

PUBLIC MEETING OF THE NEBRASKA REAL PROPERTY APPRAISER BOARD
Thursday, April 20, 2023, 9:00 a.m.
Nebraska Real Property Appraiser Board Office, First Floor, Nebraska State Office Building
301 Centennial Mall South, Lincoln, Nebraska

AGENDA

A. Opening 9:00 a.m.

B. Notice of Meeting (Adopt Agenda)

The Nebraska Real Property Appraiser Board will meet in executive session for the purpose of reviewing applicants for credentialing; applicants for appraisal management company registration; investigations; pending litigation, or litigation that is imminent as evidenced by communication of a claim or threat of litigation; and employee performance evaluation. The Board will exit executive session at 10:15 a.m. If needed, the Board will re-enter executive session at the conclusion of the public agenda items discussion to complete review of the above-mentioned items. The Board will not take action on agenda items C, D, E, and F until executive session is completed.

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a. CR23002	
b. CR23003	
3. Pending Applications	
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c. CG22024R	
D. Registration as an Appraisal Management Company	
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1. New Grievances	
a. 23-01	
2. Active Investigations	
a. 23-02	
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1. 2023.05	
2. 2023.06	
3. Personnel Matters	
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H. Board Meeting Minutes	
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N. New Business	
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O. Legislative Report and Business	
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- 2. Conferences/Education
- 3. Memos from the Board
- 4. Quarterly Newsletter
 - a. Spring 2023 Edition of The Nebraska Appraiser 1-7
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 - c. ASC Public Hearing Related to the Topic of Appraisal Bias: May 19, 2023 10
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- 6. The Appraisal Foundation
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- 7. Association of Appraiser Regulatory Officials
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R. Adjourn

**NEBRASKA REAL PROPERTY APPRAISER BOARD
NRPAB OFFICE MEETING ROOM, FIRST FLOOR
NEBRASKA STATE OFFICE BUILDING
301 CENTENNIAL MALL SOUTH, LINCOLN, NE**

March 16, 2023 Meeting Minutes

A. OPENING

Chairperson Wade Walkenhorst called to order the March 16, 2023 meeting of the Nebraska Real Property Appraiser Board at 9:00 a.m. by virtual conferencing in the Nebraska Real Property Appraiser Board meeting room located on the first floor of the Nebraska State Office Building, 301 Centennial Mall South, Lincoln, Nebraska.

B. NOTICE OF MEETING

Chairperson Walkenhorst announced the notice of the meeting was duly given, posted, published, and tendered in compliance with the Open Meetings Act, and all board members received notice simultaneously by email. Publication of official notice of the meeting appeared on the State of Nebraska Public Calendar found at www.nebraska.gov on March 8, 2023. The agenda was kept current in the Nebraska Real Property Appraiser Board office and on the Board's website. In accordance with the Open Meetings Act, at least one copy of all reproducible written material for this meeting, either in paper or electronic form, was available for examination and copying by members of the public. The material in paper form was available on the table in a public folder, and the material in electronic form was available on the Board's website in Public Meeting Material (https://appraiser.ne.gov/board_meetings/). A copy of the Open Meetings Act was available for the duration of the meeting. For the record, Board Members Wade Walkenhorst, of Lincoln, Nebraska, Bonnie Downing of Dunning, Nebraska, Cody Gerdes of Lincoln, Nebraska, and Kevin Hermsen of Gretna, Nebraska were present. Thomas Luhrs of Imperial, Nebraska was absent and excused. Also present were Director Tyler Kohtz, Business and Licensing Program Manager Allison Nespore, and Business and Education Program Manager Kashinda Sims, who are headquartered in Lincoln, Nebraska.

ADOPTION OF THE AGENDA

Chairperson Walkenhorst reminded those present for the meeting that the agenda cannot be altered 24 hours prior to the meeting except for emergency items according to the Open Meetings Act. Board Member Downing moved to adopt the agenda as printed. Board Member Gerdes seconded the motion. With no further discussion, the motion carried with Downing, Gerdes, Hermsen, and Walkenhorst voting aye.

Board Member Downing moved that the Board go into executive session for the purpose of reviewing applicants for credentialing; applicants for appraisal management company registration; investigations; pending litigation, or litigation which is imminent as evidenced by communication of a claim or threat of litigation; and employee performance evaluation. A closed session is clearly necessary to prevent needless injury to the reputation of those involved. Board Member Gerdes seconded the motion. The time on the meeting clock was 9:03 a.m. The motion carried with Downing, Gerdes, Hermsen, and Walkenhorst voting aye.

Board Member Downing moved to come out of executive session at 9:30 a.m. Board Member Hermsen seconded the motion. The motion carried with Downing, Gerdes, Hermsen, and Walkenhorst voting aye.

G. WELCOME AND CHAIR'S REMARKS

Chairperson Walkenhorst welcomed all to the March 16, 2023 meeting of the Nebraska Real Property Appraiser Board and thanked everyone for attending. The Chairperson welcomed Policy Managers Jenny Tidwell and Maria Brown from the Appraisal Subcommittee. Chairperson Walkenhorst also welcomed Roger Morrissey and Rachel Faulkner, who were attending via virtual conferencing. There were no other members of the public present.

H. BOARD MEETING MINUTES

1. APPROVAL OF FEBRUARY 16, 2023 MEETING MINUTES

Chairperson Walkenhorst asked for any additions or corrections to the February 16, 2023 meeting minutes. With no discussion, Chairperson Walkenhorst called for a motion. Board Member Downing moved to approve the February 16, 2023 meeting minutes as presented. Board Member Gerdes seconded the motion. Chairperson Walkenhorst recognized the motion and asked for any discussion. With no discussion, Chairperson Walkenhorst called for a vote. The motion carried with Downing, Gerdes, Hermsen, and Walkenhorst voting aye.

I. DIRECTORS REPORT

1. REAL PROPERTY APPRAISER AND AMC COUNTS AND TRENDS

a. Real Property Appraiser Report

Director Kohtz presented seven charts outlining the number of real property appraisers as of March 16, 2023 to the Board for review. The Director indicated that all trends remain the same and asked for any questions or comments. There was no discussion.

b. Temporary Real Property Appraiser Report

Director Kohtz presented three charts outlining the number of temporary credentials issued as of February 28, 2023 to the Board for Review. The Director indicated that the trends remain the same and asked for any questions or comments. There was no discussion.

c. Supervisory Real Property Appraiser Report

Director Kohtz presented two charts outlining the number of supervisory real property appraisers as of March 16, 2023 to the Board for review. The Director indicated that he had no specific comments on this report and asked for any questions or comments. There was no discussion.

d. Appraisal Management Company Report

Director Kohtz presented two charts outlining the number of AMCs as of March 16, 2023 to the Board for review. The Director reported that the trends remain the same and asked for any questions or comments. There was no discussion.

2. DIRECTOR APPROVAL OF APPLICANTS

a. Real Property Appraisal Report

Director Kohtz presented the Real Property Appraiser Report to the Board for review showing real property appraiser applicants approved for credentialing by the Director for the period between February 8, 2023 and March 7, 2023. No real property appraiser applicants were approved by the Director to sit for examination during this period. Director Kohtz asked for any questions or comments. There was no further discussion.

b. Appraisal Management Company Report

Director Kohtz presented the Appraisal Management Company Report to the Board for review showing appraisal management company applicants approved for registration by the Director for the period between February 8, 2023 and March 7, 2023. The Director asked for any questions or comments. There was no further discussion.

c. Education Activity and Instructor(s) Report

Director Kohtz presented the Education Activity and Instructor(s) Report to the Board for review showing education activities and instructors approved by the Director for the period between February 8, 2023 and March 7, 2023. The Director asked for any questions or comments. There was no further discussion.

3. 2022-23 NRPAB GOALS AND OBJECTIVES + SWOT ANALYSIS

Director Kohtz presented the 2022-23 NRPAB Goals and Objectives and SWOT Analysis to the Board for Review and provided a status update. The Director brought attention to the Public Information and reported that the goal to explore adding disciplinary action orders/consent agreements to the Appraiser Listing search as a PDF attachment was in progress. Director Kohtz added that the details regarding the Board's considerations and estimates were to be discussed under New Business on the agenda. The Board was then guided to the Administration section, and informed that the goal to complete the online AMC renewal application and to upgrade the AMC interface in the NRPAB Database was resumed mid-January and is moving along quickly. The Director asked for any questions or comments. There was no further discussion.

J. FINANCIAL REPORT AND CONSIDERATIONS

1. APPROVAL OF FEBRUARY RECEIPTS AND EXPENDITURES

The receipts and expenditures for February were presented to the Board for review in the Budget Status Report. Director Kohtz brought attention to the Publication & Print Expense of \$619.34, which includes the quarterly copy services expense for October through December 2022. The Director then moved on to the Dues & Subscription Expense of \$600.00 and reported that this expenditure is payment of the Board's AARO membership for 2023. Director Kohtz indicated that the expenditures for the month of February totaled \$26,077.96, and the year-to-date expenditures for the fiscal year are \$250,899.69, which amounts to 52.23 percent of the fiscal year; 66.58 percent of the fiscal year has passed.

The Director next turned the Board's attention to revenues. Director Kohtz informed the Board that revenues for the month of February were \$8,575.84, and that the year-to-date revenues for the fiscal year are \$331,308.65, which amounts to 78.02 percent of the projected revenues for the fiscal year. The Director asked for any questions or comments. There was no further discussion.

Director Kohtz then brought attention to the MTD General Ledger for February and reported that he had no specific comments. The Director asked for any questions or comments. There was no further discussion.

Director Kohtz presented four graphs showing expenses, revenues, and cash balances. The Director once again pointed out the expenditures and revenues for the month of February for the Real Property Appraiser Program, which includes both the Appraiser Fund and the AMC Fund. Director Kohtz then reported that the Real Property Appraiser Fund revenues for the month of February totaled \$6,384.71, the Real Property Appraiser Fund expenses totaled \$15,728.39, the AMC fund revenues totaled \$2,191.13, and the AMC fund expenses totaled \$10,349.57. The Director remarked that the cash balance for the AMC fund is \$338,218.95, the Appraiser Fund is \$461,381.49, and the overall cash balance for both funds is \$799,600.44. The Director asked for any questions or comments. Chairperson Walkenhorst commented that the Board is doing well fiscally. Director Kohtz agreed. There was no further discussion.

Board Member Downing moved to accept and file the February 2023 financial reports for audit. Board Member Hermsen seconded the motion. With no discussion, Chairperson Walkenhorst asked for a vote. The motion carried with Downing, Gerdes, Hermsen, and Walkenhorst voting aye.

2. PER DIEMS

Director Kohtz informed the Board that he has no per diem requests for this meeting and asked if any board members had a request for the Board to consider. There was no further discussion.

K. GENERAL PUBLIC COMMENTS

Chairperson Walkenhorst asked for any public comments. With no comments, Chairperson Walkenhorst moved on to Consideration of Education/ Instructor Requests.

L. CONSIDERATION OF EDUCATION/INSTRUCTOR REQUESTS

Director Kohtz invited BEPM Sims to provide a summary of the education and instructor matter for consideration by the Board. BEPM Sims presented a Memo to the Board concerning the Application for Approval as a Continuing Education Activity in Nebraska for the ASFMRA activity titled, "Cost Estimating," and reported that student and instructor materials provided with the application may not current and may not reflect current knowledge and practice. BEPM Sims guided the Board through the materials to provide examples. Board Member Downing agreed that much of the reference material is outdated. The Board agreed to hold the activity for thirty days to allow ASFMRA time to update the materials.

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Board Member Downing moved to place this application on hold and request that materials be updated to contain current materials, theory, and methodology within thirty days. Gerdes seconded the motion. Chairperson Walkenhorst recognized the motion and asked for any discussion. With no discussion, Chairperson Walkenhorst called for a vote. The motion carried with Downing, Gerdes, Hermsen, and Walkenhorst voting aye.

M. UNFINISHED BUSINESS

1. OPEN AT-LARGE LICENSED REAL ESTATE BROKER POSITION

Director Kohtz reported that no applications have been received at the Governor's office for the open At-Large Licensed Real Estate Broker position to date. The Director asked for any questions or comments. There was no discussion.

N. NEW BUSINESS

1. APPRAISAL SUBCOMMITTEE COMPLIANCE REVIEW REPORT (TIDWELL AND BROWN APPEARANCE)

Maria Brown and Jenny Tidwell, Policy Managers with the Appraisal Subcommittee, appeared before the Board to give a presentation on their recent review of the Board's programs. Policy Manager Tidwell informed the Board that they spent two days in the office with staff conducting a review of the Board's programs for compliance with Title XI of FIRREA. Before this review takes place, the staff prepares a plethora of information that is provided to the policy managers. This process takes up substantial staff time during the weeks leading up to the review. Tidwell also noted that the Board's staff graciously shared the space available, and consistently and effectively answered any questions that arose.

Policy Manager Tidwell then gave an explanation of what the Appraisal Subcommittee is and its purpose. The ASC is a subcommittee of the Financial Institutions of Examination Council, which is made up of seven federal agencies. The Appraisal Subcommittee oversees the real estate appraisal regulatory framework for federally related transactions. The Appraisal Subcommittee conducts a review of each State's appraiser program and AMC program once every two years for compliance with Title XI. The ASC has twelve policy statements that correspond with appraiser and AMC programs. Policies 1-7 pertain to appraiser programs, policies 8-10 pertain to AMC programs. Each policy statement ends with a list summary of that policy. These policy statements are used to review the information the Board's staff collects for the ASC. Occasionally, if there are issues, in-person visits with a state can be more frequent. Under Title XI, the Appraisal Subcommittee can also award non-competitive grants to states through an application process, and also monitors The Appraisal Foundation, which is a non-profit organization that promulgates the Real Property Appraiser Qualifications Criteria and the Uniform Standards of Professional Appraisal Practice.

Policy Manager Tidwell went on to say that during the previous two days, the policy managers had been reviewing the Board's files and observing staff. Policy Manager Tidwell explained that part of the compliance review is also attending a board meeting. The goal for the compliance review is to obtain and report the most accurate information concerning the appraiser program and AMC program. At the conclusion of the previous compliance review, the Board received a rating of "excellent" for both its appraiser program and AMC program. Policy Manager Tidwell finished by informing the Board that the preliminary report for each program would be provided to the Board during the next couple of weeks. The state will have sixty days to respond. The state's response, if provided, and preliminary report would then be presented to the committee and the findings would become public at that time. Policy Manager Tidwell could not say what the final report would contain this year, but expects that the Board will be pleased.

Policy Manager Tidwell and Policy Manager Brown thanked the Board's staff again for graciously sharing their space with the ASC and also commented on the outstanding organization of, and level of detail included in, the electronic files. Chairperson Walkenhorst thanked Policy Manager Tidwell and Policy Manager Brown for their report, and the staff for their hard work.

Break from 10:07 a.m. to 10:13 a.m.

2. 25090 – ADD DISCIPLINARY HISTORY DOCUMENT TO “NEBRASKA CREDENTIALLED REAL PROPERTY APPRAISERS” AND “NEBRASKA REGISTERED AMCS” TAB

Director Kohtz reminded the Board that during its Short- and Long-Term Goals and Objectives discussion pertaining to the NRPAB Website at its June 15, 2022 strategic planning meeting, the Board discussed the possibility of adding disciplinary actions to the appraiser listing, now the Nebraska Credentialed Real Property Appraisers Search. The Director presented a Memo to the Board discussing the origins of this project, an estimate for the work, and a reference to CIO Azure DevOps User Story 25090. User Story 25090 contains details regarding the concept and functionality for this project. Director Kohtz reported that the estimate for completion of this project is \$4,500.00 with a 10% cost overrun. The Director turned the discussion over to Chairperson Walkenhorst. The Director was asked what documents would be added. Director Kohtz responded that it would be the public documents pertaining to disciplinary action that are already available to the public through public records requests. Director Kohtz added that in the past, staff has spent a lot of time addressing these public records requests; making this information available would save staff time. BLPM Nespor informed the Board that many other states provide this information through their websites, which is convenient when reviewing a real property appraiser applicant's disciplinary history. A question was asked about the length of time that the public documents would be available. The Director indicated that the record would be available for the entire length of the public listing for that real property appraiser. Director Kohtz was asked about the effort needed to populate this field. The Director responded that he does not anticipate a concentrated effort to add these documents, but to slowly add the documents as staff is in the database file for a real property appraiser. Director Kohtz estimated that the field should be fully populated within two years.

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Chairperson Walkenhorst commented that if it saves staff time, it is money well-spent. The other board members agreed with Chairperson Walkenhorst's comment. Board Member Downing moved to approve the amount of \$4,500.00 for the development and implementation of the project as presented in User Story 25090 to add disciplinary history documents to the "Nebraska Credentialed Real Property Appraisers" search tab and "Nebraska Registered AMCs" search tab on the NRPAB website. Gerdes seconded the motion. Chairperson Walkenhorst recognized the motion and asked for any discussion. With no discussion, Chairperson Walkenhorst asked for a vote. The motion carried with Downing, Gerdes, Hermsen, and Walkenhorst voting aye.

O. LEGISLATIVE REPORT AND BUSINESS

1. 108th LEGISLATURE (1ST REGULAR SESSION) BILLS OF NRPAB INTEREST

Director Kohtz presented the third legislative report of the current session to the Board for review. The following bills were discussed:

LB16 – The Director reported that this bill was placed on General File with AM748, which includes the Board's exemption to this bill. There was no further discussion.

LB41 – This bill has been placed on General File. There was no further discussion.

LB214 – The Director reported that this bill has been placed on General File with AM398. Amendment 398 contains the provisions of LB214 as amended by AM81 and also the provisions of two other bills, LB669 and LB674, that were heard by the Banking, Commerce and Insurance Committee and each made a part of the committee amendments on an 8-0 vote. There was no further discussion.

LB279 – The Director reported that on February 23, 2023 an Enrollment and Review amendment was filed on Select File. There was no further discussion.

LB302 – The Director reported that this bill has been placed on General File with AM503. The Amendment filed strikes "person holding elective office" and inserts "public official," strikes "city, village, or school district" and inserts "political subdivision," and strikes "person holding elective," and inserts "public official holding." There was no further discussion.

LB461 – The Director reported that this bill has been placed on General File with AM389. Amendment 389 inserts "Nebraska state colleges," strikes obsolete date references, and strikes language regarding preferential contracts under Neb. Rev. Stat. § 73-101.01. There was no further discussion.

LB628 – The Director reported that Enrollment and Review amendment ER8 was filed on Select File. There was no further discussion.

LB637 – The Director reported that the hearing before the Government, Military and Veterans Affairs Committee took place on February 24, 2023 and two amendments were filed for LB637. AM616 amends LB637 to not allow a public body to limit public participation in any meeting at which citizens are allowed to speak. AM617 amends LB637 to relieve the public body if a member or members are found or declared to be too tired to hear citizen testimony. The Director opined that these amendments are not likely to be adopted. There was no further discussion.

LB669 – The Director reported that the provisions for LB669 were amended into AM398 filed under LB 214. There was no further discussion.

LB814 – The Director reported that this bill has been placed on General File. There was no further discussion.

2. Title 298

Director Kohtz reported that he has no update concerned the revisions to Title 298 adopted by the Board after the November 17, 2022 hearing. The Director informed the Board that he checks in with AAG Schultz once a week and is told that the regulations are under review.

3. OTHER LEGISLATIVE MATTERS: No discussion.

P. ADMINISTRATIVE BUSINESS

1. GUIDANCE DOCUMENTS: No discussion.

2. INTERNAL PROCEDURAL DOCUMENTS: No discussion.

3. FORMS, APPLICATIONS, AND PROCEDURES

Director Kohtz presented the Application for Nebraska Appraisal Management Company Registration, Application for Renewal of Nebraska Appraisal Management Registration, Federally Regulated Appraisal Management Company Nebraska Reporting Form, and the Nebraska Appraisal Management Company Information Change Form to the Board for consideration. The Director informed the Board that during the ASC's compliance review, Policy Manager Tidwell and Policy Manager Brown brought attention to a few concerns found in the above-mentioned forms. According to the policy managers, it is unclear that the "Single State" AMC type specifically means that the AMC oversees a panel of 16 or more real property appraisers in Nebraska. In addition, it was recommended that the language, "AMC oversees a panel of 25 or more real property appraisers in two or more states within a given year that have been recruited, selected and retained to perform appraisals in connection with a covered transaction" be added to the "Multi-State" AMC type to ensure that the intent of the AMC Rule is met. The requested changes were made to the above-mentioned forms. Since AMC Appraiser is a defined term in the Appraisal Management Company Registration Act, this definition was used in the added language, and the definition language was added to the forms under the "Additional Information" or "Notes" section where appropriate. The Director asked for any questions, comments, or amendments.

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Board Member Downing moved to approve the Application for Nebraska Appraisal Management Company Registration, Application for Renewal of Nebraska Appraisal Management Registration, Federally Regulated Appraisal Management Company Nebraska Reporting Form, and the Nebraska Appraisal Management Company Information Change Form as presented. Board Member Gerdes seconded the motion. Chairperson Walkenhorst recognized the motion and asked for any discussion. With no discussion, Chairperson Walkenhorst asked for a vote. The motion carried with Downing, Gerdes, Hermsen, and Walkenhorst voting aye.

Q. OTHER BUSINESS

- 1. BOARD MEETINGS:** No discussion.
- 2. CONFERENCES/ EDUCATION:** No discussion.
- 3. MEMOS FROM THE BOARD:** No discussion.

4. QUARTERLY NEWSLETTER

a. Winter 2023 Edition of the Nebraska Appraiser

Director Kohtz presented the Winter 2023 Edition of The Nebraska Appraiser to the Board for consideration. The Director asked for any questions or comments. With no discussion, Chairperson Walkenhorst asked for a motion. Board Member Downing moved to approve the Winter 2023 Edition of The Nebraska Appraiser as presented. Board Member Hermsen seconded the motion. Chairperson Walkenhorst recognized the motion and asked for any discussion. With no discussion, Chairperson Walkenhorst asked for a vote. The motion carried with Downing, Gerdes, Hermsen, and Walkenhorst voting aye.

5. APPRAISAL SUBCOMMITTEE

a. ASC September 14, 2022 Meeting Minutes

Director Kohtz presented the ASC September 14, 2022 Meeting Minutes to the Board for review and reported that he had no specific comments. The Director asked for any questions or comments. There was no further discussion.

b. ASC Staff comments on USPAP 4TH Exposure Draft

Director Kohtz presented a February 16, 2023 letter from the ASC to The Appraisal Foundation pertaining to ASC staff comments on the fourth exposure draft of the proposed changes to USPAP. The Director agreed with the ASC's comments that the third exposure draft provided a detailed summary of the Fair Housing Standards Act's and the Equal Credit Opportunity Act's nondiscrimination standards, but that the fourth exposure draft eliminated this summary, and instead, substituted a distinction between unethical discrimination and unlawful discrimination. Director Kohtz indicated that this change in the fourth exposure draft would only add to the difficulty enforcing USPAP standards. The Director asked for any questions or comments. There was no further discussion.

6. THE APPRAISAL FOUNDATION

a. Press Release: Appraisal Standards Board Responds to Public Feedback

The Director presented to the Board a press release from The Appraisal Foundation declaring that it is responding to public feedback and plans to release a fifth exposure draft for proposed changes to USPAP. The Director reported that he had no specific comments and asked for any questions or comments. There was no discussion.

b. TAF February State Regulators Newsletter

The Director presented The Appraisal Foundation's February State Regulators Newsletter to the Board for review and informed the Board that he had no specific comments. The Director asked for any questions or comments. There was no further discussion.

c. TAF March Newsletter

The Director presented The Appraisal Foundation's March Newsletter to the Board for review and informed the Board that he had no specific comments. The Director asked for any questions or comments. There was no further discussion.

d. BOT Public Meeting: October 26-28, 2023 – Palm Springs, CA

Director Kohtz announced that The Appraisal Foundation Board of Trustees will hold a public meeting in Palm Springs, CA on October 26-28, 2023. The Director asked for any questions or comments. There was no further discussion.

7. ASSOCIATION OF APPRAISER REGULATORY OFFICIALS

a. AARO Quarterly Update – 3.1.2023

Director Kohtz presented the AARO Quarterly Update dated March 1, 2023 to the Board for review. The Director reported that he had no specific comments and asked for any questions or comments. There was no discussion.

8. IN THE NEWS: No discussion.

C. CREDENTIALING AS A NEBRASKA REAL PROPERTY APPRAISER

The Board reviewed applicants CG23006, 2160, CR22005, and CG22024R. Chairperson Walkenhorst asked for a motion on CG23006, 2160, and CR22005.

Board Member Downing moved to take the following action:

CG23006 / Authorize staff to select one additional report from the real property appraisal practice experience log that includes all three approaches to value and is not a restricted report, and authorize staff to continue to process application following established procedure and send at least two reports for USPAP compliance review.

Board Member Gerdes seconded the motion. Chairperson Walkenhorst recognized the motion and called for a vote. Motion carried with Downing, Gerdes, Hermsen, and Walkenhorst voting aye.

Board Member Downing moved to take the following action:

2160 / Deny application for acts and omissions that shall be considered grounds for denial of an application under Neb. Rev. Stat. § 76-2238(2).

Board Member Gerdes seconded the motion. Chairperson Walkenhorst recognized the motion and called for a vote. Motion carried with Downing, Gerdes, Hermsen, and Walkenhorst voting aye.

Board Member Downing moved to take the following action:

CR22005 / Deny application for failure to pass the National Uniform Licensing and Certification Examination within the twelve months following approval of the applicant's education and experience as required under N.R.S. §76-2231.01(1)(g).

Board Member Hermsen seconded the motion. Chairperson Walkenhorst recognized the motion and called for a vote. Motion carried with Downing, Gerdes, Hermsen, and Walkenhorst voting aye.

D. REGISTRATION AS APPRAISAL MANAGEMENT COMPANY: No discussion.

E. CONSIDERATION OF COMPLIANCE MATTERS: No discussion.

F. CONSIDERATION OF OTHER EXECUTIVE SESSION ITEMS

1. 2023.04

The Board reviewed an appraisal report received from the Fannie Mae Loan Quality Center. The Board concluded that there were no substantial errors or omissions which lead to noncredible assignment results or USPAP violations. No action was taken by the Board.

2. PERSONNEL MATTERS: No discussion.

R. ADJOURNMENT

Board Member Downing moved to adjourn the meeting. Board Member Gerdes seconded the motion. Motion carried with Downing, Gerdes, Hermsen, and Walkenhorst voting aye. At 10:37 a.m., Chairperson Walkenhorst adjourned the March 16, 2023 meeting of the Real Property Appraiser Board.

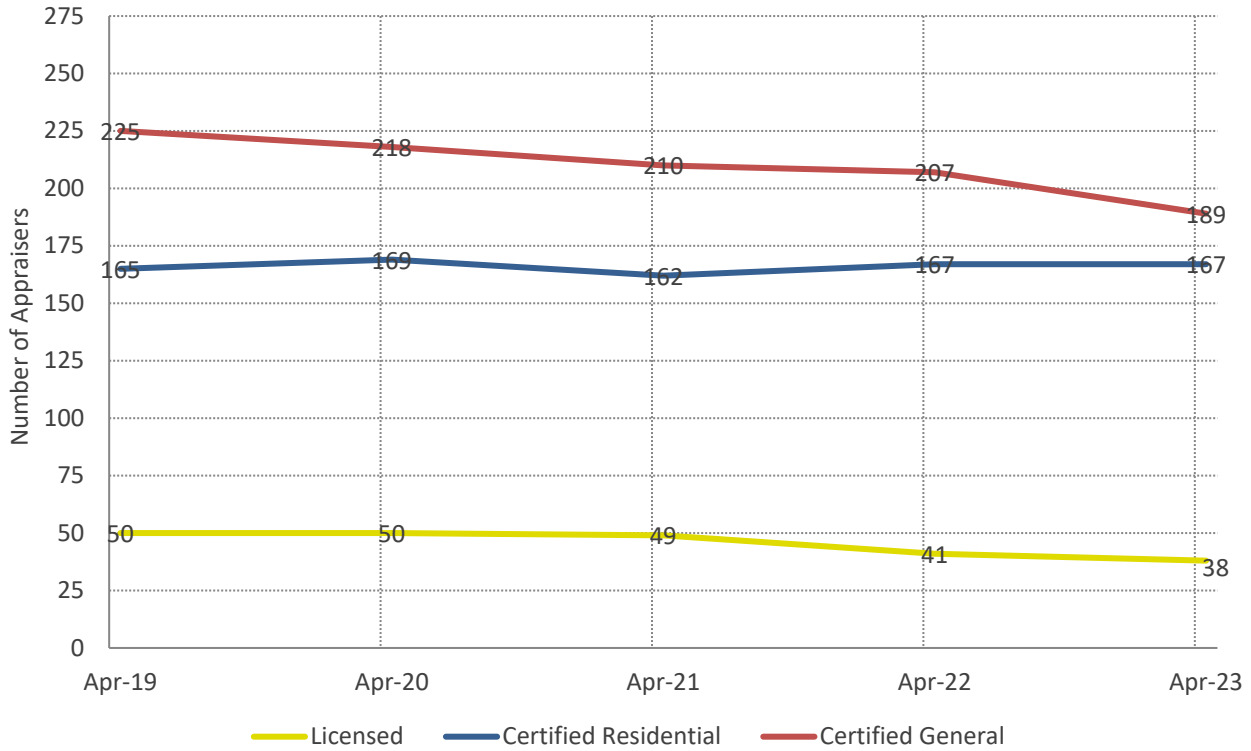
Respectfully submitted,

Tyler N. Kohtz
Director

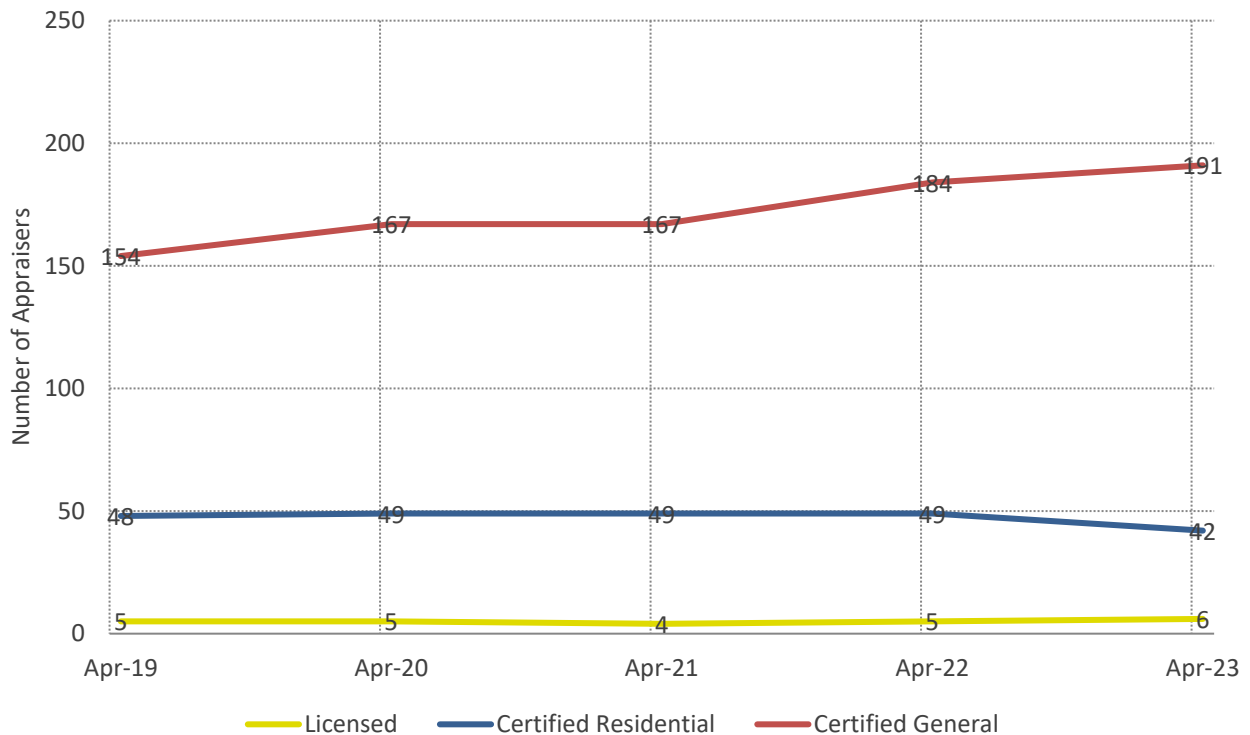
These minutes were available for public inspection on March 22, 2023, in compliance with Nebraska Revised Statute § 84-1413 (5).

