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December 4, 2025

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Via email to david.mossberg@dos.ny.gov

RE: Proposed Rulemaking DOS-41-25-00018-P, "Practical Applications of Real Estate Appraisal (PAREA) Programs"

Dear David,

The Appraisal Institute (AI), the nation's largest professional association of real estate appraisers, appreciates the opportunity to submit written comments in support of the New York Department of State (NYDOS) Proposed Rulemaking DOS-41-25-00018-P, *Practical Applications of Real Estate Appraisal (PAREA) Programs*.

AI strongly supports the Department's proposal to recognize PAREA as an acceptable alternative method for fulfilling all or a portion of the experience requirements for the Licensed Residential, Certified Residential, and Certified General Real Estate Appraiser credentials in New York. We believe the rulemaking as drafted is clear, well-structured, and consistent with the Real Property Appraiser Qualification Criteria (RPAQC), and we do not recommend any additions, deletions, or modifications at this time.

PAREA: A Modernized, Accessible Pathway to Appraiser Licensure

In New York, under the traditional supervisor-trainee model, aspiring appraisers are required to complete at least two years of supervised experience. However, many candidates face persistent challenges in securing supervisory appraisers - a barrier that has become one of the most significant constraints on entry into the appraisal profession. This bottleneck is particularly acute in rural areas, low-volume markets, and communities where supervisory capacity is limited.

PAREA, adopted by the Appraiser Qualifications Board (AQB) as part of the RPAQC effective January 1, 2022, offers a modernized, technology-enabled pathway that directly addresses this longstanding challenge. By providing structured, competency-based experiential learning through virtual simulations and real-world appraisal scenarios, PAREA delivers high-quality training that is accessible regardless of geography, local market conditions, or an individual's ability to secure a supervisor.

The Appraisal Institute's PAREA Programs and Documented Outcomes

The Appraisal Institute is proud to offer AQB-approved PAREA programs for both the Licensed Residential and Certified Residential credentialing pathways. The Licensed Residential program was approved by the AQB in May 2023 and has been offered since late 2023, while the Certified Residential program received approval in October 2023 and is currently operating in a structured pilot with nine active participants.

Outcomes to date strongly demonstrate the effectiveness of the PAREA approach:

- Fifty-nine (59) candidates have successfully completed AI's Licensed Residential PAREA program.
- Of those, thirty-eight (38) have taken the National Licensed Residential Exam, and all passed on their first attempt—a 100% pass rate that far exceeds the national average among candidates trained under the traditional model.
- Three graduates have already completed the additional 500 hours of required experience and earned the Certified Residential credential, illustrating PAREA's ability to support both entry and advancement in the profession.

The enrollment pipeline is equally strong. At present, 202 individuals are actively enrolled in AI's Licensed Residential and Certified Residential PAREA programs. An additional 138 candidates have passed the Readiness Exam and are eligible to begin, while another 207 candidates have completed the qualifying education and are preparing to sit for the Readiness Exam. These numbers reflect significant and growing demand for PAREA as a modern, effective entry route into the appraisal profession.

Conclusion

AI strongly supports NYDOS in moving forward with the proposed PAREA rules. Recognizing PAREA as an acceptable experience pathway will expand access to the profession, strengthen public trust by ensuring candidates receive high-quality and competency-based training, and align New York with nationally recognized standards established by the AQB.

We urge the Department to finalize the proposed rulemaking as soon as possible to ensure that aspiring appraisers in New York can fully benefit from this important modernization.

Respectfully submitted:

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