



Janet T. Mills
Governor

STATE OF MAINE
DEPARTMENT OF PROFESSIONAL & FINANCIAL REGULATION
OFFICE OF PROFESSIONAL AND OCCUPATIONAL REGULATION
BOARD OF REAL ESTATE APPRAISERS



Joan F. Cohen
Commissioner

**Public Board Meeting
Tuesday, April 1, 2025,
AGENDA**

Location: 76 Northern Ave Gardiner, ME 04345

Room: Central Conference Room

Time: 8:30 a.m.

Contact: Heidi Lincoln- 207-624-8522 or Heidi.Lincoln@maine.gov

Option for Virtual Attendance by the Public:

In addition, though not required by law, this meeting is being made virtually available using the Zoom platform to members of the public who do not attend in-person. A link for the public to access the Board of Real Estate Appraisers meeting virtually will be posted on the Real Estate Appraisers Board website at:

<https://www.maine.gov/pfr/professionallicensing/professions/board-real-estate-appraisers/home/board-meeting-information>

The Board of Real Estate Appraisers expects that members of the public who attend the meeting virtually will be able to provide public comment to the same extent as members of the public who attend in-person.

- I. CALL TO ORDER**
- II. AGENDA MODIFICATIONS**
- III. MINUTES REVIEW AND APPROVAL**
Review and approval of March 4, 2025, Minutes
- IV. ADJUDICATORY HEARING**
2022-REA-18041 Christina M. O'Connell
- V. COMPLAINT PRESENTATION**
2024-REA-20498
2025-REA-20537
2025-REA-20538
- VI. ADMINISTRATOR'S REPORT**
 - Request for Additional Time to Complete Continuing Education
 - Appraiser Qualifications Board Concept Paper Regarding Additional Experience Options

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VII. PUBLIC COMMENT

Under this item, the Board will offer an opportunity to members of the public in attendance to comment on any public matter under the jurisdiction of the Board, except for any open application or complaint. While the Board cannot take action on any issues presented, the Board will listen to comments and may ask staff to place the issue on a subsequent agenda. At the discretion of the Board Chair, a time limit on comments may be set.

VIII. MEETING SCHEDULE

Next meeting scheduled for Tuesday May 6, 2025

IX. ADJOURNMENT

DEPARTMENT OF PROFESSIONAL AND FINANCIAL REGULATION
OFFICE OF PROFESSIONAL AND OCCUPATIONAL REGULATION
76 Northern Ave, Gardiner, Maine

MAINE BOARD OF REAL ESTATE APPRAISERS
PUBLIC MEETING
March 4, 2025
MINUTES

<u>MEMBERS PRESENT</u>	<u>STAFF PRESENT</u>
Wendyann Boston, Chair	Catherine Pendergast, Administrator
Alan Johnson, Vice-Chair	John Belisle, Assistant Attorney General
Nathaniel Shipley, Complaint Officer	Jazmyne Marks, Licensing Supervisor
Russell Barrows	Heidi Lincoln, Office Specialist I
Heather Cote	Shara Chesley, Office Specialist I
<u>MEMBERS ABSENT</u>	<u>OTHERS PRESENT</u>
	<u>None</u>

Location: 76 Northern Ave. Gardiner ME

Start: 9:02 a.m.

Adjourn: 9:29 a.m.

I. CALL TO ORDER

The meeting was called to order by the Chair at 9:02 a.m.

II. AGENDA MODIFICATIONS

A motion was made by Barrows and seconded by Shipley to add the following items to the agenda under the Administrator's report:

- General discussion regarding license statistics.
- Limited delegation of authority to the Board Administrator regarding continuing education audits.
- Limited delegation of authority to the Board Administrator regarding failure to report discipline/convictions within 10 days.

Unanimous.

III. MINUTES REVIEW AND APPROVAL

A motion was made by Barrows and seconded by Shipley to approve the January 7, 2025, Minutes. Barrows, Shipley, Boston and Johnson voted in the affirmative. Cote Abstained. Motion carried.

IV. COMPLAINT PRESENTATION

2022-REA-18737 Compliance Memo

Complaint Officer Shipley provided the Board with an update regarding the licensee's compliance with the consent agreement. The licensee is in compliance and the matter is closed.

V. ADMINISTRATOR'S REPORT

- Application and Appeal Withdrawal Memo – A motion was made by Barrows and seconded by Johnson to allow the license applicant to withdraw both their application and appeal of

the preliminary denial. Barrows, Johnson, Boston, Cote voted in the affirmative. Shipley abstained. Motion carried.

- Board members discussed an inquiry regarding the appraisal of short-term rentals.
- A motion was made by Barrows and seconded by Cote to renew the Limited Delegation of Authority to the Board's Administrator to Prepare Letters of Guidance for Resolving Complaints Involving Failing to Report Criminal Convictions and/or Disciplinary Action Within 10 Days. Unanimous.
- A motion was made by Barrows and seconded by Cote to renew the Limited Delegation of Authority to the Board's Administrator to Offer Consent Agreements Resolving Complaints Involving Continuing Education Audits. Unanimous.
- The Board discussed the perception of a declining number of Maine appraisers and reviewed license statistics demonstrating a steady increase in licensure of all appraiser license types between 3/1/2021 and 3/1/2025.