Real Property Appraiser Report

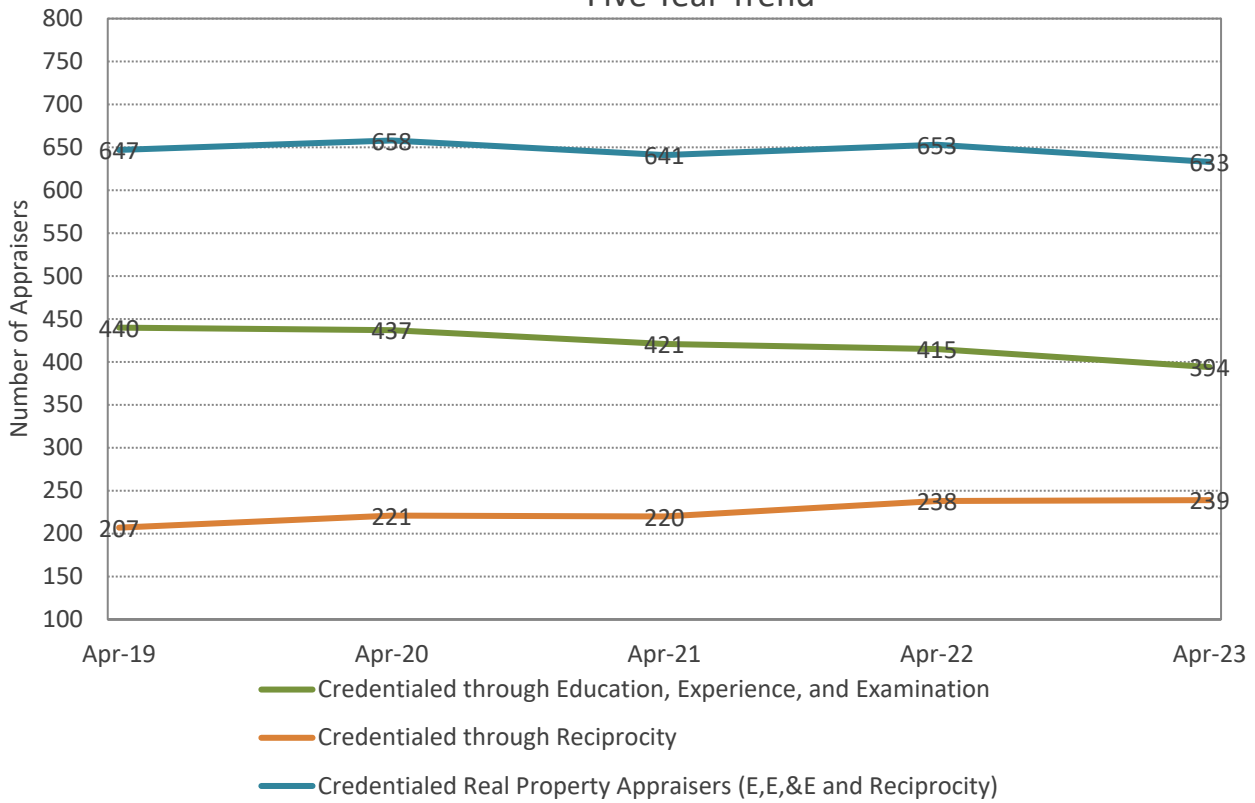
Real Property Appraisers Credentialed through Education, Experience, and Examination (not including Trainee) - Five Year Trend



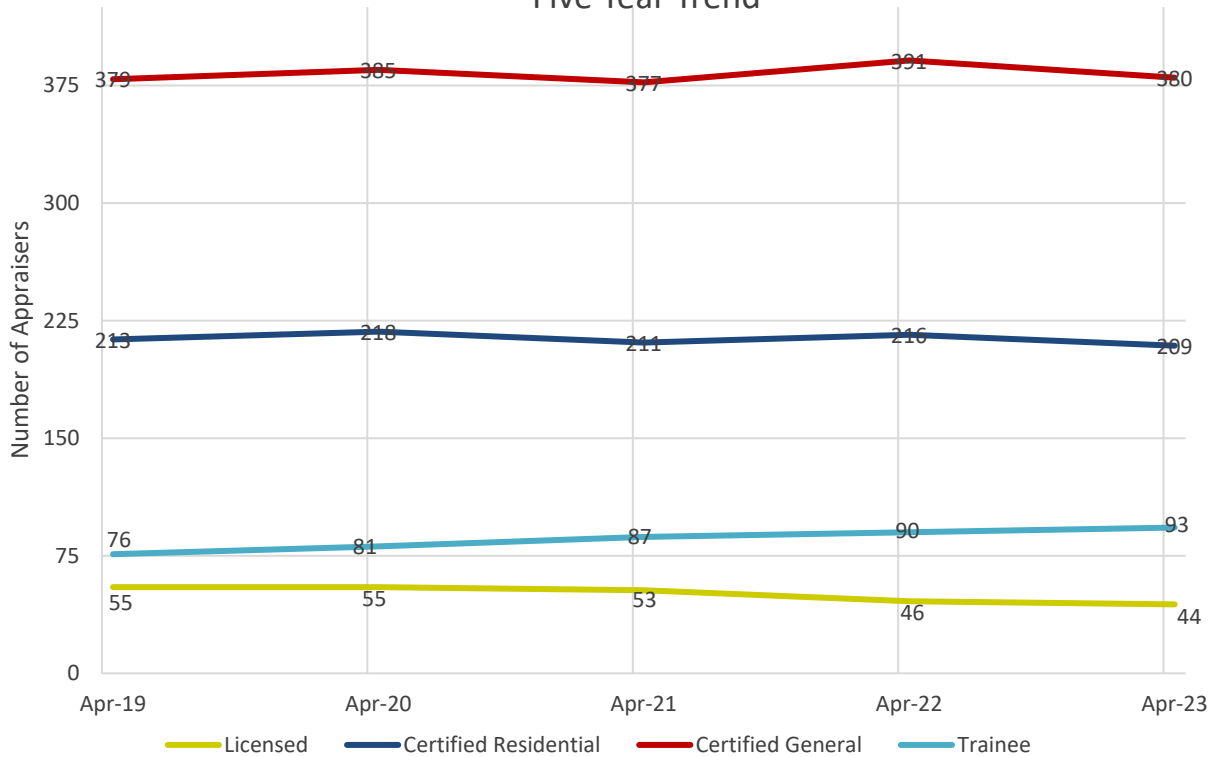
Real Property Appraisers by Classification Credentialed through Reciprocity - Five Year Trend



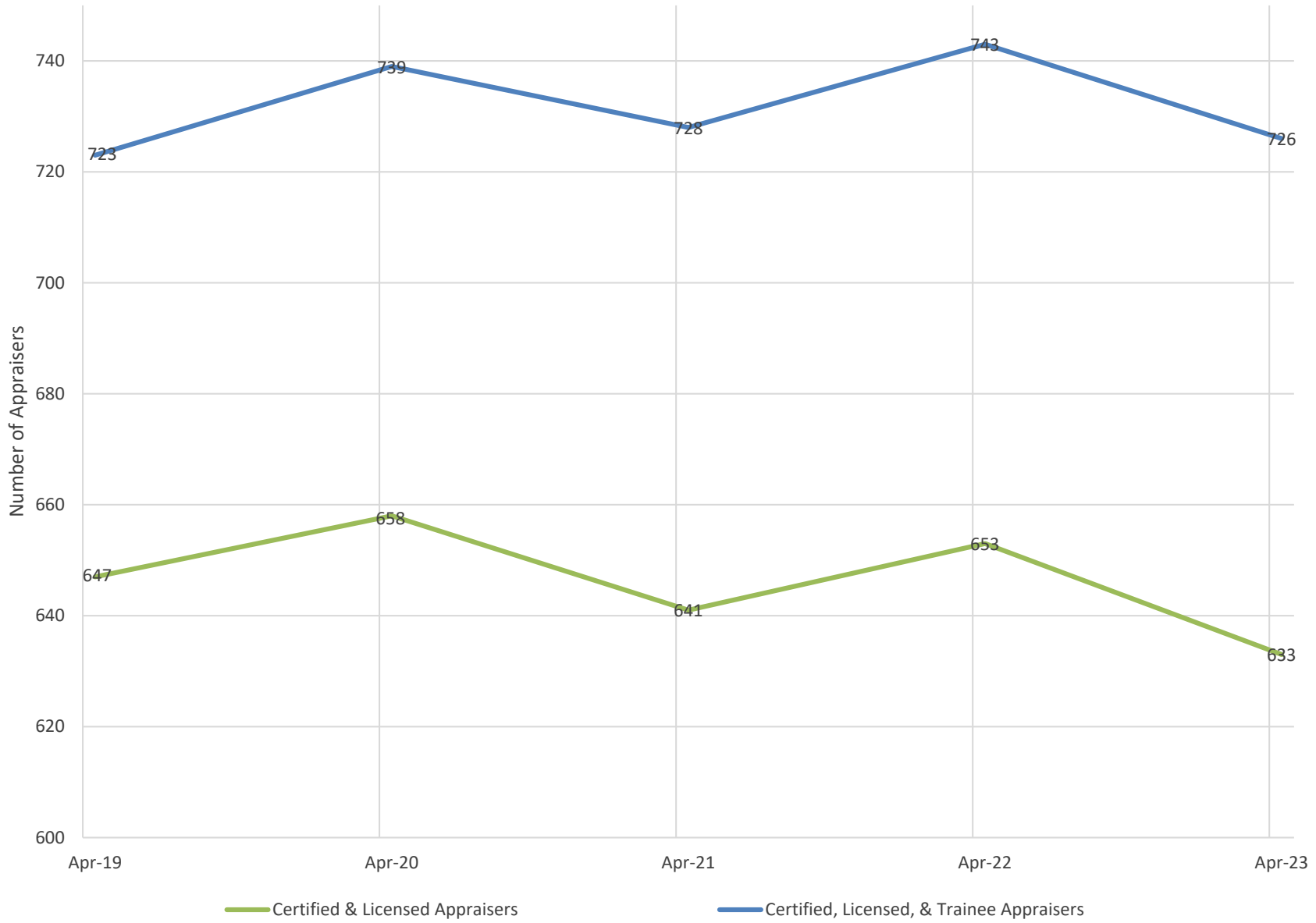
Total Real Property Appraisers (not including Trainee)
- Five Year Trend



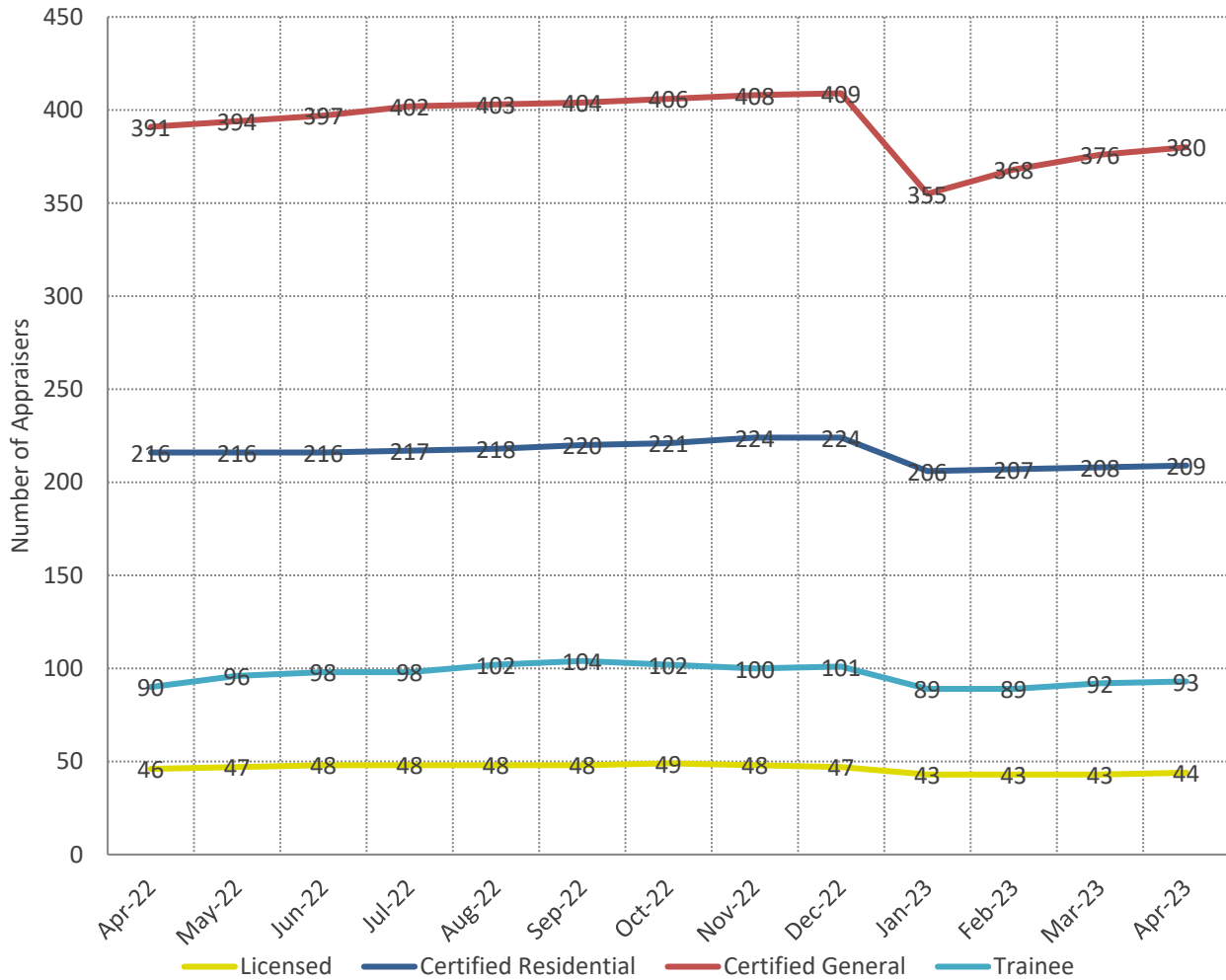
Total Real Property Appraisers by Classification -
Five Year Trend



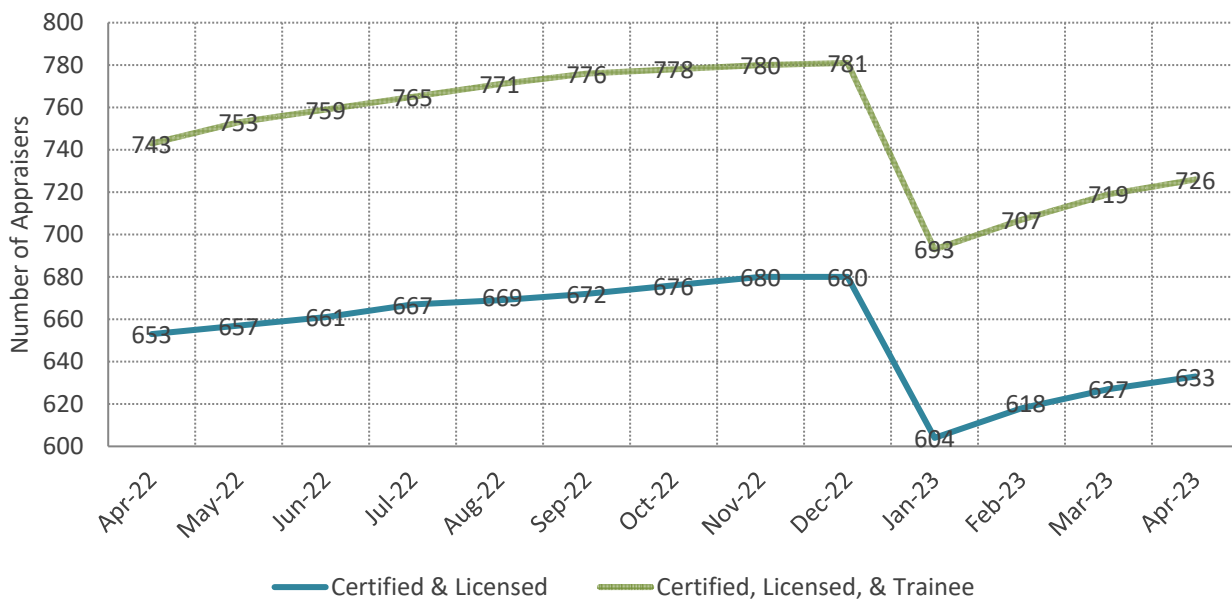
Total Real Property Appraisers - Five Year Trend



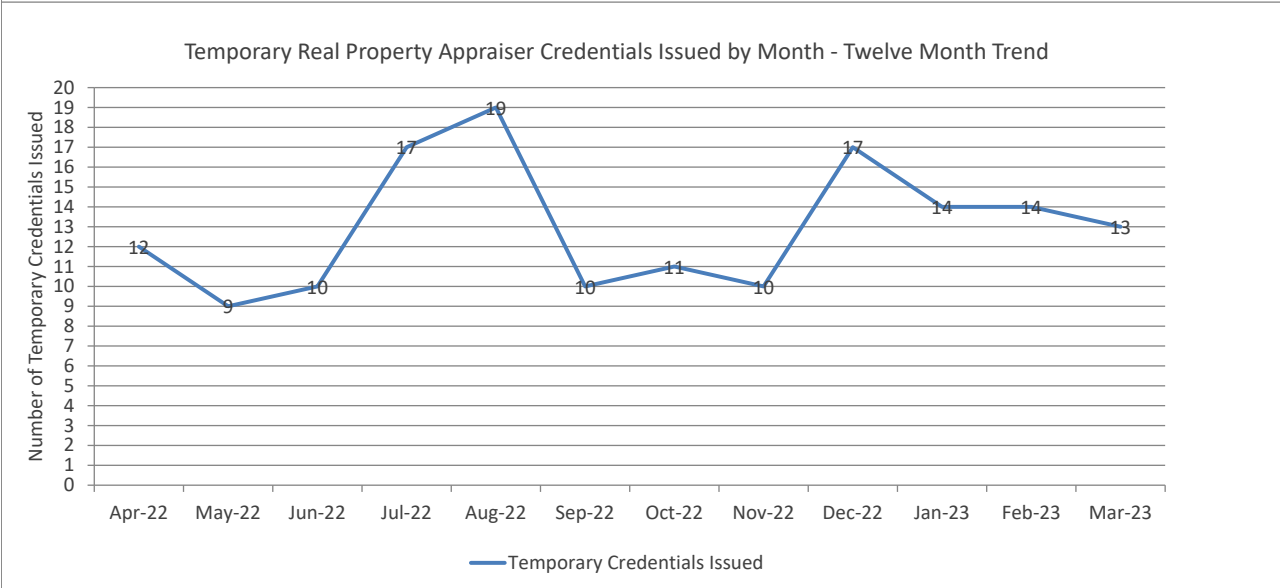
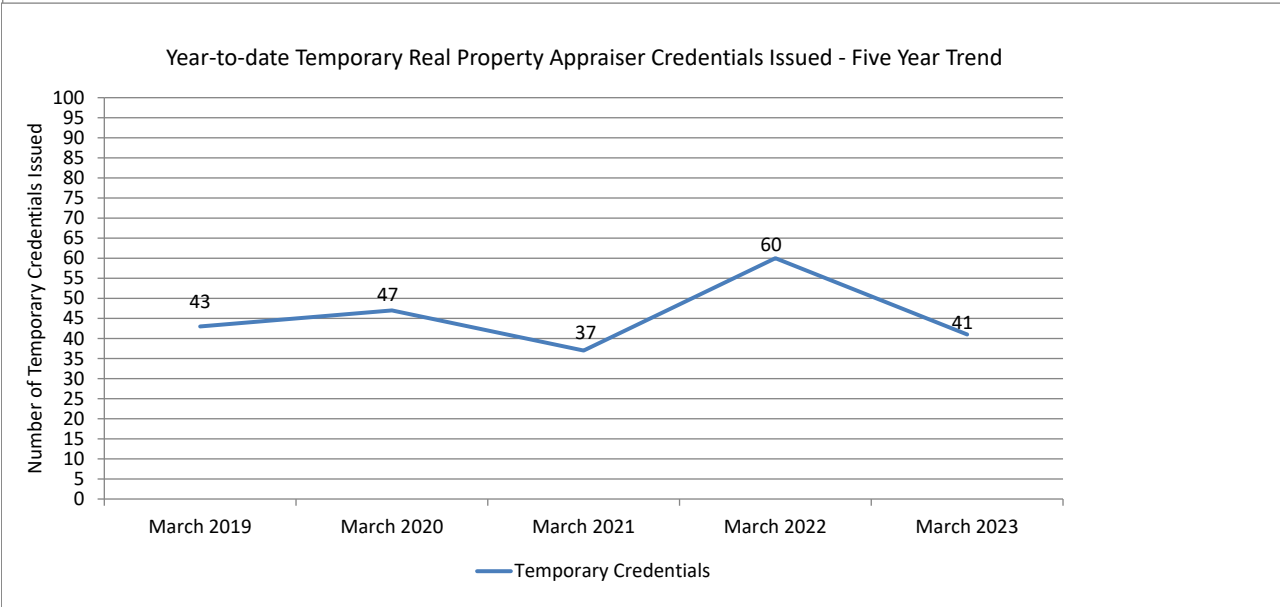
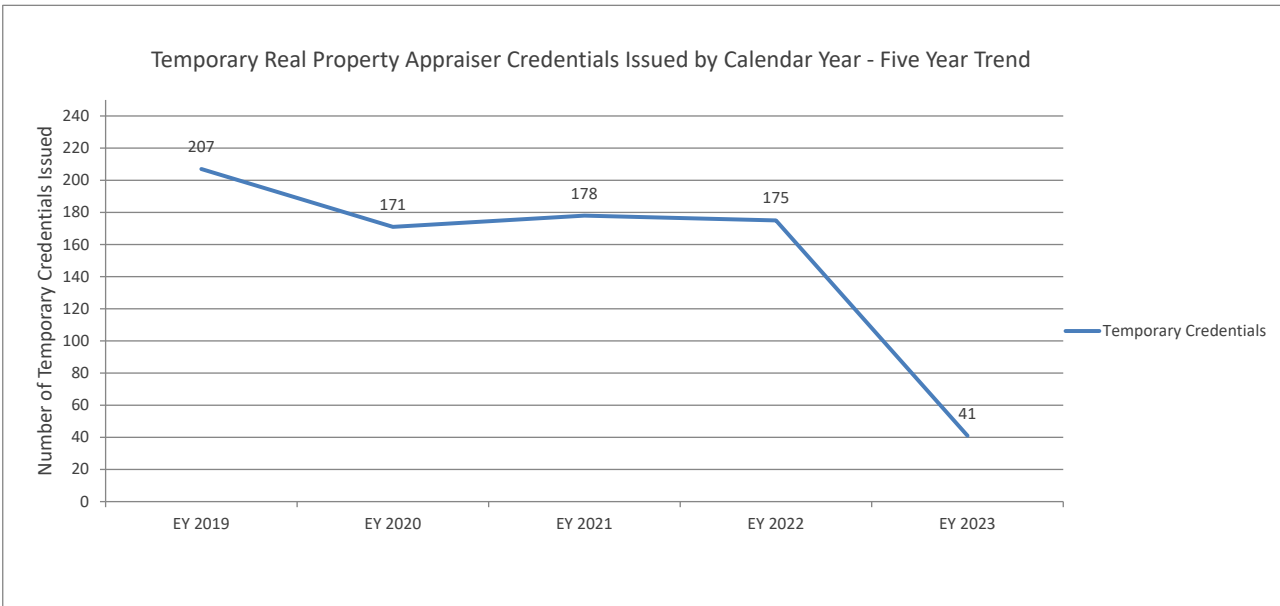
Real Property Appraisers by Classification - Thirteen Month Trend



Total Real Property Appraisers - Thirteen Month Trend

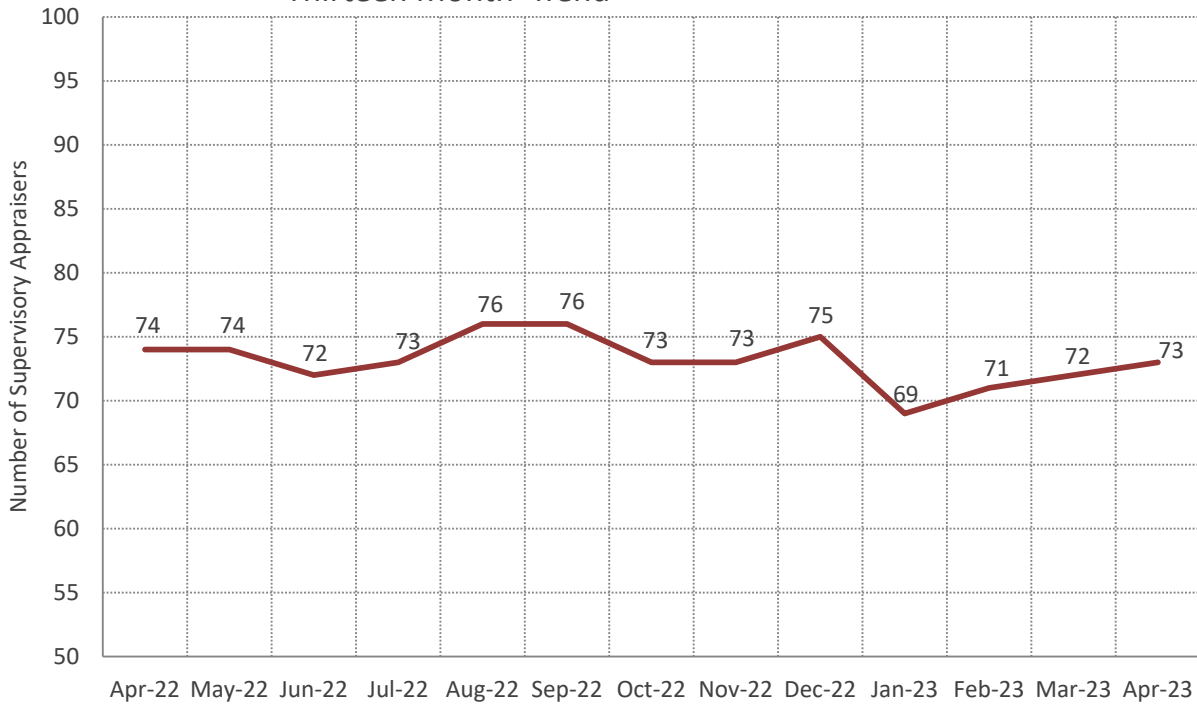


Temporary Real Property Appraiser Report



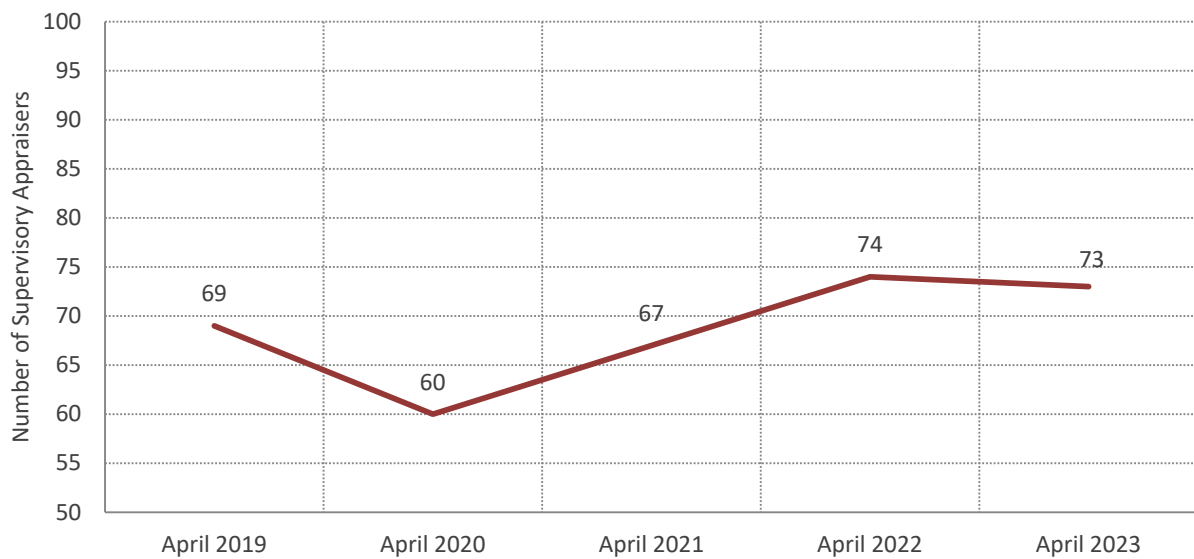
Supervisory Real Property Appraiser Report

Registered Supervisory Real Property Appraisers - Thirteen Month Trend



— Nebraska Registered Supervisory Real Property Appraisers

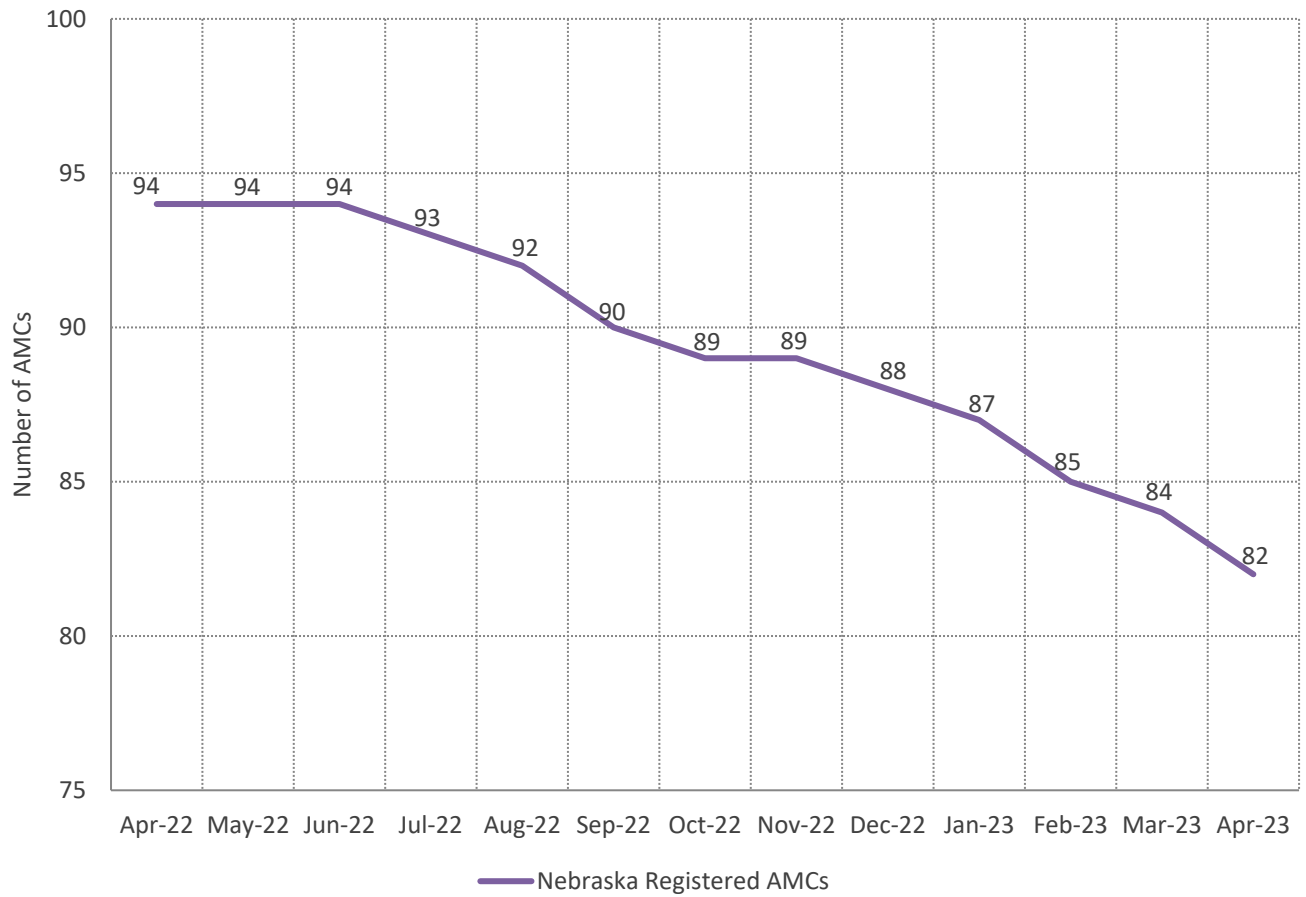
Registered Supervisory Real Property Appraisers - Five Year Trend



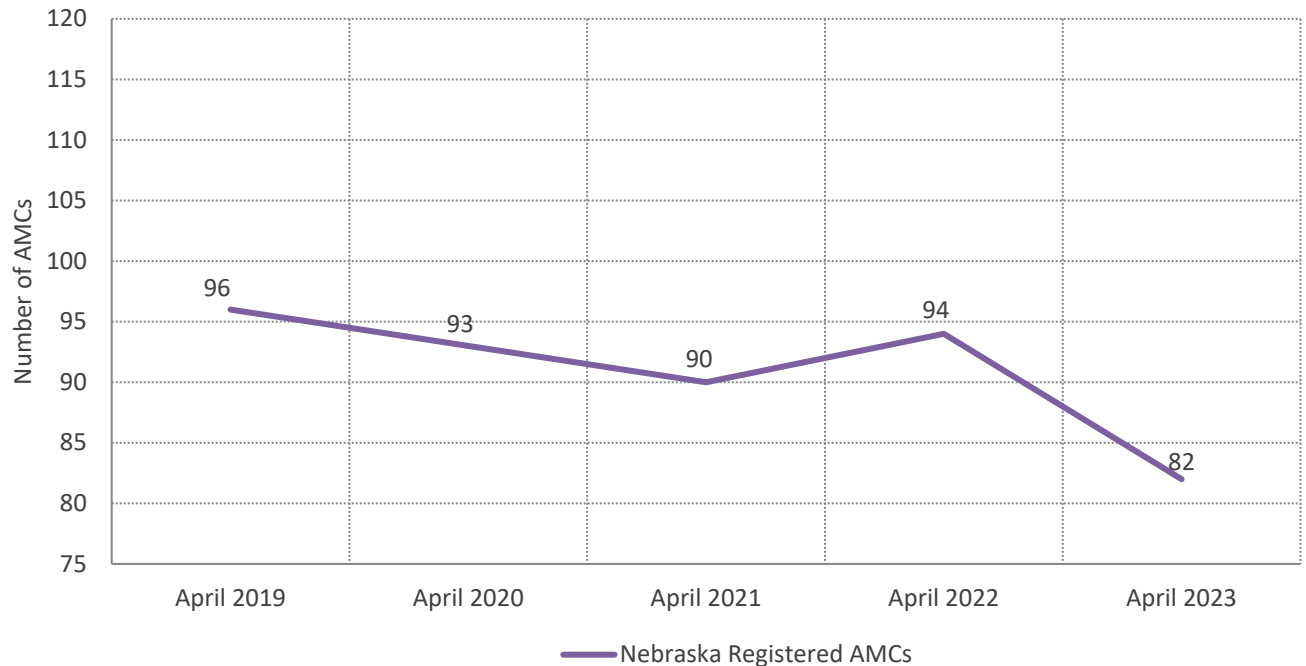
— Nebraska Registered Supervisory Real Property Appraisers

Appraisal Management Company Report

Appraisal Management Companies - Thirteen Month Trend



Appraisal Management Companies - Five Year Trend



NEBRASKA REAL PROPERTY APPRAISER BOARD

DIRECTOR APPROVAL OF REAL PROPERTY APPRAISER APPLICANTS

March 8, 2023 – April 11, 2023

<i>New Trainee Real Property Appraisers</i>		
T2023003	Josiah Hegwood	Approved March 13, 2023
T2023004	Ashton Boldt	Approved March 23, 2023 with advisory, no supervisor
T2023005	Mitchell Gutschenritter	Approved April 11, 2023
<i>New Licensed Residential Real Property Appraisers through Education, Experience, and Examination</i>		
L23001	Justin Augustyn	Approved March 21, 2023 to sit for exam
<i>New Certified General Real Property Appraisers through Reciprocity</i>		
CG2023015R	Laura Herrington	Approved March 20, 2023
CG2023014R	McKenna Luke	Approved March 21, 2023
CG23010R	Brandon Gollotti	Approved March 31, 2023

NEBRASKA REAL PROPERTY APPRAISER BOARD

DIRECTOR APPROVAL OF EDUCATION ACTIVITY AND INSTRUCTOR(S) APPLICANTS

March 8, 2023 – April 11, 2023

Provider	Activity Number	Hours	Title	Instructor(s)	Approval Date
<i>New Continuing Education Activities and Instructors</i>					
ASFMRA	2233410.01	4	Appraising Ag Facilities: Feedlot Seminar	Brian Gatzke, Stacey Menses	3/14/2023
McKissock, LLC	2233120.03	7	Live Webinar: 2022-2023 7-Hr National USPAP Update Course	Robert Abelson, Dan Bradley, Charles Fisher, Charles Huntoon, Philicia Lloyd, Steve Maher, Robert McClelland, Julie Molendrop, Jo Traut, Josh Walitt, Mel Black, Robert Frazier, Alexander Gilbert, Alan Hummel, Sam Martin, Diana Jacob, Greg Stephens, Pam Teel, Kevin Hecht	3/22/2023
ASFMRA	2231411.01	4	Appraising Ag Facilities: Feedlot Seminar	Brian Gatzke, Stacey Menses	3/25/2023
McKissock, LLC	2233421.03	4	Live Webinar: Bifurcated and Hybrid Appraisals: A Practical Approach	Robert Abelson, Dan Bradley, Charles Fisher, Robert Fraizer, Charles Huntoon, Philicia Lloyd, Steve Maher, Robert McClelland, Julie Molendrop, Jo Traut, Josh Walitt, Alexander Gilbert, Alan Hummel, Diana Jacob, Greg Stephens, Pam Teel, Kevin Hecht, John Dingeman	3/28/2023
Appraiser eLearning	2233414.33	7	Advanced Appraisal Review	Thomas Humphreys	3/29/2023
Appraiser eLearning	2233415.33	7	Critique – Anatomy of a Review	Thomas Humphreys	3/29/2023

Appraiser eLearning	2233417.33	3	Elimination of Bias & Cultural Competency for Appraisers – with Real World Relevance	Peter Christensen	3/30/2023
Appraiser eLearning	2233418.33	7	How to Appraiser Solar Panels	Mark Buhler	3/30/2023
McKissock, LLC	2233424.03	4	Live Webinar: Market Disturbances- Market Analysis in Atypical Markets and Cycles	Robert Abelson, Dan Bradley, Charles Fisher, Robert Fraizer, Charles Huntoon, Philicia Lloyd, Steve Maher, Robert McClelland, Julie Molendrop, Jo Traut, Josh Walitt, Alexander Gilbert, Alan Hummel, Diana Jacob, Greg Stephens, Pam Teel, Kevin Hecht	3/30/2023
McKissock, LLC	2233425.03	4	Live Webinar: Measuring 1-4 Unit Residential Properties- with ANSI Z765 Standard	Robert Abelson, Dan Bradley, Charles Fisher, Robert Fraizer, Charles Huntoon, Philicia Lloyd, Steve Maher, Robert McClelland, Julie Molendrop, Jo Traut, Josh Walitt, Alexander Gilbert, Alan Hummel, Diana Jacob, Greg Stephens, Pam Teel, John Dingeman	3/30/2023
McKissock, LLC	2233426.03	7	Live Webinar: Mortgage Lending Appraisal Requirements: Fannie Mae and Freddie Mac	Robert Abelson, Dan Bradley, Charles Fisher, Robert Fraizer, Charles Huntoon, Philicia Lloyd, Steve Maher, Robert McClelland, Julie Molendrop, Jo Traut, Josh Walitt, Alexander Gilbert, Alan Hummel, Diana Jacob, Greg Stephens, Pam Teel, Kevin Hecht, John Dingeman	3/30/2023

