

## FAQs (last updated 9/11/06)

# How the Appraisal Institute Can Help Me Become an Appraiser

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**So, you want to become an appraiser? Where do you begin? Here are some important terms, concepts and information you *need to know*.**

**Q. What is the AQB?**

A. The Appraiser Qualifications Board (AQB) is an independent board of The Appraisal Foundation (TAF). The AQB is composed of at least five practicing appraisers who are appointed by TAF's Board of Trustees for no more than or up to three-year terms.

Under the provisions of Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA), the AQB establishes the minimum qualifying education, experience, and examination requirements a real property appraiser must meet to become a state certified appraiser.

The AQB has mandated an increase in the number of education hours appraisers must obtain in order to become licensed and/or certified after January 1, 2008.

**Q. Must the states adopt the criteria established by the AQB for Trainee, License, and Certification classifications?**

A. States are mandated to accept these new standards as their minimum for the certified residential and certified general classifications. The AQB only *recommends* minimum criteria for the trainee and license classifications. Some states may not choose to adopt a trainee or license classification, or adopt criteria for the trainee or license classification that is more or less than the recommended minimum. Again, states must adopt the minimum criteria for the certified classifications, and may choose to adopt more stringent requirements. The Appraisal Institute recommends that interested appraisers check with their individual state board to determine their exact requirements. For a complete list of state regulatory agencies, please visit <http://www.appraisalinstitute.org/education/regagncs.aspx>.

**Q. What is changing January 1, 2008?**

A. The requirements for education, experience, examinations, and college-level work will change. The required number of classroom hours in appraisal education has increased significantly. The minimum classroom hours of coverage requirements for specific topic areas, known as modules, has changed. College-level course requirements for the Certified Residential and Certified General classifications have been added.

The changes below represent the minimum recommendations (trainee/license classifications) and requirements (certified residential/certified general classifications) that each state must implement for individuals applying for a real estate appraiser classification as of January 1, 2008.

**Education and Experience**

	<b>Trainee</b>	<b>License</b>	<b>Certified Residential</b>	<b>Certified General</b>
<b>Current Classroom Hours</b>	75	90	120	180
<b>1/1/08 Classroom Hours</b>	No change	150	200	300
<b>Current Experience</b>	Subject to direct supervision by a supervising appraiser who is licensed or certified and in good standing	2,000 hours	2,500 in no fewer than 24 months	3,000 hours in no fewer than 30 months
<b>New Experience</b>	Subject to direct supervision by a supervising appraiser who is certified and in good standing	2,000 hours in no fewer than 12 months	No change	No change

## Examination

	Current	January 1, 2008
<b>License/Certification Exam</b>	<ul style="list-style-type: none"> <li>The state develops an exam that is consistent with and equivalent to the Uniform State Certification Examination issued or endorsed by the AQB of The Appraisal Foundation.</li> </ul>	<ul style="list-style-type: none"> <li>The AQB will offer its own Uniform State Certification Examination to all of the states. States have the option of developing their own examination but must get their examination approved through the AQB.</li> <li>The exams will be segmented by topic and focus on application-oriented questions.</li> </ul>

## College-level Requirements

	Trainee	License	Certified Residential	Certified General
<b>1/1/08 College Requirements</b>	None	None	Associate degree or higher. In lieu of required degree, 21 semester credit hours covering the following subject matter courses: English Composition; Principles of Economics; Finance; Algebra, Geometry, or higher mathematics; Statistics; Intro to Computers—Word processing/spreadsheets; Business or Real Estate Law.	Bachelors degree or higher. In lieu of the required degree, 30 semester credit hours covering the following subject matter courses: English Composition; Micro Economics; Macro Economics; Finance; Algebra, Geometry, or higher mathematics; Statistics; Intro to Computers—Word processing/spreadsheets; Business or real Estate Law; and 2 electives in accounting, geography, ag-economics, business management, or real estate.

