pay Biennial Visit To Board

The Appraisal Subcommittee (ASC) has given the Arkansas Appraiser Licensing Board notice that its program managers will be in the Board office on March 2-4 to perform its every two year review of the agency's operation.

The ASC was established by Congress in 1989 with the enactment of Title XI of the Financial Institutions Reform Recovery and Enforcement Act a title referred to as the "Real Estate Appraisal Reform Amendment". The primary function of the ASC is monitoring (providing oversight) the requirements established by states for

certification and licensing of individuals who are qualified to perform appraisals in connection with federally related transactions. The periodic onsite review of every state's operation is just one of many responsibilities, granted by Congress, to the ASC.

As requested, the Board staff has already provided copies of relevant documents (i.e. applicable statutes, rules and regulations, complaint logs, disciplinary actions, and licenses issued since the last audit) which are deemed necessary for the ASC staff to prepare, in advance, it's "scope of work" for the review process.

The normal approach of the ASC staff is to spend 1.5 days going through

specific files (i.e. education, applications, disciplinary files, etc.) and visiting with the staff on vital issues. Additionally, the ASC typically spends half a day observing a Board meeting or hearing followed by a discussion of the auditor's preliminary findings with the Board members.

Subsequent to the ASC staff's onsite review and discussion with the Board, an assessment of the overall operation will be made by the staff and reported to the ASC. Any confirmed findings of noncompliance will be acknowledged in a letter to the Board. In previous ASC audits, the Board has mostly received high remarks. Maybe that will be the case this time!

1-1-08 Education Affidavit to Expire

State Registered and other credentialed appraisers who filed a 1-1-08 Education Affidavit for the purposes of upgrading their license to the certified level under guidelines in place prior to January 1, 2008 are reminded that the deadline for using the requirements set forth in the affidavit is June 30, 2010.

In 2007 prior to the Appraisal Foundation's implementation of the Appraisal Qualifications Board revisions to the national qualifying education criteria, the Arkansas Board adopted a provision that would allow appraisers who had completed their education on or below December 31, 2007 consistent with the existing standards to lock in the education and complete the experience requirements over the next thirty months. This option provided appraisers who anticipated upgrading their status to a certified level at a future date to lock in their qualifying education consistent with the criteria existing prior to January 1, 2008.

The Board's revised Rules permitted appraisers to take this approach to meeting their educational requirement and included a sunset provision that applicants would have until June 30, 2010 to have applied, pass the applicable exam, and be holders of a state credential. See current Rules and Regulations page 13, Section I General.

Appraisers who wish to capitalize on this pre-1-08 education affidavit should make note that time is quickly running out on the utilization of Pre 1-08 affidavit. After June 30, 2010, all applicants will be required to meet the educational hour requirements for the respective classification as well as the post secondary requirements for the certified residential and general credential. Timing is most critical for those who have filed an affidavit but cannot meet the post secondary requirements for certification.

It's Not Too Early To Think About CE

2010 ushers in not only a new year and a new decade, but the need for all practicing appraisers to complete 28 hours of continuing education before renewing their credentials on or before June 30.

Included within the 28 hours is the seven-hour USPAP Update that must be completed after June 30, 2008.

Also, appraisers have the option of renewing their credential online provided their continuing education completion certificates have been previously sent to the Arkansas Appraiser Licensing & Certification Board and logged. Online renewal will not be available if the continuing education has not been recorded.

Board's Revised Rules and Updated Statutes

The Arkansas Appraiser Licensing Board's Rules and Regulations were recently revised to meet the Appraiser Qualification Board (AQB) education criteria and to refine several issues.

Last year the Board went through the process of revising a number of rules and regulations that addressed the pre-qualifications for becoming licensed. At the same time, the Arkansas statutes establishing the Board were updated to include all the

License Surrendered

Pursuant to the Board's disclosure and publications requirements, two complaints have resulted in the following appraisers voluntarily surrendering their licenses.

In the matter of **W.D. Osborne, CR0999**, a pending complaint had been assigned to a non-judicial hearing panel for consideration. However, prior to the scheduled hearing, Osborne elected to retire his credential and stipulated in a consent agreement as to conditions for any future reinstatement as an appraiser.