McKissock, LLC	2233427.03	7	Live Webinar: Residential Property Inspections: An Appraiser's Perspective	Robert Abelson, Dan Bradley, Charles Fisher, Robert Fraizer, Charles Huntoon, Philicia Lloyd, Steve Maher, Robert McClelland, Julie Molendrop, Jo Traut, Josh Walitt, Alexander Gilbert, Alan Hummel, Diana Jacob, Greg Stephens, Pam Teel, Kevin Hecht, John Dingeman	3/30/2023
McKissock, LLC	2233428.03	3	Live Webinar: Responding to a Reconsideration of Value (ROV)	Robert Abelson, Mel Black, Dan Bradley, Charles Fisher, Robert Fraizer, Alexander Gilbert, Alan Hummel, Charles Huntoon, Philicia Lloyd, Steve Maher, Sam Martin, Robert McClelland, Julie Molendrop, Jo Traut, Josh Walitt, Patrick Kelly, Diana Jacob, Greg Stephens, Pam Teel, Kevin Hecht	3/30/2023
McKissock, LLC	2233429.03	4	Live Webinar: Supporting Adjustments: The Journey from Analysis to Adjusting	Robert Abelson, Dan Bradley, Charles Fisher, Robert Fraizer, Charles Huntoon, Philicia Lloyd, Steve Maher, Robert McClelland, Julie Molendrop, Jo Traut, Josh Walitt, Alexander Gilbert, Alan Hummel, Sam Martin, Diana Jacob, Greg Stephens, Pam Teel, John Dingeman	3/30/2023

McKissock, LLC	2233430.03	7	Live Webinar: The Appraiser's Guide to HUD Handbook 4000.1	Robert Abelson, Dan Bradley, Charles Fisher, Robert Fraizer, Charles Huntoon, Philicia Lloyd, Steve Maher, Robert McClelland, Julie Molendrop, Jo Traut, Josh Walitt, Alexander Gilbert, Alan Hummel, Diana Jacob, Greg Stephens, Pam Teel, John Dingeman	3/30/2023
McKissock, LLC	2233431.03	3	Live Webinar: Using Appraisal Report Templates Responsibly	Robert Abelson, Dan Bradley, Charles Fisher, Robert Frazier, Charles Huntoon, Philicia Lloyd, Steve Maher, Robert McClelland, Julie Molendrop, Jo Traut, Josh Walitt, Mel Black, Alexander Gilbert, Alan Hummel, Sam Martin, Diana Jacob, Greg Stephens, Pam Teel, Kevin Hecht, John Dingeman	3/30/2023
McKissock, LLC	2233422.03	4	Live Webinar: Focus on FHA Minimum Property Requirements	Dan Bradley, Robert Frazier, Steve Maher, Robert McClelland, Robert Abelson, Charles Fisher, Alexander Gilbert, Charles Huntoon, Alan Hummel, Philicia Lloyd, Julie Molendrop, Jo Traut, Josh Walitt, Diana Jacob, Greg Stephens, Pam Teel, Kevin Hecht, John Dingeman	3/31/2023
McKissock, LLC	2233423.03	3	Live Webinar: Learning from the Mistakes of Others: Appraisal Disciplinary Case Studies	Robert Abelson, Dan Bradley, Charles Huntoon,	3/31/2023

				Phylicia Lloyd, Steve Maher, Robert McClelland, Jo Traut, Josh Walitt, Mel Black, Charles Fisher, Alexander Gilbert, Alan Hummel, Sam Martin, Julie Molendrop, Diana Jacob, Greg Stephens, Pam Teel, John Dingeman, Kevin Hecht	
ASFMRA	2231408.01	4	Drainage Considerations for Managers and Appraisers	Dennis Reyman	3/31/2023
ASFMRA	2233409.01	4	Drainage Considerations for Managers and Appraisers	Dennis Reyman	3/31/2023
Calypso Continuing Education	2232407.10	7	Acquainting Ourselves with the ANSI (American National Standards Institute) Standard: Measuring Residential Properties Properly	Francis Finigan	4/6/2023
Appraisal Institute	2233142.02	7	2022-2023 7-Hour National USPAP Update Course	Robert Moorman	4/6/2023
Calypso Continuing Education	2232438.10	3	Cultural Competency and Elimination of Bias in Appraisals	Francis Finigan	4/7/2023
ASFMRA	2233447.01	4	Farmer Mac Appraisal Requirements	Rebecca Stone, Dorothy Bell	4/11/2023
ASFMRA	2231448.01	4	Farmer Mac Appraisal Requirements	Rebecca Stone, Dorothy Bell	4/11/2023

New Qualifying Education Activities and Instructors

McKissock, LLC	1233413.03	15	Live Webinar: Residential Site Valuation and Cost Approach	Mel Black, Robert Abelson, Dan Bradley, Patrick Kelly, Greg Stephens, Pam Teel, Robert McClelland, Josh Walitt, Sam Martin, Diana Jacob	3/23/2023
McKissock, LLC	1233432.03	15	Live Webinar: Residential Report Writing and Case Studies	Mel Black, Robert Abelson, Dan Bradley, Patrick Kelly, Greg	3/31/2023

				Stephens, Pam Teel, Robert McClelland, Josh Walitt, Sam Martin, Diana Jacob	
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<i>New Supervisory Real Property Appraiser Trainee Courses and Instructors</i>					
The CE Shop, LLC	3232305.77	4	Supervisory Appraiser/ Trainee Appraiser Course	Rebecca Jones	3/29/2023

2022-23 Nebraska Real Property Appraiser Board Goals and Objectives
June 15, 2022 Strategic Planning Meeting

	SHORT TERM GOALS / OBJECTIVES	EXPECTED COMPLETION DATE	STATUS/GOAL MET	LONG TERM GOALS / OBJECTIVES	EXPECTED COMPLETION DATE	NOTES
LAWS, RULES, AND GUIDANCE DOCUMENTS	Work with the Banking, Commerce and Insurance Legislative Committee's Legal Counsel to draft a bill for introduction addressing the changes needed in the Real Property Appraiser Act, which includes but is not limited to the ASC SOA recommendations.	12/31/2022	Completed in October - No Legislative Bill in 2023.	Address changes to USPAP, Real Property Appraiser Qualifications Criteria, ASC Policy Statements, AQB CAP Program Guidelines, and Title XI as required.	Ongoing.	
	Work with the Banking, Commerce and Insurance Legislative Committee's Legal Counsel to draft a bill for introduction addressing the changes needed in the AMC Registration Act, which includes but is not limited to the ASC SOA recommendations and inclusion of criminal and civil immunity language.	12/31/2022	Completed in October - No Legislative Bill in 2023.	Harmonize Title 298 with the changes made to the Nebraska Real Property Appraiser Act and Appraisal Management Company Registration Act as needed.	Ongoing.	
	Adopt Title 298 changes to reduce unnecessary regulatory burden and remove barriers to entry into the real property appraiser profession, provide for better clarification and administration, harmonize Title 298 with the changes made to the Nebraska Real Property Appraiser Act through LB707 in 2022, and incorporate changes made to the Real Property Appraiser Qualification Criteria and CAP Guidelines effective January 1, 2022.	6/30/2023	Proposed rules adopted by Board after November 17, 2022 Hearing. Attorney General's Office requested an amendment to the adopted changes to Title 298. The amendment is before the Board for consideration at its April meeting.	Continue to monitor the effectiveness of regulations to reduce unnecessary regulatory burden, remove barriers to entry into the real property appraiser profession, maintain an effective education program, and provide for better clarification and administration.	Ongoing.	
				Continue to adopt Guidance Documents for public advisement concerning interpretation of statutes and rules, and retire Guidance Documents that are no longer relevant. Continue to adopt internal procedures as needed to assist with the Board's administration of its programs, and retire internal procedures that are no longer relevant.	Ongoing. Ongoing.	
COMPLIANCE	None			None		
CREDENTIALING AND REGISTRATION	Explore change to real property appraiser credential renewal dates.	6/30/2023	Report presented to the Board for review at its April meeting.	Explore opportunities to increase the number of Nebraska resident real property appraisers.	Ongoing.	
	Explore alternatives for verification of AMC owner AMC Rule background compliance related to AMC registration renewal.	6/30/2023	In progress.			
EDUCATION	Add language to the Certified General Real Property Appraiser Requirements document located on the Board's website encouraging potential real property appraiser applicants who intend to engage in real property appraisal practice pertaining to agricultural real property complete agricultural-based qualifying education offered by an education provider with an expertise in agricultural appraisal.	6/30/2023	In progress.	Encourage trainee real property appraisers who intend to engage in real property appraisal practice pertaining to agricultural real property upon credentialing as a certified general real property appraiser complete agricultural-based qualifying education offered by an education provider with an expertise in agricultural appraisal in approval letter sent to trainee real property appraisers.	Ongoing.	
	Send letter to all registered supervisory real property appraisers describing the real property appraisal practice deficiencies observed by the Board concerning the appraisal of agricultural real property and to request that supervisory real property appraisers encourage their trainee real property appraisers who intend to engage in real property appraisal practice pertaining to agricultural real property upon credentialing as a certified general real property appraiser, to complete agricultural-based qualifying education offered by an education provider with an expertise in agricultural appraisal.	6/30/2023	In progress.	Request that supervisory real property appraisers with trainee real property appraisers who intend to engage in real property appraisal practice pertaining to agricultural real property upon credentialing as a certified general real property appraiser encourage their trainee real property appraisers to complete agricultural-based qualifying education offered by an education provider with an expertise in agricultural appraisal in approval letter sent to supervisory real property appraisers.	Ongoing.	
	Send letter to American Society of Farm Managers and Rural Appraisers describing the real property appraisal practice deficiencies observed by the Board concerning the appraisal of agricultural real property and requesting that the organization consider increasing its frequency and availability of synchronous, asynchronous, and hybrid qualifying and continuing education offerings.	6/30/2023	In progress.			
	Include language in the 2023-2024 Credential Renewal Reminder and Information article in the fall edition of The Nebraska Appraiser encouraging Nebraska real property appraisers to complete continuing education related to their area of real property appraisal practice focus.	12/31/2022	Completed in November.			
	Include a new Q&A in the 2023-2024 Credential Renewal Questions and Answers encouraging Nebraska real property appraisers to complete continuing education related to their area of real property appraisal practice focus.	12/31/2022	In progress.			
PERSONNEL	Add additional Administrative Specialist classified employee. Adequate staffing is required to carry out the Board's mission, maintain a high-level operation, remain compliant with Title XI, and to maintain public satisfaction.	6/30/2023	Included as Issue Item in 2023-25 Biennial Budget Request. Request for appropriations not included in Governor Pillen's Budget Bill. Working with the Board's Legislative Fiscal Analyst to get funding through the Appropriations Committee. The Board's hearing before the Committee was February 14, 2023. No update since the date of the hearing.	Continue updating the policies and procedures documents as needed to ensure compliance with state policy changes, NAPE/ASFCME contract changes and to address general work environment needs and/or changes.	Ongoing.	
	Utilize SOS temporary employee as available to assist with processing real property appraiser renewal applications for the 2023-24 real property appraiser renewals.	6/30/2023	Completed in October.			
	Add the Juneteenth holiday to the NRPAB Employee Handbook.	12/31/2022	Completed in July.			

**2022-23 Nebraska Real Property Appraiser Board Goals and Objectives
June 15, 2022 Strategic Planning Meeting**

PUBLIC INFORMATION	Explore adding disciplinary action orders/consent agreements to the Appraiser Listing search as a PDF attachment (Obtain quote form CIO and present to the Board for consideration).	6/30/2023	In progress. Board Member Hermesen requested another Board discussion at the April meeting.	Encourage development of Memos from the Board and Facebook posts that contain facts of interest to the appraiser community.	Ongoing.	
	Remove Education Provider Offerings Calendar from the NRPAB website.	12/31/2022	Completed in February.	Continue utilizing the NRPAB website, NRPAB Facebook page, The Nebraska Appraiser, and Memos from the Board to disseminate relevant and important information to the appraisal business community and the general public in a timely manner. This includes information related to state and federal regulations, credentialing and registration requirements, renewal information, education information, Board policies and procedures, documents posted to the NRPAB website, meeting information, and other information that affects the industry.	Ongoing.	
	Restructure the Appraiser Listing page on the NRPAB website and remove the distribution map.	6/30/2023	Completed in March	Continue utilization of Memos from the Board to disseminate important information in a timely manner that should not be held for the next release of The Nebraska Appraiser.	Ongoing.	
	Complete addition of a solid or scrolling message screen at the top of the NRPAB website for use to disseminate relevant timely information, such as notices of meetings.	12/31/2022	Completed in November.	Continue releasing new issues of The Nebraska Appraiser on a quarterly basis to disseminate important information to the appraisal business community and the general public in an effective and efficient manner. Continue to monitor the effectiveness of current NRPAB website, and repair bugs and make improvements and add enhancements needed to address functionality or use. Explore the development and implementation of an updated NRPAB logo.	Ongoing. Ongoing. None.	
ADMINISTRATION	Complete supervisory real property appraiser list derived from Application for Renewal of Nebraska Real Property Appraiser Credential.	6/30/2023	Completed in July.	Continue to monitor the effectiveness of current processes and procedures, and update processes and procedures as needed to maintain effectiveness and efficiency of the administration of the Board's programs.	Ongoing.	
	Explore use of Federal grant money to pursue development of a translator system between the NRPAB Database and the ASC Federal Registry system.	6/30/2023	CIO has been inactive on this project for quite some time. A new team has been assigned to the Board by CIO since activity stopped. An update was requested on April 11, 2023.	Continue to monitor the effectiveness of current NRPAB database, repair bugs, and make improvements and add enhancements needed to address program or use changes.	Ongoing.	
	Complete online AMC renewal application and upgrade to the AMC Interface in the NRPAB Database.	6/30/2023	Work on this project is in progress.	Explore online real property appraiser initial applications (Reciprocity; E,E,&E; Temporary) AMC initial applications, education activity applications, and other services that require payment of a fee.	None.	
FINANCIALS	Include request for an increase in funding for CIO and technology maintenance expenditures, additional AARS contractor services, and an additional Administrative Specialist classified employee in the FY2023-25 Biennial Budget Request.	12/31/2023	Completed in August.	None.		

STATE OF NEBRASKA
Department of Administrative Services
Accounting Division
Budget Status Report
As of 03/31/23

Agency 053 REAL PROPERTY APPRAISER BD
Division 000 Real Property App Bd
Program 079 APPRAISER LICENSING

Percent of Time Elapsed = 75.07

ACCOUNT CODE DESCRIPTION	BUDGETED AMOUNT	CURRENT MONTH ACTIVITY	YEAR-TO-DATE ACTUALS	PERCENT OF BUDGET	ENCUMBERANCES	VARIANCE
BUDGETED FUND TYPES - EXPENDITURES						
510000 PERSONAL SERVICES						
511100 PERMANENT SALARIES-WAGES	154,777.63	12,429.43	105,012.23	67.85		49,765.40
511300 OVERTIME PAYMENTS	1,633.48	557.63	3,423.75	209.60		1,790.27-
511600 PER DIEM PAYMENTS	9,100.00	500.00	3,700.00	40.66		5,400.00
511700 EMPLOYEE BONUSES	1,000.00	500.00	500.00	50.00		500.00
511800 COMP TIME PAYMENT	1,633.48		379.28	23.22		1,254.20
512100 VACATION LEAVE EXPENSE	13,100.54	38.04	9,343.21	71.32		3,757.33
512200 SICK LEAVE EXPENSE	824.88	43.91	1,044.15	126.58		219.27-
512300 HOLIDAY LEAVE EXPENSE	8,556.05	658.50	7,234.88	84.56		1,321.17
512500 FUNERAL LEAVE EXPENSE			851.55			851.55-
Personal Services Subtotal	190,626.06	14,727.51	131,489.05	68.98	0.00	59,137.01
515100 RETIREMENT PLANS EXPENSE	13,637.41	1,027.91	9,531.32	69.89		4,106.09
515200 FICA EXPENSE	14,565.37	1,051.69	9,239.16	63.43		5,326.21
515500 HEALTH INSURANCE EXPENSE	32,903.00	2,384.00	26,914.00	81.80		5,989.00
516300 EMPLOYEE ASSISTANCE PRO	37.08		37.08	100.00		
516500 WORKERS COMP PREMIUMS	1,528.00		1,528.00	100.00		
Major Account 510000 Total	253,296.92	19,191.11	178,738.61	70.56	0.00	74,558.31
520000 OPERATING EXPENSES						
521100 POSTAGE EXPENSE	3,091.70	80.61	2,007.36	64.93		1,084.34
521300 FREIGHT	100.00					100.00
521400 DATA PROCESSING EXPENSE	82,794.28	7,970.67	56,580.30	68.34		26,213.98
521500 PUBLICATION & PRINT EXPENSE	5,531.36		4,093.37	74.00	9.25	1,428.74
521900 AWARDS EXPENSE	100.00		28.00	28.00		72.00
522100 DUES & SUBSCRIPTION EXPENSE	600.00		600.00	100.00		
522200 CONFERENCE REGISTRATION	1,100.00	550.00	1,100.00	100.00		
524600 RENT EXPENSE-BUILDINGS	11,754.62	939.94	8,766.48	74.58		2,988.14
524900 RENT EXP-DUPR SURCHARGE	3,859.00	321.59	2,894.31	75.00		964.69
527100 REP & MAINT-OFFICE EQUIP	500.00					500.00
531100 OFFICE SUPPLIES EXPENSE	2,072.18	219.10	596.75	28.80		1,475.43
532100 NON CAPITALIZED EQUIP PU	500.00					500.00
532260 VOICE EQUIP		24.21	60.19			60.19-
533100 HOUSEHOLD & INSTIT EXP	235.00		68.00	28.94		167.00

STATE OF NEBRASKA
Department of Administrative Services
Accounting Division
Budget Status Report
As of 03/31/23

Agency 053 REAL PROPERTY APPRAISER BD
Division 000 Real Property App Bd
Program 079 APPRAISER LICENSING

Percent of Time Elapsed = 75.07

ACCOUNT CODE DESCRIPTION		BUDGETED AMOUNT	CURRENT MONTH ACTIVITY	YEAR-TO-DATE ACTUALS	PERCENT OF BUDGET	ENCUMBERANCES	VARIANCE
534900	MISCELLANEOUS SUPPLIES EXPENSE	50.00					50.00
541100	ACCTG & AUDITING SERVICES	1,037.00		1,037.00	100.00		
541200	PURCHASING ASSESSMENT	90.00		83.00	92.22		7.00
541500	LEGAL SERVICES EXPENSE	35,000.00					35,000.00
541700	LEGAL RELATED EXPENSE	7,000.00	45.00	45.00	.64		6,955.00
542100	SOS TEMP SERV-PERSONNEL	7,830.00	869.42	2,232.65	28.51		5,597.35
547100	EDUCATIONAL SERVICES	1,500.00					1,500.00
554900	OTHER CONTRACTUAL SERVICE	42,629.00	2,018.72	16,873.62	39.58		25,755.38
556100	INSURANCE EXPENSE	47.00		48.34	102.85		1.34-
559100	OTHER OPERATING EXP	82.77		80.00	96.65		2.77
Major Account 520000 Total		207,503.91	13,039.26	97,194.37	46.84	9.25	110,300.29
570000 TRAVEL EXPENSES							
571100	BOARD & LODGING	4,938.00	98.00	2,495.44	50.54		2,442.56
571600	MEALS-NOT TRAVEL STATUS	100.00					100.00
571800	TAXABLE TRAVEL EXPENSES	2,113.26	61.96	839.06	39.70		1,274.20
572100	COMMERCIAL TRANSPORTATION	1,950.00					1,950.00
573100	STATE-OWNED TRANSPORT	200.00					200.00
574500	PERSONAL VEHICLE MILEAGE	9,199.56	307.86	4,186.60	45.51		5,012.96
575100	MISC TRAVEL EXPENSES	1,059.65	11.25	155.05	14.63		904.60
Major Account 570000 Total		19,560.47	479.07	7,676.15	39.24	0.00	11,884.32
BUDGETED EXPENDITURES TOTAL		480,361.30	32,709.44	283,609.13	59.04	9.25	196,742.92
SUMMARY BY FUND TYPE - EXPENDITURES							
2	CASH FUNDS	480,361.30	32,709.44	283,609.13	59.04	9.25	196,742.92
BUDGETED EXPENDITURES TOTAL		480,361.30	32,709.44	283,609.13	59.04	9.25	196,742.92

BUDGETED FUND TYPES - REVENUES

470000 REVENUE - SALES AND CHARGES

471100	SALE OF SERVICES	400.00-	50.00-	325.00-	81.25		75.00-
471120	QUALIFYING ED COURSE FEES	750.00-	200.00-	1,650.00-	220.00		900.00
471121	CONTINUING ED NEW FEES	1,250.00-	625.00-	2,625.00-	210.00		1,375.00
471122	CONTINUING ED RENEWAL FEES	150.00-	10.00-	170.00-	113.33		20.00

STATE OF NEBRASKA
Department of Administrative Services
Accounting Division
Budget Status Report
As of 03/31/23

Agency 053 REAL PROPERTY APPRAISER BD
Division 000 Real Property App Bd
Program 079 APPRAISER LICENSING

Percent of Time Elapsed = 75.07

	BUDGETED	CURRENT MONTH	YEAR-TO-DATE	PERCENT OF		
ACCOUNT CODE DESCRIPTION	AMOUNT	ACTIVITY	ACTUALS	BUDGET	ENCUMBERANCES	VARIANCE
475150 CERTIFIED GENERAL NEW FEES	9,000.00-	1,200.00-	6,600.00-	73.33		2,400.00-
475151 LICENSED NEW FEES	1,200.00-	300.00-	600.00-	50.00		600.00-
475152 FINGERPRINT FEES	3,077.00-	452.50-	2,488.75-	80.88		588.25-
475153 CERTIFIED RESIDENTIAL NEW	3,000.00-	300.00-	2,400.00-	80.00		600.00-
475154 CERTIFIED GENERAL RENEWAL	122,375.00-	550.00-	116,050.00-	94.83		6,325.00-
475155 LICENSED RENEWAL	15,950.00-	550.00-	14,025.00-	87.93		1,925.00-
475156 FINGERPRINT AUDIT PROGRAM FEES	3,960.00-	20.00-	3,780.00-	95.45		180.00-
475157 CERTIFIED RESIDENTIAL RENEWAL	64,625.00-		62,975.00-	97.45		1,650.00-
475161 TEMPORARY CERTIFIED GENERAL	9,000.00-	950.00-	6,350.00-	70.56		2,650.00-
475163 AMC REGISTERED NEW FEES	12,000.00-	2,000.00-	2,000.00-	16.67		10,000.00-
475164 AMC APPLICATION FEES	2,100.00-		700.00-	33.33		1,400.00-
475165 AMC REGISTERED RENEWAL	129,000.00-	10,500.00-	96,000.00-	74.42		33,000.00-
475167 CERTIFIED RESIDENTIAL INACTIVE	300.00-					300.00-
475168 CERTIFIED GENERAL INACTIVE	300.00-					300.00-
475234 APPLICATION FEES	28,200.00-	3,400.00-	20,950.00-	74.29		7,250.00-
476101 LATE PROCESSING FEES	4,500.00-	325.00-	2,925.00-	65.00		1,575.00-
Major Account 470000 Total	411,137.00-	21,432.50-	342,613.75-	83.33	0.00	68,523.25-
480000 REVENUE - MISCELLANEOUS						
481100 INVESTMENT INCOME	6,000.00-	1,556.69-	11,567.33-	192.79		5,567.33
481101 AMC INVESTMENT INCOME	5,000.00-					5,000.00-
484500 REIMB NON-GOVT SOURCES	2,500.00-		116.76-	4.67		2,383.24-
Major Account 480000 Total	13,500.00-	1,556.69-	11,684.09-	86.55	0.00	1,815.91-
BUDGETED REVENUE TOTAL	424,637.00-	22,989.19-	354,297.84-	83.44	0.00	70,339.16-
SUMMARY BY FUND TYPE - REVENUE						
2 CASH FUNDS	424,637.00-	22,989.19-	354,297.84-	83.44		70,339.16-
BUDGETED REVENUE TOTAL	424,637.00-	22,989.19-	354,297.84-	83.44	0.00	70,339.16-

Fund	Program	Sub-Program	Account Number	Sub-ledger	Doc Number	Tran Date	Tran Type	Batch Type	Payee/Explanation	Batch Number	Posted Code	Month to Date
25310	079	000	53105018.471100.		494001	03/24/23	RC	RB	NRPAB DEPOSIT 230324	7053422		25.00-
25310	079	000	53105018.471100.		495116	03/31/23	RC	RB	NRPAB DEPOSIT 230331	7061898		25.00-
Total for Object			471100 SALE OF SERVICES									50.00-
25310	079	000	53105018.471120.		490218	03/01/23	RC	RB	NRPAB DEPOSIT 220301	7023666		50.00-
25310	079	000	53105018.471120.		492902	03/17/23	RC	RB	NRPAB DEPOSIT 230317	7044978		50.00-
25310	079	000	53105018.471120.		494660	03/29/23	RC	RB	NRPAB DEPOSIT 230329	7059697		100.00-
Total for Object			471120 QUALIFYING ED COURSE FEES									200.00-
25310	079	000	53105018.471121.		490218	03/01/23	RC	RB	NRPAB DEPOSIT 220301	7023666		125.00-
25310	079	000	53105018.471121.		491234	03/08/23	RC	RB	NRPAB DEPOSIT 230308	7033273		25.00-
25310	079	000	53105018.471121.		492089	03/14/23	RC	RB	NRPAB DEPOSIT 230314	7039701		125.00-
25310	079	000	53105018.471121.		492271	03/15/23	RC	RB	NRPAB DEPOSIT 230315	7041124		75.00-
25310	079	000	53105018.471121.		492902	03/17/23	RC	RB	NRPAB DEPOSIT 230317	7044978		200.00-
25310	079	000	53105018.471121.		494001	03/24/23	RC	RB	NRPAB DEPOSIT 230324	7053422		25.00-
25310	079	000	53105018.471121.		495116	03/31/23	RC	RB	NRPAB DEPOSIT 230331	7061898		50.00-
Total for Object			471121 CONTINUING ED NEW FEES									625.00-
25310	079	000	53105018.471122.		490218	03/01/23	RC	RB	NRPAB DEPOSIT 220301	7023666		10.00-
Total for Object			471122 CONTINUING ED RENEWAL FEES									10.00-
25310	079	000	53105018.475150.		490218	03/01/23	RC	RB	NRPAB DEPOSIT 220301	7023666		600.00-
25310	079	000	53105018.475150.		493636	03/21/23	RC	RB	NRPAB DEPOSIT 230321	7047772		300.00-
25310	079	000	53105018.475150.		494660	03/29/23	RC	RB	NRPAB DEPOSIT 230329	7059697		300.00-
Total for Object			475150 CERTIFIED GENERAL NEW FEES									1,200.00-
25310	079	000	53105018.475151.		494660	03/29/23	RC	RB	NRPAB DEPOSIT 230329	7059697		300.00-
Total for Object			475151 LICENSED NEW FEES									300.00-
25310	079	000	53105018.475152.		490218	03/01/23	RC	RB	NRPAB DEPOSIT 220301	7023666		45.25-
25310	079	000	53105018.475152.		490590	03/03/23	RC	RB	NRPAB DEPOSIT 230303	7027501		45.25-
25310	079	000	53105018.475152.		491234	03/08/23	RC	RB	NRPAB DEPOSIT 230308	7033273		90.50-
25310	079	000	53105018.475152.		492089	03/14/23	RC	RB	NRPAB DEPOSIT 230314	7039701		90.50-
25310	079	000	53105018.475152.		492271	03/15/23	RC	RB	NRPAB DEPOSIT 230315	7041124		45.25-
25310	079	000	53105018.475152.		492902	03/17/23	RC	RB	NRPAB DEPOSIT 230317	7044978		45.25-
25310	079	000	53105018.475152.		494660	03/29/23	RC	RB	NRPAB DEPOSIT 230329	7059697		45.25-
25310	079	000	53105018.475152.		495116	03/31/23	RC	RB	NRPAB DEPOSIT 230331	7061898		45.25-
Total for Object			475152 FINGERPRINT FEES									452.50-

Fund	Program	Sub-Program	Account Number	Sub-ledger	Doc Number	Tran Date	Tran Type	Batch Type	Payee/Explanation	Batch Number	Posted Code	Month to Date
25310	079	000	53105018.475153.		491234	03/08/23	RC	RB	NRPAB DEPOSIT 230308	7033273		300.00-
Total for Object			475153 CERTIFIED RESIDENTIAL NEW									300.00-
25310	079	000	53105018.475154.		491832	03/09/23	RC	RB	NRPAB RENEW EFW DEPOSIT 230309	7035664		550.00-
Total for Object			475154 CERTIFIED GENERAL RENEWAL									550.00-
25310	079	000	53105018.475155.		494699	03/28/23	RC	RB	NRPAB RENEW EFW DEPOSIT 230328	7058163		550.00-
Total for Object			475155 LICENSED RENEWAL									550.00-
25310	079	000	53105018.475156.		491832	03/09/23	RC	RB	NRPAB RENEW EFW DEPOSIT 230309	7035664		10.00-
25310	079	000	53105018.475156.		494699	03/28/23	RC	RB	NRPAB RENEW EFW DEPOSIT 230328	7058163		10.00-
Total for Object			475156 FINGERPRINT AUDIT PROGRAM FEES									20.00-
25310	079	000	53105018.475161.		490218	03/01/23	RC	RB	NRPAB DEPOSIT 220301	7023666		250.00-
25310	079	000	53105018.475161.		490590	03/03/23	RC	RB	NRPAB DEPOSIT 230303	7027501		150.00-
25310	079	000	53105018.475161.		491234	03/08/23	RC	RB	NRPAB DEPOSIT 230308	7033273		50.00-
25310	079	000	53105018.475161.		491691	03/10/23	RC	RB	NRPAB DEPOSIT 230310	7036393		50.00-
25310	079	000	53105018.475161.		492089	03/14/23	RC	RB	NRPAB DEPOSIT 230314	7039701		200.00-
25310	079	000	53105018.475161.		492902	03/17/23	RC	RB	NRPAB DEPOSIT 230317	7044978		50.00-
25310	079	000	53105018.475161.		493636	03/21/23	RC	RB	NRPAB DEPOSIT 230321	7047772		50.00-
25310	079	000	53105018.475161.		494660	03/29/23	RC	RB	NRPAB DEPOSIT 230329	7059697		150.00-
Total for Object			475161 TEMPORARY CERTIFIED GENERAL									950.00-
25310	079	000	53105018.475234.		490218	03/01/23	RC	RB	NRPAB DEPOSIT 220301	7023666		650.00-
25310	079	000	53105018.475234.		490590	03/03/23	RC	RB	NRPAB DEPOSIT 230303	7027501		450.00-
25310	079	000	53105018.475234.		491234	03/08/23	RC	RB	NRPAB DEPOSIT 230308	7033273		400.00-
25310	079	000	53105018.475234.		491691	03/10/23	RC	RB	NRPAB DEPOSIT 230310	7036393		100.00-
25310	079	000	53105018.475234.		492089	03/14/23	RC	RB	NRPAB DEPOSIT 230314	7039701		700.00-
25310	079	000	53105018.475234.		492271	03/15/23	RC	RB	NRPAB DEPOSIT 230315	7041124		150.00-
25310	079	000	53105018.475234.		492902	03/17/23	RC	RB	NRPAB DEPOSIT 230317	7044978		250.00-
25310	079	000	53105018.475234.		493636	03/21/23	RC	RB	NRPAB DEPOSIT 230321	7047772		100.00-
25310	079	000	53105018.475234.		494660	03/29/23	RC	RB	NRPAB DEPOSIT 230329	7059697		450.00-
25310	079	000	53105018.475234.		495116	03/31/23	RC	RB	NRPAB DEPOSIT 230331	7061898		150.00-
Total for Object			475234 APPLICATION FEES									3,400.00-
25310	079	000	53105018.476101.		490218	03/01/23	RC	RB	NRPAB DEPOSIT 220301	7023666		75.00-
25310	079	000	53105018.476101.		491832	03/09/23	RC	RB	NRPAB RENEW EFW DEPOSIT 230309	7035664		100.00-
25310	079	000	53105018.476101.		494699	03/28/23	RC	RB	NRPAB RENEW EFW DEPOSIT 230328	7058163		100.00-
Total for Object			476101 LATE PROCESSING FEES									750.00-

Fund	Program	Sub-Program	Account Number	Sub-ledger	Doc Number	Tran Date	Tran Type	Batch Type	Payee/Explanation	Batch Number	Posted Code	Month to Date
25310	079	000	53105018.481100.		20541409	03/17/23	JE	G	OIP FEB 2023; 2.48352%	7046532		891.13-
Total for Object			481100 INVESTMENT INCOME									891.13-
25310	079	000	53105018.511100.		3171589	03/08/23	T2	7	PAYROLL LABOR DISTRIBUTION	7023438		3,823.72
25310	079	000	53105018.511100.		3171760	03/22/23	T2	7	PAYROLL LABOR DISTRIBUTION	7040765		4,255.48
Total for Object			511100 PERMANENT SALARIES-WAGES									8,079.20
25310	079	000	53105018.511300.		3171760	03/22/23	T2	7	PAYROLL LABOR DISTRIBUTION	7040765		362.46
Total for Object			511300 OVERTIME PAYMENTS									362.46
25310	079	000	53105018.511600.		3171589	03/08/23	T2	7	PAYROLL LABOR DISTRIBUTION	7023438		325.00
Total for Object			511600 PER DIEM PAYMENTS									325.00
25310	079	000	53105018.511700.		3171589	03/08/23	T2	7	PAYROLL LABOR DISTRIBUTION	7023438		325.00
Total for Object			511700 EMPLOYEE BONUSES									325.00
25310	079	000	53105018.512100.		3171760	03/22/23	T2	7	PAYROLL LABOR DISTRIBUTION	7040765		24.73
Total for Object			512100 VACATION LEAVE EXPENSE									24.73
25310	079	000	53105018.512200.		3171589	03/08/23	T2	7	PAYROLL LABOR DISTRIBUTION	7023438		28.45
Total for Object			512200 SICK LEAVE EXPENSE									28.45
25310	079	000	53105018.512300.		3171589	03/08/23	T2	7	PAYROLL LABOR DISTRIBUTION	7023438		428.02
Total for Object			512300 HOLIDAY LEAVE EXPENSE									428.02
25310	079	000	53105018.515100.		3171590	03/08/23	T3	7	ACTUAL BURDEN JOURNAL ENTRIES	7023438		320.52
25310	079	000	53105018.515100.		3171761	03/22/23	T3	7	ACTUAL BURDEN JOURNAL ENTRIES	7040765		347.61
Total for Object			515100 RETIREMENT PLANS EXPENSE									668.13
25310	079	000	53105018.515200.		3171590	03/08/23	T3	7	ACTUAL BURDEN JOURNAL ENTRIES	7023438		352.79
25310	079	000	53105018.515200.		3171761	03/22/23	T3	7	ACTUAL BURDEN JOURNAL ENTRIES	7040765		330.81
Total for Object			515200 FICA EXPENSE									683.60
25310	079	000	53105018.515500.		3171590	03/08/23	T3	7	ACTUAL BURDEN JOURNAL ENTRIES	7023438		774.80
25310	079	000	53105018.515500.		3171761	03/22/23	T3	7	ACTUAL BURDEN JOURNAL ENTRIES	7040765		774.80
Total for Object			515500 HEALTH INSURANCE EXPENSE									1,549.60
25310	079	000	53105018.521100.		20530078	03/16/23	JE	G	POSTAGE DUE FEB 2023	7044011		