VI. PUBLIC COMMENT

None.

VII. MEETING SCHEDULE

The next regularly scheduled meeting is scheduled for Tuesday, April 1, 2025.

VIII. ADJOURN

A motion was made by Johnson and seconded by Barrows to adjourn the meeting. Unanimous.

Being no further board business, the meeting was adjourned at 9:29 a.m.

Additional Experience Options: Should They Have a Place in Appraiser Qualifications?

An Appraiser Qualification Board's Concept Paper

March 13, 2025



**The Appraisal
FOUNDATION™**

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

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Welcome

We invite all stakeholders to participate in a crucial discussion regarding a matter of significant importance in our field: ***whether additional experience should have a place in meeting the qualifications for credentials as a real property appraiser.*** As one of the stewards of the appraisal profession's qualifications, we are examining the requirements in the Real Property Appraiser Qualifications Criteria (*Criteria*). This effort requires our full commitment to understanding the nuances of this issue before reaching any potential conclusions.

We urge you to join us in this important endeavor by reading this Concept Paper so that you can prepare and provide your feedback and insights. In the following pages, you will find a brief summary of how we are considering this reassessment of qualification criteria, followed by points to consider as you prepare your feedback, a high-level explanation of the *Criteria's* experience requirements (and their history), and a series of questions we would like you to reflect on.

Your participation at this early stage is essential, and we sincerely appreciate any feedback you choose to share with us as we explore this topic.

Lastly, a Note on Terminology: *As we embark on this discussion, we want to clarify a shift in how we're framing this concept. In previous communications, we referred to this idea as "alternative experience." After refining our approach for this Concept Paper, we've renamed it "additional experience" to better reflect its purpose: expanding the types of experience that can count toward the Criteria's requirements, in addition to what is currently allowed. This isn't a wholly new concept—it builds on past conversations with you, our stakeholders, and we're eager to hear your thoughts on this evolution.*

If you have any questions, please contact the Board at AQB@appraisalfoundation.org.

Jerry Yurek
Chair, Appraiser Qualifications Board

Join the Conversation

The Appraisal Qualifications Board (AQB) will host a Public Meeting to discuss current projects on April 10, 2025 from 1:00 pm - 2:30 pm ET. The Board will use this time to discuss current projects as well as discuss the concept paper. Register [here](#) to attend the Public Meeting.

All interested parties are encouraged to comment in writing to the AQB before the deadline of May 9, 2025. Each member of the AQB will thoroughly read and consider all comments.

Send Your Comments by May 9, 2025

To submit your responses to questions and comments, please visit:

<https://www.surveymonkey.com/r/AQBComments>

For ease of processing, we prefer you use the SurveyMonkey for your comments, if you are unable to provide your comments via SurveyMonkey, you may also email

AQB@appraisalfoundation.org.

Reassessing the *Criteria*

Project Overview

In 2023, the Appraiser Qualifications Board (AQB) initiated a comprehensive review of the *Real Property Appraiser Qualification Criteria (Criteria)*. This review aims to ensure that qualification requirements for appraisers remain relevant and reflective of the evolving needs of the profession, advancements in technology, and shifts in the regulatory landscape. The goal is to align with the expectations of stakeholders and the public regarding the qualifications of newly credentialed appraisers.

To guide this effort, the AQB developed a phased work plan with clear milestones, designed to ensure meaningful progress while allowing flexibility in outcomes.

The project is structured around three main phases:

- **Phase One:** Reassessing the role of college degree requirements and related qualifications within the *Criteria*.
- **Phase Two:** Exploring the potential of allowing additional experience, such as experience from related professions, as a pathway to meet qualifications within the *Criteria*.
- **Phase Three:** Evaluating the structure and requirements of the National Exams for appraiser credentials.

Additional Note Clarifying "Additional Experience": Throughout this reassessment, you may notice we've shifted terminology from "alternative experience," used in earlier discussions, to "**additional experience**." This change reflects our intent to broaden the scope of qualifying experience beyond the current *Criteria*, adding new pathways while preserving existing standards. This concept has been part of our ongoing dialogue with stakeholders, and this paper represents the next step in refining how we define and integrate it.

Phase One: College Requirements

Phase One focused on revisiting the necessity and relevance of college degree requirements. Stakeholders expressed concerns and advocated for their removal, prompting the AQB to carefully examine the issue. The AQB concluded there is a valid reason to consider eliminating college-related requirements; however, determining whether this is the correct course of action requires further study.

To advance this exploration, the AQB is preparing to conduct an Occupational Analysis—a systematic process to collect and analyze data about the duties, skills, and qualifications needed for the appraisal profession. This analysis will provide a comprehensive understanding of the competencies required for various appraiser roles and will inform any potential changes to the *Criteria*. Appraisers and stakeholders should anticipate the release of this survey in early spring.