### Notes

- College courses and degrees must be obtained from an accredited college or university.
- Individual states may adopt requirements more stringent than the national requirements, and may choose to impose those requirements prior to January 1, 2008. We recommend that chapters tell applicants to check with their state for state-specific requirements.
- Experience for all classifications must be obtained after January 30, 1989 and must be USPAP compliant. This applies to current and new criteria.

**Q. Why did the AQB change the existing Real Property Appraiser Qualification Criteria?**

A. It is the philosophy of the AQB to review the Real Property Appraiser Qualification Criteria on a periodic basis and make modifications. In 2001, a panel of state regulators, federal regulators, appraisal organizations, users of appraisal services, and academicians gathered to review the criteria. Several task forces were appointed to review 1) the need for a college education requirement, and 2) the need for more structure in the current appraisal courses topic list. A number of drafts were created proposing new criteria. In February 2004, the final draft was adopted by the AQB.

**Q. Why did the classroom hour requirements increase?**

A. State appraiser regulators indicated that the majority of disciplinary actions related to the disciplined appraiser's lack of education. A professional consensus determined that classroom hours should be increased and that students should take a variety of core topics known as "modules." Currently, more emphasis is placed on the total number of classroom hours for each topic rather than the amount of coverage of those topics. This has created inconsistencies. Therefore, a required core curriculum was created for each classification. The new curriculum is broken down into subject topic modules and number of classroom hours that is required of each topic module.

**Q. What is the Appraisal Institute doing about the changes?**

A. After the AQB outlined qualifying education modules with subtopics under each module, the Appraisal Institute developed a new qualifying education curriculum to exactly match these modules and subtopics. The chart on the next page identifies the specific courses in the Appraisal Institute's new curriculum. Each module/course includes the AQB's required subtopics and matches the AQB's recommended hours.<sup>1</sup>

**Q. Do all of the states require the same courses for Trainee, Licensure, and Certification?**

A. No. Some states may not require the same courses to become a trainee, licensed, or certified appraiser. States may require more hours or content than what the AQB mandates, *but not less*. For example, many states require a course in state law.

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1. To effectively cover the content, the elective that the Appraisal Institute developed for the Certified Residential classification, *Advanced Residential Report Writing*, is 30 hours rather than 20 hours.

**Appraiser Qualifications Board's Real Property Appraiser Required Core Curriculum and Guide Note 1 Approved by AQB, February 2004  
Projected Implementation Date: January 1, 2008**

**Appraiser Trainees**

**The Basic Core Curriculum below is required for all credential levels: Trainees; Licensed Residential; Certified Residential; and Certified General Real Property Appraisers**

**Basic Appraisal Principles 4 days/30 hours**

- A. Real Property Concepts and Characteristics
  - 1. Basic Real Property Concepts
  - 2. Real Property Characteristics
  - 3. Legal Description
- B. Legal Consideration
  - 1. Forms of Ownership
  - 2. Public and Private Controls
  - 3. Real Estate Contracts
- C. Influences on Real Estate Values
  - 1. Environmental
  - 2. Economic
  - 3. Social
  - 4. Psychological, Geographic and Physical
- D. Types of Value
  - 1. Market Value
  - 2. Other Value Types
- E. Economic Principles
  - 1. Classical Economic Principles
  - 2. Application and Illustrations of the Economic Principles
- F. Overview of Real Estate Markets and Analysis
  - 1. Market Fundamentals, Characteristics, and Definitions
  - 2. Supply Side Analysis
  - 3. Demand Analysis
  - 4. Use of Market Analysis
- G. Ethics and How They Apply in Appraisal Theory and Practice

