



American Society of Appraisers - National Association of Independent Fee Appraisers Proposed Merger

Frequently Asked Questions

General:

What are some of the anticipated benefits if NAIFA and ASA would merge?

NAIFA and ASA already work closely together and there is strength in numbers. The two associations will complement each other and provide combined resources to ensure that the resulting merged organization and the reconstituted ASA Real Property – NAIFA Committee will operate at the highest level to provide maximum benefits to members. With the merger, the group will have a larger, more unified voice, expanded influence in the profession and the reputation of one of the oldest appraisal organizations in the country. There will be an increase in education benefits, an opportunity for additional designations through ASA and more resources to help members diversify their business.

What will happen to NAIFA if there is a merger of our organizations?

NAIFA will become part of ASA under the ASA Real Property discipline. ASA will agree to rename its discipline committee from the ASA Real Property Committee to the ASA Real Property - NAIFA Committee. NAIFA memberships will be transferred to memberships in ASA. Dues renewal invoices will be sent to members by ASA on the same schedule NAIFA adhered to in the past. A full explanation of the transfer of membership categories and the dues schedule is available in the Agreement and Plan of Merger attached. See paragraph 4.i. and j.

Will NAIFA still continue to exist as an organization under this agreement?

NAIFA will merge into ASA and the NAIFA organization will no longer exist as we know it today.

How will NAIFA be recognized or identified as part of ASA?

The ASA Real Property Committee will be renamed the ASA Real Property - NAIFA Committee. The NAIFA designations will continue to be recognized by ASA. Any individual who was a Designated Member of NAIFA in good standing immediately prior to the effective date of the merger may continue to use the Designation he or she earned from NAIFA. Any individual who applied for a NAIFA Designation prior to the effective date of the merger may earn and use such Designation upon meeting the requirements that were in place immediately prior to the effective date.

How will NAIFA be represented in the leadership of ASA?

Below is the transfer of leadership plan for the new ASA Real Property - NAIFA Committee immediately following the effective date of the merger:

The officers of the new ASA Real Property - NAIFA Committee shall be:

- 1) Chair – NAIFA President (the individual in office immediately prior to the effective date of the merger)
- 2) Vice Chair – Chair of the ASA Real Property Committee (the individual in office immediately prior to the effective date of the merger)
- 3) Secretary/Treasurer – NAIFA President-Elect (the individual in office immediately prior to the effective date of the merger)
- 4) Immediate Past Chair – Immediate Past Chair of ASA Real Property Committee (the individual in office immediately prior to the effective date of the merger)

The balance of the committee will be selected as follows:

- 1) Six (6) individuals who served on the ASA Real Property Discipline Committee selected by ASA's Board of Governors immediately prior to the merger date, shall serve as follows - two (2) shall serve a one-year term, two (2) shall serve a two-year term, and two (2) shall serve a three-year term.
- 2) Six (6) Former NAIFA Directors selected by the NAIFA Board of Directors immediately prior to the effective date of the merger, shall serve as follows - two (2) shall serve a one-year term, two (2) shall serve a two-year term, and two (2) shall serve a three-year term.
- 3) In addition, those former NAIFA Directors and members of the ASA Real Property Discipline Committee who served immediately prior to the effective date, but have not been appointed to a voting position on the ASA Real Property - NAIFA Committee, either as an officer or a Committee member, may, at their choosing, serve as non-voting members of the Committee.

Will NAIFA still be represented as a sponsoring organization of The Appraisal Foundation (TAF)?

NAIFA will hold its seat on the Board of The Appraisal Foundation through calendar year 2018. After that, NAIFA will be represented by the ASA TAF representative.

How will the decision to merge with ASA be made?

The NAIFA Board of Directors and the ASA Board of Directors voted to approve a Memorandum of Understanding (MOU) at their meetings on April 18, 2017 and April 1, 2017, respectively. The formal Agreement and Plan of Merger is attached for your review. The ASA membership will vote on October 8, 2017 at the ASA Annual Meeting in Houston, Texas to approve the Agreement and Plan of merger. NAIFA Designated members will vote by paper ballot, and the results will be presented at the membership meeting held during the Annual Conference.

When would any approved agreement go into effect?

The organizations would formally merge on July 1, 2018, which is the start of ASA's 2018-19 fiscal year.



What happens if the merger does not work out? Is there any provision in the merger agreement to rescind?