Phase Two: Additional Experience

With Phase One complete and the occupational analysis underway, the AQB has now turned its focus to Phase Two: exploring the concept of additional experience as part of the qualification process. Currently, all qualifying experience must come from USPAP-compliant appraisal reports. Some stakeholders have suggested that relevant experience from other professions, such as real estate, construction, or finance could potentially serve as an additional experience to meet certain requirements.

This phase will examine the viability of integrating additional experience into the *Criteria*, assessing its potential to complement the existing pathways to credentialing. As with Phase One, the AQB's exploration of this topic is not intended to pre-determine outcomes. Instead, this Concept Paper is an invitation for stakeholders to engage in discussion, provide feedback, and share perspectives. Any consideration of changes to the *Criteria*, including the potential for additional experience will be guided by a commitment to maintaining public trust, upholding rigorous standards, and ensuring that any new pathway remains substantive and meaningful.

An Open and Collaborative Approach

The AQB remains committed to transparency and public engagement throughout this project. Stakeholder input is crucial at every stage, and the AQB will continue to issue discussion drafts, host listening sessions, and solicit diverse viewpoints.

Note that the AQB's overall goal of this reassessment project is to explore:

Whether the *Real Property Appraiser Qualification Criteria* includes only essential qualification requirements.

Concept Paper – Additional Experience Options: Should They Have a Place in Appraiser Qualifications?

At the conclusion of this project, the AQB will be able to conclude if any adjustments to the *Criteria* are necessary, and if they are, they will have relevant research and logic to back up proposed changes.

Exploring Additional Experience Pathways

A note on "additional experience": As we explore this topic, we've updated our terminology from "**alternative experience**," used in past discussions, to "**additional experience**." This shift emphasizes that we're proposing to expand the types of experience that can satisfy the *Criteria*'s requirements, supplementing rather than replacing current pathways. This builds on ideas we've previously shared, now clarified through this paper's framework.

Over the years, the question of whether additional ways to meet experience requirements should be considered has come up repeatedly. This concept, referred to as "additional experience," represents a form of experience that differs from how the Appraiser Qualifications Board (AQB) currently defines it in the *Criteria*. Specifically, it refers to experience that could be recognized toward meeting qualification requirements, even though it does not align with the current pathways to qualified experience.

The AQB has traditionally defined experience based on demonstrating the ability to competently complete the appraisal process, ensuring that individuals possess the foundational skills, knowledge, and competencies necessary to promote professionalism and public trust in the valuation profession. As currently outlined in the *Criteria*, experience must meet the following standards:

- **Timing:** All experience must be obtained after January 30, 1989.
- **USPAP Compliance:** The work must comply with the Uniform Standards of Professional Appraisal Practice (USPAP).
- **Scope of Work:** Experience must involve appraisal work conforming to Standards 1, 2, 3, 4, 5, and/or 6, where the appraiser demonstrates proficiency in appraisal principles, methodology, procedures (development), and reporting conclusions.

These requirements create a clear and rigorous framework for gaining experience, ensuring appraisers develop critical skills and abilities. However, this structure has traditionally limited experience to work directly tied to completing appraisals. This approach overlooks the possibility that foundational knowledge and skills—separate from qualifying education—can also be gained through related professional activities outside direct appraisal work. For example, activities such as real estate sales, property data analysis, or market research may contribute to a broader understanding of valuation concepts. While these experiences do not replace qualifying education or direct appraisal experience, they could offer a structured way to develop relevant

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competencies that support an individual's readiness to complete USPAP-compliant appraisal work. As such, the role of foundational knowledge in appraiser qualifications merits further exploration.

Recent advancements, such as Practical Applications of Real Estate Appraisal (PAREA) and adjustments to practicum experience pathways, reflect the AQB's commitment to exploring innovative ways to meet experience requirements while maintaining rigorous standards. These initiatives have demonstrated new possibilities for how experience can be recorded, evaluated, and assessed.

Currently, for trainees, a requirement across all experience pathways—Supervisor-Trainee, PAREA, and Practicum—is that each includes oversight by a qualified appraiser. This ensures when appraisers-in-training are completing appraisal related work and assignments, they are developing their skills under the guidance of a credentialed professional. Any additional experience model would represent a fundamental departure from this structure, as it would not necessarily (though it might) involve direct supervision. This distinction is critical in evaluating whether such a pathway could maintain public trust and ensure competency.

Therefore, building on these insights, the AQB has identified two potential approaches for additional experience that could merit inclusion in the *Criteria*: "Foundational Knowledge" and "Establishing Equivalency Between Standards."

While this topic has been explored in the past, trial and error, feedback, and a deeper understanding of what USPAP-compliant experience entails have provided fresh perspectives. These insights suggest that additional experience could be approached in a way that enhances public trust, aligns with rigorous standards, and ensures it is a meaningful and substantive pathway.

Your Input Is Needed!

To fully explore the viability of additional experience, we invite you to provide input on several key questions outlined on the next page. These questions are designed to help evaluate how such pathways might fit into the *Criteria*.

For additional context or clarification on the key issues to consider as you prepare your feedback, please refer to the appendices, which contain important, detailed proposals and information.