**75 HOURS**

**Basic Appraisal Procedures 4 days/30 hours**

- A. Overview of Approaches to Value
- B. Valuation Procedures
  - 1. Defining the Problem
  - 2. Collecting and Selecting Data
  - 3. Analyzing
  - 4. Reconciling and Final Value Opinion
- C. Property Description
  - 1. Geographic Characteristics of the Land/Site
  - 2. Geologic Characteristics of the Land/Site
  - 3. Location and Neighborhood Characteristics
  - 4. Land/Site Considerations for Highest and Best Use
  - 5. Improvements—Architectural Styles and Types of Construction
- D. Residential Applications

**The 15-Hour National USPAP Course or Its Equivalent 2 days/15 hours**

- A. Preamble and Ethics Rules
- B. Standard 1
- C. Standard 2
- D. Standards 3 to 10
- E. Statements and Advisory Opinions

**APPRAISER TRAINEE EDUCATION REQUIREMENTS**

**Licensed Real Property Appraiser**

**Basic Core Curriculum = 75 HOURS plus**

**Residential Market Analysis and Highest and Best Use 2 days/15 hours**

- A. Residential Markets and Analysis
  - 1. Market Fundamentals, Characteristics and Definitions
  - 2. Supply Analysis
  - 3. Demand Analysis
  - 4. Use of Market Analysis
- B. Highest and Best Use
  - 1. Test Constraints
  - 2. Application of Highest and Best Use
  - 3. Special Considerations
  - 4. Market Analysis
  - 5. Case Studies

**Residential Appraiser Site Valuation and Cost Approach 2 days/15 hours**

- A. Site Valuation
  - 1. Methods
  - 2. Case Studies
- B. Cost Approach
  - 1. Concepts and Definitions
  - 2. Replacement/Reproduction Cost New
  - 3. Accrued Depreciation
  - 4. Methods of Estimating Accrued Depreciation
  - 5. Case Studies

**Residential Report Writing and Case Studies 2 days/15 hours**

- A. Writing and Reasoning Skills
- B. Common Writing Problems
- C. Form Reports
- D. Report Options and USPAP Compliance
- E. Case Studies

**LICENSED RESIDENTIAL REAL PROPERTY APPRAISER EDUCATION REQUIREMENTS 150 HOURS**

**Certified General Real Property Appraiser**

**Basic Core Curriculum = 75 HOURS plus**

**General Appraiser Market Analysis and Highest and Best Use 4 days/30 hours**

- A. Real Estate Markets and Analysis
  - 1. Market Fundamentals, Characteristics and Definitions
  - 2. Supply Analysis
  - 3. Demand Analysis
  - 4. Use of Market Analysis
- B. Highest and Best Use
  - 1. Test Constraints
  - 2. Application of Highest and Best Use
  - 3. Special Considerations
  - 4. Market Analysis
  - 5. Case Studies

**Statistics, Modeling and Finance 2 days/15 hours**

- A. Statistics
- B. Valuation Models—AMs and Mass Appraisal
- C. Real Estate Finance

**General Appraiser Sales Comparison Approach 4 days/30 hours**

- A. Value Principles
- B. Procedures
- C. Identification and Measurement of Adjustments
- D. Reconciliation
- E. Case Studies

**General Appraiser Site Valuation and Cost Approach 4 days/30 hours**

- A. Site Valuation
  - 1. Methods
  - 2. Case Studies
- B. Cost Approach
  - 1. Concepts and Definitions
  - 2. Replacement/Reproduction Cost New
  - 3. Accrued Depreciation
  - 4. Methods of Estimating Accrued Depreciation
  - 5. Case Studies

**4 days/30 hours**

**General Appraiser Report Writing and Case Studies 4 days/30 hours**

- A. Writing and Reasoning Skills
- B. Common Writing Problems
- C. Report Options and USPAP Compliance
- D. Case Studies

