



HOW TO ENTER THE REAL PROPERTY APPRAISAL PROFESSION



THE APPRAISAL FOUNDATION

*Authorized by Congress as the Source of Appraisal
Standards and Appraiser Qualifications*

FREQUENTLY ASKED QUESTIONS

This publication is intended to provide basic information to individuals who are considering a career in the real property appraisal profession. For specific information about the requirements in your state, please contact your state appraiser regulatory agency.

This brochure is published as a public service by The Appraisal Foundation, a non-profit educational organization dedicated to the promulgation of professional appraisal standards and appraiser qualifications for all appraisal disciplines. The Foundation accomplishes this mission through the work of two independent Boards, the Appraiser Qualifications Board (AQB) and the Appraisal Standards Board (ASB). In 1989 the U.S. Congress enacted legislation that gave specific responsibilities to these two boards relating to the minimum criteria an appraiser must meet and the minimum performance standards to which they must adhere.

What is the demand for qualified real property appraisers?

There is a wide array of clients that use real estate appraisals. For instance, lenders use them for loan collateral purposes; lawyers use them in property disputes, such as divorces; insurance companies use them to assist in determining the value of the property to be insured; and property owners may use them when appealing tax assessments, estate purposes and estimating a property's value when buying or selling real estate.

Do I need to obtain a credential or license in order to appraise real property?

Federal law requires all individuals appraising properties in a federally related transaction (e.g. a federally insured lender is involved in the transaction) to be either state licensed or certified. In addition, many states have enacted laws that require any real property appraisal to be performed by an individual who is state licensed or certified. Professional appraiser organizations offer designations that often exceed the minimum requirements of state licensure. Since licensing/certification is required to show minimum competency, designations offer appraisers a way to further demonstrate their knowledge and professionalism.

Who regulates real property appraisers?

Each state and territory has a real property appraiser regulatory program. In the vast majority of instances, a board composed of between five and nine individuals governs the program. In addition to issuing licenses and certifications, the board is also responsible for disciplining appraisers.

What are the minimum qualifications I need to meet in order to become a state licensed or certified appraiser?

The minimum qualifications are set by the Appraiser Qualifications Board (AQB) of The Appraisal Foundation and cover education, experience and examination to become an appraiser as well as continuing education. For example, to become a Certified Residential appraiser, you currently need at least 200 hours of instruction and 2,500 hours of experience obtained in no fewer than 24 months. Also, an Associates degree or higher is required, or in lieu of the degree, completion of 21 semesters hours in

specific topics (see the *Real Property Appraiser Qualification Criteria* or the chart below for details). In addition, applicants must pass a National Uniform Licensing and Certification Examination and after obtaining an appraisal credential, complete a minimum of 14 hours of continuing education annually. It should be noted that the AQB sets the minimum requirements; however, state appraiser regulatory agencies may set requirements that are greater, or more stringent than the AQB criteria. Therefore, individuals who are considering becoming licensed or certified appraisers should always check with their respective states.

Category	Education Hour Requirements ^{1, 2}	College-Level Course Requirements ³	Experience Requirement
Licensed Residential	150 hours	None	2,000 hours of experience in no fewer than 12 months.
Certified Residential	200 hours	Associate degree or higher. In lieu of the required degree, twenty-one (21) semester credit hours covering the following subject matter courses: English Composition; Principles of Economics (Micro or Macro); Finance; Algebra, Geometry or higher mathematics; Statistics; Computer Science and Business or Real Estate Law.	2,500 hours of experience in no fewer than 24 months.
Certified General	300 hours	Bachelors degree or higher. In lieu of the required degree thirty (30) semester credit hours covering the following subject matter courses: English Composition, Micro Economics, Macro Economics, Finance, Algebra, Geometry or higher mathematics, Statistics, Computer Science, Business or Real Estate Law, and two (2) elective courses in accounting, geography, agricultural economics, business management, or real estate.	3,000 hours of experience in no fewer than 30 months (of which 1,500 hours must be in non-residential appraisal work).

1 Hours required include completion of the 15-hour National USPAP Course (or its equivalent).
 2 Hours required include specific core curriculum courses and hours – please see the *Real Property Appraiser Qualification Criteria* for details.
 3 College-level courses and degrees must be obtained from an accredited degree-granting college or university.

Do I need a college education to become an appraiser?