Questions for You

Questions on Additional Experience

1. Value of Additional Experience

- Should all qualifying experience for appraiser credentials be limited to completing USPAP-compliant appraisal reports, or should certain types of appraisal-related or non-appraisal-specific experience also be considered?
 1. If you believe certain appraisal-practice related experience—such as developing a scope of work, conducting market analysis, performing highest and best use studies, inspection (physical or visual) or researching depreciation—should count, even if it does not result in a final appraisal report or is not part of an appraisal or appraisal review assignment, please explain why and what safeguards should apply.
 2. If you believe that relevant experience from outside the appraisal profession—such as market analysis performed by real estate brokers, site selection by engineers or urban planners, or other valuation-related work—should count toward qualifications, please explain your rationale and what types of experience should be considered.
 3. If you believe that only direct USPAP-compliant appraisal work should qualify, explain why.

2. Safeguards and Risks

- What safeguards should be in place to ensure any additional experience enhances preparation for appraisal work without lowering standards?

3. Balancing Standards and Flexibility

- What are the key benefits or risks of allowing additional experience to count toward qualification?

Questions on “Foundational Knowledge” and “Standards Equivalency” Concepts

4. Viability of “Foundational Knowledge”

- Do you see the “Foundational Knowledge” option included in the appendices of this concept paper as viable? If so, what changes or safeguards would you suggest?
- Do you see the “Standards Equivalency” option included in the appendices of this concept paper as viable? If so, what changes or safeguards would you suggest?

5. Practical Considerations

- How might incorporating “Foundational Knowledge” or “Standards Equivalency” supplemental experience impact the pathway to becoming an appraiser, both positively and negatively?
- What portion of the total required experience hours (e.g., a percentage or specific number of hours) do you think should be allowed to count as ‘Foundational Knowledge’ experience, and why? Please explain your reasoning, considering how this balance might affect competency, public trust, and accessibility to the appraisal profession.

Final, General Question

6. Experience Hours

- Do you consider the total number of experience hours required for any (or all) of the credential levels to be too many or too few? If yes, why and what rationale do you have for increasing or decreasing the required number of experience hours? If no, please provide your rationale.

Send Your Comments by May 9, 2025

To submit your responses to question and comments, please click on this Survey Monkey link: <https://www.surveymonkey.com/r/AQBComments>

While for ease of processing, we prefer you use the SurveyMonkey for your comments, if you are unable to provide your comments via SurveyMonkey, you may also email AQB@appraisalfoundation.org.

APPENDIX A

Understanding Experience Requirements in the *Criteria*: History, Framework, and Rationale

Historical Context: Why USPAP Compliance Is the Cornerstone

Before the Uniform Standards of Professional Appraisal Practice (USPAP) were implemented in 1989, the appraisal profession lacked a unified set of standards. Different organizations and states followed varying guidelines, leading to inconsistencies in appraisal practice. This created significant risks for financial institutions, property owners, and public trust. The Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) of 1989 brought USPAP into federal law, mandating compliance for appraisers involved in federally related transactions.

The implementation of USPAP established a single, national standard for appraisal practice. This ensured that appraisers across the country followed consistent ethical, procedural, and technical guidelines. To meet the public trust mandate, appraisers must not only learn USPAP in theory through qualifying education and exams but also demonstrate the ability to apply USPAP in practice by completing compliant appraisal assignments. This principle has guided the design of the experience requirements in the Real Property Appraiser Qualification Criteria (*Criteria*) ever since.

What Defines Appraisal Experience?

Appraisal experience, as defined in the *Criteria*, is much more than the completion of tasks. It encompasses engagement in the full appraisal process, which includes:

1. **Analyzing factors that affect value.**
2. **Defining the problem and determining the scope of work.**
3. **Gathering and analyzing data.**
4. **Applying appropriate methods and techniques.**
5. **Arriving at an opinion of value.**
6. **Reporting results in compliance with USPAP.**

This comprehensive approach ensures that appraisers develop a deep, practical understanding of the entire process, preparing them for real-world scenarios and fostering confidence in their ability to perform independently.

The Importance of Verification and Oversight

Early Challenges and Lessons Learned

Initially, experience verification was minimal. Appraisers would submit logs of completed assignments, and states often relied solely on attestations without reviewing specific work. Over time, it became clear this approach lacked sufficient oversight, leading to abuse and inconsistencies. For example, some trainees gained credit for work that was never properly completed or USPAP-compliant.

In response, the AQB and state regulatory bodies introduced stricter verification measures, balancing the need for accountability with practicality. These measures ensure that appraisers can demonstrate proficiency without overwhelming state resources.

Current Verification Mechanisms

1. **Logs:** Trainees must maintain detailed logs that document their work, including the type of property, date of the report, address, description of work performed, and hours spent on the assignment. These logs are essential for tracking the trainee's progression.
2. **Sampling Reports:** Rather than reviewing every assignment, states typically select a sample (e.g., three reports) for detailed review. This ensures the trainee's work reflects USPAP compliance and competency while minimizing administrative burden.
3. **Supervisor Oversight:** Supervisors play a critical role in ensuring trainees complete USPAP-compliant assignments. Supervisors must sign off on logs confirming the trainee's work, adding an additional layer of accountability.