**Appraisal Specialty Real Estate and Appraisal Subject Matter Electives 4 days/30 hours**

- May include hours over minimum shown above in other modules

**CERTIFIED GENERAL REAL PROPERTY APPRAISER EDUCATION REQUIREMENTS 300 HOURS**

**Certified Residential Real Property Appraiser**

**Basic Core Curriculum = 75 HOURS plus**

**Residential Sales Comparison and Income Approaches 4 days/30 hours**

- A. Valuation Principles & Procedures—Sales Comparison Approach
  - 1. Market Fundamentals, Characteristics and Definitions
  - 2. Supply Analysis
  - 3. Finance and Cash Equivalency
- B. Financial Calculator Introduction and Identification, Derivation and Measurement of Adjustments
  - 1. Test Constraints
  - 2. Application of Highest and Best Use
  - 3. Special Considerations
  - 4. Market Analysis
  - 5. Case Studies and Applications

**Residential Report Writing and Case Studies 2 days/15 hours**

- A. Writing and Reasoning Skills
- B. Common Writing Problems
- C. Form Reports
- D. Report Options and USPAP Compliance
- E. Case Studies

**Licensed Residential Real Property Appraiser Core Curriculum = 75 HOURS plus**

**Statistics, Modeling and Finance 2 days/15 hours**

- A. Statistics
- B. Valuation Models—AMs and Mass Appraisal
- C. Real Estate Finance

**General Appraiser Site Valuation and Cost Approach 4 days/30 hours**

- A. Site Valuation
  - 1. Methods
  - 2. Case Studies
- B. Cost Approach
  - 1. Concepts and Definitions
  - 2. Replacement/Reproduction Cost New
  - 3. Accrued Depreciation
  - 4. Methods of Estimating Accrued Depreciation
  - 5. Case Studies

**4 days/30 hours**

**General Appraiser Report Writing and Case Studies 4 days/30 hours**

- A. Writing and Reasoning Skills
- B. Common Writing Problems
- C. Report Options and USPAP Compliance
- D. Case Studies

**Appraisal Specialty Real Estate and Appraisal Subject Matter Electives 4 days/30 hours**

- May include hours over minimum shown above in other modules

**CERTIFIED RESIDENTIAL REAL PROPERTY APPRAISER EDUCATION REQUIREMENTS 200 HOURS**

**Q. How and when will my state implement the new criteria?**

A. There are three ways state regulatory boards can implement qualifying education changes.

- 1) *Firm Date scenario*—Any credential issued by a state appraiser regulatory body on or after January 1, 2008, must be in compliance with Education, Experience, and Examination components of the new AQB Real Property Appraiser Qualification Criteria. If an applicant does NOT complete all of his/her Education, Examination, and Experience by January 1, 2008, the applicant will have to meet ALL of the NEW Criteria component requirements.

**For example**, if an applicant for a Certified General credential completes the CURRENT Education and Examination components before January 1, 2008, BUT fails to complete the Experience (30 months and 3,000 hours) component, he/she will have to RETAKE the Examination, earn additional Education hours, and meet the college requirement under the NEW Criteria.

- 2) *Segmented scenario*—The requirements are broken down into three components: Education, Examination, and Experience. An applicant has to meet the Criteria in effect at the time he/she completes a particular component. Any component completed PRIOR to January 1, 2008, would satisfy the CURRENT Criteria, while any component NOT completed by January 1, 2008 would have to conform to the NEW Criteria.

**For example**, if an applicant for a Certified General credential completes all of the required 180 education hours and passes the state's Certified General examination in 2007, but does not complete the required 30 months and 3,000 hours of experience, the applicant only needs to satisfy the Experience component under the NEW Criteria (which did not change).

- 3) *Combination scenario*—A state appraiser regulatory body may decide to adopt a segmented approach through a particular date, and then adopt a firm date approach thereafter.

**For example**, an applicant for a Certified General credential lives in a state that adopts a segmented approach through December 31, 2008. The applicant completes the CURRENT Education and Examination components before January 1, 2008, BUT fails to complete the Experience (30 months and 3,000 hours) component; he/she will have until December 31, 2008 to complete his/her Experience. If he/she fails to complete the Experience by December 31, 2008, he/she will RETAKE the Examination and Education components under the NEW Criteria.