Fund	Program	Sub-Program	Account Number	Sub-ledger	Doc Number	Tran Date	Tran Type	Batch Type	Payee/Explanation	Batch Number	Posted Code	Month to Date
25310	079	000	53105018.521100.		20541286	03/16/23	JE	G	NRPAB POSTAGE FEBRUARY 2023	7045317		28.21-
Total for Object			521100 POSTAGE EXPENSE									52.40
25310	079	000	53105018.521400.		51570913	03/01/23	PV	V	AS - OCIO - COMMUNICATIONS	7023922		136.86
25310	079	000	53105018.521400.		51735449	03/14/23	PV	V	AS - OCIO - IMSERVICES	7041133		4,192.78
Total for Object			521400 CIO CHARGES									4,329.64
25310	079	000	53105018.521500.		20280685	03/01/23	JE	G	NRPAB COPY SERV OCT-DEC 2022	7015023		216.77-
Total for Object			521500 PUBLICATION & PRINT EXP									216.77-
25310	079	000	53105018.522200.		20379119	03/02/23	J1	G	PURCHASE CARD TRANSACTION	7026496		357.50
Total for Object			522200 CONFERENCE REGISTRATION									357.50
25310	079	000	53105018.524600.		20342869	03/07/23	JE	G	RENT & LB530 MAR 2023 - OTHER	7021139		939.94
25310	079	000	53105018.524600.		20494193	03/14/23	JE	G	NRPAB RENT MARCH 2023	7040453		328.98-
Total for Object			524600 RENT EXPENSE-BUILDINGS									610.96
25310	079	000	53105018.524900.		20342869	03/07/23	JE	G	RENT & LB530 MAR 2023 - OTHER	7021139		321.59
25310	079	000	53105018.524900.		20494193	03/14/23	JE	G	NRPAB RENT MARCH 2023	7040453		112.56-
Total for Object			524900 RENT EXP-DEPR SURCHARGE									209.03
25310	079	000	53105018.531100.		20105434	03/03/23	JE	G	OFFICE DEPOT JAN 2023	6991386		219.10
25310	079	000	53105018.531100.		20437126	03/07/23	JE	G	NRPAB ODP BUS SOL 1/2023	7033658		76.69-
Total for Object			531100 OFFICE SUPPLIES EXPENSE									142.41
25310	079	000	53105018.532260.		20105434	03/03/23	JE	G	OFFICE DEPOT JAN 2023	6991386		24.21
25310	079	000	53105018.532260.		20437126	03/07/23	JE	G	NRPAB ODP BUS SOL 1/2023	7033658		8.47-
Total for Object			532260 VOICE EQUIP									15.74
25310	079	000	53105018.539500.		51631623	03/02/23	PC	V	Purchase Card Offset	7026375		693.00
25310	079	000	53105018.539500.		20379119	03/02/23	J1	G	PURCHASE CARD TRANSACTION	7026496		693.00-
Total for Object			539500 PURCHASING CARD SUSPENSE									
25310	079	000	53105018.541700.		20379119	03/02/23	J1	G	PURCHASE CARD TRANSACTION	7026496		45.00
Total for Object			541700 LEGAL RELATED EXPENSE									45.00
25310	079	000	53105018.542100.		51786710	03/16/23	PV	V	AS - PERSONNEL DIVISION	7045028		565.12
Total for Object			542100 SOS TEMP SERV - PERSONNEL									565.12

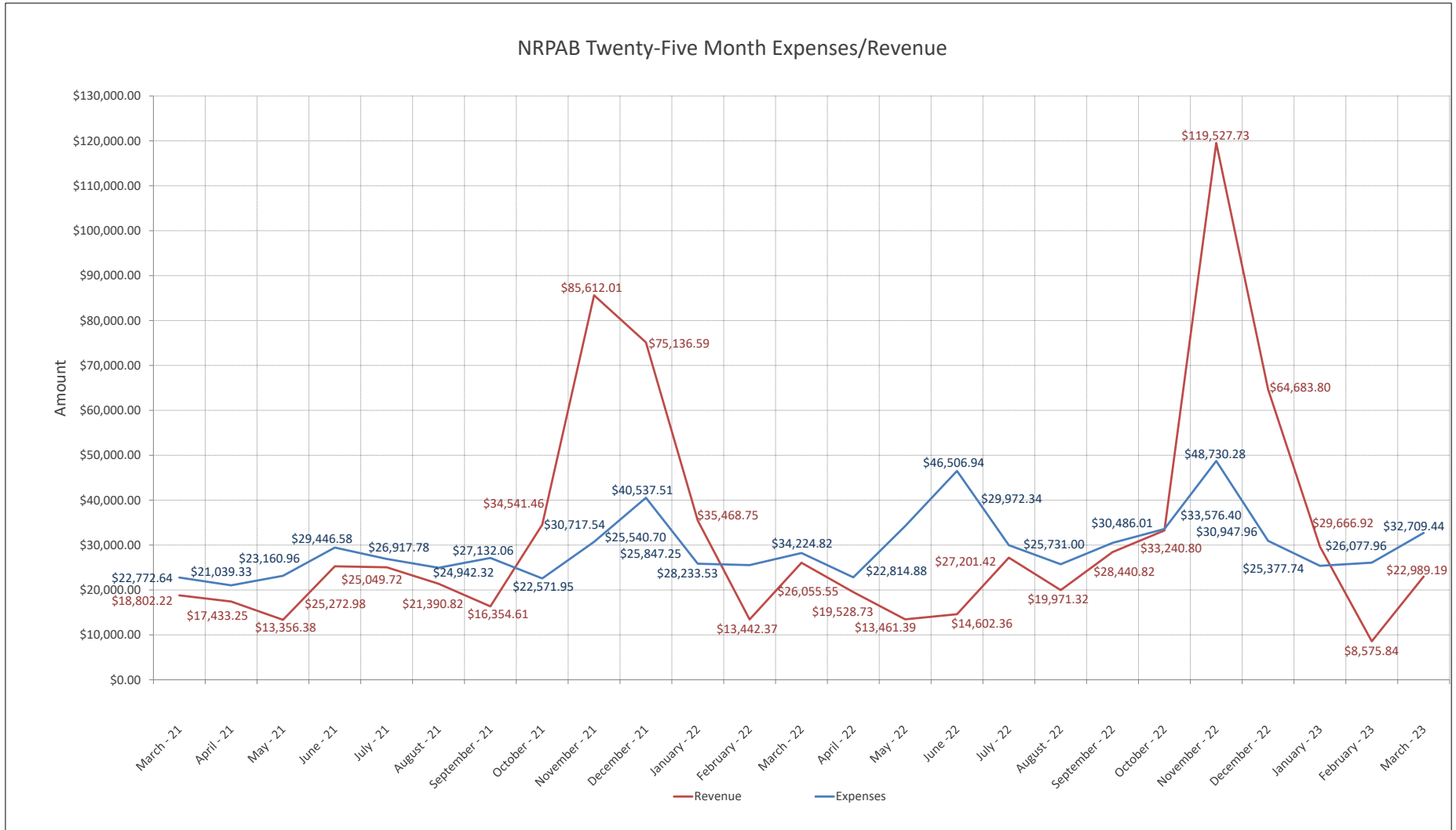
Fund	Program	Sub-Program	Account Number	Sub-ledger	Doc Number	Tran Date	Tran Type	Batch Type	Payee/Explanation	Batch Number	Posted Code	Month to Date
25310	079	000	53105018.554900.		51458078	03/01/23	PV	V	DATASHIELD CORPORATION	7015235		1.72
25310	079	000	53105018.554900.		20280701	03/01/23	JE	G	NRPAB DATASHIELD SOS SHRED	7015255		.60-
25310	079	000	53105018.554900.		51570948	03/01/23	PV	V	PATROL, NEBRASKA STATE	7023955		362.00
25310	079	000	53105018.554900.		51735450	03/14/23	PV	V	REALCORP	7041143		500.00
25310	079	000	53105018.554900.		51806327	03/21/23	PV	V	BAUERMEISTER APPRAISAL SERVICE	7048447		250.00
Total for Object			554900	OTHER CONTRACTUAL SERVICES								1,113.12
25310	079	000	53105018.571100.		20379119	03/02/23	J1	G	PURCHASE CARD TRANSACTION	7026496		63.70
Total for Object			571100	LODGING								63.70
25310	079	000	53105018.571800.		51637814	03/03/23	PV	V	DOWNING, BONNIE M	7029124		40.27
Total for Object			571800	MEALS - TRAVEL STATUS								40.27
25310	079	000	53105018.574500.		51637814	03/03/23	PV	V	DOWNING, BONNIE M	7029124		200.11
Total for Object			574500	PERSONAL VEHICLE MILEAGE								200.11
25310	079	000	53105018.575100.		51637814	03/03/23	PV	V	DOWNING, BONNIE M	7029124		7.31
Total for Object			575100	MISC TRAVEL EXPENSE								7.31
Total for Business Unit		53105018	NE REAL PROPERTY APPRAISER									10,236.10
25320	079	000	53105200.475163.		490589	03/03/23	RC	RB	NRPAB AMC DEPOSIT 230303	7027526		2,000.00-
Total for Object			475163	AMC REGISTERED NEW FEES								2,000.00-
25320	079	000	53105200.475165.		490589	03/03/23	RC	RB	NRPAB AMC DEPOSIT 230303	7027526		4,500.00-
25320	079	000	53105200.475165.		491235	03/08/23	RC	RB	NRPAB AMC DEPOSIT 230308	7033269		1,500.00-
25320	079	000	53105200.475165.		491692	03/10/23	RC	RB	NRPAB AMC DEPOSIT 230310	7036386		1,500.00-
25320	079	000	53105200.475165.		493633	03/21/23	RC	RB	NRPAB AMC DEPOSIT 230321	7047780		1,500.00-
25320	079	000	53105200.475165.		495117	03/31/23	RC	RB	NRPAB AMC DEPOSIT 230331	7061907		1,500.00-
Total for Object			475165	AMC REGISTERED RENEWAL								10,500.00-
25320	079	000	53105200.476101.		490589	03/03/23	RC	RB	NRPAB AMC DEPOSIT 230303	7027526		25.00-
25320	079	000	53105200.476101.		491235	03/08/23	RC	RB	NRPAB AMC DEPOSIT 230308	7033269		25.00-
Total for Object			476101	LATE PROCESSING FEES								50.00-
25320	079	000	53105200.481100.		20541409	03/17/23	JE	G	OIP FEB 2023; 2.48352%	7046532		665.56-
Total for Object			481100	INVESTMENT INCOME								665.56-
25320	079	000	53105200.511100.		3171589	03/08/23	T2	7	PAYROLL LABOR DISTRIBUTION	7023438		2,058.81

Fund	Program	Sub-Program	Account Number	Sub-ledger	Doc Number	Tran Date	Tran Type	Batch Type	Payee/Explanation	Batch Number	Posted Code	Month to Date
25320	079	000	53105200.511100.		3171760	03/22/23	T2	7	PAYROLL LABOR DISTRIBUTION	7040765		2,291.42
Total for Object			511100 PERMANENT SALARIES-WAGES									4,350.23
25320	079	000	53105200.511300.		3171760	03/22/23	T2	7	PAYROLL LABOR DISTRIBUTION	7040765		195.17
Total for Object			511300 OVERTIME PAYMENTS									195.17
25320	079	000	53105200.511600.		3171589	03/08/23	T2	7	PAYROLL LABOR DISTRIBUTION	7023438		175.00
Total for Object			511600 PER DIEM PAYMENTS									175.00
25320	079	000	53105200.511700.		3171589	03/08/23	T2	7	PAYROLL LABOR DISTRIBUTION	7023438		175.00
Total for Object			511700 EMPLOYEE BONUSES									175.00
25320	079	000	53105200.512100.		3171760	03/22/23	T2	7	PAYROLL LABOR DISTRIBUTION	7040765		13.31
Total for Object			512100 VACATION LEAVE EXPENSE									13.31
25320	079	000	53105200.512200.		3171589	03/08/23	T2	7	PAYROLL LABOR DISTRIBUTION	7023438		15.46
Total for Object			512200 SICK LEAVE EXPENSE									15.46
25320	079	000	53105200.512300.		3171589	03/08/23	T2	7	PAYROLL LABOR DISTRIBUTION	7023438		230.48
Total for Object			512300 HOLIDAY LEAVE EXPENSE									230.48
25320	079	000	53105200.515100.		3171590	03/08/23	T3	7	ACTUAL BURDEN JOURNAL ENTRIES	7023438		172.56
25320	079	000	53105200.515100.		3171761	03/22/23	T3	7	ACTUAL BURDEN JOURNAL ENTRIES	7040765		187.22
Total for Object			515100 RETIREMENT PLANS EXPENSE									359.78
25320	079	000	53105200.515200.		3171590	03/08/23	T3	7	ACTUAL BURDEN JOURNAL ENTRIES	7023438		189.98
25320	079	000	53105200.515200.		3171761	03/22/23	T3	7	ACTUAL BURDEN JOURNAL ENTRIES	7040765		178.11
Total for Object			515200 FICA EXPENSE									368.09
25320	079	000	53105200.515500.		3171590	03/08/23	T3	7	ACTUAL BURDEN JOURNAL ENTRIES	7023438		417.20
25320	079	000	53105200.515500.		3171761	03/22/23	T3	7	ACTUAL BURDEN JOURNAL ENTRIES	7040765		417.20
Total for Object			515500 HEALTH INSURANCE EXPENSE									834.40
25320	079	000	53105200.521100.		20541286	03/16/23	JE	G	NRPAB POSTAGE FEBRUARY 2023	7045317		28.21
Total for Object			521100 POSTAGE EXPENSE									28.21
25320	079	000	53105200.521400.		51570913	03/01/23	PV	V	AS - OCIO - COMMUNICATIONS	7023922		73.70
25320	079	000	53105200.521400.		51735449	03/14/23	PV	V	AS - OCIO - IMSERVICES	7041133		3,567.33
Total for Object			521400 CIO CHARGES									3,641.03

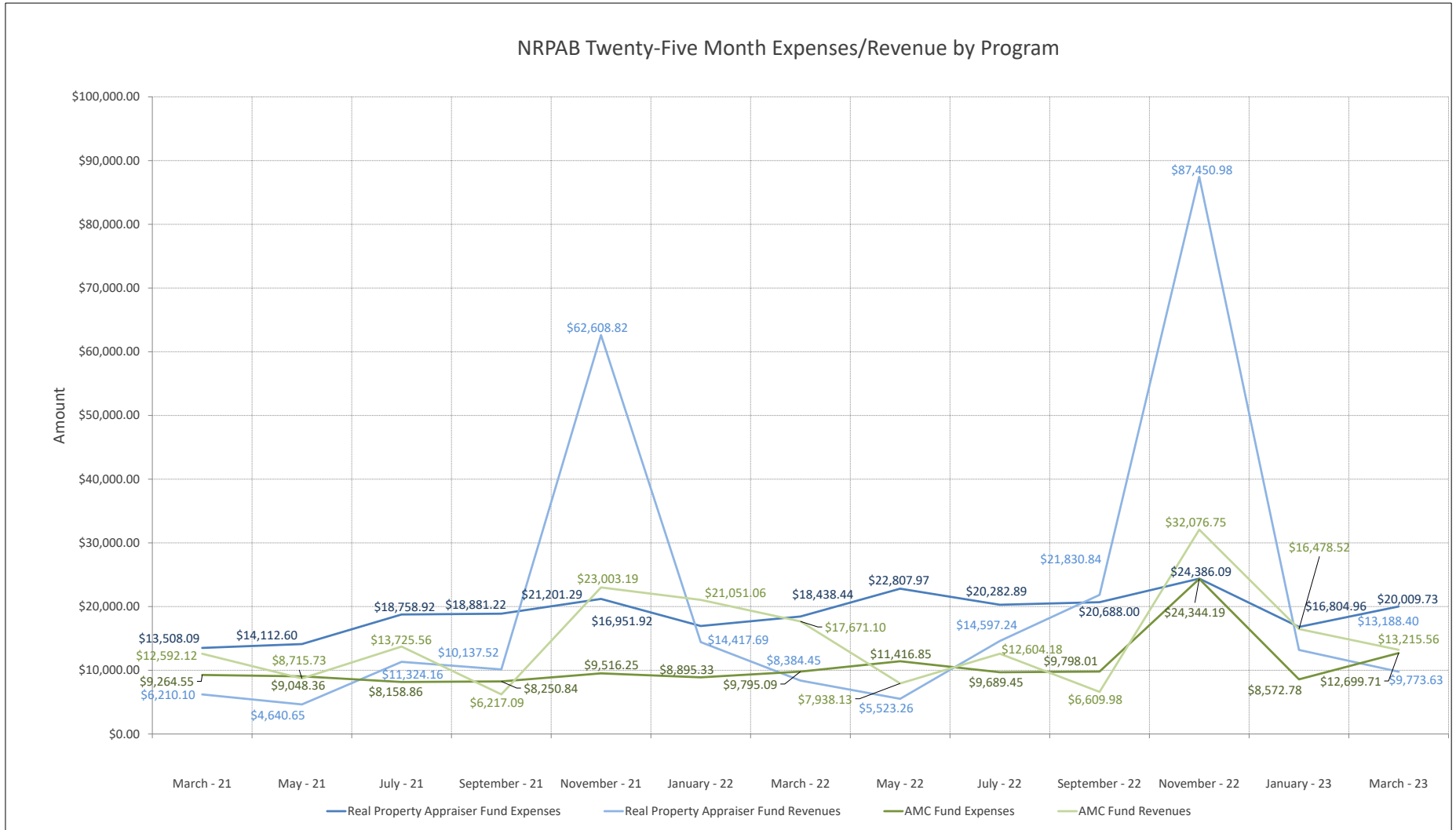
Fund	Program	Sub-Program	Account Number	Sub-ledger	Doc Number	Tran Date	Tran Type	Batch Type	Payee/Explanation	Batch Number	Posted Code	Month to Date
25320	079	000	53105200.521500.		20280685	03/01/23	JE	G	NRPAB COPY SERV OCT-DEC 2022	7015023		216.77
Total for Object			521500 PUBLICATION & PRINT EXP									216.77
25320	079	000	53105200.522200.		20379119	03/02/23	J1	G	PURCHASE CARD TRANSACTION	7026496		192.50
Total for Object			522200 CONFERENCE REGISTRATION									192.50
25320	079	000	53105200.524600.		20494193	03/14/23	JE	G	NRPAB RENT MARCH 2023	7040453		328.98
Total for Object			524600 RENT EXPENSE-BUILDINGS									328.98
25320	079	000	53105200.524900.		20494193	03/14/23	JE	G	NRPAB RENT MARCH 2023	7040453		112.56
Total for Object			524900 RENT EXP-DEPR SURCHARGE									112.56
25320	079	000	53105200.531100.		20437126	03/07/23	JE	G	NRPAB ODP BUS SOL 1/2023	7033658		76.69
Total for Object			531100 OFFICE SUPPLIES EXPENSE									76.69
25320	079	000	53105200.532260.		20437126	03/07/23	JE	G	NRPAB ODP BUS SOL 1/2023	7033658		8.47
Total for Object			532260 VOICE EQUIP									8.47
25320	079	000	53105200.542100.		51786710	03/16/23	PV	V	AS - PERSONNEL DIVISION	7045028		304.30
Total for Object			542100 SOS TEMP SERV - PERSONNEL									304.30
25320	079	000	53105200.554900.		20280701	03/01/23	JE	G	NRPAB DATASHIELD SOS SHRED	7015255		.60
25320	079	000	53105200.554900.		51570948	03/01/23	PV	V	PATROL, NEBRASKA STATE	7023955		905.00
Total for Object			554900 OTHER CONTRACTUAL SERVICES									905.60
25320	079	000	53105200.571100.		20379119	03/02/23	J1	G	PURCHASE CARD TRANSACTION	7026496		34.30
Total for Object			571100 LODGING									34.30
25320	079	000	53105200.571800.		51637814	03/03/23	PV	V	DOWNING, BONNIE M	7029124		21.69
Total for Object			571800 MEALS - TRAVEL STATUS									21.69
25320	079	000	53105200.574500.		51637814	03/03/23	PV	V	DOWNING, BONNIE M	7029124		107.75
Total for Object			574500 PERSONAL VEHICLE MILEAGE									107.75
25320	079	000	53105200.575100.		51637814	03/03/23	PV	V	DOWNING, BONNIE M	7029124		3.94
Total for Object			575100 MISC TRAVEL EXPENSE									3.94
Total for Business Unit		53105200	AMC LICENSING									

Fund	Program	Sub-Program	Account Number	Sub-ledger	Doc Number	Tran Date	Tran Type	Batch Type	Payee/Explanation	Batch Number	Posted Code	Month to Date
Total for Division		000										9,720.25
Total for Agency		053	REAL PROPERTY APPRAISER BD									9,720.25

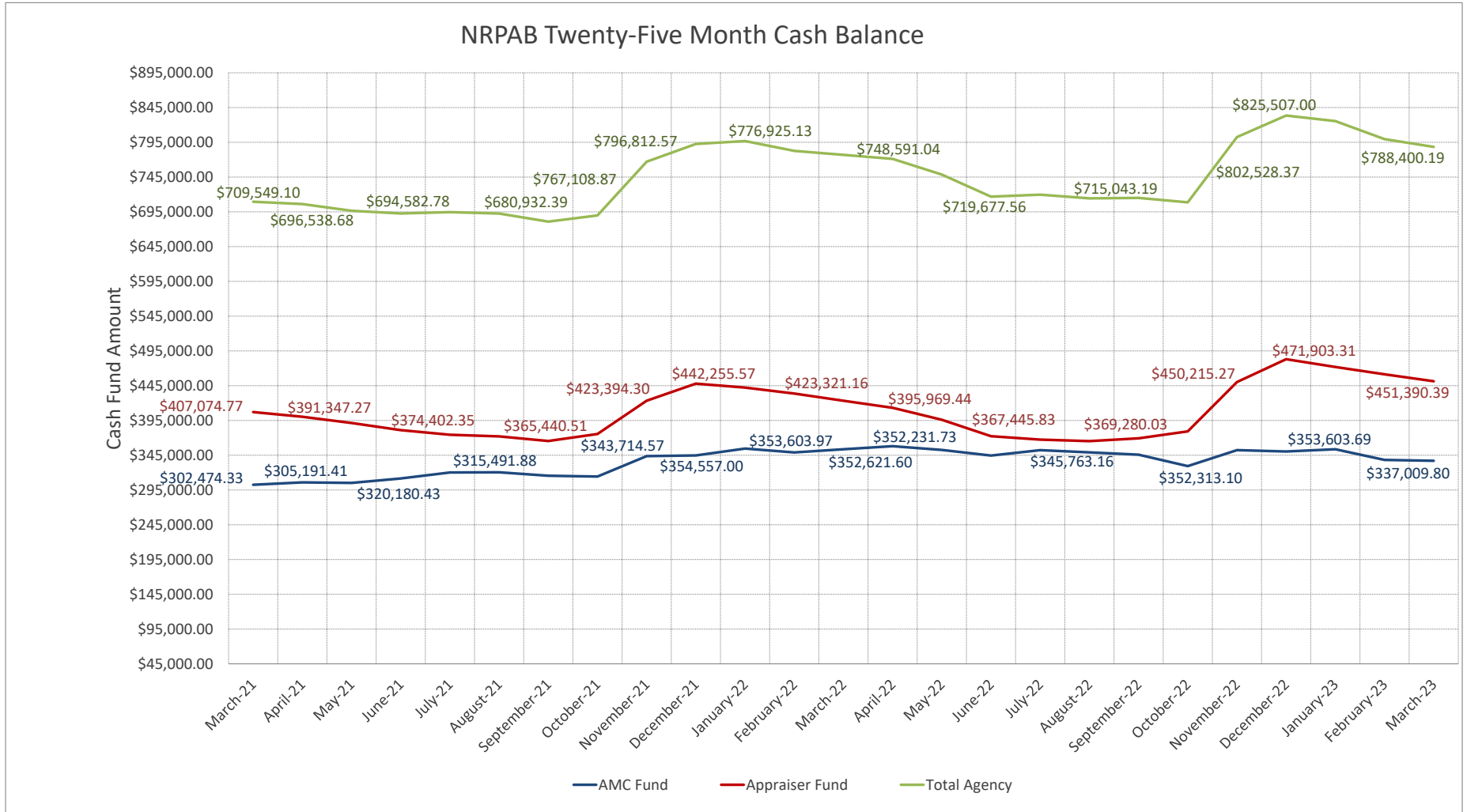
Financial Report and Considerations - Financial Charts



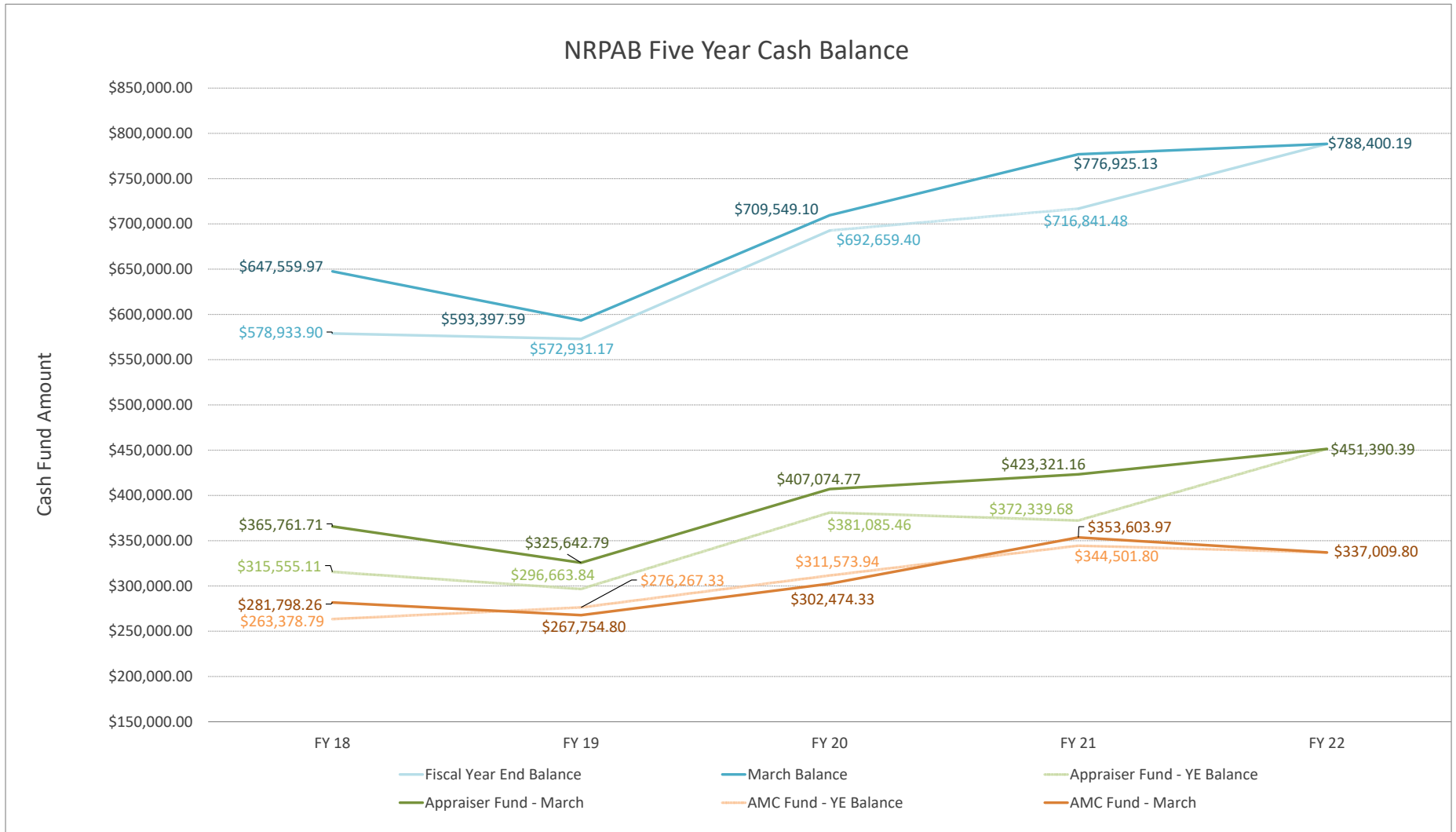
Financial Report and Considerations - Financial Charts



Financial Report and Considerations - Financial Charts



Financial Report and Considerations - Financial Charts



NEBRASKA REAL PROPERTY APPRAISER BOARD

EDUCATION

TABLE OF CONTENTS

April 20, 2023

NEW CONTINUING EDUCATION ACTIVITIES

- 1- Appraiser Liability and Risk Management
OREP Education Network
2232406.19 – 7 CE
Timothy Andersen



301 Centennial Mall South, First Floor
 PO Box 94963
 Lincoln, NE 68509-4963
<https://appraiser.ne.gov/>
 402-471-9015

Board Number: _____
 Date Received: _____

RECEIVED
FEB 13 2023
 BY: *[Signature]*
 For Board Use Only

APPLICATION FOR APPROVAL AS A CONTINUING EDUCATION ACTIVITY IN NEBRASKA

This application must be used by an education provider applying for approval of a continuing education activity or resubmission of an approved continuing education activity. A separate application form must be filed for each continuing education activity submitted for approval. Applicants should read carefully Chapter 6 of Title 298 of the Nebraska Administrative Code before completing the information below. Any application deemed to be incomplete may be returned.

EDUCATION PROVIDER INFORMATION

Education Provider Name: OREP Education Network

Contact Person Name: Peck Isaac F.
Last First Middle

Address: 6353 El Cajon Blvd. Suite 124-605 San Diego CA 92115-2600
PO Box or Street Number City State Zip Code + 4

education@orep.org (888) 347-5273
Email Address Area Code + Phone Number

CONTINUING EDUCATION ACTIVITY INFORMATION

Per the Real Property Appraiser Qualifications Criteria effective on January 1, 2022, synchronous educational offering means, the instructor and students interact simultaneously online, similar to a phone call, video chat or live webinar, or web-based meeting; asynchronous educational offering means the instructor and students' interaction is non-simultaneous, and the students progress at their own pace and follow a structured course content and quiz/exam schedule.

Activity Title: Appraiser Liability and Risk Management

Activity Length (Hours): *Exam hours not required nor counted* 7

The activity is conducted: In-class By Correspondence (Synchronous) Online (Asynchronous)

The activity is being submitted for approval as: Seven-hour National USPAP Update Course Other

This submission is a: New Continuing Education Activity Resubmission of an Approved Continuing Education Activity

Continuing Education Activity Secondary Provider: Yes No

RESUBMISSION INFORMATION

If *New Continuing Education Activity* is selected under CONTINUING EDUCATION ACTIVITY INFORMATION, proceed to APPLICATION CHECKLIST.

If *Resubmission of an Approved Continuing Education Activity* is selected under CONTINUING EDUCATION ACTIVITY INFORMATION, the reason for resubmission is:

- There is a change in the status of approval by the Appraiser Qualifications Board of The Appraisal Foundation through its Course Approval Program.
- There is a change in the status of the qualification for online or correspondence delivery specified in 298 NAC, Chapter 6, § 001.07A.
- There is a substantial change to the materials, presentation, or policies.
- There is a change in the qualifications as specified in 298 NAC, Chapter 6, § 005.01 under which an instructor was approved.
- One or more instructors are added or removed by the education provider.
- The materials, theories, and/or methodologies are no longer current.
- The activity content and/or policies are no longer communicated to the credential holder(s) as approved.
- There is a change to a secondary provider's rights to the activity.

APPLICATION CHECKLIST

All materials submitted to the Board related to an Application for Approval as a Continuing Education Activity are for Board use only and shall be retained by the Board. Except for the Completed application, Non-refundable \$25.00 application fee, and A written explanation of the reason for resubmission, if *Resubmission of an Approved Continuing Education Activity* is selected under CONTINUING EDUCATION ACTIVITY INFORMATION, only the items that have changed since the last submission need to be included.

General

Required for all continuing education activities.

- Completed application.
- Non-refundable \$25.00 application fee.
- A document certifying completion issued to each attendee upon completion of any continuing education activity. The document includes the name of education provider, signature of education provider and/or instructor, name of activity as approved, location at which activity was conducted or presentation method, date(s) activity was conducted, number of hours, pass or fail statement, and name of credential holder, or be an official transcript from a university or college that includes the name of activity as approved, the number of credit hours awarded, and the name of the attendee.

AND if Yes is selected for Continuing Education Activity Secondary Provider under CONTINUING EDUCATION ACTIVITY INFORMATION:

- Evidence that the rights to the continuing education activity have been purchased or lawfully acquired from the education provider that owns the rights to the activity materials.

AND if *Resubmission of an Approved Continuing Education Activity* is selected under CONTINUING EDUCATION ACTIVITY INFORMATION:

- A written explanation of the reason for resubmission.

AQB Approved Continuing Education Activities

Required for activities approved by the AQB of The Appraisal Foundation through its Course Approval Program.

- Evidence that the continuing education activity is approved by the Appraiser Qualifications Board of The Appraisal Foundation through its Course Approval Program for continuing education.

If *Online (Asynchronous)* is selected under CONTINUING EDUCATION ACTIVITY INFORMATION:

- Evidence that the online activity is certified by the International Distance Education Certification Center (Secondary providers must have IDECC approval under own name).

OR

- Evidence that the online activity is conducted by an accredited college, community college, or university that offers distance education programs and is approved or accredited by the Commission on Colleges, a regional or national accreditation association, or by an accrediting agency that is recognized by the U.S. Secretary of Education, that awards academic credit for the distance education courses, **AND**

Evidence that the activity provides interaction in a reciprocal environment where the student has verbal or written communication with the instructor, **AND**

Description of the mechanism(s) used to demonstrate the student's knowledge of the subject matter, and why the mechanism(s) are effective.

If *By Correspondence (Synchronous)* is selected under CONTINUING EDUCATION ACTIVITY INFORMATION, and activity is conducted by an accredited college, community college, or university:

- Evidence that the activity provides interaction in a reciprocal environment where the student has verbal or written communication with the instructor.

Non-AQB Approved Continuing Education Activities

Required for activities not approved by the AQB.

- An activity description that clearly describes the content.
- All learning objectives.
- An instructor policy that requires the use of instructors who meet the requirements of the Nebraska Real Property Appraiser Act and Title 298.
- A timed outline that accounts for the general flow and recommended time spent on topics contained within the activity and reflects hours of credit per topic.
- All student and instructor materials.
- A record retention policy.
- An attendance policy that requires attendance to be verified in accordance with the Nebraska Real Property Appraiser Act and Title 298.

If *Seven-hour National USPAP Update Course* is selected under CONTINUING EDUCATION ACTIVITY INFORMATION:

- A completed "7-Hour USPAP Course Checklist for AQB Equivalency Approval" as developed and published by The Appraisal Foundation for Seven-hour National USPAP Update Course.

If *Online (Asynchronous)* is selected under CONTINUING EDUCATION ACTIVITY INFORMATION:

- Description of the mechanism(s) used to demonstrate the student's knowledge of the subject matter, and why the mechanism(s) are effective.
- Evidence that the online activity is certified by the International Distance Education Certification Center (Secondary providers must have IDECC approval under own name).

OR

- Evidence that the online activity is conducted by an accredited college, community college, or university that offers distance education programs and is approved or accredited by the Commission on Colleges, a regional or national accreditation association, or by an accrediting agency that is recognized by the U.S. Secretary of Education, that awards academic credit for the distance education courses, **AND**

Evidence that online education activity provides interaction in a reciprocal environment where the student has verbal or written communication with the instructor.

If *By Correspondence (Synchronous)* is selected under CONTINUING EDUCATION ACTIVITY INFORMATION, and the activity is conducted by accredited college, community college, or university:

- Evidence that the activity provides interaction in a reciprocal environment where the student has verbal or written communication with the instructor.

INSTRUCTOR INFORMATION

An instructor is an individual who is responsible for ensuring that the activity content is communicated to the activity's audience as presented to the Board for approval, and that the activity contributes to the quality of valuation services provided to the public. An individual who communicates assigned materials or a portion of activity content under the authorization of the education provider, but is not responsible for the activity content, is not an instructor.