Pathways to Gaining Experience

There are currently three primary pathways for appraisers to gain the required experience:

1. **Supervisor-Trainee Model:**
 - Trainees work under the direct supervision of a qualified appraiser.
 - All appraisal reports completed during this time are for actual clients and subject to real-world scrutiny.
 - Supervisors ensure reports meet USPAP standards before submission to clients.

2. PAREA (Practical Applications of Real Estate Appraisal):

- PAREA offers a controlled, simulated environment where trainees complete at least three USPAP-compliant appraisal reports.
- The program is pre-approved by the AQB, ensuring consistency and oversight.
- Participants learn in structured modules, mastering each component of the appraisal process before moving to the next.

3. Practicum Courses:

- Practicum courses combine classroom learning with supervised practical experience.
- These courses must also result in USPAP-compliant reports, verified by qualified supervisors.

Balancing Accountability with Practicality

A key challenge in designing and enforcing experience requirements is finding the right balance between accountability and practicality:

- **State Resources:** States have limited staff and must balance experience verification with practical constraints. The Supervisor-Trainee Model is the most time-consuming, requiring logs and report reviews by regulators. PAREA, by contrast, has a minimal regulatory burden, as completion is verified through a certificate of completion (unless a state imposes additional requirements).

Any supplemental experience must not be more burdensome than any of the current methods to remain feasible for state regulators.

- **Enforcement Mechanisms:** By requiring supervisors and programs like PAREA and practicum courses to confirm USPAP compliance, the system creates multiple layers of accountability without adding excessive bureaucracy.
- **Legal and Compliance Requirements:** Federal law mandates and clients often require USPAP compliance for appraisers. This legal framework underpins the *Criteria* and ensures public trust in the appraisal profession.

Risks of Additional Experience Models

Proposals to allow non-USPAP-compliant experience (e.g., work in related fields like real estate or property management) must address significant risks:

- **Public Trust:** Deviating from USPAP compliance undermines the profession's credibility and consistency.
- **Competency:** Appraisers who lack USPAP-compliant experience may not fully understand the ethical, procedural, and technical standards required in their work.
- **Regulatory Oversight:** States would face greater challenges in verifying nontraditional experience, increasing the risk of inconsistencies and abuse.

For any additional experience pathway to be viable, it must reinforce public trust, adhere to rigorous standards, and provide a meaningful and substantive route.

Why USPAP Compliance Matters

Experience requirements are not just about logging hours; they are about ensuring appraisers can apply USPAP in real-world scenarios. This involves rigorous verification, supervision, and documentation processes designed to uphold the profession's integrity and maintain public trust. Any proposed changes to these requirements must carefully consider their impact on legal obligations, state resources, and the profession's core mission.

The current system, while not without challenges, reflects decades of lessons learned. It is designed to balance the need for thorough oversight with the practical realities of training and certifying competent appraisers. Ensuring USPAP compliance remains the cornerstone of the *Criteria*, safeguarding the credibility of appraisers and the appraisal process.

Submitting Ideas for Additional Experience

If you are considering submitting an idea for additional experience pathways, it's important to approach the topic thoughtfully and address the key considerations outlined here. Be sure to explain how your proposal would maintain or enhance USPAP compliance, uphold public trust, and ensure appraisers develop the competencies required by federal law. Additionally, consider the practical implications for state regulators, supervisors, and trainees, as well as the mechanisms needed to verify and enforce the experience. In other words, should some additional non-valuation experience satisfy a portion of the experience required to obtain a credential?

While additional ideas are welcome, to be seriously considered, they must be grounded in a clear understanding of the current framework and the reasons it exists. By addressing these elements thoughtfully and constructively, you can contribute meaningfully to the ongoing evolution of the profession while respecting the core principles that have guided it for decades.

APPENDIX B

The Exploration of the Concept and Details of Experience Over Time

As outlined above, appraisal experience is defined and judged through a structured process, with layers of oversight to ensure credibility and USPAP compliance. Over time, the system has evolved to address inadequacies and gaps, leading us to the current point of considering additional experience models. While additional experiences have been discussed in the past, the lack of feasible solutions prevented significant progress. However, recent developments, particularly with programs like PAREA, have changed the landscape, providing new opportunities for rethinking the approach. Additionally, the practicum allowance was expanded from covering only 50% of the required experience to now allowing 100%, further demonstrating a shift toward structured additions to traditional experience pathways.

One of the most important lessons learned through PAREA's development is the power of structured programs. Unlike the supervisor-trainee model, where experience is shaped by the varying assignments that come up day-to-day, PAREA offers a consistent, comprehensive curriculum. It ensures that all participants are taught the same essential skills and complete a well-defined program, offering a level of standardization previously unavailable.

In addition to PAREA, advancements in education and technology have reshaped what's possible. When discussions about additional experience began years ago, synchronous and asynchronous education were not widely accepted or feasible at the necessary scale. Today, advancements in virtual education platforms, combined with improvements in tools including appraisal software, aerial imagery, and digital measurement technologies, have dramatically expanded the capabilities for remote and virtual training. These changes make it possible for trainees to achieve exceptional levels of training in a virtual or remote environment, engaging with the complete appraisal process in ways that were unimaginable even a decade ago.