Adam Guthrie, SL0596, also had a

Appraisers are reminded to begin early in the year to locate and register to take the 7-hour USPAP Update course as offered in a *traditional* classroom setting. The Board has not approved either USPAP course to be taken by way of on-line, distance education. Instate offerings of the USPAP Update or other continuing education courses may not be readily available if one waits until the last minute to complete their CE requirements for renewal. Get ahead of the rush and begin charting a course for meeting your CE requirements now while there is still time.

In the event you inadvertently do not obtain your continuing education requirements on time, you may want to review the Board's Rules and Regulations as they apply to licensing renewal per continuing education - found in Section X, Page 26.

Why wait?

amendments to the original act that were passed up to and through the 2009 Legislative session. Both the rules and the updated statutes are now available on the Board's website - point your browser to www.arkansas.gov/alcb then click on the "Information for Appraisers" link.

Additionally, the updated statutes and rules having become effective January 1 are being published and distributed to all state registered, licensed and certified appraisers. Recipients should maintain these documents as reference materials in their appraisal practices.

complaint filed on his behalf which was considered by a non-judicial panel that resulted in a settlement offer of a consent agreement with specified education and probation. The appraiser considered the proposed agreement and subsequently decided to surrender his state license to the Board. A consent agreement was entered into addressing the actual surrender and stipulated conditions for any future reinstatement as an appraiser.

These are the only actions to have occurred consistent with the publishing requirements subsequent to the Board's last newsletter.

Q&A, from Page 3

lines 231-241 in the 2010-11 edition of USPAP)

QUESTION: I am a staff appraiser for a company and only complete appraisals for my employer's (the company's) internal use. Am I required to inform the company that I have previously completed an appraisal within the three-year period when the company is already aware of it?

RESPONSE: If you consistently correspond with the same person in the company when completing subsequent assignments regarding the same property, the risk of misleading that person is probably minimal. However, your prior services must still be disclosed. When you are working with the same person and they understand your professional responsibilities, it is unlikely this will be a problem.

It is also possible that the specific person you deal with from one instance to the next may change. In this case, the new contact must certainly be informed if you have performed services regarding the subject property within the last three years.

While it is not included in your question, there is also the possibility that you may have performed services regarding that property for a different client within the three-year period, or performed another type of service.

QUESTION: If I have performed a service other than appraisal practice, such as acting as a general contractor within the prior three years, do I have to describe the specific service or merely state a service was performed?

Response: You must disclose to the client the type of prior service you performed regarding the property and this must be included in the report certification. This disclosure is

not limited to services provided as part of appraisal practice. Therefore, each service must be disclosed to the client and appear in the certification.

QUESTION: Some of my best clients require me to keep all information regarding any assignments that I perform for them confidential. The Comment states, in part, "*If an appraiser has agreed with a client not to disclose that he or she has appraised a property, the appraiser must decline all subsequent assignments that fall within the three-year period.*" Will this prevent me from appraising a property for a different client during that three-year period?

RESPONSE: (as updated Dec. 2009) The new requirement states, in part, "*an appraiser must disclose any services performed by the appraiser*". The appraiser is not required to disclose specific details beyond noting the type of service. For example, the disclosure, both prior to accepting the assignment and in the report's certification, could include a statement similar to one of the following:

- *I have performed (note type of services) regarding the subject property within the three years prior to this assignment": or*
- *I have previously appraised this property in the three years prior to this assignment."*

But, If an appraiser cannot make such a statement without violating an agreement with a previous client, the appraiser must not accept the new assignment. Appraisers should review their client agreements to specifically determine what information they have agreed to keep confidential.

QUESTION: The Federal Highway Administration (FHWA) publishes a "*Guide for Preparing an Appraisal Scope of Work.*" One of the items listed is that property being acquired

should be "*appraised as if free and clear of contamination.*" Unless otherwise specified. Is this a jurisdictional exception, extraordinary assumption, or hypothetical condition?

RESPONSE: This situation is not an application of the JURISDICTIONAL EXCEPTION RULE. Rather, if contamination is an aspect of the valuation, the situation calls for either an extraordinary assumption or a hypothetical condition. In the Definitions section, an extraordinary assumption is defined as: an assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions.

A hypothetical condition is defined as: *that which is contrary to what exists but is supposed for the purpose of analysis.*

If the contamination status of the property is uncertain and cannot be determined, an extraordinary assumption is appropriate. If the property is known to be contaminated, a hypothetical condition to the contrary would be required.