*It is important to check with your state to find out which scenario it has selected. States may choose to implement the new Criteria before 2008. Please visit <http://www.asc.gov/Content/Category3/StateInfo/StateAQBCriteria.aspx?id=78> for information on how your state is implementing.*

**Q. What is the Appraisal Institute doing to accommodate the states that require the new criteria (increased education hours) before 2008 or appraisers who anticipate finishing their education hours before or after January 1, 2008?**

A. The Appraisal Institute has created packages that will accommodate a number of needs.

**Appraiser Trainee**

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If you want to become an Appraiser Trainee, you need to take:

<b>Available now</b> (Meets current & future 75-hour education criteria)	
<i>Basic Appraisal Principles</i>	30
<i>Basic Appraisal Procedures</i>	30
<i>15-Hour National USPAP Course</i>	<u>15</u>
	75

**Licensed Real Property Appraiser**

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If you are an Appraiser Trainee, seeking to upgrade to Licensed Real Property Appraiser before December 31, 2007, you need to take:

<b>Available now</b> (Meets current 90-hour education criteria)	
<i>Basic Appraisal Principles</i>	30
<i>Basic Appraisal Procedures</i>	30
<i>Residential Market Analysis &amp; Highest and Best Use</i>	15
<i>15-Hour National USPAP Course</i>	<u>15</u>
	90

If you will not obtain a Licensed Real Property Appraiser Classification until after December 31, 2007, or your state has implemented or will be implementing the new criteria before January 1, 2008, you may take following package:

<b>Available now</b> (Meets future 150-hour education criteria)	
<i>Basic Appraisal Principles</i>	30
<i>Basic Appraisal Procedures</i>	30
<i>15-Hour National USPAP Course</i>	15
<i>Residential Market Analysis &amp; Highest &amp; Best Use</i>	15
<i>Residential Site Valuation &amp; Cost Approach</i>	15
<i>Residential Sales Comparison &amp; Income Approaches</i>	30
<i>Residential Report Writing &amp; Case Studies</i>	<u>15</u>
	150

**Note.** Content covered in our *Course 210: Residential Case Study* (which is no longer available), can now be found in *Residential Market Analysis and Highest & Best Use*, *Residential Site Valuation and Cost Approach*, and *Residential Sales Comparison and Income Approaches*. Content covered in our *Course 500: Advanced Residential Form and Narrative Report Writing* (which is no longer available) can be found in *Residential Report Writing and Case Studies*, *Advanced Residential Applications and Case Studies/Part I*, and *Advanced Residential Report Writing/Part 2*.

### **Certified Residential Real Property Appraiser**

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If you are planning to obtain your Certified Residential Real Property Appraiser Classification or you are a Licensed Real Property Appraiser planning to upgrade to Certified Residential Real Property Appraiser Classification by December 31, 2007, you may take courses in the following package:

<b>Available Now</b> (Meets current 120-hour education criteria)	
<i>Basic Appraisal Principles</i>	30
<i>Basic Appraisal Procedures</i>	30
<i>15-hour National USPAP Course</i>	15
<i>Residential Market Analysis &amp; Highest and Best Use</i>	15
<i>Residential Site Valuation &amp; Cost Approach</i>	15
<i>Residential Sales Comparison and Income Approaches</i>	<u>30</u>
	135

**Note.** Content covered in our *Course 210: Residential Case Study* (which is no longer available), can now be found in *Residential Market Analysis and Highest & Best Use*, *Residential Site Valuation and Cost Approach*, and *Residential Sales Comparison and Income Approaches*. Content covered in our *Course 500: Advanced Residential Form and Narrative Report Writing* (which is no longer available) can be found in *Residential Report Writing and Case Studies*, *Advanced Residential Applications and Case Studies/Part I*, and *Advanced Residential Report Writing/Part 2*.