Moreover, through PAREA and practicum programs, the industry has gained clarity on the mechanics of documenting and teaching the appraisal process. Policies and practices have been refined, providing a more structured approach to addressing issues including compliance, supervision, and skill mastery. These advancements demonstrate that additional experience models, which once seemed impractical, are now more achievable than ever.

This section isn't intended to dive into every detail of the discussions and research held over the years, rather it highlights the philosophical shift: as methods for gaining experience have expanded and matured, the conversation about additional experience

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is no longer theoretical. It is grounded in real-world solutions that account for the modern tools and training methodologies available today. With programs like PAREA and practicums coming to fruition in the last few years proving that rigorous training and consistency can be achieved outside of the “traditional supervisor-trainee model,” the possibility of exploring broader definitions of experience is more viable than ever before.

APPENDIX C

“Foundational Knowledge” Concept

Explanation

The **Foundational Knowledge** concept would allow a yet to be determined amount of general real estate-related experience to count toward the total appraisal experience requirement. This recognizes that critical skills and insights relevant to appraisal practice can be developed outside of USPAP-compliant assignments, through diverse experiences such as market analysis, compliance reviews, property data collection, and real estate management.

This concept acknowledges the practical reality that appraisal-related knowledge can come from a wide variety of backgrounds. Instead of seeking exact equivalencies or rigid comparisons for every potential qualifying activity, this framework emphasizes flexibility and feasibility. The goal is to create a practical, adaptable requirement that recognizes the value of foundational knowledge without imposing excessive bureaucratic complexity.

The Foundational Knowledge concept addresses the transitional phase between completing qualifying education (QE) and gaining direct appraisal experience. This phase involves developing or refining essential skills—such as understanding forms, data sources, market-specific practices, and analytical tools—that are critical for effectively engaging in the appraisal process. It also acknowledges that some individuals may already enter the profession with this type of knowledge. By offering state regulatory agencies discretion, this approach ensures that training standards are upheld while providing a structured way for trainees to bridge this critical learning period or demonstrate their readiness to fully engage in the appraisal process.

How It Works

1. Premise of Foundational Knowledge:

Foundational Knowledge would be connected to appraisal practice (see the table called “What Might Constitute Foundational Knowledge” later in this document).

Foundational Knowledge refers to the essential skills, concepts, and practical insights that support an individual’s development into a competent appraiser. While qualifying education (QE) provides a theoretical foundation in economic principles, valuation methodologies, and regulatory frameworks, it does not

necessarily expose aspiring appraisers to the practical tools, research techniques, and industry-specific skills they will need in the field.

This type of knowledge can come from both appraisal-related tasks that do not result in a USPAP-compliant appraisal report and broader real estate or analytical experiences that develop relevant competencies. It includes activities such as market trend analysis, property data research, zoning and land use studies, economic data interpretation, and the use of valuation technology. Additionally, it may involve experience from adjacent professions—such as real estate brokerage, construction, property management, or finance—where individuals gain transferable skills in property evaluation, market analysis, or regulatory compliance.

Foundational Knowledge serves as a bridge between theoretical education and hands-on appraisal practice, ensuring that aspiring appraisers build a well-rounded skill set that supports valuation work, even if the experience itself is not gained through USPAP compliant appraisals.

2. Yet-to-be-determined experience hours allowed:

- A certain number of foundational knowledge hours will be allowed as part of the total experience requirement.
- These hours are optional and may be incorporated into different pathways, including pre-trainee work experience, supervised foundational activities under a qualified appraiser, or appraisal practicum programs.

3. Pathways for Gaining Foundational Knowledge Hours:

- **Activities Conducted Under a Qualified Appraiser Supervisor:**
 - Individuals working under a qualified appraiser supervisor may count foundational knowledge hours toward their required total, based on state-approved criteria.
 - States will determine how to allocate hours for qualifying activities, however, the AQB could provide general guidance, so states feel comfortable making these decisions.
 - In other words, working under a supervisor does not mean foundational knowledge credits towards experience is unavailable—trainees can still develop skills such as learning appraisal software, using spreadsheets for data analysis, etc.

- **Activities Conducted Under a Practicum Program with a Qualified Supervisor:**
 - Practicum programs may allocate a yet-to-be-determined number of foundational knowledge hours as part of their structured curriculum, offering lessons or activities designed to build foundational skills.
 - Examples of activities include:
 - Learning property research tools.
 - Understanding market trends.
 - Developing data analysis skills.
- **Activities Conducted Within a PAREA Program with a Qualified Mentor:**
 - Any additional credit of foundational knowledge hours is **not applicable to PAREA programs**, as these programs are already self-contained and provide all required experience through an integrated, comprehensive structure.
- **Learning and Experience Outside of PAREA, Practicum or Supervisory/Trainee Programs:**
 - Foundational knowledge may also be gained through work-based experience outside of structured supervision or mentorship.
 - Examples may include:
 - Gaining experience in real estate data collection, zoning research, or regulatory analysis.
 - Working as a real estate agent over a period of time.
 - Learning to and using appraisal-related technology, mapping tools, or financial modeling software.