If reporting more than two instructors for the activity, submit the form titled, "Supplemental Instructor Information for Education Activity Application" at <https://appraiser.ne.gov/Education/>

Instructor Name: <u>Andersen</u> <u>Timothy</u> <u>C.</u>		
Last	First	Middle
Email Address: <u>tim@theappraisersadvocate.com; maitca@bellsouth.net</u>		Area Code + Phone Number: <u>(561) 635-5265</u>
<p>Is the instructor a state-certified appraiser in Nebraska or any other jurisdiction? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Is the instructor an AQB Certified USPAP Instructor by the Appraiser Qualifications Board of The Appraisal Foundation? <i>Required if the activity is a seven-hour National USPAP Update Course</i> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>An instructor for any continuing education activity must satisfy at least one of the following qualifications: <i>Select one option only</i></p> <p><input type="checkbox"/> Hold a bachelor's degree in any field and have at least three years of experience directly related to the subject matter to be taught;</p> <p><input type="checkbox"/> Hold a master's degree or higher in any field and have at least one year of experience directly related to the subject matter to be taught;</p> <p><input checked="" type="checkbox"/> Hold a master's degree or higher in a field that is directly related to the subject matter to be taught;</p> <p><input type="checkbox"/> Have five years of real property appraisal practice teaching experience directly related to the subject matter to be taught; or</p> <p><input type="checkbox"/> Have seven years of real property appraisal practice experience directly related to the subject matter to be taught.</p>		

Instructor Name: _____		
Last	First	Middle
Email Address: _____		Area Code + Phone Number: _____
<p>Is the instructor a state-certified appraiser in Nebraska or any other jurisdiction? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Is the instructor an AQB Certified USPAP Instructor by the Appraiser Qualifications Board of The Appraisal Foundation? <i>Required if the activity is a seven-hour National USPAP Update Course</i> <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>An instructor for any continuing education activity must satisfy at least one of the following qualifications: <i>Select one option only</i></p> <p><input type="checkbox"/> Hold a bachelor's degree in any field and have at least three years of experience directly related to the subject matter to be taught;</p> <p><input type="checkbox"/> Hold a master's degree or higher in any field and have at least one year of experience directly related to the subject matter to be taught;</p> <p><input type="checkbox"/> Hold a master's degree or higher in a field that is directly related to the subject matter to be taught;</p> <p><input type="checkbox"/> Have five years of real property appraisal practice teaching experience directly related to the subject matter to be taught; or</p> <p><input type="checkbox"/> Have seven years of real property appraisal practice experience directly related to the subject matter to be taught.</p>		

GENERAL REQUIREMENTS

1. The Board may at any time conduct an audit of any approved education activity to verify that the activity is being conducted in accordance with the Real Property Appraiser Act and Title 298 as approved. If requested, electronic access will be provided to the Board for any approved online education activity.
2. The Board may at any time review activity and instructor materials approved by the Appraiser Qualifications Board of The Appraisal Foundation through its Course Approval Program to verify that the activity and/or instructor(s) meets the requirements of the Real Property Appraiser Act and Title 298 as approved.
3. Approval of activities does not transfer from one education provider to another, unless one education provider obtains the legal rights to all activities of another education provider.
4. Education providers and instructors will comply with the Nebraska Private Postsecondary Career Schools Act, NEB. REV. STAT. § 85-1601, et seq. as applicable.
5. Knowingly offering or attempting to offer a qualifying or continuing education activity as being approved to a real property appraiser or an applicant, without first obtaining approval of the activity, except for activities required by an accredited degree-awarding college or university for completion of a degree in real estate, if the college or university had its curriculum approved by the Appraiser Qualifications Board as qualifying education is a violation of Neb. Rev. Stat. § 76-2238(21).
6. Any continuing education activity must contribute to a credential holder's development of real property appraiser related skill, knowledge, and competency in any one or more of the following subjects:
 - (1) Real property appraisal practice,
 - (2) Valuation methodology and/or techniques,
 - (3) Market fundamentals, characteristics, conditions and analysis,
 - (4) Real property concepts, characteristics and analysis,
 - (5) Communication,
 - (6) Computation, and/or
 - (7) Legal considerations.
7. An activity in which the primary purpose is training in the use of a specific software, and not utilization of a software to improve competency in appraisal practice; valuation methodology and/or techniques; market fundamentals, characteristics, conditions and analysis; real property concepts, characteristics and analysis; communication; computation; and/or legal considerations, does not meet the requirements for approval as a continuing education activity.
8. An instructor for any qualifying education activity, continuing education activity, or supervisory real property appraiser and trainee course, must meet qualifications established pursuant to any other applicable law.
9. An instructor for any qualifying education activity, continuing education activity, or supervisory real property appraiser and trainee course, may not have a conviction, including a conviction based upon a plea of guilty or nolo contendere, of any felony unless his or her civil rights have been restored.
10. An instructor for any qualifying education activity, continuing education activity, or supervisory real property appraiser and trainee course, who holds a credential as a real property appraiser in Nebraska or any other jurisdiction shall maintain each credential in good standing in accordance with the laws of the jurisdiction in which each credential is held, not have had a credential revoked, suspended, or have surrendered a credential in lieu of disciplinary action within three years; and not have had disciplinary action taken against his or her credential that may constitute a violation of NEB. REV. STAT. § 76-2238 within three years.
11. Any instructor of the qualifying education fifteen-hour National Uniform Standards of Professional Appraisal Practice Course, the continuing education seven-hour National Uniform Standards of Professional Appraisal Practice Update Course, and/or the supervisory real property appraiser and trainee course, must be an AQB Certified USPAP Instructor by the Appraiser Qualifications Board of The Appraisal Foundation, be a state-certified real property appraiser in good standing, have an instructional background in real property appraisal practice education; and have a minimum of five years of real property appraisal practice experience.
12. An instructor for any qualifying education activity, continuing education activity, or supervisory real property appraiser and trainee course must satisfy the education provider's instructor policy that requires the use of instructors who meet the requirements of the Nebraska Real Property Appraiser Act and Title 298.

I hereby attest that I have included all required materials, complied with all the listed requirements, completed the submitted application in its entirety, and that all statements and materials are true and correct to the best of my knowledge and belief. I understand that, should this application be found to be incomplete, that it may be considered invalid and be returned. Furthermore, I understand that if the Board finds that one or more statements made in this application, or materials submitted with this application, are not true and correct, the Board may deny the application.

Print Name: Peck Isaac F.
Last First Middle
Isaac Peck 01/16/2023
Signature Date

EXPIRATION AND RESCINDING APPROVAL

1. Except for the seven-hour Uniform Standards of Professional Practice Update course, which expires on the date on which the approval by the Appraiser Qualifications Board expires, a continuing education activity shall expire on the date five years after the date of approval.
2. The Board may rescind approval of a continuing education activity if the Board finds:
 - 1) Falsification of information submitted for activity approval,
 - 2) A change in approval by Appraiser Qualifications Board of The Appraisal Foundation through its Course Approval Program,
 - 3) A change in status of the qualification for online or correspondence delivery specified in 298 NAC, Chapter 6, § 001.07A,
 - 4) Substantial errors and/or deficiencies in the materials or presentation,
 - 5) The materials, theories, and/or methodologies are not current and/or practical,
 - 6) There is a change in the qualifications as specified in 298 NAC, Chapter 6, § 005.01 under which an instructor was approved,
 - 7) The instructor(s) responsible for the activity content and presentation are not approved,
 - 8) The activity content and/or policies are not communicated to the credential holder(s) as approved,
 - 9) A material violation of Real Property Appraiser Act or Title 298 by the education provider or instructor for the activity, or
 - 10) There is a change to a secondary provider's rights to the activity.
3. If the Board finds reason to rescind its approval of an activity, the Board will provide written notice to the education provider that includes a description of the reasons for rescinding approval found by the Board. The education provider has 60 days from the date of notice to provide a written response to the Board's notice. If the response is satisfactory to the Board, the Board will not rescind its approval. If the response is not satisfactory to the Board, the Board may rescind approval of the activity. If approval is rescinded, the education provider may file a new application for approval of the qualifying education activity, and if so, meet the requirements in place at the time a new application is submitted to the Board.

DIRECTIONS

1. Complete entire application. If required information is not provided, application will be considered incomplete and may be returned.
2. Along with the application, all information requested in the APPLICATION CHECKLIST section, as applicable, must be included.
3. Mail application, fee, and supporting documentation to:
NEBRASKA REAL PROPERTY APPRAISER BOARD
PO BOX 94963
LINCOLN NE 68509-4963
4. Questions or concerns may be directed to Board staff at 402-471-9015 or nrpab.education@nebraska.gov.

RECEIPT

NEBRASKA REAL PROPERTY APPRAISER BOARD

No.: 22359

Date: 02/13/2023

Received from: OREP Education Network / IFP Media, LLC

For: 1 CE NW, 2 CE Renewal

Check # 2281

Application Fee	\$	_____
AMC Registration Fee: ___ new ___ renewal		_____
AMC ASC National Registry Fee: _____ appraisers @ \$25		_____
Reporting Year ___ / ___ / _____ to ___ / ___ / _____		_____
Review of Courses: ___ QE <u>1</u> CE <u>2</u> CE renewal		<u>45.00</u>
Penalty Fees/Fines		_____
Fingerprint Processing		_____
Late Processing: _____ months @ \$25		_____
Other: _____		_____

TOTAL \$ 45.00

Received by: *Kassie Jones*

2281

IFP Media, LLC
6353 El Cajon Blvd., Ste 124-605
San Diego, CA 92115



11-35/1210



02/08/2023

PAY TO THE ORDER OF Nebraska Real Property App Board

\$ **45.00

Forty-five and 00/100*****

DOLLARS

Nebraska Real Property App Board

[Signature]

AUTHORIZED SIGNATURE

Security features. Details on back.



April 3, 2023

ISAAC PECK
6353 EL CAJON BLVD SUITE 124-605
SAN DIEGO CA 92115-2600

RE: Continuing Education Activity Submission Deficiencies

Dear Isaac Peck,

The Nebraska Real Property Appraiser Board ("Board") has received an Application for Approval of Continuing Education Activity in Nebraska from OREP Education Network for the following education activity:

- Appraiser Liability and Risk Management

In accordance with Title 298 NAC Chapter 6, § 003.02A.2, an education provider applying for approval of a continuing education activity must submit evidence that the activity is approved by the Appraiser Qualifications Board of The Appraisal Foundation through its Course Approval Program for continuing education, or submit the following (in part):

- Written learning objectives that include the following:
 - (1) The specific knowledge and/or skills credential holders(s) are expected to acquire,
 - (2) An explanation of how learning objectives are consistent with the activity description,
 - (3) An explanation of how learning objectives are consistent with instructional materials, and
 - (4) An explanation of how learning objectives are reasonably achievable within the number of hours allotted for the activity;

The continuing education activity submittal identified above is deficient of the listed materials required in 298 NAC Chapter 6, § 003.02A.2. Please provide the deficient materials before the end of the day on April 10, 2023.

The materials may be sent via email to nrpab.education@nebraska.gov or by the address listed on the next page.

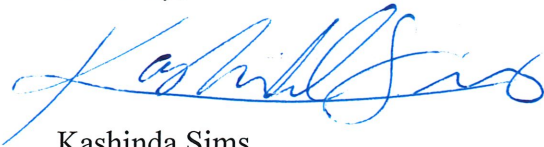
[Isaac Peck]
April 3, 2023
Page 2 of 2

NEBRASKA REAL PROPERTY APPRAISER BOARD
301 CENTENNIAL MALL SOUTH
PO BOX 94963
LINCOLN NE 68509-4963

If the requested materials are not received at the Board's office by the end of the day on April 10, 2023, the applications will go before the Board for consideration at its next scheduled meeting on April 20, 2023.

Please feel free to contact me with any questions or concerns by phone at 402-471-9015, or by email at kashinda.sims@nebraska.gov.

Sincerely,



Kashinda Sims
Business and Education Program Manager

Appraiser Liability and Risk Management
7 Hour CE Course
OREP Education Network

Instructor: Timothy Andersen

Presenters:

- David Brauner – former Senior Broker at OREP.org
- Tim Andersen, MAI – speaker, educator, author, and appraiser
- Isaac Peck, President at OREP.org and Editor of *Working RE* Magazine

This course is designed to help you limit your liability and manage your risk as an appraiser.

Goals and Objectives for this Course

Understand Risks and Potential Claims/Complaints

Protect Yourself/Reduce Your Liability

Avoid Trouble

Handle Trouble When it Happens

Communicate Clearly

Manage Risks



Memo

To: Nebraska Real Property Appraiser Board
From: Tyler Kohtz, Director
CC:
Date: 3/8/2023
Re: 25090 - Add Disciplinary History Document to "Nebraska Credentialed Real Property Appraisers" and "Nebraska Registered AMCs" Tab

During its Short- and Long-Term Goals and Objectives discussion pertaining to the NRPAB Website at its June 15, 2022 Strategic Planning Meeting, the Board discussed the possibility of adding disciplinary actions to the appraiser listing, now the Nebraska Credential Real Property Appraisers Search, at my request. The discussion covered the functionality, where the attachments come from, and whether this addition would create more work for staff. Upon the conclusion of the conversation, I proposed to get a quote from OCIO and present it to the Board at a regular meeting for further discussion.

User Story 25090 is attached to provide additional details regarding concept, the functionality, and the estimated costs for this project. Work to complete this enhancement is estimated at 50 hours. Applications Development Support is \$81.50 per hour. This project, with a 10% cost overrun estimate included, is estimated at \$4,500.00.

User Story 25090 - Add Disciplinary History Document to "Nebraska Credentialed Real Property Appraisers" and "Nebraska Registered AMCs" Tab

Assigned To: Zeke Inman

State: Active

Created Date: 02/03/2023 9:22 AM

Description:

Add a column to the "Nebraska Credentialed Real Property Appraisers" and "Nebraska Registered AMCs" tabs on the Board's website titled "Disciplinary History." This column will report none, unless one or more documents in a PDF format are downloaded through an added function found in the NRPAB Database under the "Appraiser" tab and "AMC" as a new subsection titled, "Disciplinary History." In the database, under Disciplinary History, A Case Number, Date of Action, Summary, and Document attachment should be available options. These should be editable as needed in the future and the number of entries added should be unlimited. On the Website, a person viewing a record should be able to see the Case Number, Date of Action, Summary, and Document for each case entered for each appraiser or AMC.

History

02/03/2023 9:22 AM Tyler Kohtz:

@Jordan Neujahr @Zeke Inman Please provide an estimate for the request as shown. Thanks.

03/06/2023 10:08 AM Zeke Inman:

@Tyler Kohtz @Allison Nespor If I am understanding this correctly, you want disciplinary information/history to be available/connected to a credential card or registration card similar to an appraiser renewal application?

This new form to enter this information would be in a new section on their respective tab.

03/06/2023 10:12 AM Zeke Inman:

@Tyler Kohtz @Allison Nespor With the new following fields "A Case Number, Date of Action, Summary, and Document attachment"

Assuming the connection between a credential or registration is needed would this connection/association be made at the creation of a credential/registration card similar to how payments are created for that type, or would it be connected later similar to activities and their providers/instructors via dropdown/autocomplete field?

03/06/2023 10:17 AM Tyler Kohtz:

@Zeke Inman @Sims, Kashinda Not exactly, an additional column will be added to the public search listings on the website, not in appraiser login, that includes a pdf copy of any orders or consent agreements issued by the Board for that appraiser or AMC. In the database, a download option will need to be added as a new section in the tab specified in the description.

03/06/2023 10:22 AM Tyler Kohtz:

@Zeke Inman @Sims, Kashinda Assuming the connection between a credential or registration is needed would this connection/association be made at the creation of a credential/registration card similar to how payments are created for that type, or would it be connected later similar to activities and their providers/instructors via dropdown/autocomplete field? **It would be created later...only if the Board takes a disciplinary action against an appraiser or AMC.**

03/06/2023 10:30 AM Zeke Inman:

@Tyler Kohtz @Allison Nespor Ok, I think I am starting to get a clearer picture of what you are wanting. Regarding this PDF that will be downloaded, do you have an example or a template I should follow?

03/06/2023 10:34 AM Tyler Kohtz:

@Zeke Inman @Sims, Kashinda See attached.

03/06/2023 11:10 AM Zeke Inman:

@Tyler Kohtz @Allison Nespor Not sure it saved. Would you be able to try again?

03/06/2023 11:14 AM Tyler Kohtz:

@Zeke Inman @Sims, Kashinda Try now.

03/06/2023 11:29 AM Zeke Inman:

@Tyler Kohtz @Allison Nespor So the PDF you sent me is an example of what they would attach to the "Disciplinary History" that would be instantly downloadable on the public side upon search. For each "Disciplinary History" entry you wanted to allow multiple PDF attachments.

Also, on the public side, would only the latest submission / "Disciplinary History" show up or all entries?

03/06/2023 11:35 AM Tyler Kohtz:

@Zeke Inman @Sims, Kashinda Yes, there could be more than one disciplinary record for an appraiser.

03/06/2023 11:36 AM Tyler Kohtz:

@Zeke Inman @Sims, Kashinda All disciplinary records would be available.

03/06/2023 11:38 AM Zeke Inman:

@Tyler Kohtz @Allison Nespor The following is my estimate for this item. I'm sure I will have more questions as I get started but I should have enough to go off of for the time being:

US#25090	
Adding New Forms to Appraiser & AMC	12
Adding Column to public tables	5
Adding Database Table & Information	25
Testing/Migration Time	8
Total:	50/hrs

03/06/2023 11:48 AM Tyler Kohtz:

@Zeke Inman @Sims, Kashinda Thanks, Zeke. I'll present the estimate to the Board to see if they are interested in moving forward.

Kohtz, Tyler

From: Kohtz, Tyler
Sent: Wednesday, March 22, 2023 9:26 AM
To: Kevin Hermsen; Wade Walkenhorst
Subject: FW: Disciplinary Document Tab

Hi Kevin and Wade,

I've been putting some thought into this, and I may have a solution to discuss in April. What if we develop a more automated system for public records requests related to disciplinary actions instead of publishing the disciplinary action? We could add a field at the end of the Nebraska Credentialed Real Property Appraisers and Nebraska Registered AMCs search tabs that is titled, "Disciplinary Action History." The box for that specific real property appraiser or AMC would include a hyperlink that says "Yes" or "No."

If a "No" hyperlink is selected, a popup message would say, "No disciplinary action records exist for this real property appraiser."

If a "Yes" hyperlink is selected, a popup message would prompt the requestor to enter their name, contact information, and email address to receive the disciplinary action records for the real property appraiser. An automated email would be sent to the nrpab.compliance@nebraska.gov email folder indicating that a request has been made. Staff would then attach the pdf files and submit the response back to the requestor (no sure how this would look right now), which would be auto-logged under the real property appraiser in the database. This is all a rough concept at this point, so I don't know what the cost would be compared to User Story 25090.

Please let me know if either of you have any thoughts before the meeting.

Thanks,

Tyler Kohtz
Executive Director
Nebraska Real Property Appraiser Board



From: Kohtz, Tyler
Sent: Friday, March 17, 2023 10:21 AM
To: Kevin Hermsen <kevin@mitchellassociates.com>
Cc: Wade Walkenhorst <wwalkenman@gmail.com>; Bonnie Downing <bdowning@agriaffiliates.com>; Cody Gerdes <cgerdes@gpappraisal.com>; Thomas Luhrs <tomluhrs60@gmail.com>
Subject: RE: Disciplinary Document Tab

No problem; Kevin. I will rescind my green light to CIO and add this item back to the agenda for April under unfinished business.

Thanks,

Tyler Kohtz
Executive Director

Nebraska Real Property Appraiser Board



From: Kevin Hermsen <kevin@mitchellassociates.com>

Sent: Friday, March 17, 2023 9:47 AM

To: Kohtz, Tyler <tyler.kohtz@nebraska.gov>; Bonnie Downing <bdowning@agriaffiliates.com>; Wade Walkenhorst <wade.walkenhorst@cornhuskerbank.com>; Thomas Luhrs <tomluhrs60@gmail.com>; Sims, Kashinda <Kashinda.Sims@nebraska.gov>; Cody Gerdes <cgerdes@gpappraisal.com>; Nespor, Allison <Allison.Nespor@nebraska.gov>

Subject: Disciplinary Document Tab

Good Morning All. Just wanted to let you know that Roger Morrissey called me yesterday after the board meeting. He voiced concern over the decision to move forward with creating a tab to disclose any disciplinary actions imposed on appraisers. He characterized it as a 'Scarlet Letter' and is fearful it may have unintended, negative consequences. I am not as adamant as he, but I do have some hesitancy to this. Perhaps it warrants some further discussion.

Kevin Hermsen, MAI



Commercial Real Property Appraiser
Mitchell & Associates, Inc.
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kevin@mitchellassociates.com



Report on Expiration Date Change for Nebraska Real Property Appraisers April 5, 2023

INTRODUCTION

At its strategic planning meeting on June 15, 2022, the Board set a goal to explore a potential change to real property appraiser renewal dates. The following excerpt from the meeting minutes details this discussion (p.10):

“Board Member Hermsen asked if having the 2-year renewal term option alleviates some of the work. Director Kohtz responded that the Board has always had 1-year and 2-year renewal options. Board Member Hermsen suggested staggering credential expiration dates throughout the year so that renewal season is less hard on the agency; this could be based on alphabetical order or by credential type. Director Kohtz informed the Board that the agency has explored this idea before, and that a report was prepared for the Board discussing the effects of different renewal periods; he remarked that he would share this report with the Board. Chairperson Luhrs commented that if recalculating renewal periods can help the staff, it’s worth exploring.”

The following sections of this report is not a recommendation, but guidance to assist the Board with making a decision whether to make a change to the expiration date for Nebraska real property appraisers.

HISTORY

The history of the December 31st expiration date and the November 30th renewal due date for real property appraisers is unknown and there is no known history detailing this information. It is possible that these dates were established within the initial Real Property Appraiser Act. Furthermore, there does not appear to be any Board discussion history pertaining to these specific dates. All Board history related to real property appraiser renewal dates have been limited to the one vs. two-year real property appraiser renewal cycle and evaluating options to more evenly distribute the number of real property appraiser renewals processed between even and odd years.

Prior to 2010, a one-year renewal was the only option offered by the Board to credential holders. A statutory change was included in LB931¹, which allowed the Board to consider allowing a one- or two-year real property appraiser credential renewal. At its meeting on June 17, 2010, the Board discussed this potential change to renewals. The follow excerpt from the meeting minutes details this discussion (p.4):

1. 76-2233.02 A credential issued under the Real Property Appraiser Act other than a temporary credential shall remain in effect until December 31 following the date of credentialing of the designated year unless surrendered, revoked, suspended, or canceled prior to such date. To renew a valid credential, the credential holder shall file an application on a form approved by the board and pay the prescribed renewal fee to the board not later than November 30 of each the designated year. In every second year of renewal, as specified in section 76-2236, evidence of completion of continuing education requirements shall accompany renewal application or be on file with the board prior to renewal.

“Board members felt the guidelines adequately addressed considerations for all credentials. Although our renewal process will be based on the annual rate because the Registered and Appraiser Trainee credential are not eligible for two year processing, the remaining credentials could be renewed on a two year rate. The issuance of a pocket card effective for two years may make the obligations to financial institutions as well as insurance carriers more convenient. The effective dates for the pocket cards were adjusted in LB931 by recognizing the designated year to address the need for an annual as well as a two year expiration date.”

This matter was further discussed by the Board at its July 15, 2010 meeting, and the following proposal was adopted by the Board (p.3):

“The process of renewal for some credentials can become a biannual instead of an annual process. The biannual process of renewal will be determined according to the two-year continuing education cycle. Appraisers whose continuing education period is 2009-2010 will have the opportunity to renew for a two-year period or for the 2011-2012 continuing education period. The biannual renewal period will be effective from January 1, 2011 to December 31, 2012.

Appraisers whose continuing education period is 2010-2011 will be renewed for a one-year period until they complete the two-year continuing education requirement cycle. At such time, the renewal period will become a biannual period of 2012-2013. All credentials eligible for biannual renewal include Appraiser Trainee, Licensed Residential, Certified Residential, and Certified General. Registered appraisers will renew on an annual basis until three renewals, beginning with 2008, have been completed or three years from the year you were initially credentialed. The Registered credential is terminated at the end of the three renewal periods on December 31st .

Biannual renewal periods will apply to all reciprocal appraisers although no proof of education is required under the statutory obligation of NEB. REV. STAT. 76-2236. Rates apply to reciprocal credentials respectively. The two year cycle is determined by the year you were initially credentialed.

Biannual renewal is not a requirement. *Government agencies with limited funding can renew on an annual basis as well as individual appraisers. The pocket card will indicate the expiration date as well as the amount paid to assist in reminding the appraiser whether the renewal was an annual or biannual period.”*

LB139² passed in 2015 added the language “A credential may be renewed for one year or two years” to Neb. Rev. Stat. § 76-2233.02(1). The intent of this addition was to clarify the Board’s authority to offer the option of a one- or two-year real property appraiser credential renewal. Neb. Rev. Stat. § 76-2233.02 previously included the language, “In every second year of renewal, as specified in section 76-2236, evidence of completion of continuing education requirements shall accompany renewal application or be on file with the board prior to renewal.” This language was interpreted by some as meaning that a renewal shall only be every two years.

At its regular meeting on August 17, 2017, the Board discussed the positives and negatives of a standardized two-year real property appraiser credential renewal. The following excerpt from the meeting minutes details this discussion:

2. 76-2233.02 (1) A credential issued under the Real Property Appraiser Act other than a temporary credential shall remain in effect until December 31 of the designated year unless surrendered, revoked, suspended, or canceled prior to such date. To renew a valid credential, the credential holder shall file an application on a form approved by the board and pay the appropriate prescribed-renewal fee in an amount established by the board pursuant to section 76-2241. The credential holder shall also pay the and a criminal history record check fee in an amount established by the board pursuant to section 76-2241 for maintenance of the random fingerprint audit program to the board not later than November 30 of the designated year. A credential may be renewed for one year or two years. In every second year of the two-year continuing education period renewal, as specified in section 76-2236, evidence of completion of continuing education requirements shall accompany renewal application or be on file with the board prior to renewal.

“Director Kohtz informed the Board that this item was added to the agenda at the request of the Board at the July meeting. The Director indicated that he was interested in the Board’s position, and asked the Board to open up discussion. Board Member Mustoe also expressed interest in exploring the standardization of a two-year renewal period. Board Member Mustoe asked if this would be helpful to staff. Director Kohtz responded that a standardized two-year renewal that complements the continuing education cycle would greatly cut down the staff’s work processing renewals. The Director stated, “Simply put, there would be a smaller number of moving parts to keep track of.” Board Member Mustoe asked how many appraisers would renew each year in a two-year period if the two-year renewal was based on the continuing education cycle. Director Kohtz indicated that he did not have this answer. Business and Licensing Specialist Nespor informed the Board that the split would be approximately 60% to 40%. The Board proceeded to discuss the positives and negatives of a standardized two-year credential renewal, as opposed to offering credential holders the option of a one- or two-year renewal. The Board concluded that standardization of the two-year renewal may increase the staff’s operation efficiency, and reduce costs associated with processing renewal applications due to the decrease in the number of applications that must be processed each fiscal year.

However, the Board also brought attention to unknowns, such as:

- How would the two year period be determined?*
- How many credential holders would be due for renewal each year?*
- How would the conversion to two year renewals take place?*
- How can the standardization of the two year renewal be implemented?*
- What other factors need to be considered?”*

The Board continued this discussion at its September 21, 2017 regular meeting. Upon the conclusion of the Director’s report, the Board had the following discussion (p.6):

“Chairperson Langemeier thanked Director Kohtz for the report, and commented that senior appraisers may feel pushed out if they are required to renew for two years. The Chairperson expanded on his comments by adding that this may be especially true for those out-state and those at the end of their careers. Board Member Bloxham indicated that it may not be worth the effort to force 70% of the appraisers to a two year renewal to save \$8,000.00 in expenditures. Board Member Mustoe expressed a different view, and felt that the two year renewal would be more efficient for both the Board and appraisers. Board Member Mustoe also agreed that easing appraisers into the two year renewal would reduce some of the concerns that Chairperson Langemeier described. Mustoe finished by saying timing and implementation would be big obstacles to figure out. Chairperson Langemeier brought attention to the report and indicated that a roadmap for implementation is there, the Board would just need to decide what action it would like to take. Board Member Mustoe added that the savings in the budget due to the change could be added to other areas. Board Member McCormick addressed the report for the first time, and indicated that he was surprised by the number of appraisers that don’t renew for two years. Board Member Mustoe agreed and stated, “It is interesting to see the two year vs one year demographics.” Board Member Hynek wondered aloud if these numbers will change after the report writing update course requirement is retired.

Board Member Bloxham turned attention toward new credential holders and indicated that he has seen states do it both ways; some states require appraisers to pay in full, while others will prorate the amount for the first renewal. Director Kohtz responded that he would prefer that the Board avoid prorating fees, and that he is unsure of the Board's authority to do so. The Director informed the Board that approximately twenty to twenty five new credential holders would be affected each year. Board Member McCormick added that it would be beneficial to have the renewal standard with the continuing education cycle; this would eliminate some of the confusion as to when what continuing education is due. Director Kohtz agreed with this comment. Board Member Bloxham asked if requiring the USPAP Update course every two years is an AQB requirement. The Director responded with, 'Yes, it is an AQB requirement.' Chairperson Langemeier granted Public Member Diane Moore permission to speak. Ms. Moore informed the Board that it did at one point consider requiring that all appraisers take the USPAP Update course in the year it comes out. Board Member Mustoe indicated that he finds this idea to be reasonable. Director Kohtz asked the Board if it would like for him to research this. Chairman Langemeier indicated that focus should remain on the current topic.

Chairperson Langemeier asked board members to think about effects of a standardized two year renewal, and the topic can be revisited in the future. Chairman Langemeier recommended that the item be added back on to the agenda in six months. Board Member Mustoe asked if this date could be moved up. Chairperson Langemeier offered the February meeting; the Board agreed. Board Member Bloxham stated, "I hate that it is so difficult to navigate renewals when a person has multiple licenses." Bloxham then asked, "Could you talk to other states that have made the change?" Director Kohtz responded, "I don't know of any state that has made this change, and it has never come up in conversation." Board Member Mustoe added that he has never seen another state that gives you a choice for a one or two year renewal. Director Kohtz informed the Board that this item will be placed on the agenda in February for further discussion."

The Director was asked to place this item on the 2018 Strategic Planning Meeting Agenda. At its strategic planning meeting on June 22, 2018, the Board acknowledged the difficulties concerning such of a change and had no further discussion (p.10).

LAWS AND RULES

Nebraska Real Property Appraiser Act

When referring to renewal requirements for credential holders, Neb. Rev. Stat. § 76-2233.02(1) states, "A credential issued under the Real Property Appraiser Act other than a temporary credential shall remain in effect until December 31 of the designated year unless surrendered, revoked, suspended, or canceled prior to such date. To renew a valid credential, the credential holder shall file an application on a form approved by the board and pay the appropriate renewal fee in an amount established by the board pursuant to section 76-2241. The credential holder shall also pay the criminal history record check fee in an amount established by the board pursuant to section 76-2241 for maintenance of the random fingerprint audit program to the board not later than November 30 of the designated year. A credential may be renewed for one year or two years. In every second year of the two-year continuing education period, as specified in section 76-2236, evidence of completion of continuing education requirements shall accompany renewal application or be on file with the board prior to renewal."

The continuing education period is also directly linked to the real property appraiser renewal requirements. When defining the two-year continuing education period, Neb. Rev. Stat. § 76-2218 declares, "(1) Except as provided in subsections (2) through (6) of this section, two-year continuing education period means the period of twenty-four months commencing on January 1 and completed on December 31 of the following year.

(2) For a new real property appraiser credentialed prior to July 1 pursuant to section 76-2228.01, 76-2230, 76-2231.01, or 76-2232, two-year continuing education period means the period commencing on the date of initial credentialing and completed on December 31 of the following year.

(3) For a new real property appraiser credentialed on or after July 1 pursuant to section 76-2228.01, 76-2230, 76-2231.01, or 76-2232, two-year continuing education period means the period of twenty-four months commencing on January 1 of the year following the date of initial credentialing.

(4) For a new real property appraiser credentialed pursuant to section 76-2233 who held a valid credential of the same class to engage in real property appraisal practice under the laws of another jurisdiction on January 1 of the year in which the credential was issued by the board, two-year continuing education period means the period of twenty-four months commencing on January 1 of the year in which the credential was issued by the board.

(5) For a new real property appraiser credentialed pursuant to section 76-2233 who (a) did not hold a valid credential of the same class to engage in real property appraisal practice under the laws of another jurisdiction on January 1 of the year in which the credential was issued by the board and (b) was credentialed pursuant to section 76-2233 prior to July 1, two-year continuing education period means the period commencing on the date of initial credentialing and completed on December 31 of the following year.

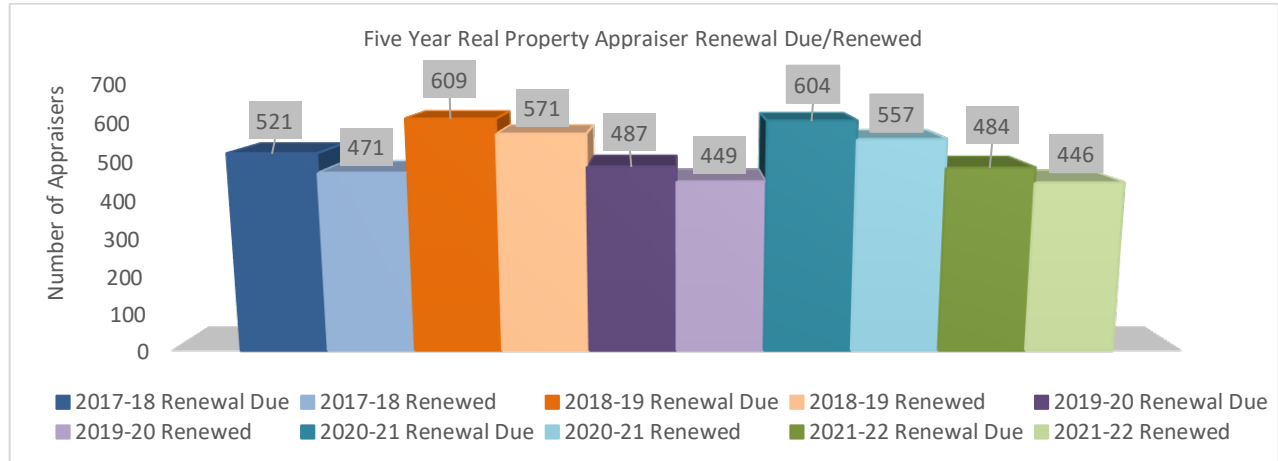
(6) For a new real property appraiser credentialed pursuant to section 76-2233 who (a) did not hold a valid credential of the same class to engage in real property appraisal practice under the laws of another jurisdiction on January 1 of the year in which the credential was issued by the board and (b) was credentialed pursuant to section 76-2233 on or after July 1, two-year continuing education period means the period of twenty-four months commencing on January 1 of the year following the date of initial credentialing.”

Title 298 of the Nebraska Administrative Code

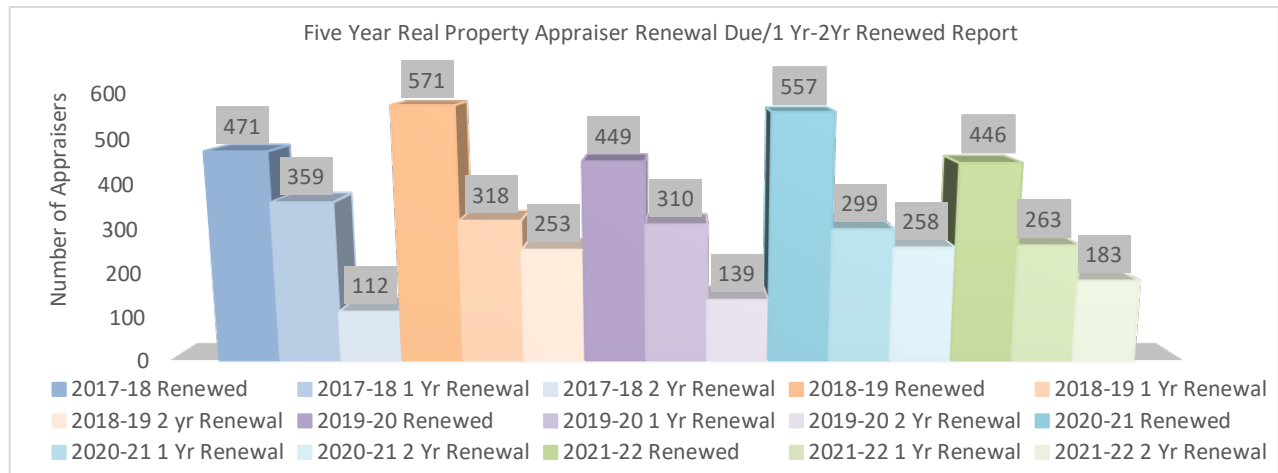
Renewal requirements are also addressed in 298 NAC Chapter 4, § 003, which says “A credential issued under the Real Property Appraiser Act other than a temporary credential remains in effect until December 31 of the designated year unless surrendered, revoked, suspended, or canceled prior to such date. A credential, other than a trainee real property appraiser credential, may be renewed for one or two years; the trainee real property appraiser credential remains in effect until December 31 of the second year of the two-year continuing education period. The entire two-year continuing education period must be satisfactorily completed prior to renewing a credential for a two-year period.”