If you are planning to obtain your Certified Residential Real Property Appraiser Classification, or you are a Licensed Real Property Appraiser planning to upgrade to Certified Residential Real Property Appraiser Classification after December 31, 2007, you may take courses in the following package:

<b>Available August 2006</b> (Meets future 200-hour education criteria)	
<i>Basic Appraisal Principles</i>	30
<i>Basic Appraisal Procedures</i>	30
<i>15-Hour National USPAP Course</i>	15
<i>Residential Market Analysis &amp; Highest and Best Use</i>	15
<i>Residential Site Valuation &amp; Cost Approach</i>	15
<i>Residential Sales Comparison &amp; Income Approaches</i>	30
<i>Real Estate Finance, Statistics, and Valuation Modeling</i>	15
<i>Residential Report Writing &amp; Case Studies</i>	15
<i>Advanced Residential Applications &amp; Case Studies/Part 1</i>	15
<i>Advanced Residential Report Writing/Part 2 (elective)</i>	<u>30</u>
	210

**Note.** Content covered in our *Course 210: Residential Case Study* (which is no longer available), can now be found in *Residential Market Analysis and Highest & Best Use*, *Residential Site Valuation and Cost Approach*, and *Residential Sales Comparison and Income Approaches*. Content covered in our *Course 500: Advanced Residential Form and Narrative Report Writing* (which is no longer available) can be found in *Residential Report Writing and Case Studies*, *Advanced Residential Applications and Case Studies/Part I*, and *Advanced Residential Report Writing/Part 2*.

### **Certified General Real Property Appraiser**

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If you are planning to obtain your Certified General Real Property Appraiser Classification by December 31, 2007, you may take courses in the following package:

<b>Available until July 2007</b> (Meets current 180-hour education criteria)	
<i>Basic Appraisal Principles</i>	30
<i>Basic Appraisal Procedures</i>	30
<i>15-hour National USPAP Course</i>	15
<i>Basic Income Capitalization (310)</i>	39
<i>General Applications (320)</i>	40
<i>Apartment Appraisal (330)</i>	16
<i>Sales Comparison Valuation of Small, Mixed-Use Properties</i>	<u>16</u>
	186

**Note.** Content covered in our *Course 320: General Applications* can now be found in *General Sales Comparison Approach*, *General Site Valuation and Cost Approach*, and *General Income Approach/Part I*. Content covered in our *Course 310: Basic Income Capitalization* can be found in *General Income Approach/Part I* and *General Income Approach/Part II*.

If you are planning to obtain your Certified General Real Property Appraiser Classification after December 31, 2007, you will need to take 300 hours of education.

<b>Available Now or in the Near Future</b> (Meets future 300-hour education criteria)	
<i>Basic Appraisal Principles</i>	30
<i>Basic Appraisal Procedures</i>	30
<i>15-Hour National USPAP Course</i>	15
<i>Real Estate Finance, Statistics, &amp; Valuation Modeling</i>	15
<i>General Market Analysis &amp; Highest and Best Use*</i>	30
<i>General Appraiser Sales Comparison Approach***</i>	30
<i>General Appraiser Site Valuation &amp; Cost Approach***</i>	30
<i>General Appraiser Income Approach/Part I**</i>	30
<i>General Appraiser Income Approach/Part II**</i>	30
<i>General Appraiser Report Writing &amp; Case Studies****</i>	30
<i>Electives</i>	<u>30</u>
	300
<p>* Available November 2006  ** Available July 2007  *** Available August 2007  **** Available October 2007</p>	

**Note.** Content covered in our *Course 320: General Applications* can now be found in *General Sales Comparison Approach*, *General Site Valuation and Cost Approach*, and *General Income Approach/Part I*. Content covered in our *Course 310: Basic Income Capitalization* can be found in *General Income Approach/Part I* and *General Income Approach/Part II*.