

FAQs (last updated 2/12/09)

How the Appraisal Institute Can Help Me Become State-Certified for the FHA Roster

In December 2008, in Mortgage Letter 2008-39, the U.S. Department of Housing and Urban Development revised the eligibility requirements for appraisers to qualify for placement and retention on the Federal Housing Administration Appraiser Roster. FHA appraisers must be residential or general certified by the state in which the property to be appraised is located. Below are FAQs that the Appraisal Institute has compiled to help answer questions you may have about the new requirement and about how to become state-certified.

General Questions

Q. Why were the FHA roster changes made?

A. Mortgage Letter 2008-39 implements provisions that were enacted by Congress last year in the Housing and Economic Recovery Act (H.R. 3221).

Q. When will the eligibility requirements change?

A. According to the Mortgagee Letter, effective October 1, 2009, all FHA-approved lenders must use state-certified appraisers for FHA-insured mortgages.

- If you are currently on the FHA roster and you are not state certified by 10/1/09, your name will be removed from the roster. However, you may be reinstated after October 2009 once you've completed the new requirements.
- If you are a new applicant, are not state certified, and you would like to apply, you missed the 10/1/08 FHA deadline per the Housing and Economic Recovery Act of 2008. You need to become state certified before applying.

Q. I am currently on the FHA roster. If I am not state-certified, has my name been taken off the current roster?

A. No. Your name remains on the roster until September 30, 2009. If by October 1, 2009 you have not upgraded, your name will be removed from the roster.

Q. How do I qualify to be listed on the FHA appraiser roster if I've never been on the roster?

- A. As a new applicant, you must
- Be state-certified in each state you will perform FHA appraisals. Meet the minimum certification criteria set forth by the AQB. Check with your state for additional requirements it may have.
 - Not be listed on any federal sanctions lists (EPLS, CAIVRS, LDP)
 - Apply online and be able to attach a PDF file of your applications and certification.

Q. If I am not state-certified, is there any other way I can stay on the roster without getting certified?

- A. No. The Housing and Recovery Act of 2008 does not provide any other provisions for licensed appraisers who are currently on the roster. FHA issued Mortgagee Letter 2008-39 states that, "No later than October 1, 2009, all FHA Appraiser Roster appraisers in all states and territories must be state certified in order to be eligible to conduct appraisals for FHA-insured mortgages and remain on the FHA Appraiser Roster."

Q. I am a designated member of the Appraisal Institute; however, I am not state-certified. Mortgagee Letter 2008-39 says, "FHA appraisers must be certified by the state in which the property to be appraised is located, or by a nationally recognized professional organization." Because I'm a member of a nationally recognized organization, does this mean that I will remain on the roster?

- A. No. If you are not state certified, you will not remain on the roster. According to HUD's Appraiser Roster FAQs, "the FHA has determined that the Appraisal Foundation is a 'nationally recognized professional appraisal organization' within the meaning of the revised National Housing Act and will only accept state-issued appraisal certifications." This means you need to be certified by the state(s) in which you conduct FHA appraisals.

Q. Who establishes the criteria for state certification?

- A. Under the provisions of Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA), The Appraisal Foundation's independent board, the Appraiser Qualifications Board (AQB) establishes the minimum qualifying education, experience, and examination requirements a real property appraiser must meet to become a state certified appraiser. **Note.** In January 2008 new qualifying criteria for licensed and certified appraisers became effective. States were mandated to adopt the new standards as minimum criteria for the certified residential and certified general classifications. States may have adopted additional requirements as well.

Q. Where can I find information regarding the minimum requirements for qualifying education and experience?

- A. Appraisers seeking to become state certified should review the 2008 *Real Property Appraiser Qualification Criteria* at <http://www.appraisalfoundation.org>. Check with your individual state board to determine exact requirements that are needed to upgrade to certified residential or certified general. For a list of state regulatory agencies, see <http://www.appraisalinstitute.org/education/regagncs.asp>.

Q. What are the new minimum requirements to become state certified?

A. The minimum requirements* are as follows:

Certified Residential Real Property Appraiser	Certified General Real Property Appraiser
<ul style="list-style-type: none">• Education: 200 hours covering specified subtopics.• Experience: 2,500 hours in no fewer than 24 months• Associate degree or higher. In lieu of required degree, 21 semester credit hours covering specific subject matter courses.• State certification exam which covers the new 2008 specified education subtopics.	<ul style="list-style-type: none">• Education: 300 hours covering specified subtopics.• Experience: 3,000 hours in no fewer than 30 months• Bachelors degree or higher. In lieu of the required degree, 30 semester credit hours covering specific subject matter courses.• State certification exam which covers the new 2008 specified education subtopics.

* The requirements above are the minimum requirements set forth by the Appraiser Qualifications Board. Be sure to check with your state to determine if additional requirements are necessary.

Q. I would like to satisfy the 21 semester hour (for residential certified) or the 30 semester hour (for general certified) requirement in lieu of a college degree. What are the specific subject-matter courses that I need?