REAL PROPERTY APPRAISER COUNTS AND TRENDS

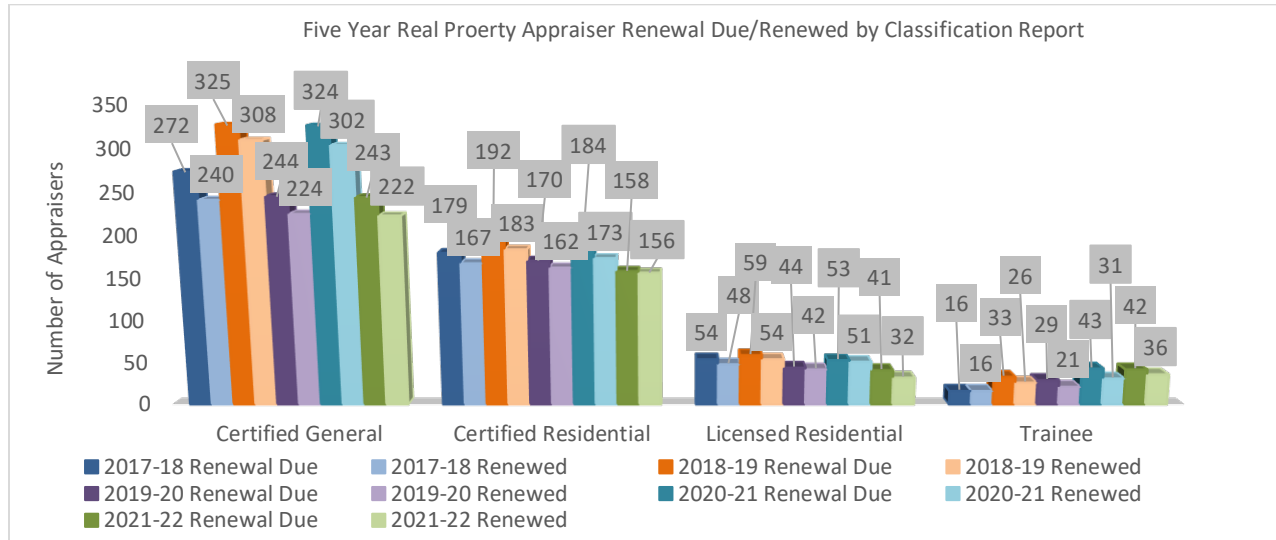
Reviewing the “Five Year Real Property Appraiser Renewal Due/Renewed” graph below shows that an imbalance exists between consecutive years (approximately 565 real property appraiser renewals processed for odd number years to 455 real property appraiser renewals processed for even number years) as of June 30th of each year.



When the number real property appraisers renewed each year is broken down by one- or two-year renewals, The “Five Year Real Property Appraiser Renewal Due/1 Yr-2 Yr Renewed Report” graph indicates that the number of appraisers that renew for two years is increasing each year. For FY 2022-23, this trend has continued. As of January 18, 2023 (the date of the last report), of the 485 credentials renewed, 236 real property appraisers have renewed for one year and 249 real property appraisers have renewed for two years. FY 2022-23 marks the first year that two-year renewals have surpassed one-year renewals.



When the number real property appraisers renewed each year is broken down by classification as shown in the “Five Year Real Property Appraiser Renewal Due/Renewed by Classification Report” graph below, the certified general, certified residential, and licensed residential classifications mirror the pattern shown in the “Five Year Real Property Appraiser Renewal Due/Renewed” graph above, while the trainee classifications are more stable from year to year.



When the “Five Year Real Property Appraiser Renewal Due/Renewed by Classification Report” information is broken down into one-year and two-year renewals, patterns exist for each classification. For the licensed residential classification, the number of one-year renewals are slowly decreasing while two-year renewals remain stable. This has resulted in an increase in the percentage of licensed residential real property appraisers that have renewed their credential for two years. For the certified residential and certified general classifications, the number of one-year renewals are decreasing, while the two-year renewals are increasing for both odd and even years.

	FY 17-18	%	FY 18-19	%	FY 19-20	%	FY 20-21	%	FY 21-22	%
LR 1 Year	46	96%	41	76%	39	93%	37	73%	28	88%
LR 2 Year	2	4%	13	24%	3	7%	14	27%	4	12%
CR 1 Year	139	83%	129	71%	125	77%	114	66%	109	70%
CR 2 Year	28	17%	54	29%	37	23%	59	34%	47	30%
CG 1 Year	174	73%	157	51%	147	66%	148	49%	126	59%
CG 2 Year	66	27%	151	49%	77	34%	154	51%	96	41%
T 2 Year	16	100%	32	100%	22	100%	31	100%	36	100%

For FY 2022-23, except for the licensed residential classification, this trend has once again continued. As of January 18, 2023, 74% of licensed residential real property appraisers have renewed for one year, while 26% have renewed for two years; 57% of certified residential real property appraisers have renewed for one year and 43% have renewed for two years; and 45% of certified general real property appraisers have renewed for one year and 55% have renewed for two years.

The breakdown between those credentialed by education, examination, and experience (“E,E,&E”) and those credentialed by reciprocity was also reviewed for FY 2022-23.

- There does not appear to be a significant difference for those real property appraisers renewing for one year compared to two years when considering those credentialed by education, examination, and experience (“E,E,&E”) and those credentialed by reciprocity. For FY 2022-23, as of January 18, 2023, 175 E,E,&E real property appraisers renewed for one year, while 61 reciprocal real property appraisers renewed for one year; 167 E,E,&E real property appraisers renewed for two years, while 82 reciprocal real property appraisers renewed for two years. For one-year renewals, 74% are E,E,&E real property appraisers and 26% are reciprocal real property appraisers. For two-year renewals, 67% are E,E,&E real property appraisers and 33% are reciprocal real property appraisers. Although a slight difference exists, it is not significant enough for consideration when evaluating a change to the expiration date for real property appraisers.
- The real property appraiser renewal breakdown between E,E,&E and reciprocity for each classification was also evaluated.

Certified General Classification

Reciprocal One year Renewal - 39% (41)

Reciprocal Two Year Renewal - 61% (65)

E,E,& E One Year Renewal - 49% (75)

E,E,& E Two Year Renewal - 51% (79)

Certified Residential Classification

Reciprocal One year Renewal - 52% (16)

Reciprocal Two Year Renewal - 48% (15)

E,E,& E One Year Renewal - 58% (75)

E,E,& E Two Year Renewal - 42% (54)

Licensed Residential Classification

Reciprocal One year Renewal - 67% (4)

Reciprocal Two Year Renewal - 33% (2)

E,E,& E One Year Renewal - 76% (25)

E,E,& E Two Year Renewal - 24% (8)

There does not appear to be logical patterns established when breaking down the E,E,& E real property appraiser and reciprocal real property appraiser renewals by classification. Assuming that the five-year real property appraiser renewal patterns established above apply to the breakdown between the E,E,& E real property appraiser and reciprocal real property appraiser renewals, more consistency exists in considering the general patterns between E,E,& E real property appraiser and reciprocal real property appraiser renewals when considering options for changes to the real property appraiser credential expiration date.

CONSIDERATIONS FOR CHANGE TO REAL PROPERTY APPRAISER CREDENTIAL EXPIRATION DATE

The effect and feasibility of such of such change must be taken into account when considering options. Specifically, the following must be taken under consideration:

- Any such change to the real property appraiser expiration date must increase staff efficiency and be feasible to implement and maintain.
- The process and transition period to implement such change must be well defined.
- Any such change must take into account current trends, potential change in trends, and be based on verifiable data.
- The laws and rules specify “December 31st of the designated year” as the expiration date for real property appraiser credentials. Any change to this date would require a law and rule change to implement a new system.
- The continuing education period must co-exist with the expiration period. Currently, the continuing education periods are set in statute according to the time of year that the real property appraiser application is approved and if the applicant holds a valid credential of the same class to engage in real property appraisal practice under the laws of another jurisdiction as of January 1st in the year the application was approved.
- Any change to the expiration date considered should result in a more stable distribution of renewal fees paid during a biennial period. Under the current system, each biennial period includes a high and low revenue year for the Appraiser Fund.
- Compliance with Title XI of FIRREA, the Real Property Appraiser Qualifications Criteria and the ASC Policy Statements must be maintained. In accordance with III.F.14 under Criteria Applicable to all Appraiser Classifications in the Criteria, “Credentialed appraisers are required to complete continuing education for a partial year in a continuing education cycle as follows: For continuing education cycle periods of 185 days or more, 14 hours of continuing education is required. For continuing education cycle periods of less than 185 days, no hours of continuing education are required (p.12).” ASC Policy Statement 4.C.2 states, “States must ensure that continuing education courses for renewal of an appraiser credential are consistent with AQB Criteria and that continuing education hours required for renewal of an appraiser credential were completed consistent with AQB Criteria...(p.17)”

ANALYSIS OF OPTIONS FOR CHANGE TO REAL PROPERTY APPRAISER CREDENTIAL EXPIRATION DATE

The potential options for change to the real property appraiser credential expiration date presented include a basic analysis of the effect and feasibility of such of such change, and developed based on data extracted from the NRPAB Database. If the Board would like to pursue one or more options, a more detailed analysis and implementation plan may be provided at the Board's request. The available options include standardization of a one-year real property appraiser renewal with December 31st expiration date, standardization of a two-year real property appraiser renewal with December 31st expiration date, or establishing a real property appraiser renewal expiration date based on set criteria.

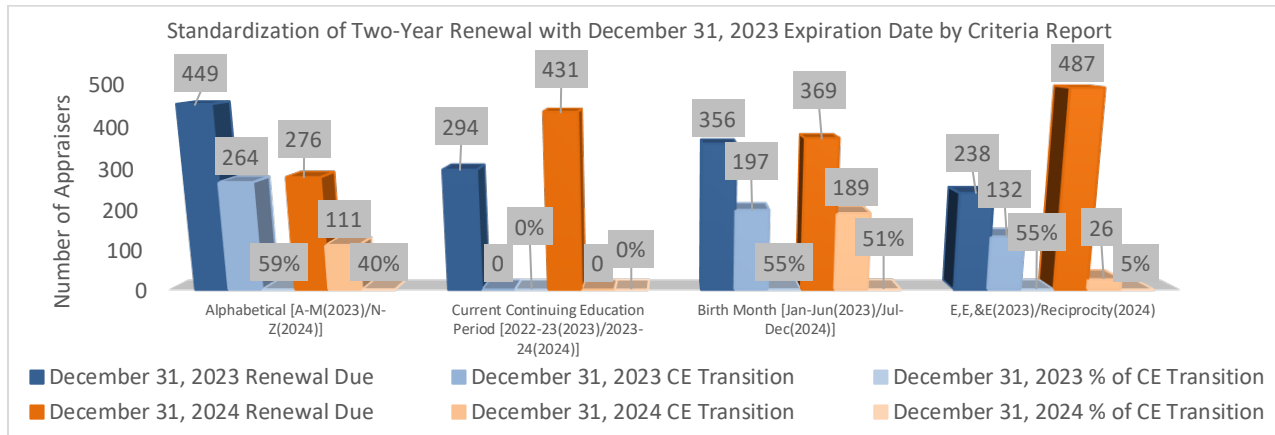
Standardization of One-Year Real Property Appraiser Renewal

Although positives exist (e.g., compliance with Title XI of FIRREA, the Real Property Appraiser Qualifications Criteria and the ASC Policy Statements is easily maintained; only a minor law change is required; the transition from the current system to the new system is feasible for staff and easy to maintain; data is easily obtainable; and trends are well defined), the standardization of a one-year real property appraiser renewal with December 31st expiration date would drastically reduce staff efficiency. Instead of processing approximately 565 real property appraiser renewals for odd number years and 455 real property appraiser renewals for even number years, approximately 675 renewal applications would be processed each year. As noted in the support for adding an additional fulltime equivalent teammate, the State's temporary SOS staffing program has become unreliable for the Board's purposes. It has become difficult to find qualified staffing for short-term employment to assist with real property appraiser renewals and other needed Board functions. In addition, the Board is utilizing its full appropriation for overtime and also unused per diem funds to complete the current work. Standardizing a one-year renewal period would not resolve any of these issues.

Standardization of Two-Year Real Property Appraiser Renewal

Standardization of the two-year real property appraiser renewal with a December 31st expiration date was the subject of the Board's 2017-2018 discussions as outline in the history section of this report. To summarize, when figuring a categorical break for two-year renewals, the most logical options studied included separating the credential holders alphabetically, by continuing education cycle, and by way of obtaining credential (E,E,&E or reciprocity). Social security numbers and birth dates were also considered, but there was no logical pattern that presented itself when considering social security numbers, and the Board's birth date records were not complete at the time. The most weight was placed on the continuing education cycle, but at its 2018 strategic planning meeting, the Board acknowledged the difficulties concerning such of a change and had no further discussion.

Standardization of the two-year real property appraiser renewal with a December 31st expiration date allows for continued compliance with Title XI of FIRREA, the Real Property Appraiser Qualifications Criteria and the ASC Policy Statements; requires only a minor law change; allows for a logical transition from the current system to the new system; and be feasible for staff to implement and maintain depending on the criteria used to establish the new renewal period. The "Standardization of Two-Year Renewal with December 31st Expiration Date by Criteria Report" below provides different options by criteria utilizing Nebraska real property appraiser data as of April 4, 2023. Only the Birth Month criteria balances the number of real property appraiser renewals due in the biennium; however, all criteria reduces the total number of real property appraiser renewals due for each year. As the Alphabetical, Birth Month, and E,E,& E/Reciprocal criteria require continuing education periods to be adjusted, the current continuing education period criteria would require no such adjustment.



Utilizing the current continuing education period criteria would increase staff efficiency; be feasible to implement; easy to maintain; require only a minor law change; cause no disruption to the current continuing education period for real property appraisers; allow for continued compliance with Title XI and the Criteria; be based on verifiable data; and allow for an easy to define transition process. The number of new real property appraiser credentials awarded each year are consistent and trending upwards. Although possible, it is unlikely that a trend change could drastically affect the balance in the biennium.

As previously mentioned, the Alphabetical, Birth Month, and E,E,& E/Reciprocal criteria require continuing education periods to be adjusted. Although not impossible to implement, this process is a significant deterrent to utilizing these criteria. Adjusting a continuing education period would be burdensome on both staff and current real property appraisers. For example, if a 2023-24 continuing education period for a real property appraiser is moved to 2024-25, the real property appraiser loses one year of their current two-year renewal period. The continuing education period may be reduced to a one-year period requiring fourteen hours, which would ease the burden, but implementation would still be exposed to significant human error. In addition, staff efficiency would be reduced due to additional time spent verifying continuing education annually. This decrease in efficiency would defeat the purpose of a standardized two-year real property appraiser renewal with a December 31st expiration date. Finally, except for E,E,& E/Reciprocal, it is possible that these criteria could trend towards greater imbalance in the biennium due to statistical changes.

Establishment of Real Property Appraiser Renewal Expiration Date Based on set Criteria

As these criteria were evaluated during the drafting of this report, it became clear that feasibility is an issue with any available option. Although these criteria may disperse the real property appraiser renewal workload throughout the entire fiscal year, reducing the short-term burden on staff between October and January, other issues became apparent that have an opposite effect. For example, utilizing birth month as a criterion would result in approximately 50-60 real property appraiser renewal applications due each month. However, there would also be twelve renewal dates monitored instead of one, and there would now be twelve to twenty-four distinct groups of real property appraiser renewals during each biennium instead of two, depending on if the criteria required the move to two-year real property appraiser renewals, or allow for both one- or two-year real property appraiser renewals. Staff efficiency is also reduced as much of the work pertaining to real property appraiser renewals becomes repetitive instead of concentrated (e.g., renewal notices sent each month instead of once a year; time dedicated to application processing becomes a daily task as opposed to being the focus for a three-month period).

In the example provided, it is recommended that the continuing education period also be adjusted to match the renewal period to allow for the maintenance to be feasible. As previously mentioned, making such of a change to the beginning and end date for a continuing education period would be burdensome on both staff and current real property appraisers. For example, if a current continuing education period (2023-24) is moved to August 31, 2024, the real property appraiser loses three months of their current renewal period for their renewal period to be reset to September 1, 2024 to August 31, 2025; this problem becomes more amplified the further back in the year the end date is moved. Anything prior to June 30, 2023 would result in a real property appraiser losing at least six months of their current continuing education period. Once again, the continuing education period can be reduced to a one-year period requiring fourteen hours for each year, which may ease the burden on the real property appraiser, but adds additional burden to staff. Finally, if the example was implemented, staff would be responsible for accounting for 750 renewal periods, each on different dates.

CONCLUSION

Many factors must be accounted for when considering a change to the real property appraiser expiration date and/or the continuing education period for appraisers. While evaluating these options, the difference between revenues within the two years for any of the proposed options should be given minimal weight as the budget is based on a biennium. Also, maintaining consistency within the program (e.g., real property appraiser expiration dates, continuing education periods) for planning from year to year for workload, staffing, and needed resources is very important. Although many steps have been taken during the past two years to increase efficiency (e.g., database enhancements to better automate processes; staff duty evaluation and reassignment; streamlined processes and procedures; opening real property appraiser renewal application at the beginning of the fiscal year), the pace at which staff must operate to complete tasks to keep up with the current workload is exceeding its capabilities. The Board's system for processing real property appraiser renewals is dependent on temporary assistance, and works because the system allows staff to place primary focus on real property appraiser renewals for a three-month period. Attempting to disperse the real property appraiser renewals throughout the year may have a negative effect on current staffing as the current non-renewal workload already taxes the staff. On the other hand, temporary assistance is not reliable at the present time, so it may not be in the best interest of the Board to do nothing. Standardizing the two-year period with a December 31st expiration date is a potential option that reduces the staff's workload without adding significant burden to staff or real property appraisers. However, it will likely take two years to implement such change as a statutory change would be needed. Finally, another option to consider, separate or with another change, would be to remove the November 30th real property appraiser due date or move it up in the year to October 31st, to allow for a longer period for staff to process real property appraiser renewal applications.



Bill Color Key	
■	NRPAB High Priority Bills
■	Nebraska State Government Bills
■	General Interest Bills

Legislative Report as of April 10, 2023	
Bill:	LB16
Title:	Require occupational boards to issue certain credentials based on credentials or work experience in another jurisdiction and make a determination regarding an applicant with a criminal conviction, provide for jurisprudential examinations and appeals from denial of a license, and change requirements for membership of the State Electrical Board
Status:	Mar 13, 2023 - Placed on General File with AM748
Summary:	<p>LB16 allows for recognition in Nebraska for most types of occupational licenses issued in other states and change provisions relating to preliminary applications by individuals with a criminal conviction. Specifically, this bill requires that certain information is required to be reported by the applicant for mitigating factors, only allows for certain felony convictions to be disqualifying, requires issuance of a preliminary adverse determination by the director of the occupational board or the board’s designated employee, provides for an opportunity for an informal meeting to be held within sixty days of application, and provides for a waiver of fees based on the applicants income being more than 300% below the federal poverty level. To the extent that an occupational board or lawful occupation is also governed by federal law, federal law shall take precedence over the Occupational Board Reform Act. The act shall not be construed to preempt federal law governing lawful occupations in this state.</p> <p>AM748 to LB16, inserts “the Real Property Appraiser Board” after the second comma on page 8, line 1. This amendment exempts the Board from Subsections (8) and (9) of this bill and Neb. Rev. Stat. § 84-947 pertaining to preliminary background reviews for applicants of occupational licensing.</p>
Legislature Information and Status:	https://nebraskalegislature.gov/bills/view_bill.php?DocumentID=49705
Notes:	No update since February meeting.

Bill:	LB41
Title:	Prohibit state agencies from imposing annual filing and reporting requirements on charitable organizations
Status:	February 16, 2023 - Placed on General File
Summary:	LB41 prohibits state agencies from imposing annual filing and reporting requirements on charitable organizations greater than those defined in state or federal law.
Legislature Information and Status:	https://nebraskalegislature.gov/bills/view_bill.php?DocumentID=49960
Notes:	No updated since the March meeting.
Bill:	LB43
Title:	Require hearing officers and judges to interpret statutes and regulations to limit agency power and maximize individual liberty
Status:	February 09, 2023 – Hearing before the Government, Military and Veterans Affairs Committee
Summary:	LB43 requires that a hearing officer or judge hearing a contested case under the Administrative Procedure Act, interpreting a state statute or agency regulation, shall not defer to the state agency's interpretation of such statute or regulation and shall interpret the statute or regulation de novo on the record. In actions brought by or against state agencies, after applying all customary tools of interpretation of a statute or regulation, the court or hearing officer shall resolve any remaining doubt in favor of a reasonable interpretation which limits agency power and maximizes individual liberty.
Legislature Information and Status:	https://nebraskalegislature.gov/bills/view_bill.php?DocumentID=50402
Notes:	No update since February meeting.
Bill:	LB104
Title:	Change provisions of the County Employees Retirement Act, the Judges Retirement Act, the School Employees Retirement Act, the Nebraska State Patrol Retirement Act, and the State Employees Retirement Act
Status:	February 07, 2023 – Hearing before the Nebraska Retirement Systems Committee
Summary:	LB104 changes the requirements for distribution of funds and updates definitions.
Legislature Information and Status:	https://nebraskalegislature.gov/bills/view_bill.php?DocumentID=50392
Notes:	No update since February meeting

Bill:	LB164
Title:	Adopt updates to building and energy codes
Status:	January 24, 2023 – Hearing before the Urban Affairs Committee
Summary:	LB614 updates the state building and energy codes to include the 2021 edition of the International Building Code and to include the 2021 edition of the International Residential Code.
Legislature Information and Status:	https://nebraskalegislature.gov/bills/view_bill.php?DocumentID=49745
Notes:	No update since February meeting
Bill:	LB205
Title:	Adopt the Government Neutrality in Contracting Act
Status:	February 10, 2023 – Hearing before the Government, Military and Veterans Affairs Committee
Summary:	The purposes of LB205 are to provide for the efficient procurement of goods and services by governmental units and to promote the economical, nondiscriminatory, and efficient administration and completion of construction projects funded, assisted, or awarded by a governmental unit. LB205 limits or prohibits certain language or provisions from state contracts. AM452 , AM453 , AM454 , AM455 , AM456 , AM457 , AM458 , AM459 , AM460 , AM461 , AM462 , AM463 , AM464 , AM465 were filed to make various changes to LB205.
Legislature Information and Status:	https://nebraskalegislature.gov/bills/view_bill.php?DocumentID=50181
Notes:	No updated since the March meeting.
Bill:	LB214
Title:	Adopt changes to federal law regarding banking and finance and change provisions relating to digital asset depositories, loan brokers, mortgage loan originators, and installment loans
Status:	March 30, 2023 – MO378, MO380, MO381, MR382, MO383, MO384 filed.
Summary:	LB214 includes provisions relating to banks, financial institutions, bank subsidiaries, and residential mortgage loans; and adopts updates to federal law relating to banks and financial institutions. AM398 contain the provisions of LB214 as amended by AM81 and also the provisions of two other bills, LB669 and LB674, that were heard by the Banking, Commerce and Insurance Committee and each made a part of the committee amendments on an 8-0 vote. FA32 strikes Section 1. AM1026 strikes Section 6 and adds new Section 6 with language changes.
Legislature Information and Status:	https://nebraskalegislature.gov/bills/view_bill.php?DocumentID=49955
Notes:	The provisions of LB214 were amended into AM398 and placed on General File as a Committee priority bill. AM1026 filed.

Bill:	LB279
Title:	Change and eliminate provisions relating to executive officers of banks
Status:	February 23, 2023 - Enrollment and Review ER3 filed (Select File)
Summary:	<p>LB279 eliminates the requirement that executive officers of banks submit a written report to the Department of Banking stating the amount of loans or indebtedness in which the officer is a borrower, co-signer, or guarantor, and how those proceeds have been or are to be used.</p> <p>AM86 adopted to add a new subsection allowing the board of directors of a bank to obtain a credit report from a recognized credit agency, on an annual basis, for any or all of its executive officers, but this does not apply to any executive officer if such officer is excluded by a resolution of the board of directors or bylaws of the bank from participating in the major policymaking functions of the bank.</p>
Legislature Information and Status:	https://nebraskalegislature.gov/bills/view_bill.php?DocumentID=50126
Notes:	No updated since the March meeting.
Bill:	LB293
Title:	Provide formal protest procedures for certain state contracts for services
Status:	February 10, 2023 – Hearing before the Government, Military and Veterans Affairs Committee
Summary:	The purpose of LB293 is to require that the Department of Administrative Services immediately adopt and promulgate rules and regulations establishing formal protest procedures, including procedures for a contested case hearing, for any state agency contract for services awarded in excess of ten million dollars. Any protest shall be filed with the department.
Legislature Information and Status:	https://nebraskalegislature.gov/bills/view_bill.php?DocumentID=49738
Notes:	No update since February meeting.

Bill:	LB302
Title:	Change provisions relating to conflicts of interest by certain officeholders and public employees
Status:	February 24, 2023 - Placed on General File with AM503
Summary:	<p>LB302 replaces “city, village, or school district” with “political subdivision,” and require that any public employee except as otherwise governed under section 49-1499.02 who would be required to take any action or make any decision in the discharge of his or her official duties that may cause financial benefit or detriment to him or her, a member of his or her immediate family, or a business with which he or she is associated, which is distinguishable from the effects of such action on the public generally or a broad segment of the public, shall prepare a written statement describing the matter requiring action or decision and the nature of the potential conflict and deliver it to the responsible public body, which shall enter it as a public record. The public employee must abstain from participating in the matter unless legally required to.</p> <p>AM503 filed strikes “person holding elective office” and inserts “public official” and adds language to require that the provisions of LB302 apply for one whose annual salary and benefits exceed one hundred fifty thousand dollars.</p> <p>On page 3 of LB302, AM603 filed strikes “person holding elective office” and inserts “public official,” strikes “city, village, or school district” and inserts “political subdivision,” and strikes “person holding elective” and inserts “public official holding.”</p>
Legislature Information and Status:	https://nebraskalegislature.gov/bills/view_bill.php?DocumentID=50291
Notes:	No updated since the March meeting.
Bill:	LB360
Title:	Adopt the Office of Inspector General of Nebraska Procurement Act
Status:	February 10, 2023 – Hearing before the Government, Military and Veterans Affairs Committee
Summary:	LB360 adopts the Office of Inspector General of Nebraska Procurement Act and establishes the purpose and duties of the Office of Inspector General of Nebraska Procurement.
Legislature Information and Status:	https://nebraskalegislature.gov/bills/view_bill.php?DocumentID=50518
Notes:	No change since February meeting.

Bill:	LB366
Title:	Change provisions relating to public records and include body-worn camera recordings in certain circumstances
Status:	March 2, 2023 – Hearing before the Government, Military and Veterans Affairs Committee
Summary:	LB366 defines recordings created by body-worn cameras which depict or record circumstances in which a person died while being apprehended by, or while in the custody of, a law enforcement officer or detention personnel, including duplicates of such recordings, are public records under Neb. Rev. Stat. § 84-712.01. In addition, the requirements for fees charged for providing copies of public records is also changed to require allow for eight hours of service (currently four) to Nebraska residents prior to charging, and the custodian of record may waive or reduce any fee for such service if the waiver or reduction of the fee would be in the publics best interest.
Legislature Information and Status:	https://nebraskalegislature.gov/bills/view_bill.php?DocumentID=50179
Notes:	No updated since the March meeting.
Bill:	LB408
Title:	Change provisions relating to conflicts of interest under the Nebraska Political Accountability and Disclosure Act
Status:	February 15, 2023 – Hearing before the Government, Military and Veterans Affairs Committee
Summary:	LB408 require that any member of a nonelective government body not designated in 49-1493 who would be required to take any action or make any decision in the discharge of his or her official duties that may cause financial benefit or detriment to him or her, a member of his or her immediate family, or a business with which he or she is associated, which is distinguishable from the effects of such action on the public generally or a broad segment of the public, shall prepare a written statement describing the matter requiring action or decision and the nature of the potential conflict and deliver it to the responsible public body, which shall enter it as a public record. The public employee must abstain from participating in the matter unless legally required to.
Legislature Information and Status:	https://nebraskalegislature.gov/bills/view_bill.php?DocumentID=49781
Notes:	No change since February meeting.

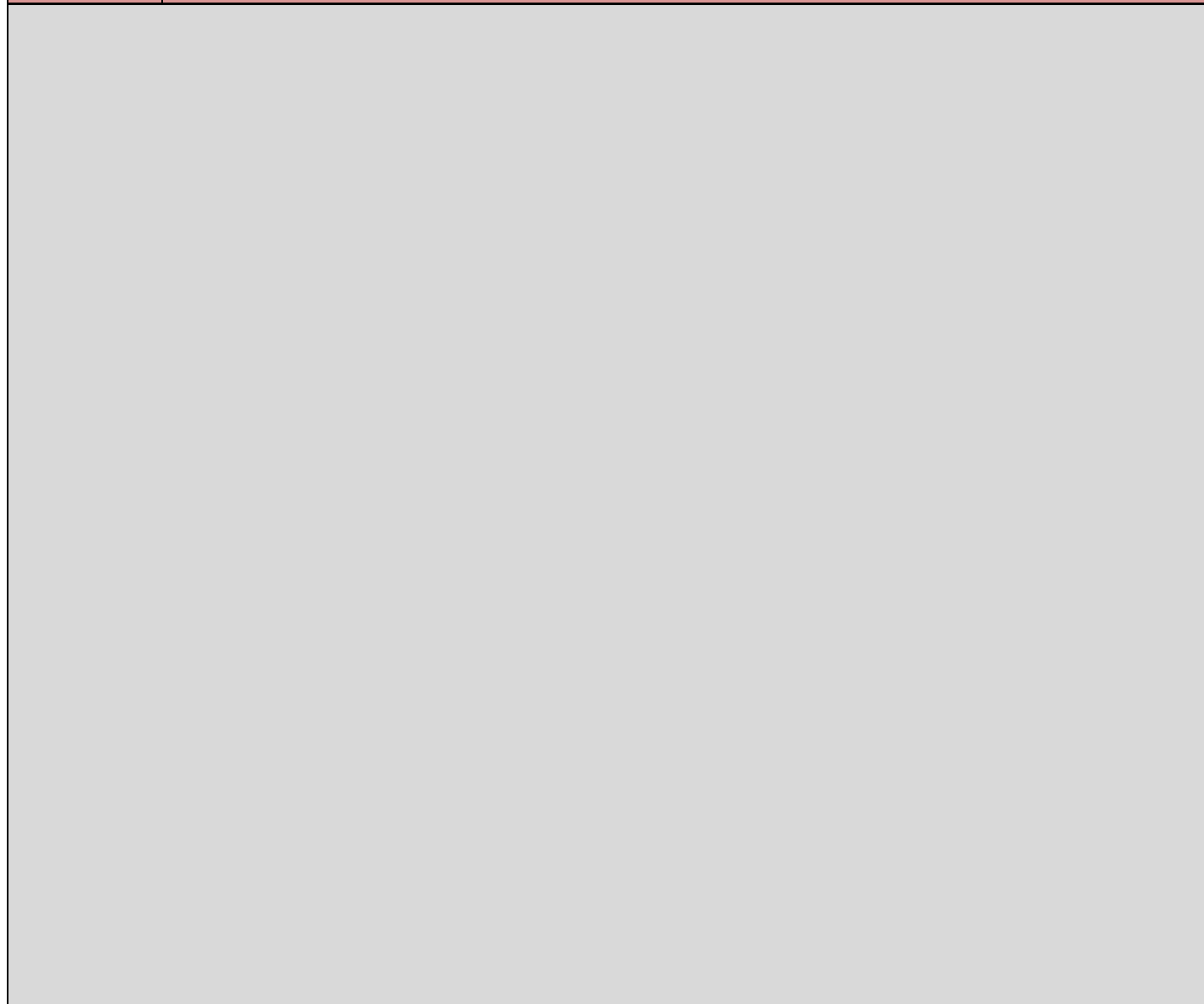
Bill:	LB461
Title:	Change, transfer, and eliminate provisions relating to the materiel division of the Department of Administrative Services and procurement of services and personal property
Status:	March 30, 2023 – MO585, MO586, MO587, MO588, MO589, MO590, MO591 filed.
Summary:	<p>LB461 implements the statutory changes recommended by the report filed with the legislature on November 15, 2023 by the independent procurement consultant that reviewed the State’s procurement practices and procedures as authorized by LB1037(2022). LB461 consolidates and harmonizes the procurement statutes between goods and services into Chapter 73; allows bids to be evaluated for realism and reasonableness; revises the residential preference and proof of need process.</p> <p>AM389 inserts “Nebraska state colleges,” strikes obsolete date references, and strikes language regarding preferential contracts under Neb. Rev. Stat. § 73-101.01.</p> <p>AM1065 strikes Amendment 2 of AM389 and adds language removing all state agency exemptions, except for the University of Nebraska and defines state agency director.</p> <p>AM1067 strikes Amendment 7 of AM389 and adds requirement that any contract that the State enters into for personal property or services must include language preventing discrimination against its employees on the basis of race, color, religion, national origin, ancestry, citizenship, gender, sexual orientation, gender identity, disability, or special education status.</p>
Legislature Information and Status:	https://nebraskalegislature.gov/bills/view_bill.php?DocumentID=50431
Notes:	AM1065 and AM1067 filed.

Bill:	LB485
Title:	Provide for applicability of provisions regarding state contracts for services to certain state entities
Status:	March 3, 2023 – Hearing before the Government, Military and Veterans Affairs Committee
Summary:	<p>LB485 defines state agency director (a) for contracts entered into by a state agency other than an officer or agency established by the Constitution of Nebraska, the director or executive head of the agency, (b) for contracts entered into by a board, commission, or department established by the Constitution of Nebraska, the designee of the board, commission, or department, and (c) for contracts entered into by any other state constitutional officer, the state constitutional officer or the designee of the state constitutional officer.</p> <p>Under AM269, the provisions of sections Neb. Rev. Stat. §§ 73-501 to 73-510 shall not apply to contracts for services executed for the purpose of managing educational lands by the Board of Educational Lands and Funds, pursuant to N.R.S. §§ 72-201 to 72-251 and Article VII, section 6, of the Constitution of Nebraska. AM269 also defines state agency director (a) for contracts entered into by a state agency other than an officer or agency established by the Constitution of Nebraska, the director or executive head of the agency, (b) for contracts entered into by a board, commission, or department established by the Constitution of Nebraska, the designee of the board, commission, or department, and (c) for contracts entered into by any other state constitutional officer, the state constitutional officer or the designee of the state constitutional officer</p>
Legislature Information and Status:	https://nebraskalegislature.gov/bills/view_bill.php?DocumentID=50440
Notes:	No change since March meeting.
Bill:	LB538
Title:	Change provisions relating to the board of directors of a bank
Status:	March 23, 2023 - Hearing before the Banking, Commerce, and Insurance Committee
Summary:	LB538 requires that the Department of Banking is notified of a vacancy on the board of directors of a bank.
Legislature Information and Status:	https://nebraskalegislature.gov/bills/view_bill.php?DocumentID=50778
Notes:	No change since March meeting.

