



## **What is the Appraisal Practices Board of The Appraisal Foundation and why would I want to become a SME (Subject Matter Expert) for it?**

**By Micheal Evans, FASA, FRICS**

Well, if helping to educate your fellow appraiser is not enough, there is also the fact that you will be credited in the final accepted voluntary guidance adopted by the APB, which will become a matter of public record. Additionally, your work could serve as the basis and source material for a new educational course sponsored by The Alliance for Valuation Education (AVE), a new non-profit organization dedicated to providing greater availability of consistent, quality valuation education, created through the collaborative efforts of 13 valuation organizations. The amount and level of recognition provided by serving as a Subject Matter Expert is hard to measure.

### **So what is the APB?**

The Appraisal Practices Board (APB) is the newest of The Appraisal Foundation's three boards. The APB offers voluntary guidance to appraisers, regulators, and users of appraisal services on recognized valuation methods and techniques, emerging issues, and other topics that may arise for all valuation disciplines. The APB seeks to identify and provide examples of commonly accepted methods and techniques with evaluative commentary where appropriate. The APB accomplishes this by utilizing panels of volunteer Subject Matter Experts (SMEs), which are comprised of individuals with expertise in the specific topic being considered. The SME panels research and cite all pertinent sources of existing information on the given topic, which may include multiple recognized methods or techniques (and may also include some which are not recognized). The SME panel will work in conjunction with an assigned liaison(s) from the APB to draft the guidance. After review by the APB, the board will subsequently vet the issue through a public exposure process. The APB may, at their discretion, ask other Appraisal Foundation Boards or panels (i.e. the ASB, AQB, TAFAC, etc.) to also provide comments. Based upon the feedback from the exposure process, the APB may return the document to the panel for more work or ultimately adopt guidance that addresses the specific topic.

Scope of Work for an SME panel: An SME panel chosen to address a topic will accomplish its goal by, at a minimum, gathering, citing, and researching all existing literature and publications pertaining to recognized valuation methods and techniques as they apply to the topic, particularly:

- Identify primary and secondary sources of sales data and conditions of use and reliability.
- Identify what General Data is needed by appraisers to produce credible assignment results.
- Identify what Specific Data is needed by appraisers to produce credible assignment results.



- Identify the amount and type of data collected for an appraisal based on the valuation approaches used to develop a credible opinion of value given on the defined scope of work.
- Identify methods of reconciliation within the approaches to value used and examples of application. This may include collection and verification of data other than sales information (e.g. income information, cost data, leasehold, leased fee).
- Identify the proper verification process of transactional and property data utilized by appraisers.

The SME panel may also address other aspects related to the scope of work stated above, but only if they are relevant and critical to the process. Additions to the scope of work will have to be approved by the APB.

Some of their published work is noted below:

APB Valuation Advisory #1: Identification of Contributory Assets and Calculation of Economic Rents (Tool Kit)

APB Valuation Advisory #2: Adjusting Comparable Sales for Seller Concessions

APB Valuation Advisory #3: Residential Appraising in a Declining Market

APB Valuation Advisory #4: Identifying Comparable Properties - Revised

APB Valuation Advisory #5: Identifying Comparable Properties in Automated Valuation Models for Mass Appraisal

They are currently working on: Collection and Verification of Sales Data.

SME panelists are not monetarily compensated for their time; rather, they serve on a voluntary basis. They are not considered to be employees of The Appraisal Foundation, but dedicated professionals who work on a pro bono basis. Attribution of their work is provided in the final accepted voluntary guidance adopted by the APB that becomes a matter of public record, which is pretty impressive in my book. Any APB-approved expenses will be reimbursed in accordance with TAF travel policy requirements. Any person, including appraisers, lenders, underwriters, attorneys, government employees, or other interested parties, may apply for consideration to an SME panel by completing an application. You should provide a resume or curriculum vitae, a brief history of experience with the specific subject, and a statement of interest in serving on a particular SME panel. For each topic, the APB sends out a solicitation for SMEs via an e-mail list, posts on the website of The Appraisal Foundation, as well as the Foundation's Facebook and Twitter accounts.

### **How do I apply?**

Contact Staci Steward, Practices Administrator at The Appraisal Foundation ([staci@appraisalfoundation.org](mailto:staci@appraisalfoundation.org)), to be added to the e-mail list for future SME solicitations.