4. Possible Examples of Foundational Knowledge may include:

- **Real Estate Knowledge:**
 - Managing rental properties, and leasing.

- Conducting Comparative Market Analyses (CMAs).
- Experience related to property construction, zoning, and land use.
- **Non-Appraisal-Related Work:**
 - Compliance reviews tied to property values or transactions.
 - Market analysis for real estate trends or property performance.
 - Collecting and/or analyzing property data from public records or property data listing services.
 - Measuring properties and documenting physical characteristics.
- **Broader Real Estate Roles:**
 - Work in fields like property insurance, mortgage lending, or title work.
 - Experience in urban planning, economic development, or similar professions.

5. State Flexibility with a Foundational Knowledge List:

- States are required¹ to create a **Foundational Knowledge List** outlining:
 - The specific activities they recognize as counting towards foundational credits.
 - The corresponding yet-to-be-determined number of hours awarded for each activity.
 - A sample list is provided at the end of this section.
- **Why Flexibility Is Critical:**
 - The Foundational Knowledge concept is not about creating an exhaustive or overly prescriptive list of activities.
 - It acknowledges the diversity of experiences that can build foundational appraisal-related knowledge.

¹ The AQB would issue guidance on how to develop this.

- Requiring rigid, one-to-one equivalencies across every activity would create an overly burdensome system for both applicants and regulators. Instead, this concept relies on general reasoning and fairness to ensure states can recognize meaningful contributions without excessive bureaucracy.

6. Integration with Practicum Programs:

- Practicum programs may incorporate appraisal-focused lessons or tasks that support foundational knowledge and are directly tied to the valuation process.
- These lessons are not Qualifying Education courses but serve as practical exercises that build competencies necessary for completing appraisals—such as understanding different data sources, evaluating the strengths and limitations of various research techniques, or learning how to analyze market trends specific to the type of property being appraised.
- The intent is not to introduce unrelated real estate topics, such as standalone courses on property management or real estate sales, but rather to provide deeper practical knowledge that enhances the appraisal process.
- While current practicum models focus on completing full appraisal assignments, this allows for a structured way to introduce foundational knowledge that supports valuation work without departing from the core purpose of the program.

What It Means

By allowing a yet-to-be-determined number of foundational knowledge credits, this concept ensures the majority of required experience hours remain dedicated to USPAP-compliant appraisal work. At the same time, it provides a practical acknowledgment of the wide range of experiences that contribute to developing the skills and insights necessary for appraisal practice.

This approach reflects a balance between rigor and flexibility. By empowering states to define and award these hours, the profession can accommodate diverse backgrounds and training pathways while maintaining high standards. Foundational knowledge recognizes that not all learning occurs within rigid appraisal assignments and offers an opportunity for aspiring appraisers to gain credit for meaningful, real-world experiences.

What Might Constitute Foundational Knowledge

This is a sample list for reference only—it is not a finalized or exhaustive list. It is intended to provide a general idea of the types of activities the AQB may consider as Foundational Knowledge, but no determinations have been made.

Activity	Foundational Knowledge Gained	Connection to Appraisal Practice
Real Estate Transactions	Serving as a real estate agent or broker in client transactions.	Develops understanding of market participants, transaction structures, and factors influencing property value.
Property Management	Full-time property management, including operational oversight, leasing, and maintenance.	Provides insight into property performance, rent trends, and factors affecting income-producing properties.
Market Analysis	Conducting Comparative Market Analyses (CMAs) or evaluating market trends for property valuations.	Enhances ability to analyze market data, determine competitive positioning, and support Highest and Best Use (HBU) analysis.
Data Collection	Collecting property data (e.g., public records, MLS, tax rolls) for analysis.	Builds competency in gathering and verifying property characteristics, ownership history, and market data.
Property Measuring	Measuring properties and documenting physical characteristics for valuation purposes.	Develops accuracy in property descriptions and supports understanding of types of real property improvements and compliance with measurement standards (e.g., ANSI).
Compliance Review	Reviewing real estate compliance documents related to property value or transactions.	Enhances understanding of zoning, land use restrictions, and legal factors influencing valuation.
Construction and Zoning Familiarity	Gaining experience in understanding building plans, zoning regulations, or construction processes.	Improves ability to assess property feasibility, highest and best use, and conformity with market standards.
Driving and Market Observation	Driving neighborhoods or markets to understand trends, property types, or how location impacts value.	Supports site inspections, neighborhood analysis, and external influences affecting marketability.
Software and Tools Training	Learning appraisal-related software (e.g., ACI, Total), GIS, or Excel for valuation tasks.	Builds efficiency in data management, valuation modeling, and report preparation.
Property Research and Analysis	Researching public records, zoning data, or neighborhood analysis to support property evaluations.	Strengthens ability to verify data sources, analyze trends, and support valuation conclusions.
Experience in Adjacent Professions	Work in adjacent fields like property insurance, mortgage lending, title work, or urban planning.	Provides exposure to risk assessment, underwriting considerations, and regulatory influences on real estate.
Supervised Foundational Tasks	Tasks under an appraiser supervisor (e.g., learning software, discussing valuation concepts, reviewing data).	Reinforces key skills such as market research, valuation methodologies, and appraisal reporting.