A. Below are the specific subjects that can be taken in lieu of a college degree:

- Residential certification: Associates degree or higher. In lieu of the degree, successfully pass 21 semester credit hours covering the following subject matter courses:
 1. English Composition
 2. Principles of Economics
 3. Finance
 4. Algebra, Geometry, or higher mathematics
 5. Statistics
 6. Computer Science
 7. Business or Real Estate Law.
- General certification: Bachelors degree or higher. In lieu of the required degree, successfully pass 30 semester credit hours covering the following subject matter courses:
 1. English Composition
 2. Micro Economics
 3. Macro Economics
 4. Finance
 5. Algebra, Geometry, or higher mathematics
 6. Statistics
 7. Intro to Computers—Word processing/spreadsheets
 8. Business or real Estate Law
 9. 2 electives in accounting, geography, ag-economics, business management, or real estate.

Q. What are the subtopics that are on the national residential and/or general certification exam?

A. Below are the topics listed on the *National Uniform Examination Content Outlines*. The 2008 National Examination Content Outlines (ECOs) are the basis for the content for the Real Property Appraiser National Exam. More information regarding the national residential and general certification exams can be found at http://www.appraisalfoundation.org/s_appraisal/sec.asp?CID=292&DID=738.

	Residential Certification	General Certification
Influences on real estate value	5%	5%
Legal considerations	5%	4%
Types of value	5%	6%
Economic principles	5%	6%
Real estate markets & analysis	4%	5%
Property description	11%	10%
Highest and best use analysis	9%	9%
Appraisal math & statistics	3%	4%
Sales comparison approach	15%	10%
Site value	5%	4%
Cost approach	9%	6%
Income approach	7%	15%
Valuation of partial interest	1%	1%
Appraisal standards & ethics	16%	15%

Q. I was licensed before 2008. Will I need to take courses that cover the new content that has been added to the Real Property National Examination?

A. The National Examination is based on the new 2008 required core curriculum topics established by the AQB. If you have little or no knowledge in any of those topics, it would be in your best interest to understand them. New core curriculum modules that were added in 2008 include market analysis & highest and best use and real estate finance, statistics, modeling. Per the Appraiser Qualifications Board, "The ECOs are broad conceptual topic areas, which are related to the Required Core Curriculum modules (topics) established by the AQB for each license or certification classification. To provide additional detail on what might be expected in the exams, the AQB issued Guide Note 1, which included suggested *subtopics* for each educational topic area required. Although candidates for an appraiser license or certification credential are not *required* by the AQB to obtain education covering each subtopic area, Guide Note 1 was issued as a listing of the information that would likely appear on the exams."

Q. How soon should I plan to take the state certification exam in order to make the October 2009 deadline?

A. The sooner you get started filling the certification requirements, the better. If you are licensed, at a minimum and depending on the criteria you've already met, you will need to take 50 more education hours, you may need more experience, you may need to take college courses, take and pass the national certification examination, and submit your certification paperwork to your state for approval.

Q. I hold a valid Trainee Real Property Appraiser credential. I want to complete the Certified Residential credential. What are the minimum qualifying education requirements I must take?

A. You must complete the following additional hours. **Note.** These requirements are the minimum requirements set forth by the Appraiser Qualifications Board. Be sure to check with your state to determine if additional requirements are necessary. See <http://www.appraisalinstitute.org/education/regagncs.aspx>.

	Hours
<i>Residential Market Analysis and Highest and Best Use</i>	15
<i>Residential Appraiser Site Valuation and Cost Approach</i>	15
<i>Residential Sales Comparison and Income Approaches</i>	30
<i>Residential Report Writing and Case Studies</i>	15
<i>Statistics, Modeling, and Finance</i>	15
<i>Advanced Residential Applications and Case Studies</i>	15
<i>Appraisal Subject Matter Electives</i>	<u>20</u>
Total	125

Q. I hold a valid Licensed Residential Real Property Appraiser credential. I want to complete the Certified Residential credential. What are the minimum qualifying education requirements I must take?

A. You must complete the following additional hours. **Note.** These requirements are the minimum requirements set forth by the Appraiser Qualifications Board. Be sure to check with your state to determine if additional requirements are necessary. See <http://www.appraisalinstitute.org/education/regagncs.aspx>.

	Hours
<i>Statistics, Modeling, and Finance</i>	15
<i>Advanced Residential Applications and Case Studies</i>	15
<i>Appraisal Subject Matter Electives</i>	<u>20</u>
Total	50

Q. Where can I go to find out more about the FHA Mortgage Letter 2008-39 and the FHA Roster?

A. HUD created "The Appraiser Roster FAQs." This document has answers to numerous questions. See http://www.hud.gov/offices/hsg/sfh/appr/faqs_appraiser.cfm.

How Can the Appraisal Institute Help Me Become Certified Residential?

The Appraisal Institute offers all of the qualifying education courses you need to fulfill the minimum education requirements to become certified residential or certified general.

