

Questions and Answers on USPAP Requirements

Q: Why do I have to update my USPAP knowledge with a formal course on a regular basis?

A: USPAP is reviewed and updated every two years to keep it current with changes in the marketplace. Practicing appraisers need to be cognizant of these changes. Real Property appraisers are required to take a 7 hour USPAP update course every other year. Personal Property appraisers (to include MTS and GJ) are required to take a 15-hour USPAP course and pass the exam every five years. All appraisers; however, should be looking at the changes to USPAP every other year and adjusting their practice accordingly.

Q: I am an experienced appraiser. I abide by ASA's Code of Ethics. I can read the USPAP updates and keep current with any changes. Why do I need to keep taking courses?

A: Practicing by, and being able to document current compliance with, USPAP sets the members of ASA apart as the highest level of valuation professionals. In addition, ASA is working hard in the legislative/regulatory arena to ensure that the definitions of "qualified appraiser" and "qualified appraisal" in the IRS regulations implementing the Pension Protection Act (and other similar rules and bills) will include USPAP competency. This should ultimately provide additional business to those who can document competency in this standard.

Q: Why isn't my record, my references and my experience sufficient?

A: It is in the best interests of the appraiser and the client for the appraiser to be able to show documented competency in USPAP. Just as an individual wouldn't want to retain a doctor or lawyer who could not document proficiency in his or her profession, the client should be able to have this assurance of competency in the professional appraiser.

Q: Why isn't my ASA accreditation sufficient to document my professionalism as an appraiser?

A: One of the criticisms often raised about appraisers in the legislative/regulatory community is that the profession is fractured and it is hard to determine which organization's standards to recognize. USPAP, because it is developed and maintained by The Appraisal Foundation (authorized by Congress as the source of Appraisal Standards and Appraiser Qualifications) is the natural and reputable response to such criticisms.

Q: Why does ASA require me to take and update my USPAP knowledge to maintain my accreditation?

A: ASA is a sponsoring organization of The Appraisal Foundation and as such must abide by the sponsorship criteria which include USPAP updates. Consequently, ASA must ensure that our members maintain their USPAP competency through ongoing continuing education, reaccreditation and USPAP coursework. Being a sponsoring organization

USPAP Q&A 0209

enhances ASA's reputation, and thereby the value of its designation, before the courts, legislators and regulators.

Q: I am a Real Property (RP) appraiser. What do I have to do to remain USPAP compliant?

A: RP appraisers must take a 7-hour USPAP update every 2 years to fulfill state licensing as well as ASA reaccreditation requirements.

Q: I practice in one of the personal property disciplines (e.g., Machinery and Technical Specialties, Personal Property or Gems and Jewelry). What must I do to remain USPAP compliant once I have taken the initial 15-hour USPAP course and passed the exam?

A: Appraisal practitioners in the personal property disciplines must take a 15-hour USPAP course every five years and pass the associated exam. Either the new USPAP course for Users of Standards 7 and 8 (PP USPAP) or the standard 15-hour USPAP course will meet this requirement.

Q: I am a BV appraiser. What must I do to remain USPAP compliant once I have taken the initial 15-hour USPAP course and passed the exam?

A: The Appraisal Foundation requires BV appraisers to take a 7 hour USPAP update course every five years; however the Foundation unintentionally communicated different information to ASA earlier in 2009 and therefore have agreed not to enforce this requirement until April 1, 2014. However, a 15-hour USPAP for BV Appraisers course (BV USPAP) is available and BV appraisers are encouraged to register. The hours will count toward the 100 hours of continuing education necessary for ASA reaccreditation every five years. BV appraisers should still be obtaining the new releases of USPAP as they become available and should accommodate any change to their practice methodology accordingly.

Q: As a practitioner in one of the personal property disciplines, why can't I take a 7-hour update every two years like my RP colleagues?

A: At the present time, the requirements for practitioners in the personal property disciplines call for a 15-hour course and exam every 5 years. Currently there are no 7-hour USPAP courses specific to personal property disciplines, though such courses may be developed in the future. (Please note that a 15-hour USPAP every five years and two 7-hour USPAPs, which equate to 14 hours, require virtually the same amount of class time.) The new 15-hour Personal Property USPAP course would be far more informative and relevant.

Q: What should I do if I want to get these requirements changed?

A: Contact your discipline representative on The Appraisal Foundation Advisory Council (TAFAC). Lee Robinette, ASA, RLRobinette@CollateralEvaluation.com or Sandra Tropper, ASA, sttropper@aol.com.

USPAP Q&A 0209

Q: What does this mean for those who are designated in more than one discipline?

A. It is not necessary for a member holding more than one designation with ASA to be “USPAP compliant” in both disciplines. Per the Appraisal Foundation, the following table will show you exactly which requirement you need to meet. If you have any questions, please contact your disciplines membership and reaccreditation specialist at ASA Headquarters.

	BV	ARM	RP	MTS	PP	GJ
BV	7 hour update every five years beginning April 1, 2014	7 hour update every 5 years	7 hour update every two years	14 hour course and pass 1 hour exam every 5 years	14 hour course and pass 1 hour exam every 5 years	14 hour course and pass 1 hour exam every 5 years
ARM	7 hour update every 5 years	7 hour update every 5 years	7 hour update every two years	14 hour course and pass 1 hour exam every 5 years	14 hour course and pass 1 hour exam every 5 years	14 hour course and pass 1 hour exam every 5 years
RP	7 hour update every two years	7 hour update every two years	7 hour update every two years	7 hour update every two years	7 hour update every two years	7 hour update every two years
MTS	14 hour course and pass 1 hour exam every 5 years	14 hour course and pass 1 hour exam every 5 years	7 hour update every two years	14 hour course and pass 1 hour exam every 5 years	14 hour course and pass 1 hour exam every 5 years	14 hour course and pass 1 hour exam every 5 years
PP	14 hour course and pass 1 hour exam every 5 years	14 hour course and pass 1 hour exam every 5 years	7 hour update every two years	14 hour course and pass 1 hour exam every 5 years	14 hour course and pass 1 hour exam every 5 years	14 hour course and pass 1 hour exam every 5 years
GJ	14 hour course and pass 1 hour exam every 5 years	14 hour course and pass 1 hour exam every 5 years	7 hour update every two years	14 hour course and pass 1 hour exam every 5 years	14 hour course and pass 1 hour exam every 5 years	14 hour course and pass 1 hour exam every 5 years