Yes, there are college-level education requirements for the Certified Residential and Certified General classifications. These requirements can be found in the *Real Property Appraiser Qualification Criteria* or in the chart above.

How can I find out about available educational offerings in appraising?

Professional appraiser organizations are one of the primary providers of appraisal education. A listing of those organizations and their contact information is contained in this brochure.

How can I gain the necessary experience?

One of the best ways to gain experience is to serve in an apprentice or trainee capacity with a state certified appraiser. Many states offer a trainee classification that formalizes the relationship between the state certified appraiser and a trainee appraiser. Professional appraiser organizations may also be helpful in assisting with mentor programs.

What do I have to do to qualify to sit for the examination?

In order to qualify to take the state examination, you must have completed your qualifying education classroom hour requirement.

How long is the examination?

The national examination contains 165 questions and takes approximately six to eight hours to complete (depending on the classification an applicant is seeking to obtain).

Do appraisers have to follow any set of performance standards or guidelines?

The *Uniform Standards of Professional Appraisal Practice* (USPAP), which is promulgated by the Appraisal Standards Board of The Appraisal Foundation, are generally recognized as the performance standards for the appraisal profession. Violation of these standards can lead to disciplinary action by government regulators and appraiser organizations. A copy of USPAP can be obtained from The Appraisal Foundation.

May I appraise any type of real property once I become state licensed?

Generally, real property appraisers can obtain one of three types of credentials issued by a state. Each credential allows an appraiser to perform assignments within the following parameters:

Licensed Residential Appraiser: may appraise non-complex 1-4 unit residential properties with transaction values up to \$1 million and all other properties with transaction values up to \$250,000 (subject to the COMPETENCY RULE in USPAP and applicable state laws).

Certified Residential: may appraise 1-4 family residential properties without regard to value or complexity, and all other properties with transaction values up to \$250,000 (subject to the COMPETENCY RULE in USPAP and applicable state laws).

Certified General: may appraise all types of real property (subject to the COMPETENCY RULE in USPAP).

As indicated above, although a license/certification might be obtained, competency in a specific field of expertise is needed.

In addition, certain states may have laws that differ from the AQB criteria. All appraisers should consult their state appraiser regulatory agency prior to accepting certain appraisal assignments.

Why should I consider belonging to one of the professional appraiser organizations?

Many professional appraiser organizations offer quality educational opportunities and can keep you abreast of the most recent changes impacting the profession. Many offer “designations” that are awarded when you have completed a certain level of education and experience. These designations allow appraisers to demonstrate a higher level of expertise and specialization. In addition, they can serve as your voice on state and federal government issues. Many appraiser organizations are structured on a “chapter” basis, which allows members to network with their colleagues in a local area.

What does the future hold for the appraisal profession?

Of course, predicting the future is risky business. Like most professions, the appraisal business is rapidly changing due to technology and globalization of the American economy. It is clear that these changes will open many doors to valuation experts, particularly those with analytical backgrounds. Appraisers are important when the economy is growing and also when it is in recession. Overall there may be fewer appraisers in the future but those that find their niche are likely to be prosperous.

How do I become a designated appraiser?

You will need to contact one of the many professional organizations representing appraisers regarding membership and the course of action for designation. The Appraisal Sponsors of the Foundation (listed on the back panel) are a great resource for education and offer designations for appraisers.

APPRAISAL SPONSORS

American Society of Appraisers

703.478.2228
www.appraisers.org

American Society of Farm Managers & Rural Appraisers

303.758.3513
www.asfmra.org

Appraisal Institute

312.335.4100
www.appraisalinstitute.org

Appraisers Association of America

212.889.5404
www.appraisersassoc.org

Instituto de Evaluadores de Puerto Rico

787.763.3411
www.instevaluadorespr.org

International Association of Assessing Officers

816.701.8100
www.iaao.org

International Right of Way Association

310.538.0233
www.irwaonline.org

Massachusetts Board of Real Estate Appraisers

781.329.1996
www.mbre.org

National Association of Independent Fee Appraisers

312.321.6830
www.naifa.com

AFFILIATE SPONSORS

American Bankers Association

202.663.5000
800.226.5377
www.aba.com

Farm Credit Council

202.626.8710
www.fccouncil.com

Mortgage Insurance Companies of America

202.682.2683
www.privatemi.com
www.micanews.com

National Association of Realtors

800.874.6500
www.realtor.org



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