There will be a clause in the Agreement that allows for withdrawal from the merger within three years of the effective date of the merger, by a vote of 2/3 of the 2017 NAIFA Board of Directors (the Board in place at the effective date of the merger vote). Following a vote to withdraw and after a new appraisal organization is formed, there will be a transfer of ownership of the NAIFA Designations, NAIFA Marks, NAIFA Domain Names, and Real Property-NAIFA Committee Web site content to the new association; as well as a transfer of funds in the amount of NAIFA's reserves as of the date of the merger (July 1, 2018).

Chapters:

What will happen to local NAIFA chapters if the merger is approved?

Local NAIFA chapters will be merged with the local ASA chapter in close geographical proximity. If a corresponding ASA chapter does not exist, the NAIFA local chapter members could form an ASA chapter or would be eligible to join the ASA International Virtual Chapter. Members may join more than one ASA chapter.

What will happen to NAIFA chapter funds if the merger is approved?

Prior to the effective date of the merger and per the NAIFA governing documents, funds from the treasuries of the NAIFA chapters would be consolidated into the NAIFA national organization's treasury. Following the execution of the ASA-NAIFA merger agreement, the funds would be passed to ASA Headquarters for distribution to the corresponding ASA chapter. It will be strongly recommended that these ASA chapters earmark the monies for real property education for their members and establish a specific general ledger account for tracking these expenditures.

Can a NAIFA chapter continue to operate as a chapter after consolidation?

As ASA chapters are unsubsidiarized, they have their own EIN tax numbers. ASA chapters are approved by the ASA Board of Governors (BOG) and operate under certain requirements established by ASA's BOG. ASA chapters are independent legal entities of the ASA Headquarters. Upon justification to and approval by the ASA BOG and the Internal Revenue Service, a Real Property chapter in a geographic area where an ASA chapter already exists may be established under the requirements that there are 25 or more members organizing (10 must be designated), and the existing ASA chapter does not serve the real property appraiser discipline.

Designations:

What will happen to the NAIFA designations?

ASA will maintain the NAIFA designations from and after the effective date of the merger.



Any individual who is a Designated Member of NAIFA in good standing immediately prior to the effective date of the merger may continue to use the Designation he or she earned from NAIFA so long as they remain a member in good standing with ASA. Designations may eventually be consolidated with some remaining NAIFA designations such as IFAC and IFAA. After the merger, no further NAIFA Designation applications will be accepted.

If the merger is approved, will NAIFA members be able to acquire their equivalent ASA designation?

Yes. Prior to the merger, non-designated NAIFA members will be mapped to ASA's equivalent non-designated membership level and will be able to advance through ASA's accreditation process to obtain a credential. (NAIFA Candidates who are working toward a designation with NAIFA as of July 1, 2018 shall be permitted to complete the necessary steps to attain the NAIFA designation.) Designated NAIFA members will be mapped to their equivalent ASA designation (AM or ASA) based on the current equivalencies noted below at no additional fee. NAIFA members may opt out of using an ASA designation and continue to use only their NAIFA designation.

NAIFA

ASA

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| IFA | = AM designation if an individual has 2 years of full-time or full-time equivalent appraisal experience. |
| IFA | = ASA designation if an individual has 5 years of full-time or full-time equivalent appraisal experience. |
| IFAA | = ASA designation, rural specialty |
| IFAS | = ASA designation |
| IFAC | = ASA designation |

Dues:

Will NAIFA members have to pay ASA dues rates after the merger?

An effort has been made to match NAIFA membership categories as closely as possible to ASA corresponding membership categories and ASA's corresponding dues levels. In cases where the ASA dues are higher, a graduated 3-year dues schedule has been proposed to bring NAIFA dues in line with the ASA amount at the end of that period. A full explanation of the transfer membership categories and the dues schedule is available in the Agreement and Plan of merger attached. See paragraph 4.i. and j.

Education:



Will NAIFA National Instructors be approved ASA instructors after consolidation?

NAIFA national instructors will become ASA national real property instructors. Instructors must be ASA members in good standing.

What will happen to the NAIFA developed continuing education course catalog?

These courses will become part of the ASA catalog and branded ASA-NAIFA under the ASA Real Property - NAIFA Committee's jurisdiction.

What will be the status of the NAIFA Education and Research Trust?

As this is a separate legal entity with its own legal requirements, it will remain in place as it currently exists.