Bill:	LB628
Title:	Change provisions relating to professional service by limited liability companies and professional corporations
Status:	February 24, 2023 - Enrollment and Review ER8 filed (Select File)
Summary:	<p>LB628 modifies the definition of professional services in the Limited Liability statutes to mirror the definition of the professional corporation statutes. There is a grandfather clause so the Limited Liability Corporations that don't want to make a change are not required to do so. There are a few other changes to the statutes related to professional services.</p> <ol style="list-style-type: none"> 1. Clean-up of the use of ancillary services in the Limited Liability Corporation professional entity statutes. 2. Recognize outside certifying organizations or compacts recognized by the regulatory body. (This is applicable to some health professionals) 3. Requires regulatory bodies that use the electronic access process for verifying licensure to work with the Nebraska Secretary of State's office to create an automated process for us to electronically access and verify licensing records. 4. Strikes the requirement for the professional to list their residence address in a filing with the Nebraska Secretary of State's Office. <p>AM175 was filed to provide better clarification throughout LB628.</p>
Legislature Information and Status:	https://nebraskalegislature.gov/bills/view_bill.php?DocumentID=50428
Notes:	No change since the March meeting.
Bill:	LB637
Title:	Require members of the public to be allowed to speak at each meeting subject to the Open Meetings Act
Status:	Mar 22, 2023 - Placed on General File
Summary:	<p>LB637 requires that a public body shall allow members of the public an opportunity to speak at each meeting. Closed sessions are excluded.</p> <p>AM616 amends LB637 to not allow a public body to limit public participation in any meeting at which citizens are allowed to speak.</p> <p>AM617 amends LB637 to relieve a public body if a member or members are found or declared to be too tired to hear citizen testimony.</p>
Legislature Information and Status:	https://nebraskalegislature.gov/bills/view_bill.php?DocumentID=50594
Notes:	

Bill:	LB669
Title:	Provide powers for the Director of Banking and Finance regarding conditions on financial institutions
Status:	January 30, 2023 - Hearing before the Banking Commerce and Insurance Committee.
Summary:	<p>LB669 allows the Department of Banking and Financing to prescribe conditions on certain financial Institutions as a part of any order, decision, or determination required under the statutes governing those institutions.</p> <p>The provisions of LB669 were amended into AM398 filed under LB214.</p>
Legislature Information and Status:	https://nebraskalegislature.gov/bills/view_bill.php?DocumentID=49957
Notes:	The provisions of LB669 were amended into AM398 filed under LB214.
Bill:	LB684
Title:	Provide for a review of services provided by state agencies
Status:	March 31, 2023 – MO778, MO779, MO781, MO782, MO783, MO784 filed.
Summary:	<p>LB684 requires that the Department of Administrative Services, in compliance with all statutes on contracts, contract with an entity to assist the state with significantly improving government services of state agencies for a period of two years starting on July 1, 2023, and ending on June 30, 2025. The contract shall include the option to renew for two additional one-year periods upon mutual agreement of the parties. The state shall reserve the right to extend the period of this contract beyond the termination date if mutually agreeable to the parties. The entity shall recommend and support strategies that reduce costs while improving quality, with a target of twenty-five percent improvement overall across all programs during the contract period.</p> <p>AM808 inserts ", that has previously conducted an efficiency review or study for another state," on page 2, line 2, after "entity".</p>
Legislature Information and Status:	https://nebraskalegislature.gov/bills/view_bill.php?DocumentID=50308
Notes:	

Bill:	LB814
Title:	Appropriate funds for the expenses of Nebraska State Government for the biennium ending June 30, 2025, and appropriate Federal Funds allocated to the State of Nebraska pursuant to the federal American Rescue Plan Act of 2021
Status:	February 13, 2023 – Hearing before the Appropriations Committee
Summary:	LB814 is the mainline appropriations bill for the biennium that begins July 1, 2023 and ends on June 30, 2025. This measure includes budget recommendations for all State operations and aid programs. The bill includes the appropriate General Fund transfers as well as transfers between specified cash funds. Finally, it provides the necessary definitions for the proper administration of appropriations and personal service limitations.
Legislature Information and Status:	https://nebraskalegislature.gov/bills/view_bill.php?DocumentID=50097
Notes:	No update since February meeting.



Bill:	LB820
Title:	Adopt the Agricultural Valuation Fairness Act
Status:	February 03, 2023 – Hearing before the Revenue Committee
Summary:	<p>LB820 enacts the Agricultural Valuation Fairness Act to provide for uniform assessment of agricultural and horticultural land in Nebraska. It declares that sales of agricultural and horticultural land are influenced by uses other than agricultural or horticultural purposes and cause the price paid for agricultural land and horticultural land to exceed the value such land has for agricultural or horticultural purposes. To achieve fairness, all agricultural and horticultural land will be assessed based on its capacity to produce income, called agricultural use value. Procedurally, LB820 establishes an Agricultural Land Valuation Committee to establish agricultural land values by Land Capability Groups (LCG) for agricultural land throughout the state. Land values are established utilizing a production approach to value. Gross income will be computed using an eight-year average yield data, with the highest and lowest values removed. Gross income is reduced to net income by utilizing expense ratios. The net income is then capitalized to determine assessed value. The capitalization rate is also determined by the committee and is calculated to arrive at valuations within 69-75% of market value ensuring assessed values are uniformly and proportionately assessed within the class of Agricultural Land. LB820 retains elements of local control by keeping the county assessor responsible for classifying land. County assessors currently inventory agricultural land on a productivity index making the implementation of this bill simple at the county level. County Assessors have representation on the Agricultural Land Valuation Committee created in this bill and have the option to petition the Tax Commissioner for alternative values they determine are not uniform and proportionate. LB820 also contains limitations to assure the resulting values for all agricultural and horticultural land statewide cannot be above the current market-based standard of 75% of value and cannot increase more than 3.5% over the prior year.</p> <p>MO23 filed to indefinitely postpone LB820. AM112 was filed to strike section 1 (the creation of the Agricultural Valuation Fairness Act). FA16 filed on the floor to strike section 1.</p>
Legislature Information and Status:	https://nebraskalegislature.gov/bills/view_bill.php?DocumentID=50777
Notes:	No update since the February meeting.

TITLE 298 NAC - NEBRASKA REAL PROPERTY APPRAISER BOARD

November 17, 2022 Hearing Draft (Final)

- 002.11** Pursuant to NEB. REV. STAT. §§ 76-2230 (1)(d)(i), 76-2231.01 (1)(e)(i), and 76-2232 (1)(e)(i), the aggregate number of real property appraisal practice experience hours considered for evaluation includes those hours reported on each real property appraisal practice experience log submitted by the applicant beginning at the log entry indicating the earliest date on which real property appraisal practice experience was obtained and ending on the date the application for credentialing as a licensed residential, certified residential, or certified general real property appraiser was signed by the applicant.
- 002.12** If the real property appraisal practice experience log submitted by the applicant is accepted, a representative sampling of real property appraisal practice experience submitted by the applicant on his or her real property appraisal practice experience log will be evaluated to determine if the real property appraisal practice experience meets the requirements of the Act and this Chapter.
- 002.12A** A minimum of three reports will be selected from the real property appraisal practice experience log for review to qualify the real property appraisal practice experience. The following additional criteria are applied to the report selection for each level of credential:
- 002.12A.1** To qualify the real property appraisal practice experience of an applicant for the licensed residential real property appraiser credential, a minimum of three reports related to residential property will be selected.
- 002.12A.2** To qualify the real property appraisal practice experience of an applicant for the certified residential real property appraiser credential, a minimum of one report related to a two-to-four unit residential property, one report related to a residential property 0 to 20 years old, and one report related to a residential property 20 years or older will be selected. Two selected reports will include at least two approaches to value.
- 002.12A.3** To qualify the real property appraisal practice experience of an applicant for the certified general real property appraiser credential, a minimum of three reports related to income producing properties will be selected. Two selected reports will include all three approaches to value.
- 002.12B** The applicant will be notified of the selected reports in writing, and will have 10 business days from the date of receipt of the notification to submit a true and accurate copy of each report to the Board's office.
- 002.12C** At least one of the three requested reports will be, at a minimum, reviewed for conformity with the Uniform Standards of Professional Appraisal Practice. The Board may enter into a contract with a qualified disinterested third party certified real property appraiser for completion of an appraisal review assignment on any of the requested reports at no cost to the applicant.
- 002.13** Upon the receipt of appraisal review assignment results provided by one or more third party certified real property appraisers under contract with the Board, and the findings of the appraisal review assignment results are found to be null or insignificant by the director, an applicant's real property appraisal practice experience will be reviewed by a subcommittee consisting of two board members established by the ~~Board~~ director for determination as to whether the applicant's real property appraisal practice experience is acceptable in accordance with the Act and this Chapter.

TITLE 298 NAC - NEBRASKA REAL PROPERTY APPRAISER BOARD

November 17, 2022 Hearing Draft (Final)

- 002.11** Pursuant to NEB. REV. STAT. §§ 76-2230 (1)(d)(i), 76-2231.01 (1)(e)(i), and 76-2232 (1)(e)(i), the aggregate number of real property appraisal practice experience hours considered for evaluation includes those hours reported on each real property appraisal practice experience log submitted by the applicant beginning at the log entry indicating the earliest date on which real property appraisal practice experience was obtained and ending on the date the application for credentialing as a licensed residential, certified residential, or certified general real property appraiser was signed by the applicant.
- 002.12** If the real property appraisal practice experience log submitted by the applicant is accepted, a representative sampling of real property appraisal practice experience submitted by the applicant on his or her real property appraisal practice experience log will be evaluated to determine if the real property appraisal practice experience meets the requirements of the Act and this Chapter.
- 002.12A** A minimum of three reports will be selected from the real property appraisal practice experience log for review to qualify the real property appraisal practice experience. The following additional criteria are applied to the report selection for each level of credential:
- 002.12A.1** To qualify the real property appraisal practice experience of an applicant for the licensed residential real property appraiser credential, a minimum of three reports related to residential property will be selected.
- 002.12A.2** To qualify the real property appraisal practice experience of an applicant for the certified residential real property appraiser credential, a minimum of one report related to a two-to-four unit residential property, one report related to a residential property 0 to 20 years old, and one report related to a residential property 20 years or older will be selected. Two selected reports will include at least two approaches to value.
- 002.12A.3** To qualify the real property appraisal practice experience of an applicant for the certified general real property appraiser credential, a minimum of three reports related to income producing properties will be selected. Two selected reports will include all three approaches to value.
- 002.12B** The applicant will be notified of the selected reports in writing, and will have 10 business days from the date of receipt of the notification to submit a true and accurate copy of each report to the Board's office.
- 002.12C** At least one of the three requested reports will be, at a minimum, reviewed for conformity with the Uniform Standards of Professional Appraisal Practice. The Board may enter into a contract with a qualified disinterested third party certified real property appraiser for completion of an appraisal review assignment on any of the requested reports at no cost to the applicant.
- 002.13** Upon the receipt of appraisal review assignment results provided by one or more third party certified real property appraisers under contract with the Board, and the findings of the appraisal review assignment results are found to be null or insignificant by the director, an applicant's real property appraisal practice experience will be reviewed by a subcommittee consisting of two board members established by the Board for determination as to whether the applicant's real property appraisal practice experience is acceptable in accordance with the Act and this Chapter.

ONE HUNDRED EIGHTH LEGISLATURE

FIRST SESSION

LEGISLATIVE RESOLUTION

Introduced by

PURPOSE: The purpose of this resolution is to propose an interim study to examine whether the Real Property Appraiser Act or the Nebraska Appraisal Management Company Registration Act should be updated and to review the credentialing requirements in the Real Property Appraiser Act in furtherance of the purposes of the Occupational Board Reform Act. In order to carry out the purpose of this resolution, the committee should seek the assistance of the Real Property Appraiser Board and consider the input of any interested persons as the committee deems necessary and appropriate.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE ONE HUNDRED EIGHTH LEGISLATURE OF NEBRASKA, FIRST SESSION:

1. That the Banking, Commerce and Insurance Committee of the Legislature shall be designated to conduct an interim study to carry out the purposes of this resolution.

2. That the committee shall upon the conclusion of its study make a report of its findings, together with its recommendations, to the Legislative Council or Legislature.



THE NEBRASKA APPRAISER

News from the Nebraska Real Property Appraiser Board

Spring 2023

Director's Comments



Director Tyler Kohtz

Tyler Kohtz has been the Director for the Nebraska Real Property Appraiser Board since March of 2012. He is responsible for the development, implementation, and management of all programs for the agency, including the administration and enforcement of the Real Property Appraiser Act and the Appraisal Management Company Registration Act.

Approaching the Finish Line

The end of each fiscal year becomes a race with a fast-approaching finish line. The Board is busy with its year-end responsibilities and closing out its objectives set during its strategic planning meeting on June 15, 2022, while at the same time beginning preparations for the next fiscal year. The Appraisal Subcommittee and The Appraisal Foundation have been very busy in response to the PAVE Action Plan and there will be major changes to USPAP and the Real Property Appraiser Qualifications Criteria adopted soon; drafting legislation and implementing changes will be a major focus for the Board during the next fiscal year. Please note that the At-Large Licensed Real Estate Broker position on the Board is still open, so please take time to look at the requirements and application process under NRPAB Quick Hits. As always, the Board is here for you, so feel free to reach out with any questions or comments. I hope that you enjoy this edition of The Nebraska Appraiser.

In This Issue

NRPAB Quick Hits:

- State of Nebraska Accepting Applications for At-Large Licensed Real Estate Broker Member on NRPAB
- Legislation of NRPAB Interest
- Guidance Documents Adopted/Retired Between January and March of 2023
- Compliance Update (January - March 2023)

Coming and Going:

- Who's New? (January - March 2023)
- Real Property Appraiser and AMC Numbers and Trends as of April 1, 2023
- Real Property Appraiser Credential Renewal Report as of April 2023

Financial Snapshot:

- March 31, 2022 Financial Report

Upcoming NRPAB Meetings:

- ◆ May 25, 2023 @ NRPAB Office (Conference Room)
- ◆ June 15, 2023 @ NRPAB Office (Conference Room)
- ◆ July 20, 2023 @ NRPAB Office (Conference Room)

These meeting dates are all tentative. Please check the Board's Facebook page or website for information as these dates approach. The start time for each meeting can be found in the public notice and on the agenda posted to the Board's website at least 48 hours prior to the start of the meeting. Any meeting also held by virtual conferencing will be stated as such in the public notice for that meeting.

NRPAB Quick Hits

- ◆ Board Member Thomas M. Luhrs's term as the At-Large Licensed Real Estate Broker representative expired on December 31, 2022. The State of Nebraska is still accepting applications to fill this position on the Board.
- * Anyone interested in the position as the At-Large Licensed Real Estate Broker representative must hold a current license as a Real Estate Broker. A Licensed or Certified Real Property Appraiser credential is also preferred, but not required. The term for this position is five years, beginning on January 1, 2023.
- * If you would like more information about this position, or what the Board does, please visit the NRPAB website at <https://appraiser.ne.gov>, or contact the Board's office at 402-471-9015.
- * The Application for Executive Appointment can be found on the Governor's website located at <https://governor.nebraska.gov>. Select the dropdown titled "Constituent Services" at the top of the page, then select "Boards and Commissions." The application will remain open until an appointment is made.
- ◆ Each legislative session, the Board follows legislative bills introduced by the Nebraska State Legislature that may have an impact on the real property appraiser profession or agency operations. A summary of these bills, along with the link to the legislative information, can be found on the main page of the Board's website at: appraiser.ne.gov. Select the hyperlink titled "2023 Legislative Bills of NRPAB Interest" in the blue box on the right-hand side of the page. If you have any comments regarding any of the bills listed in this document, please feel free to contact the Board's office at 402-471-9015, or email Director Kohtz at tyler.kohtz@nebraska.gov.
- ◆ The Nebraska Real Property Appraiser Board retired no guidance documents, and adopted no new guidance documents, between January and March. All Guidance Documents are available for viewing on the Board's website at: https://appraiser.ne.gov/guidance_documents.html.
- ◆ Compliance Update
 - * Between the months of January and March, two grievances were filed against Nebraska credentialed real property appraisers. During this time, no disciplinary actions were taken by the Board against any appraisers.
 - * Between the months of January and March, no grievances were filed against any appraisal management companies. During this time, no disciplinary actions were taken by the Board against any appraisal management companies.



Board Members

Chairperson of the Board
Wade Walkenhorst, Lincoln
Financial Institutions Rep
Term Expires: January 1, 2024

Vice-Chairperson of the Board
Bonnie M. Downing, Dunning
Certified General Appraiser
3rd District Representative
Term Expires: January 1, 2025

Board Member
Cody Gerdes, Lincoln
Certified General Appraiser
1st District Representative
Term Expires: January 1, 2026

Board Member
Kevin P. Hermsen, Gretna
Certified General Appraiser
2nd District Representative
Term Expires: January 1, 2027

Board Member
Thomas M. Luhrs, Imperial
Certified General Appraiser
Licensed Real Estate Broker Rep
Term Expires: January 1, 2023



What's new at
The Appraisal Foundation?
appraisalfoundation.org



What's new at the
Appraisal Subcommittee?
asc.gov



What's new at the AARO?
aaro.net

Who's New?

The Nebraska Real Property Appraiser Board congratulates the following individuals who received real property appraiser credentials, and the organizations newly registered as appraisal management companies, between January and March of 2023.

Trainee Real Property Appraisers

Kerry Andersen, Omaha NE – T2023002
Ashton Boldt, Elba NE – T2023004
Josiah Hegwood, McCook NE – T2023003
Ryan Ohri, Kearney NE – T2023001

Licensed Residential Real Property Appraisers

Cody Bachtell, Tekamah NE – L2023001

Certified Residential Real Property Appraisers

Sarah Duncan, Casper WY – CR2023001R

Certified General Real Property Appraisers

Jason Allen, Overland Park KS – CG2023003R
Valentin Flores, New York NY – CG2023008R
Shale Kaplan, Chicago IL – CG2023013R
Elise Keister, Manhattan KS – CG2023011R
Paul Koonce, Dallas TX – CG2023004R
McKenna Luke, Alamogordo NM – CG2023014R
Eugene Owen, Dallas TX – CG2023012R
James Parman, Raymond NE – CG2023002R
John Praytor, Dallas TX – CG2023009R
Dimitrios Staursky, Dallas TX – CG2023005R
James Turner, Dallas TX – CG2023007R
Justin Uhrig, Rapid City SD – CG2023006R
Shawn Vetter, Glen Carbon IL – CG2023010R

Appraisal Management Companies

Townsgate Appraisal Management Company, LLC

NRPAB Staff

Tyler N. Kohtz

Director

402-471-9015

tyler.kohtz@nebraska.gov

Allison L. Nespor

Business and Licensing
Program Manager

402-471-9024

allison.nespor@nebraska.gov

Kashinda Sims

Business and Education
Program Manager

402-471-9015

kashinda.sims@nebraska.gov

301 Centennial Mall South, First Floor
PO Box 94963
Lincoln, NE 68509-4963

Phone: 402-471-9015

Fax: 402-471-9017

Website: appraiser.ne.gov



[Visit NRPAB on Facebook](#)

Have questions? We have answers!

Questions related to appraisal management company registration and renewal: nrpab.amc@nebraska.gov

Questions related to real property appraiser credentialing: nrpab.credentialing@nebraska.gov

Questions related to real property appraiser credential renewal: nrpab.renewals@nebraska.gov

Questions related to real property appraiser education (QE & CE): nrpab.education@nebraska.gov

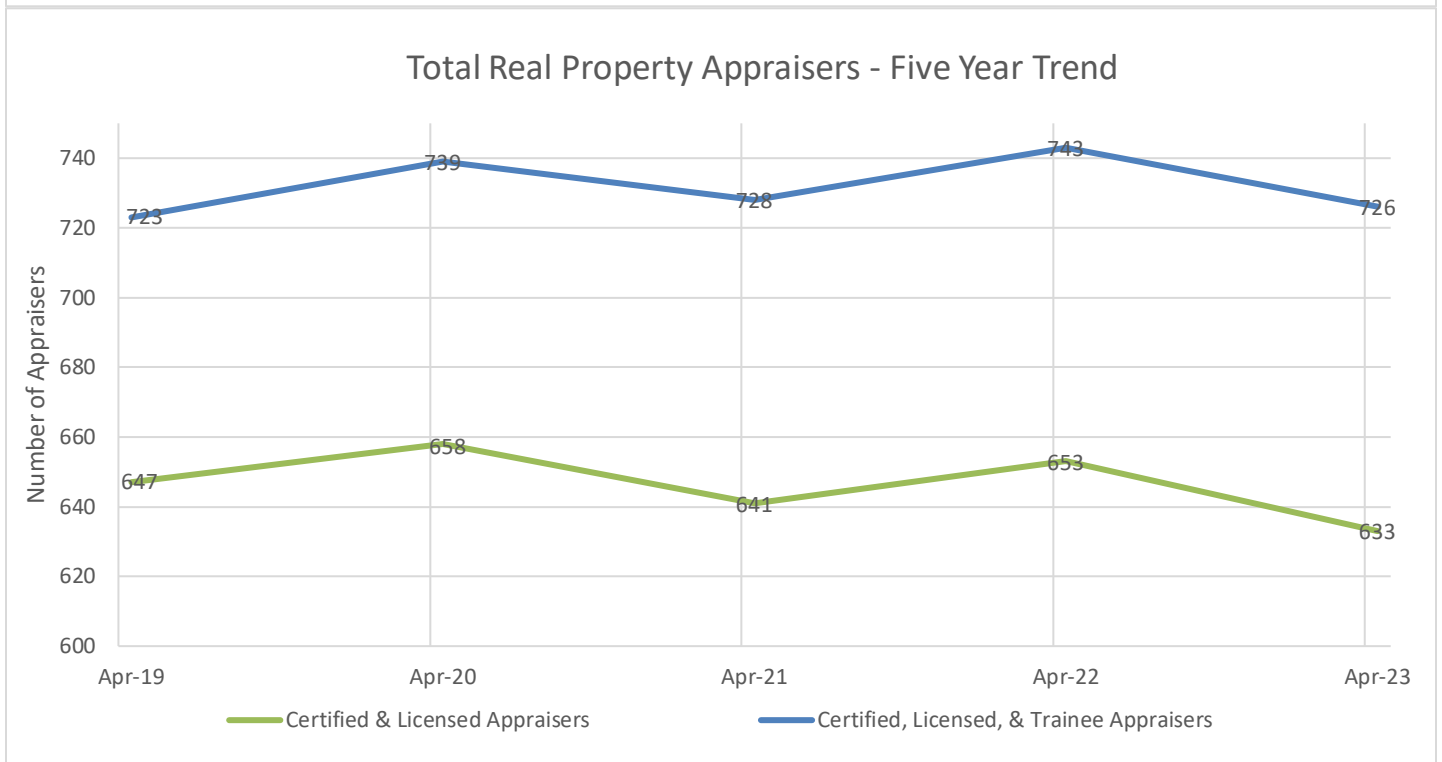
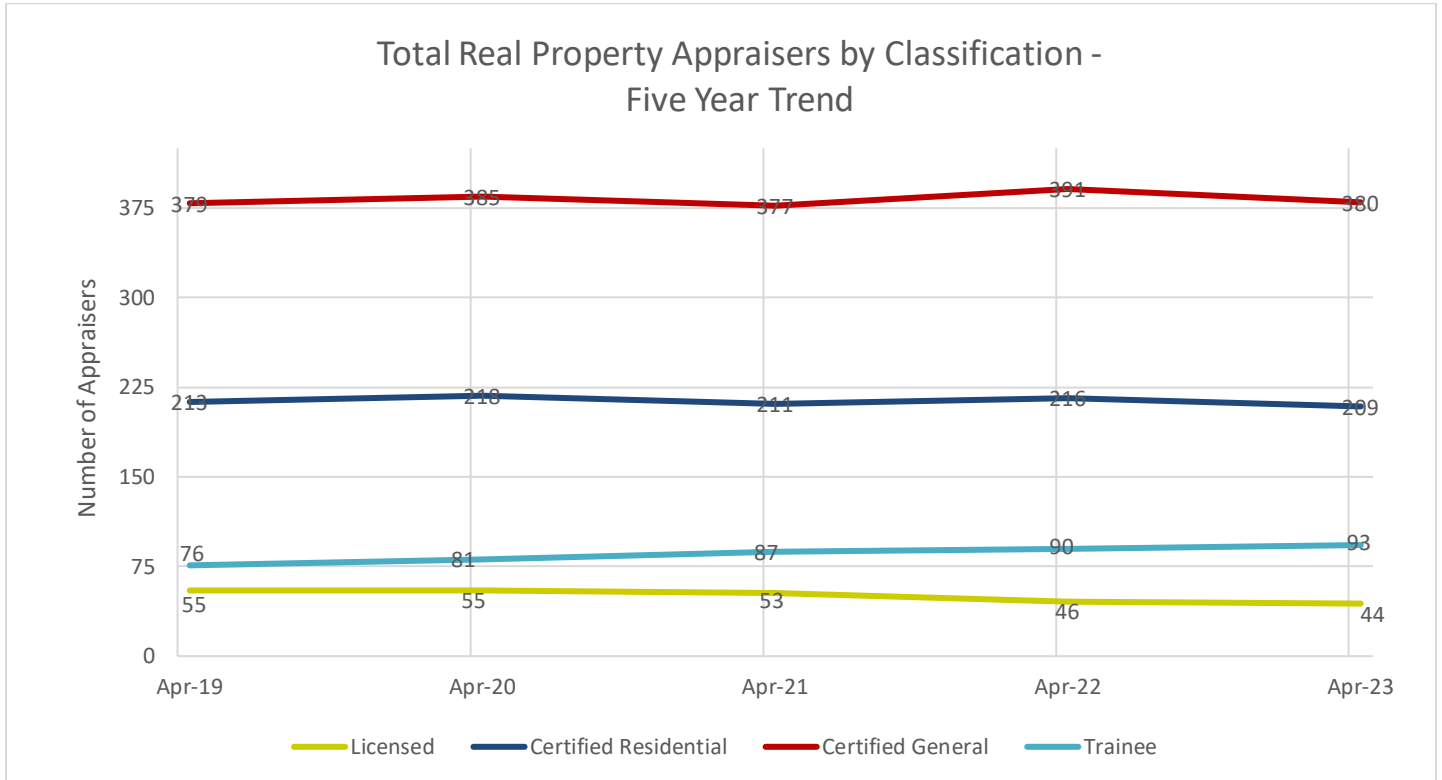
Questions related to investigations, or how to file a grievance: nrpab.compliance@nebraska.gov

Questions related to Appraiser Login: nrpab.AppraiserLogin@nebraska.gov

General Questions: nrpab.questions@nebraska.gov

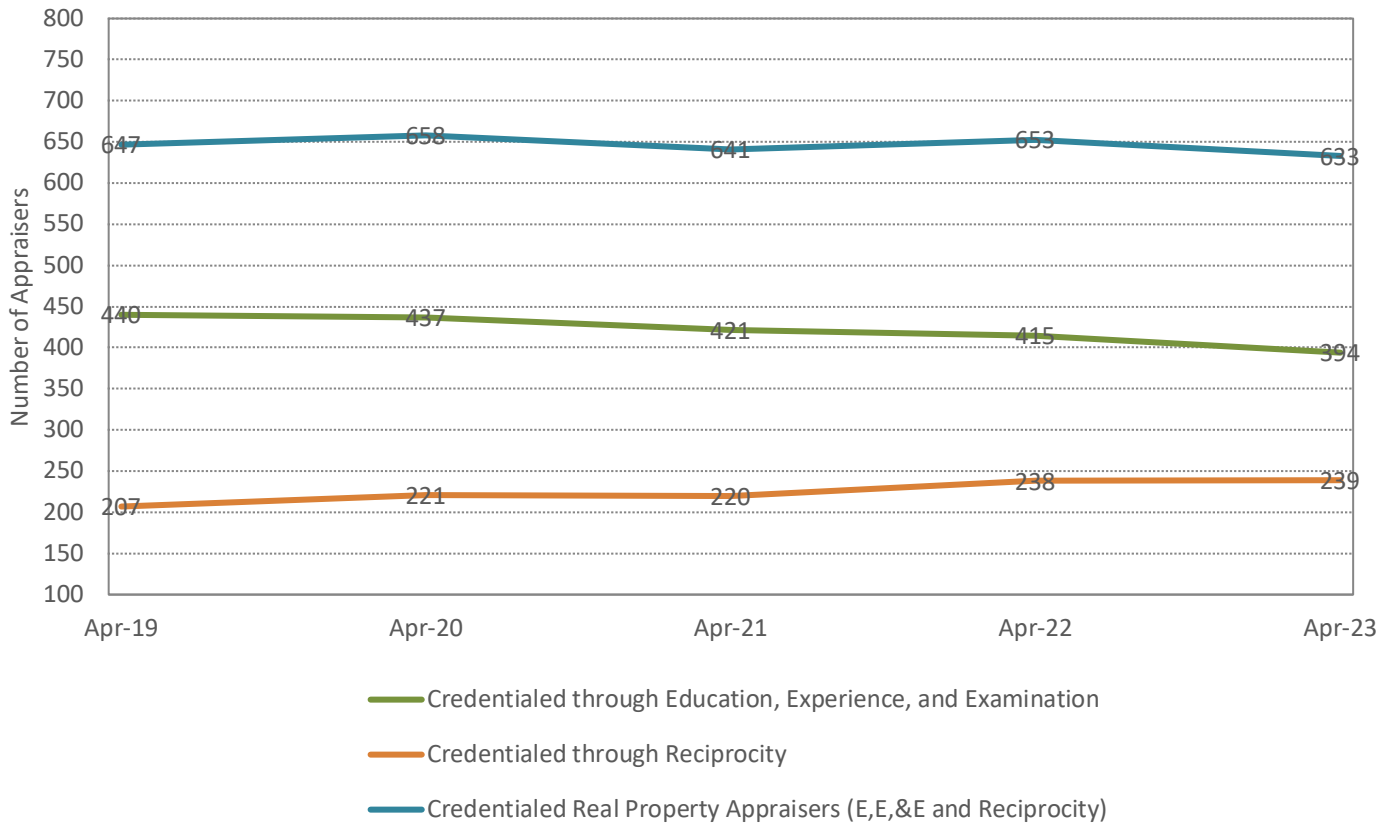
Real Property Appraiser and AMC Numbers and Trends as of April 1, 2023

The charts below outline the five-year trend for the number of Nebraska credentialed real property appraisers and Nebraska registered appraisal management companies as of April 1, 2023. There are currently 633 licensed residential, certified residential, and certified general real property appraisers in Nebraska, and 93 credentialed trainee real property appraisers. In addition, there are currently 82 appraisal management companies registered in Nebraska.

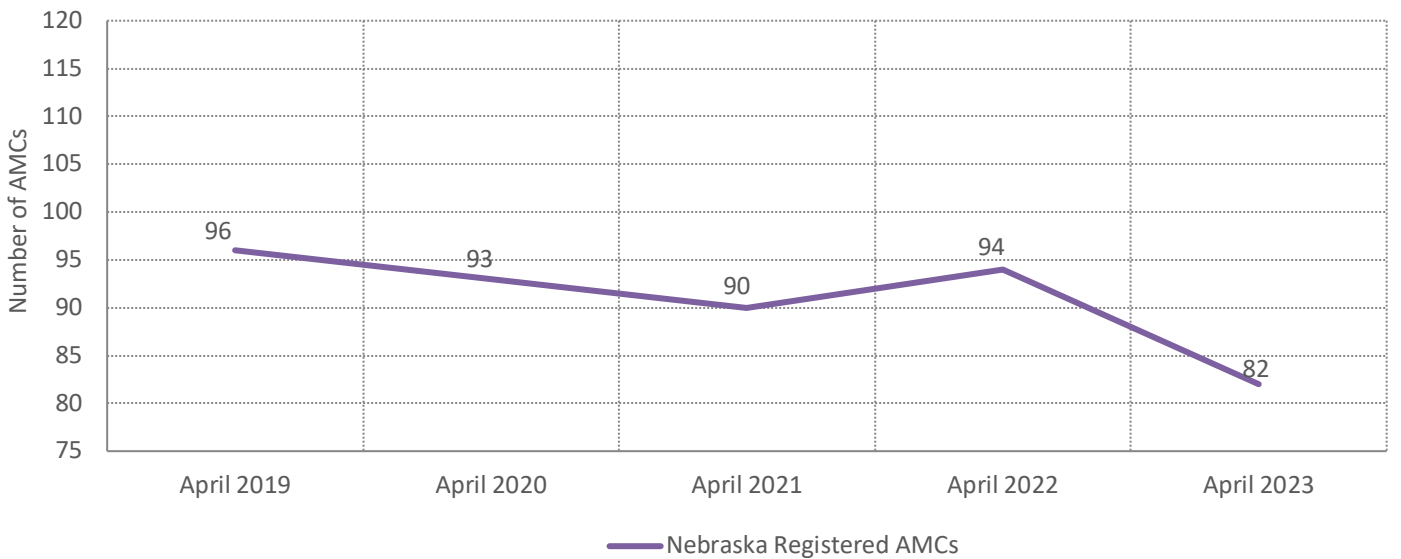


Real Property Appraiser and AMC Numbers and Trends as of April 1, 2023 (Continued)

Total Real Property Appraisers (not including Trainee)
- Five Year Trend



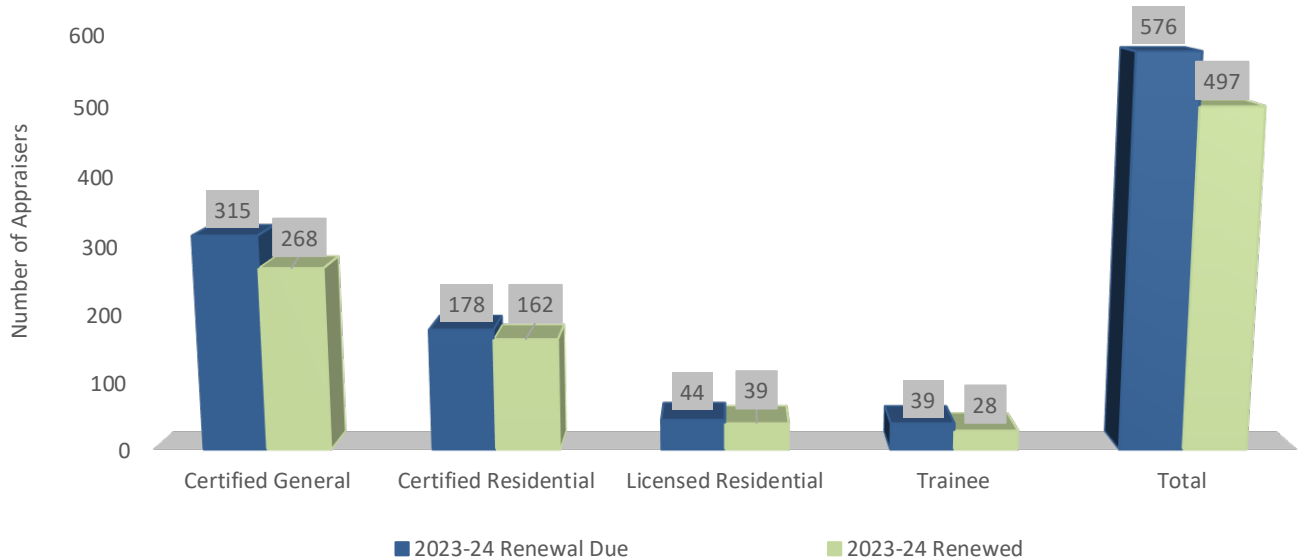
Appraisal Management Companies - Five Year Trend



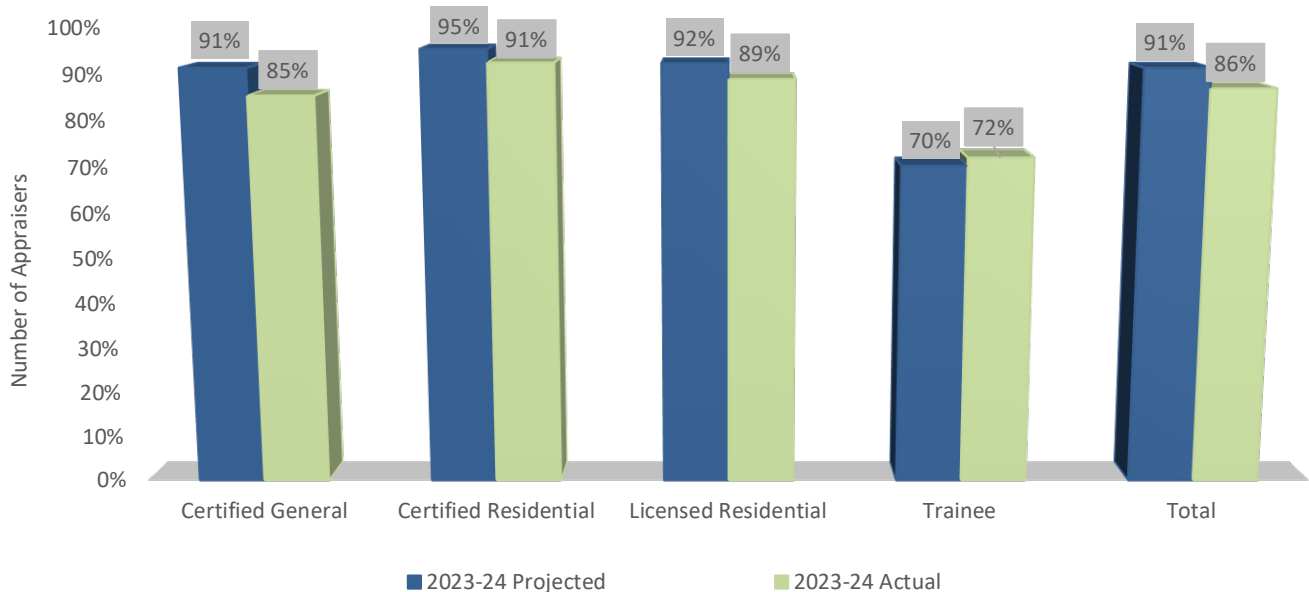
Real Property Appraiser Renewal Counts and Percentages as of April 2023

The charts below outline the real property appraiser renewal counts and percentages as of April 2023. There were 576 trainee, licensed residential, certified residential, and certified general real property appraiser renewals due, and 497 credentials were renewed.