QUESTION: The Real Property Appraiser Qualification Criteria requires a "*Business or Real Estate Law*" course (among other courses) in lieu of a college degree as college education for the Certified Residential and the Certified General credentials. Does this mean any course in "*Business*" or a specified course in "*Real Estate Law*" or does this mean a specific course in "*Business Law*" or a specific course in "*Real Estate Law*"?

RESPONSE: The in lieu of education must include successful completion of a specific course in "*Business Law*" or a specific course in "*Real Estate Law*" from an accredited degree-granting college or university for which you receive credit from the university or college toward a degree.

Q&A, from Page 7

QUESTION: I do not hold a college degree, but I have taken courses from a degree-granting college/university. How do I know if the courses I have taken satisfy the in lieu of education required by the Real Property Appraiser Qualification Criteria toward the Certified Residential or Certified General classifications?

RESPONSE: The Real Property Appraiser Certification Criteria contains a course subject matter list setting forth the courses leading to the 21 semester credit hours in lieu of education required for the Certified Residential and the 30 semester credit hours in lieu of education required for the Certified General credential.

The subject matter course listing is sufficiently broad so as to provide State Appraiser Regulatory Agencies with some latitude in the specific course titles that are acceptable. For example, a course does not have to be specifically titled “*English Composition*.” Any English course, which requires writing as a main feature of the course may be accepted by a State Regulatory Agency.

Similarly, a course does not have to be titled “*Finance*” to be acceptable. However, a qualifying in lieu of course must be a semester course on finance, such as “*Money and Banking*,” “*Real Estate Finance*,” et. Please check with your state Appraiser Regulatory Agency for specific approvals.

QUESTION: I hold a Certified Residential credential and now I plan to pursue a Certified General credential. How can I fulfill the College Degree or Coursework “*in lieu of*” the degree requirement specified in the Real Property Appraiser Qualification Criteria?

RESPONSE: The Real Property Appraiser Qualification Criteria requires an applicant for a Certified General credential to hold a Bachelor’s degree or 30 semester hours of specific col-

legiate level coursework from an accredited degree-granting college or university.

If you obtained your Certified Residential credential without having successfully completed any of the required college education then you must either obtain or demonstrate you have been awarded a Bachelor’s degree, or complete or have successfully completed the required 30 hours of specific collegiate level coursework, from an accredited degree-granting college or university.

If you have an Associate’s degree, then you must either pursue a Bachelor’s degree, or you must examine the specific coursework required by the Criteria and determine if you have taken those specific courses, and then pursue additional coursework as necessary at an accredited degree-granting college or university.

QUESTION: The Real Property Appraiser Criteria lists seven (7) courses totaling 21 hours of education in lieu of an Associate degree as college education for the Certified Residential credential. Can I take 15 semester hours of one subject matter course (i.e. “*Statistics*”) and one hour each of the other six (6) required subject areas and still satisfy the 21-hour requirement?

RESPONSE: No. The intent of the Real Property Appraiser Qualification Criteria is for candidates for Certification to have a broad education background. Thus, the candidate is required to earn at least three (3) semester hours in each of the subject matter courses noted in lieu of the degree. The same holds true for the ten subject matter courses required for the Certified General credential.

QUESTION: An appraiser completed an appraisal for Client A. Client B re-



Dwight Brown (left) of Wynne, is shown receiving a plaque commemorating his two year stint as Chairman of the Appraiser Licensing Board from Tom Rife (right) of Bentonville, the Board’s recently elected Chair.

ceived a copy of the appraisal from Client A and finds it acceptable for their purposes, but wants to be identified as the client in the appraisal report. Client B is aware that appraisers are prohibited from readdressing (or transferring) a completed report to a different client’s name. As a result, Client B would like to engage the appraiser in a new assignment, limiting the appraiser’s scope of work to only identifying them as the new client. Can the appraiser complete the assignment from Client B under these terms?

RESPONSE: No, USPAP requires the scope of work performed to produce credible assignment results. USPAP clearly establishes that the scope of work is determined by the appraiser. If a client’s instructions (i.e. assignment conditions) limit the appraiser’s scope of work in a new assignment to simply identifying a new client, the client, not the appraiser, has made the scope of work decision.

In addition, even if the appraiser accepted the client’s proposed scope of work as his or her own, that scope of work may not be adequate to produce credible assignment results as required by USPAP.