Q. Why should I take Appraisal Institute courses?

A. The Appraisal Institute is known for developing and providing excellent education. Each of the qualifying education courses that the Appraisal Institute offers was developed to exactly match the AQB's core criteria curriculum modules, subtopics, and recommended hours for the Trainee, Licensed Residential, Certified Residential, and Certified General credentials. Each Appraisal Institute course includes the subtopics that the AQB referred to when developing the National Examination. Finally, all of the qualifying education courses have been approved by the AQB and most states.

Q. I hold a valid Trainee Real Property Appraiser credential. Which Appraisal Institute courses can I take to satisfy the additional required hours I need to complete the Certified Residential credential?

A. If you have a valid Trainee Real Property Appraiser credential, you can take the following Appraisal Institute courses to meet the minimum education requirements for Certified Residential. Be sure to check with your state to determine approval status and if additional requirements are necessary. See <http://www.appraisalinstitute.org/education/regagncs.aspx> . :

Upgrade from Trainee to Certified Residential Real Property Appraiser	
	Hours
<i>Residential Market Analysis and Highest and Best Use</i>	15
<i>Residential Appraiser Site Valuation and Cost Approach</i>	15
<i>Residential Sales Comparison and Income Approaches</i>	30
<i>Residential Report Writing & Case Studies</i>	15
<i>Real Estate Finance, Statistics, and Valuation Modeling</i>	15
<i>Advanced Residential Applications and Case Studies/Part 1</i>	15
<i>Advanced Residential Report Writing/Part 2*</i>	<u>30</u>
Total	135
<p>*To effectively cover content, this course is 30 hours rather than 20. It satisfies the Elective requirement in most states, though some states may have additional or different requirements.</p>	

Q. I hold a valid Licensed Real Property Appraiser credential. Which Appraisal Institute courses can I take to satisfy the additional required hours I need to complete the Certified Residential credential?

A. If you have a valid Licensed Real Property Appraiser credential, you can take the Appraisal Institute courses below to meet the minimum education requirements for Certified Residential. **Note.** Be sure to check with your state to determine approval status and if additional requirements are necessary. See <http://www.appraisalinstitute.org/education/regagncs.aspx>.

Upgrade from Licensed to Certified Residential Real Property Appraiser	
	Hours
<i>Real Estate Finance, Statistics, and Valuation Modeling</i>	15
<i>Advanced Residential Applications and Case Studies/Part 1</i>	15
<i>Advanced Residential Report Writing/Part 2*</i>	<u>30</u>
Total	60
*To effectively cover content this course is 30 hours rather than 20. It satisfies the Elective requirement in most states, though some states may have additional or different requirements.	

Q. I hold a valid Trainee Real Property Appraiser credential. Which Appraisal Institute courses can I take to satisfy the additional required hours I need to complete the Certified General credential?

A. If you have a valid Trainee Real Property Appraiser credential, you can take the Appraisal Institute courses below to meet the minimum education requirements for Certified General. Be sure to check with your state to determine approval status and if additional requirements are necessary. See <http://www.appraisalinstitute.org/education/regagncs.aspx>.

Upgrade from Trainee to Certified General Real Property Appraiser	
	Hours
<i>General Appraiser Market Analysis & Highest and Best Use</i>	30
<i>General Appraiser Site Valuation & Cost Approach</i>	30
<i>General Appraiser Sales Comparison Approach</i>	30
<i>General Appraiser Income Approach/Part 1</i>	30
<i>General Appraiser Income Approach/Part 2</i>	30
<i>Real Estate Finance, Statistics, and Valuation Modeling</i>	15
<i>General Appraiser Report Writing</i>	30
<i>Electives*</i>	<u>30</u>
Total	225
*The courses below satisfy the Elective requirement in most states, though some state may have additional or different requirements.	
<ul style="list-style-type: none"> - <i>Apartment Appraisal: Concepts & Applications</i> - <i>Income Valuation of Small, Mixed-Use Properties</i> - <i>Alternative Uses & Cost Valuation of Small, Mixed-Use Properties</i> - <i>Sales Comparison Valuation of Small, Mixed-Use Properties</i> 	

Q. Where can I find descriptions and schedules for Appraisal Institute courses?

A. For a complete list of our qualifying education course descriptions and schedules, please see http://www.appraisalinstitute.org/education/state_cert.aspx.

Q. Are any of the qualifying education courses offered online?

A. Yes. The qualifying education courses below are offered online. See http://www.appraisalinstitute.org/education/adv_schedule_search.aspx for more information. **Note.** Some states do not allow qualifying courses to be taken online. Please check with your state regarding the approval status of online courses. See <http://www.appraisalinsitute.org/education/regagncs.aspx>.

- *Real Estate Finance, Statistics, and Valuation Modeling*
- *Residential Market Analysis & Case Studies*
- *Residential Report Writing & Case Studies*
- *Residential Sales Comparison & Income Approach*
- *Residential Site Valuation & Cost Approach*
- *General Site Valuation & Cost Approach*