

Q and A's

USPAP for Standards 7 and 8 Users (PP, G&J, MTS)

There has been quite a bit of confusion regarding the USPAP requirements for ASA appraisers who have their designations in Personal Property, Gems & Jewelry and Machinery & Technical Specialties.

The questions and answers below should help clear up some of the confusion. The responses will also help ASA appraisers to understand their options and differentiate between the 15-Hour USPAP courses and the 7-Hour USPAP courses (as well as the “national”¹ and USPAP for PP courses).

1. Who qualifies to take the 7-Hour Personal Property USPAP course (instead of the 15-Hour course)?

Any ASA appraiser who uses USPAP Standards 7 and 8 and is current with USPAP (has taken the 15 hour in the last five years OR the seven hour in the last two years) can and should take the 7 hour USPAP for PP course. This course provides appraisers with up-to-date information on changes in the 2012-13 USPAP that went into effect on January 1, 2012.

The USPAP for PP course is not acceptable for Real Property appraisers who need to qualify for State licensing or certifying State agencies.

2. I am a candidate member of ASA. Can I take the 7 hour USPAP course or am I required to take the 15 hour course?

The first time anyone takes USPAP, they must take the 15 hour course. From then on, the 7 hour course is the best choice to keep updated on all the changes that occur every two years when USPAP is revised by The Appraisal Standards Board. Candidates are encouraged to fulfill their USPAP requirement with the 7 hour course rather than waiting for five years to learn about past changes.

3. I am an AM and I took USPAP six years ago. Can I take the 7 hour course and get reaccreditation “credit” for it?

You can certainly take the course. But because you are not “current” with your USPAP qualification, you will not have fulfilled the ASA USPAP requirement. The 15 hour course was good for five years only. Therefore you must take another 15 hour course to get back onto the required schedule.

4. What is the difference between the 15-Hour course and the 7-Hour course?

¹ The “national” course refers to the USPAP course that is taught for certification of real property appraisers.

The 15 hour course lasts for two days. The course covers the entire USPAP document—all the Rules, Standards, definitions, Preamble, Statements, etc. To get credit for the course, you must pass the exam given on Day 2.

The 7 hour course, which is just one day of classroom time, covers the most recent changes in USPAP. In addition, the course has a discussion period that focuses on current and problem issues that Standard 7 and 8 users face in their daily practices.

5. Does the 7-Hour for PP Update Course have an exam?

The seven hour update course does not conclude with an exam. Simply being in the classroom gives you the required reaccreditation hours and your USPAP “update.”

The distance education class that is available on line for the 7 hour USPAP for PP is broken into sections; each ends with a series of questions that must be answered correctly to move to the next section of the course. There is no final exam.

6. What is the difference between the “national” USPAP course and the USPAP for PP 15 hour course?

Both courses provide Standards, Rules, definitions, and other information to enable professional appraisers to practice ethically and competently. The “national” course uses primarily real property examples to show application of USPAP concepts. The “national” course focuses on Standards 1 and 2, the development and reporting of appraisals of real property.

The USPAP for PP course instead provides examples from the personal property, gems and jewelry, and machinery and technical specialties worlds. The course is taught focusing on Standards 7 and 8, the development and reporting of personal property appraisals.

7. What is the difference between a the 7-Hour course and the Personal Property 7-Hour course?

Both courses cover the changes that were made by The Appraisal Standards Board in USPAP 2012-13. The first section of the USPAP for PP course is exactly like the “national” or “regular” course which focuses on real estate appraisers and the issues that they face. To demonstrate the changes in USPAP, the PP course has been modified so that the discussion examples focus on personal property, gems and jewelry or machinery and equipment.

The last portion of the 7 hour regular course poses questions for discussion that deal with the real property market and appraising properties in it. Instead, the last portion of the USPAP for PP course focuses on the issues facing Standard 7 and 8 users.

Please note that all discussions in the USPAP for PP course are based on questions and answers that appear in Foundation-approved materials.

8. Is there a difference between the classroom course and online course USPAP for PP 7 hour courses?

The classroom and the on line courses for the 7 hour USPAP for PP use the same classroom manual. There are questions at the end of each section in the online course that need be correctly answered before moving forward. Neither course has a final exam.

The obvious difference is the lack of an instructor to answer the questions that participants may have. The instructors who taped the course provide you with contact information for your questions. Also, rather than the in-class discussion that takes place at the end of the day,, the instructors (one from MTS and one from PP) converse about those issues.

9. Is the 7-Hour Personal Property Course recognized by the Appraisal Foundation?

More than two years ago, the Foundation provided ASA with a letter stating that members from all disciplines within ASA are permitted to take a 7 hour course to fulfill their USPAP requirement.

10. Is the 7 hour course required now for PP, MTS and G&J appraisers?

At this time, the only requirement for ASA appraisers of PP, MTS and G&J is to remain current with USPAP. Because there are so few courses out there for Standards 7 and 8 users, we have added no requirement to take the 7 rather than the 15 hour course (after an appraiser has successfully completed their first 15 hour course).

It should be noted that the USPAP with which appraisers must comply is the one current as of the date of the appraisal report they have prepared. Appraisers are responsible for knowing what is in and complying with the all changes (regardless of when they took their last USPAP course).

11. Do I have to take a course given by an ASA instructor?

ASA appraisers using Standards 7 and 8 do not have to take a course from an ASA instructor for the 15 hour version of the USPAP course. However, the instructor must be AQB-certified (Appraisal Qualifications Board) and the course must be either The Appraisal Foundation approved “national” course (real property focus) or the personal property version (USPAP for PP), developed several years ago.

Because The Appraisal Foundation has not provided an official 7 hour USPAP for PP course, you should check with the Chair of your discipline or the discipline Education Chair (PP, G&J, or MTS) for their policy on instructor and course approval.

12. Are these policies likely to change any time soon?

The Second Exposure Draft for the Personal Property Minimum Qualifications was released a month ago by the Appraisal Qualifications Board and includes more information on the future of these rules (see www.AppraisalFoundation.org). The current version of the exposure draft requires that all PP, G&J and MTS appraisers take a USPAP course every two years. The exposure draft allows appraisers to take either an approved 7 or 15 hour version of either the “national” course or the USPAP for PP course. Again, because there are few offerings by AQB-certified instructors in Personal Property, appraisers have the option of any of the four courses to fulfill their USPAP course requirements.

ASA will keep all appraisers informed of the progress of this document.