Concept Paper – Additional Experience Options: Should They Have a Place in Appraiser Qualifications?

APPENDIX D

“Standards Equivalency” Concept

Introduction

The Standards Equivalency proposal is designed to address situations where appraisers have gained substantial experience under standards other than USPAP (Uniform Standards of Professional Appraisal Practice), such as the International Valuation Standards (IVS). This concept acknowledges the global nature of the appraisal profession and the potential for highly qualified professionals from other countries or sectors to bring valuable expertise to the U.S. appraisal field.

While USPAP compliance is the core standard for appraisal practice in the U.S., establishing equivalency between other standards like IVS and USPAP offers a pathway for experienced appraisers to demonstrate their competency without requiring redundant experience. This proposal ensures that any transition to USPAP standards maintains the rigor and integrity of the profession.

Why Consider Standards Equivalency?

Understanding USPAP Compliance:

USPAP compliance involves more than simply adhering to general appraisal standards. It requires:

- A clear enforcement mechanism to evaluate compliance.
- Consistent judgment of reports against an established standard.
- Training for those who evaluate the reports to ensure consistent application of the standard.

Without these mechanisms, experience under non-USPAP standards cannot easily be judged or verified.

International Context:

Feedback has highlighted the challenge for experienced international appraisers who have worked under IVS or similar standards. These professionals often have substantial formal education and practical experience but have not practiced within the USPAP framework.

IVS and USPAP share many similarities, and the Appraisal Foundation has issued the USPAP to IVS Equivalency Document, which explains how the two standards correlate. Concept Paper – Additional Experience Options: Should They Have a Place in Appraiser Qualifications?

This document demonstrates that transitioning from IVS to USPAP is feasible without significant conceptual gaps.

A Practical Approach:

The proposed program recognizes the practical reality that states may lack the resources to fully train their staff in IVS standards.

Instead, it creates a structured process for applicants to demonstrate their understanding of USPAP by converting their IVS-compliant reports into USPAP-compliant ones.

Program Details

Eligibility:

- Applicants must provide evidence of completing the required hours of appraisal work under IVS or another AQB-approved standard.
- The log of appraisal hours must clearly document the scope and nature of the work performed.

Report Conversion Process:

- The applicant will be required to convert three randomly selected IVS-compliant appraisal reports into USPAP-compliant appraisal reports.
- The converted reports must:
 - Identify the state as the client (a non-traditional client scenario).
 - Reflect the USPAP standards and requirements for appraisal development and reporting.

Credit for Experience Hours:

- As a starting point for discussion, experience hours completed under IVS or another AQB-approved standard may be credited on an hour-per-hour basis toward the total required experience hours, provided the applicant successfully converts selected reports to USPAP compliance for review and approval or rejection by the state regulatory agency. This approach recognizes the value of prior appraisal experience while ensuring alignment with USPAP standards through the conversion process.

State Review:

- The state regulatory agency will review:
 - The original IVS-compliant reports.
 - The USPAP-compliant reports.
 - The applicant's written explanations.
- This review ensures that applicants not only understand the differences between the two standards but can also apply that understanding in practice.

Written Explanation:

- The applicant must submit a written explanation for each converted report detailing:
 - The differences between the original IVS report and the USPAP-compliant report.
 - The specific changes made to align the report with USPAP requirements.

Approval of Equivalency Standards:

- The Appraiser Qualifications Board (AQB) must approve any equivalency between USPAP and another standard (e.g., IVS).
- The AQB's review process will:
 - Evaluate the equivalency document to ensure compatibility between the two standards.
 - Require a formal proposal and review fee to assess the viability of establishing equivalency between the standards.

Equivalency Document Development:

- Currently, the USPAP to IVS Equivalency Document provides the foundation for this process.
- Future equivalency documents may be developed and approved by the AQB as needed.

Benefits of the Proposal**Supports Global Competency:**

- This proposal allows qualified professionals with international experience to transition into the U.S. system without unnecessary duplication of work.

Concept Paper – Additional Experience Options: Should They Have a Place in Appraiser Qualifications?

Maintains Rigor:

- The conversion process ensures that all appraisers practicing in the U.S. understand and can apply USPAP standards.

Flexibility for States:

- States retain the ability to implement this program based on their regulatory needs and capacity.

Resource-Efficient:

- By requiring applicants to perform the conversion and provide detailed explanations, states can leverage the applicant's expertise rather than bear the full burden of training staff on IVS standards.

Implementation Considerations**Training for State Reviewers:**

- States may need minimal training to familiarize reviewers with IVS standards and equivalency documents.

Applicant Fees:

- Applicants may be required to pay a processing fee to cover the cost of report reviews and evaluations.

Timeline for AQB Approvals:

- The AQB will establish a process and timeline for reviewing and approving additional equivalency documents.