2023-24 REAL PROPERTY APPRAISER RENEWAL PROGRESS REPORT - APRIL 2023

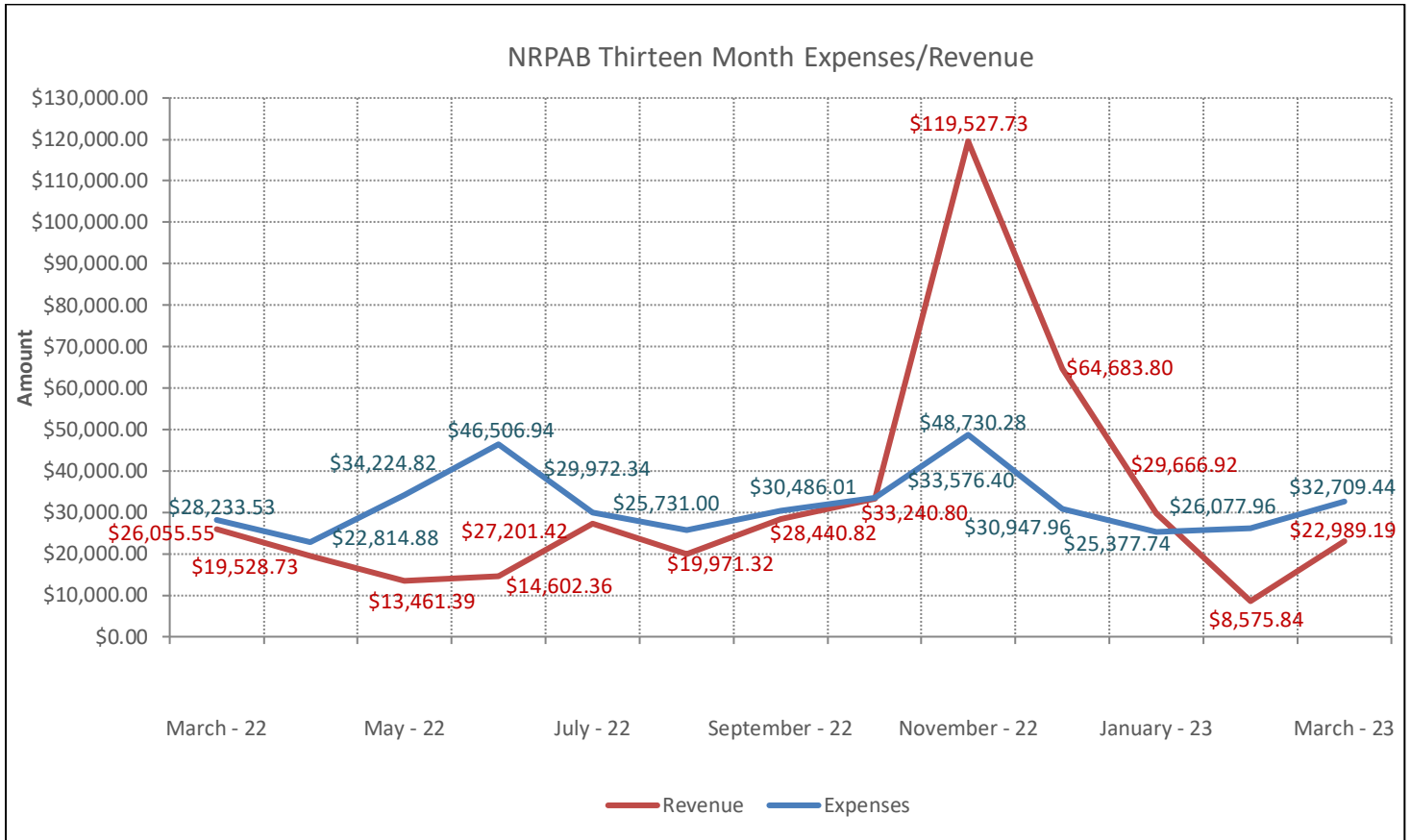


2023-24 PERCENTAGE PROJECTIONS/ACTUALS RENEWAL PROGRESS REPORT - APRIL 2023



NRPAB Financial Snapshot as of March 31, 2023


For the Real Property Appraiser Program, which includes both the appraiser fund and the AMC fund, a total of \$283,609.13 in expenditures and \$354,297.84 in revenues were recorded as of March 31, 2023. Actual expenses registered at 59.04 percent of the budgeted expenditures for the fiscal year; 75.07 percent of the fiscal year has passed.



← → ↻ appraiser.ne.gov

Apps Gmail YouTube Maps

Official Nebraska Government Website


Nebraska Real Property Appraiser Board

Home Board Members and Staff Contact **Appraiser Login** Approved Education Activity Search Appraiser Listing AMC Listing

↑
Appraiser Login

Mission:
 The Mission of the Nebraska Real Property Appraiser Board is to administer and enforce the Nebraska Real Property Appraiser Act and Nebraska Appraisal Management Company Registration Act with efficiency, equity, and integrity to ensure that the citizens of Nebraska are protected and served, and that the appraisal services community is highly qualified through education, experience, and examination.

Vision:
 The Nebraska Real Property Appraiser Board's vision is to provide leadership for the appraisal industry in the State of Nebraska. The Board will generate interest by promoting the appraiser profession, building positive public awareness of the industry throughout the State, and identifying and resolving issues faced by the public and appraisal services community. The Nebraska Real Property Appraiser Board will also establish and maintain standards for appraisers and appraisal management companies that lays the foundation for a highly qualified, motivated, dependable, and ethical appraisal services community in Nebraska.

Information about the 2021-22 Renewal Period:
[2021-22 Real Property Appraiser Continuing Education Requirements \(pdf\)](#)
[2021-22 Renewal Questions & Answers \(pdf\)](#)

- AMC Registration
- Appraiser Credentialing
- Board Meetings
- Education
- Enforcement
- Laws, Regulations, and Guidance Documents
- Public Information
- Request Forms
- USPAP Review Report Forms
- 2021-22 Renewal Applications
- COVID-19 Information
- 2021 Legislation of NRPAB Interest

Your credentialing card, the Online Renewal Application with EFW Payment, the Education Submission Portal, continuing education requirements, education history, and USPAP download are all found in the Appraiser Login on the Board's website.

From: [Oteal Griffin](#)
To: [Oteal Griffin](#)
Subject: Notice for Comment – Information Collection Request – Appraiser Profession Survey
Date: Wednesday, March 22, 2023 4:46:20 PM
Attachments: [image001.png](#)
[image002.png](#)
[image003.png](#)
[image004.png](#)
[image005.png](#)

Please see the link to a 60-Day Paperwork Reduction Act Notice addressing an Information Collection Request for the Appraisal Subcommittee (ASC) Appraiser Profession Survey Project and requesting public comment: <https://www.federalregister.gov/d/2023-05838>. As described in the Notice, you can submit comments to: webmaster@asc.gov. Comments are due by May 22, 2023. Include the docket number AS23-02 in the subject line of the email.

Thank you.

Oteal Griffin

Administrative Assistant

o 202.792.1218

c 202.843.3142



Confidentiality Notice: The information contained in this transmittal, including attachments if any, may be confidential or privileged under applicable law, or otherwise may be protected from disclosure to anyone other than the intended recipient(s). Any review, use, distribution, or copying of the contents of this e-mail or its attachments by any person other than the intended recipient for any purpose other than its intended use, is strictly prohibited and may be unlawful. This communication is not intended as a waiver of the confidential, privileged or exempted status of the information transmitted. If you have received this e-mail in error, you should permanently delete the e-mail and any attachments. Do not save, copy, disclose, or rely on any part of the information contained in this e-mail or its attachments. Also immediately notify the sender of the misdirection of this transmittal.

Member for 1 year 9 months

Location or Format

Online meeting via Zoom

[Register to Attend \(https://asc.gov.webex.com/weblink/register/ra4fd6e6de062345088fe4ba4733b52a1\)](https://asc.gov.webex.com/weblink/register/ra4fd6e6de062345088fe4ba4733b52a1)

[Open Session Agenda \(https://www.asc.gov/sites/default/files/2023-03/2023.03.15%20ASC%20Open%20Agenda.pdf\)](https://www.asc.gov/sites/default/files/2023-03/2023.03.15%20ASC%20Open%20Agenda.pdf)

Reports

- Chair
- Executive Director
- Grants
- Financial
- Other Business

An ASC Open Meeting is scheduled to begin at 10:00 a.m. EDT. The meeting will be open to the public via live webcast only.

[How to attend or address ASC at a meeting. \(/about/meetings\)](#)

Date and Time

Wed, Jun 14 2023, 10am



ABOUT (/ABOUT)

Member Representatives (/about/representatives)
 Staff (/about/staff)
 Meetings & Events (/about/meetings)

STATE COMPLIANCE (/STATE-COMPLIANCE)

Appraiser Compliance Review Findings (/states/appraiser-findings)
 AMC Compliance Review Findings (/states/amc-findings)

NATIONAL REGISTRIES (/NATIONAL REGISTRIES)

Appraiser Registry (/appraiser)
 AMC Registry (/amc)

GRANTS (/GRANTS)

State Support Grants (/grants/state)
 Technical & Training Assistance Gra
 Appraisal Foundation Grants (/grants/appraisal-foundation)

[Latest Updates \(/updates\)](#)

[FOIA Requests \(/foia\)](#)

[Accessibility \(https://www.ffiec.gov/pdfhelp.htm\)](https://www.ffiec.gov/pdfhelp.htm)

[Terms of Use \(/terms\)](#)

[Privacy Policy \(/privacy\)](#)

Join the ASC for a Public Hearing on May 19, 2023 from 10 a.m. – 1 p.m. ET.

This event is the second public hearing in the ASC's series of hearings related to the topic of appraisal bias.

This Hearing will explore the appraisal regulatory system focusing on appraisal standards, appraiser qualification criteria and barriers to entry into the profession, appraisal practice and State regulation. It is intended to provide additional context for the ASC's ongoing work toward fair appraisals for all.

The Hearing will be open to the public and requires advance registration. (<https://www.eventbrite.com/e/appraisal-subcommittee-hearing-on-appraisal-bias-registration-607544701557>).

The Hearing will be held at the Federal Housing Finance Agency (FHFA) in the Constitution Center auditorium, located at 400 7th Street, SW, Washington, DC 20024. It will also be livestreamed, and a recording will be posted on the ASC website following the event.

Register now for this important event (<https://www.eventbrite.com/e/appraisal-subcommittee-hearing-on-appraisal-bias-registration-607544701557>). More details on the structure and witness list will be announced in the coming weeks.

Date

Tags

Mon, 03/27/2023 - 12:00 [Other Updates \(/taxonomy/term/16\)](#)



ABOUT (/ABOUT)

- [Member Representatives \(/about/representatives\)](#)
- [Staff \(/about/staff\)](#)
- [Meetings & Events \(/about/meetings\)](#)

NATIONAL REGISTRIES (/NATIONAL REGISTRIES)

- [Appraiser Registry \(/appraiser\)](#)
- [AMC Registry \(/amc\)](#)

STATE COMPLIANCE (/STATE-COMPLIANCE)

- [Appraiser Compliance Review Findings \(/states/appraiser-findings\)](#)
- [AMC Compliance Review Findings \(/states/amc-findings\)](#)

GRANTS (/GRANTS)

- [State Support Grants \(/grants/state-programs\)](#)
- [Technical & Training Assistance Grant \(/grants/training-technical\)](#)
- [Appraisal Foundation Grants \(/grants/appraisal-foundation\)](#)

[Latest Updates \(/updates\)](#)

[FOIA Requests \(/foia\)](#)

[Accessibility \(https://www.ffiec.gov/pdfhelp.htm\)](https://www.ffiec.gov/pdfhelp.htm)

[Terms of Use \(/terms\)](#)

[Privacy Policy \(/privacy\)](#)



FOR IMMEDIATE RELEASE

Statement by the ASC Executive Director Jim Park on the One-Year Anniversary of the PAVE Task Force

Washington, DC – Today, the Appraisal Subcommittee of the Federal Financial Institutions Examination Council (ASC) is joining interagency partners across the Biden-Harris Administration to highlight the progress made to ensure that every American who buys a home has the same opportunities to build generational wealth through homeownership.

One year ago today, the Biden-Harris Administration’s Interagency Task Force on Property Appraisal and Valuation Equity (PAVE) – led by U.S. Department of Housing and Urban Development (HUD) Secretary Marcia L. Fudge and White House Domestic Policy Advisor Ambassador Susan Rice – released the PAVE Action Plan, the most wide-ranging set of actions ever announced to advance equity in the home appraisal process. The White House released [a roundup of highlights](#) of what PAVE accomplished over the last year.

The ASC is an engaged member of the Task Force, working to reduce barriers to homeownership and erode the influence of bias on the entire U.S. economy.

“The ASC is honored to be part of this historic task force, focused on reducing barriers to homeownership by ensuring that everyone has equitable access to the value in their homes and the intergenerational wealth home equity builds,” said Jim Park, Executive Director of the Appraisal Subcommittee of the Federal Financial Institutions Examination Council. “We have made these issues a cornerstone of our work and are actively building on the actions identified by PAVE one year ago. We are using the authority we have at our disposal to address the root causes of appraisal bias and look forward to continuing to work with this task force to fulfill our goal of fair appraisals for all.”

More information on the PAVE Task Force’s progress and work can be found in [this fact sheet](#).

###

The Appraisal Subcommittee (ASC) oversees the real estate appraisal regulatory framework for federally related transactions. The ASC is a subcommittee of the Federal Financial Institutions Examination Council (FFIEC). Visit asc.gov for more information.

March 17, 2023

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

Brad Swinney
Chair, Appraiser Qualifications Board
The Appraisal Foundation
1155 15th Street, NW
Suite 1111
Washington, DC 20005

RE: Appraisal Subcommittee Staff Comments on the January 31, 2023 First Exposure Draft of Proposed Changes to the *Real Property Appraiser Qualification Criteria*

Dear Chair Swinney:

The Appraisal Subcommittee (ASC) staff appreciates the opportunity to comment on the Appraiser Qualifications Board's (AQB) January 31, 2023, First Exposure Draft of Proposed Changes to the *Real Property Appraiser Qualification Criteria* (Criteria). The following comments reflect the opinions of the ASC staff and not the opinions of the ASC or its member agencies.

Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended (Title XI) empowered the ASC with the responsibility to monitor and review the practices, procedures, activities, and organizational structure of the Appraisal Foundation and its boards.¹ Title XI also empowered the ASC to monitor State appraiser certifying and licensing agencies for the purpose of determining whether a State agency's policies, practices, and procedures are consistent with Title XI.² Accordingly, ASC staff has reviewed the exposure draft and offers the following comments:

We are encouraged that the AQB is proposing that Valuation Bias and Fair Housing education for appraisers become a core educational requirement for aspiring and existing real estate appraisers. However, we do have the following comments and questions.

Lines 77-80 address the new requirement for qualifying and credentialed appraisers to complete a new continuing education (CE) course on Valuation Bias and Fair Housing "as part of each ongoing two-year continuing education cycle..." This is confusing because the Criteria has never required a 2-year cycle. The Criteria has a requirement for 14 hours of CE every year, however, the reference to a 2-year CE cycle is new. While some States have a 2-year credential renewal cycle, other States have longer or shorter renewal cycles. If the AQB is introducing a

¹ Title XI § 1103(b) (12 U.S.C. § 3332(b)).

² Title XI § 1103(a) (12 U.S.C. § 3332(a)).

new requirement for a 2-year educational cycle this should be clear. We recommend the AQB clarify the language regarding a 2-year cycle to ensure that States and appraisers understand that the cycle is a CE cycle and may differ from a State’s credential renewal cycle. Alternatively, the AQB might want to use the same language in the Criteria as the USPAP 7-hour class (i.e., “Appraisers must successfully complete the Valuation Bias and Fair Housing refresher every two years”).

Lines 86-89 indicate that the USPAP Instructor Recertification Course is satisfactory for the renewal of a credential. The *USPAP Instructor Recertification Course* is not required to be 7 hours in length. Is the shorter *USPAP Instructor Recertification Course* equivalent to a *7-hour National USPAP Continuing Education Course*? ASC staff recommends that the AQB clarify whether course instructors are required to have at least as many hours of USPAP instruction as non-instructors for renewal of their credential.

The exposure draft mentioned that federal agencies participated in the *Forum to Explore Education Requirements: Fair Housing Laws and Valuation Bias Education* but did not identify the agencies that attended and how involved they were in developing the new training outline. We recommend clarifying how much input federal agencies provided in the development of the training outline.

We are also concerned about some specific issues with the proposed course outline and description, as follows:

- Section B of the course outline lists Federal fair housing and antidiscrimination laws and regulations; however, many States and local governments have fair housing and antidiscrimination laws. We recommend the course outline include appraiser education requirements addressing relevant State and local laws.
- The course outline does not mention disparate impact or disparate treatment as topics included in the course. We recommend that the course outline include disparate impact and disparate treatment.
- The course outline does not mention the qualifications of instructors for the course. We recommend the AQB include a requirement that at least one of the instructors be knowledgeable about fair housing requirements and valuation bias.
- The course description notes that the “four-hour course will have less content on the topics of ‘Understanding Real Estate Bias’ and ‘Federal Fair Housing Laws and Regulations’, and more content on ‘Valuation Bias’ and ‘Case Studies.’” p.24. It would be helpful to understand the reasoning for this.

ASC staff is concerned the January 1, 2026, effective date does not allow sufficient time for the States to require the valuation bias and fair housing course and change the title *from 7-Hour National USPAP Update Course (Update)* to *7-Hour National USPAP Continuing Education Course*. Many States have specific courses referenced in law or regulation so codifying the title

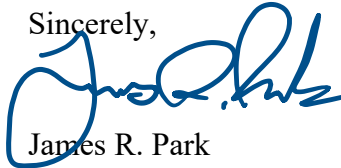
of the Update in statute or regulation will respectively require enacting legislation or performing notice and comment rulemaking.

When the AQB creates an effective date on which Criteria are adopted there are at times consequences for individuals who are already in the process of obtaining a credential. For example, the AQB should consider that a candidate, who has been approved to take the national examination as of December 31, 2025, meeting the current Criteria, but who takes the national examination after January 1, 2026, might never be required to take either the 8-hour or 7-hour course.

ASC staff is concerned that the valuation bias and fair housing course contains complex material that is not traditionally part of appraiser training and will require expertise to review the courses at the State level or through the Course Approval Program (CAP), or both. We recommend that the AQB employ experts to review the national and the State specific components of the courses for CAP.

Thank you again for the opportunity to comment. Please contact us if you have any questions.

Sincerely,



James R. Park
Executive Director

**APPRAISAL SUBCOMMITTEE
QUARTERLY MEETING MINUTES
NOVEMBER 16, 2022**

LOCATION: Zoom Conference

ATTENDEES

ASC MEMBERS: CFPB – Zixta Martinez (Chair)
FDIC – Luke Brown
FHFA – Julie Giesbrecht
FRB – Suzanne Williams
HUD – Bobbi Borland (Vice Chair)
NCUA – JeanMarie Komyathy
OCC – James Rives

ASC STAFF: Executive Director – Jim Park
Deputy Executive Director – Denise Graves
General Counsel – Alice Ritter
Financial Manager – Girard Hull
Attorney Advisor – Ada Bohorfoush
Attorney Advisor – Juan Burgos
Attorney Advisor – Natalie Lutz
Management and Program Analyst – Lori Schuster
Administrative Officer – Brian Kelly
Policy Manager – Claire Brooks
Policy Manager – Maria Brown
Policy Manager – Kristi Klamet
Policy Manager- Jenny Tidwell

OBSERVERS: See attached list.

The Meeting was called to order at 10:00 a.m. by Chair Z. Martinez.

REPORTS

- **Chair**

Z. Martinez welcomed new NCUA member JeanMarie Komyathy and alternate member Victoria Nahrwold. She thanked Tim Segerson for his contributions to the ASC including serving as immediate past ASC Chair and representing the NCUA since 2013. She recognized Alice Ritter, ASC General Counsel, who is retiring at the end of this year. A. Ritter has been with the ASC since 2008.

- **Executive Director**

J. Park updated the ASC on recent staff activity as noted below.

- ASC staff continues to work with the Interagency Task Force on Property Appraisal and Valuation Equity, White House Domestic Policy Council and the Roundtable for Economic Access and Change on appraisal bias issues.
- The Temporary Waiver Final Rule was published in the *Federal Register* on October 7th with an effective date of December 6th.
- The vacancy announcement for the Grants Administrator position closed on October 28th. The U.S. Office of Personnel Management will forward the eligible applications to the ASC staff shortly. ASC staff will review applications and schedule interviews as soon as possible.
- He acknowledged A. Ritter's contributions to the ASC and wished her well in her retirement.

- **Grants Program**

C. Brooks provided an update of the grants program since the September 14th ASC Quarterly Meeting.

- The ASC has awarded over \$2.75M in State support grants thus far. The State support grants are being utilized for a variety of projects such as IT and software upgrades; converting paper records to digital; training; complaint investigators; and staffing.
- The ASC has awarded 15 State support grants since 2020. The ASC's State support grants are for three years, with funding provided on an annual basis. Eight grantees began their third year in October. The other seven are in the second year of their grant. Several grantees ran into delays early on implementing activities and projects due to COVID travel restrictions and staffing shortages, but projects appear to be moving forward and travel for training has resumed for most grantees.
- The semiannual and year-end federal financial and progress reports for the State support grants and the cooperative agreement with the Council on Licensure, Enforcement and Regulation were due on November 1st. The Grants Office is reviewing the documents for compliance and hopes to complete the review by mid-December.

- **Financial Manager**

G. Hull provided a financial status of the ASC as of September 30th, which was the end of Fiscal Year 2022 (FY22).

- Based on the unaudited financial statements, the ASC has recognized approximately \$12.1M in total revenue which represents 103% of the FY22 targeted revenue amount of \$11.7M. The total FY22 revenue consists of \$8.3M in AMC Registry Fees and \$3.7M in Appraiser Registry fees. Expenses for FY22 came in at \$5.8M representing 97% of the projected \$6M. The net income for FY22 is \$6.2M.
- The FY22 audit is scheduled to start the week of December 5th.

ACTION ITEMS

- **September 14, 2022 Quarterly Meeting Minutes**

Z. Martinez asked for a motion to approve the September 14th Quarterly Meeting Minutes. J. Komyathy made a motion to approve the September 14th quarterly meeting minutes as presented. J. Giesbrecht seconded and all members present voted to approve.

- **ASC Hearing Proposal**

Z. Martinez said that bias based on prohibited characteristics, particularly race and national origin, in real estate valuations is a longstanding problem that has potentially impacted millions across generations but has reached new prominence in recent years. Though the ASC has made efforts to combat and address appraisal bias, a public hearing would enable the ASC to (1) continue to shine a spotlight on the issue; (2) ensure there is public awareness of the ASC and its role in the appraisal marketplace; (3) identify key issues impacting the market, with input from a range of stakeholders, (4) identify gaps in ASC's information and knowledge; and (5) receive public commitment from stakeholders with responsibilities in this market and the ability to hold them to account. While the ASC has hosted roundtables in the past on appraisal bias issues, a more formal mechanism is needed given the significant impact on consumers. She asked for comments from ASC members on the proposed hearing. L. Brown said that he looks forward to collaborating with colleagues on the hearing and is interested in what various stakeholders have to say regarding appraisal bias. Other ASC members were also supportive of holding a hearing. Z. Martinez asked for motion to hold a hearing, pursuant to the Appraisal Subcommittee's authority under 12 U.S.C. § 3335, in January 2023 regarding appraisal bias in the residential real estate market in order to: (1) identify gaps in ASC's information and knowledge; (2) identify key issues impacting the market, with input from a range of stakeholders; (3) continue to shine a spotlight on the issue; (4) ensure there is public awareness of the ASC and its role in the appraisal marketplace; and (5) take public feedback. The hearing will focus on setting the stage, consistent with the aforementioned purpose, by (1) discussing the ASC's role and authorities and (2) defining the problem of appraisal bias. Specific topics within that overall structure and witnesses will be discussed by the ASC Board at a later date. S. Williams made a motion as presented by Z. Martinez. J. Komyathy seconded and all members present voted to approve.

Z. Martinez thanked ASC members, ASC staff and observers for attending. The Open Session adjourned at 10:20 a.m. The next quarterly ASC Meeting is scheduled for March 15, 2023.

Attachment: Observer list

Meeting:	Appraisal Subcommittee Meeting	Meeting Date:	November 16, 2022
Time:	10:00 AM ET	Location:	Zoom Meeting

OBSERVERS	
Affiliation	Name
American Society of Appraisers	John Russell
Appraisal Foundation	JoEllen Alberts
Appraisal Foundation	David Bunton
Appraisal Foundation	Aida Dedajic
Appraisal Foundation	Edna Nkemngu
Appraisal Foundation Board of Trustees	Randall Kopfer
Appraisal Institute	Brian Rodgers
Appraiser Qualifications Board	Michelle Bradley
Clear Capital	David Cherner
Consumer Financial Protection Bureau	Kara Allen
Consumer Financial Protection Bureau	Paul Hannah
Consumer Financial Protection Bureau	Nicholas Kime
Consumer Financial Protection Bureau	Orlando Orellano
Consumer Financial Protection Bureau	John Schroeder
Consumer Financial Protection Bureau	David Uejio
Council on Licensure, Enforcement and Regulation	David Byerman
Federal Deposit Insurance Corporation	Richard Foley
Federal Deposit Insurance Corporation	Stuart Hoff

Federal Deposit Insurance Corporation	Tom Lyons
Federal Deposit Insurance Corporation	Patrick Mancoske
Federal Deposit Insurance Corporation	Mark Mellon
Federal Deposit Insurance Corporation	George Parkerson
Federal Deposit Insurance Corporation	Meron Wondwosen
Federal Housing Finance Agency	Annalyce Shufelt
Federal Housing Finance Agency	Sara Todd
Federal Reserve Board	Trevor Feigleson
Federal Reserve Board	Carmen Holly
Federal Reserve Board	David Imhoff
Federal Reserve Board	Keshia King
Federal Reserve Board	Matt Suntag
HomeSight Appraisal	Peter Gallo
National Credit Union Administration	Rachel Ackmann
National Credit Union Administration	Victoria Nahrwold
Office of the Comptroller of the Currency	Stacey Fluellen

Fifth Exposure Draft

USPAP

March 30, 2023



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

APPRAISAL STANDARDS BOARD

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Introduction

Proposed Changes to the *Uniform Standards of Professional Appraisal Practice (USPAP)*

The goal of the *Uniform Standards of Professional Appraisal Practice (USPAP)* is to promote and maintain a high level of public trust in appraisal practice by establishing requirements for appraisers. With this goal in mind, the Appraisal Standards Board (ASB) regularly solicits and receives comments and suggestions as it continually works to develop, interpret, and amend USPAP as needed.

Based on feedback, prior Exposure Drafts and other sources, the ASB is continuing to respond to feedback and considering changes for the new edition of USPAP. Due to the lengthy process involved in promulgating new editions of USPAP, the public will be given sufficient time in advance of a new edition of USPAP becoming effective.

The ASB undertook a comprehensive review of the ETHICS RULE in response to concerns raised by stakeholders, including federal regulators and fair housing organizations. The resulting edits in this draft reflect the ASB's deep commitment to upholding the public trust and the congressional authority granted to the ASB under Title XI.

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

On behalf of the ASB, thank you for taking the time to review and respond to this Exposure Draft.

Michelle Czekalski Bradley
Chair, Appraisal Standards Board

Join the Conversation

Appraisal Standards Board Chair, Michelle Czekalski Bradley, Vice Chair, Nicholas Pilz, and Appraisal Foundation Vice President of Appraisal Issues, Lisa Desmarais, will host a webinar to discuss this Exposure Draft on **April 13, 2023**, at **1:00 PM ET** (10:00 AM PT). Register to attend the webinar here:

https://us02web.zoom.us/webinar/register/WN_cLna_QsATcuSA0qRx1ls_Q

The ASB will also accept verbal comments at its virtual public meeting on **May 5, 2023** at **1:00 PM ET**. Register to attend the virtual public meeting here:

https://us02web.zoom.us/webinar/register/WN_0XLVrRXdSxymCqI_kOBj9g

Send Your Comments by April 29, 2023

All interested parties are encouraged to comment in writing to the ASB before the deadline of April 29, 2023. Each member of the ASB will thoroughly read and consider all comments.

The rationale for any changes is presented in the first part without line numbers. Complete proposed changes are organized in the second part, as appendices, and are shown with line numbers. This difference is intended to distinguish for the reader those parts that explain the changes to USPAP from the proposed changes themselves. Where text is proposed for deletion in USPAP, that text is shown as strikethrough (for example, ~~This is strikethrough text proposed for deletion~~). Text that is proposed to be added to USPAP is underlined (for example, This is text proposed for insertion).

Footnotes that already exist in the 2020-2023 USPAP (and that are not being changed, added or deleted) are omitted from this Exposure Draft.

When commenting on various aspects of the Exposure Draft, it is very helpful to reference sections and line numbers, fully explain the reasons for concern or support, provide examples or illustrations, and suggest any alternatives or additional issues the ASB should consider.

To submit comments, please visit: <https://www.surveymonkey.com/r/ASBComments>
For ease of processing, we prefer you use SurveyMonkey for your comments. If you are unable to provide your comments via SurveyMonkey, you may also email the ASB at ASB@appraisalfoundation.org.

All written comments will be posted for public viewing, exactly as submitted, on the website of The Appraisal Foundation (<https://www.appraisalfoundation.org>). Names may be redacted upon request. The Appraisal Foundation reserves the right not to post written comments that contain offensive or inappropriate statements.

ETHICS RULE

Fifth Exposure Draft

USPAP

Section 1: PROPOSED ADDITION OF A NONDISCRIMINATION SECTION IN THE ETHICS RULE

Rationale for Proposed Changes to the ETHICS RULE

BACKGROUND

In June of 2021, the Appraisal Standards Board (ASB) issued a Discussion Draft. One of the questions asked in the Discussion Draft concerned the use of the terms “unsupported conclusions” and “bias” and whether those terms as used adequately communicated that USPAP prohibited discrimination and the legal context related to that prohibition.

The predominant feedback that the ASB received on the Discussion Draft, and on comments to the subsequent First and Second Exposure Drafts, was that the language in the ETHICS RULE was insufficient to make clear that USPAP prohibits discrimination. As a result of this feedback, and after consultation with antidiscrimination experts, on July 26, 2022, the ASB released a Third Exposure Draft. This new draft proposed to address these concerns by:

- Adding a Nondiscrimination section within the ETHICS RULE; and
- Deleting all language relating to supported and unsupported conclusions in the Conduct section of the ETHICS RULE.

The ASB received a large number of comments and extensive feedback on the Third Exposure Draft. The feedback was predominantly in favor of including a new Nondiscrimination section. The comments also reflected a need for greater clarity on the legal concepts introduced in the proposed section and better conformity with USPAP terminology and style. As a result of this feedback, on December 13, 2022, the ASB released a Fourth Exposure Draft that revised and refined the language of the proposed Nondiscrimination section. The Rationale released in connection with the Fourth Exposure Draft previewed concepts to be covered in additional guidance that would be promulgated in the event that the Fourth Exposure Draft was adopted.

Feedback to the Fourth Exposure Draft continued to predominantly favor the inclusion of a Nondiscrimination section in the ETHICS RULE. The comments also reflected a concern about the use of two new terms introduced in that draft designed to draw a distinction between “illegal” and “unethical” discrimination. Commenters noted that the Fourth Exposure Draft’s introduction of these terms implied that there was such a thing as “ethical” discrimination, and that this distinction made the relationship between

antidiscrimination laws and USPAP less clear. Feedback also reflected a desire by stakeholders to review guidance on the Nondiscrimination section prior to its adoption.

FIFTH EXPOSURE DRAFT AND ADVISORY OPINIONS 39 AND 40

As a result of feedback to the Fourth Exposure Draft, the ASB has prepared the attached proposed changes to the ETHICS RULE, as well as the attached proposed Advisory Opinions 39 and 40. The changes to the proposed section and the drafting of related guidance were undertaken in consultation with fair housing, fair lending, and antidiscrimination experts, as well as with stakeholders within the appraisal profession.

Despite changes to the proposed Nondiscrimination section’s structure and language detailed below, the Nondiscrimination section maintains a focus on core concepts from key antidiscrimination laws. The newly proposed section continues explicitly to require that appraisers be knowledgeable about and follow antidiscrimination laws that apply to the appraiser or the assignment. Consistent with prior drafts, the Fifth Exposure Draft continues to propose omitting all material relating to supported and unsupported conclusions. At the same time, the ASB recognizes that additional guidance would be beneficial to illustrate the application of antidiscrimination laws and related concepts to appraisal practice. By exposing the proposed Advisory Opinions contemporaneously with the proposed Nondiscrimination section, the ASB intends to provide stakeholders all the information needed to evaluate the section.

Not all antidiscrimination laws are applicable to all appraisal disciplines. However, as a matter of ethics and public trust, the ASB views it as critical to set out nondiscrimination requirements for the appraisal profession as a whole, regardless of appraisal discipline. The Fifth Exposure Draft deletes the concepts of “illegal” and “unethical” discrimination that raised concerns in the Fourth Exposure Draft. The proposed Nondiscrimination section further clarifies that nondiscrimination obligations exist for all appraisers, regardless of whether specific antidiscrimination laws apply to the appraiser or to the appraiser’s assignment.

REQUIREMENTS TO COMPLY WITH ANTIDISCRIMINATION LAWS

The ASB continues to propose adding a new section within the ETHICS RULE titled **Nondiscrimination**.

The proposed section begins by prohibiting an appraiser from acting “in a manner that violates or contributes to a violation of federal, state, or local antidiscrimination laws or regulations.” It highlights the Fair Housing Act (FHAct), the Equal Credit Opportunity Act (ECOA), and the Civil Rights Act of 1866, three key federal antidiscrimination laws that are relevant to appraisal practice. The proposed section also requires an appraiser to have knowledge of antidiscrimination laws and regulations and when those laws and regulations apply to the appraiser or to the assignment.

The proposed section then states specific prohibitions that apply when the appraiser is completing a residential real property assignment or an assignment where the intended use is in connection with a credit transaction. These prohibitions, grounded in the FHAct, ECOA, and the Civil Rights Act of 1866, plainly state that an appraiser is prohibited from basing their opinion of value on any of the characteristics protected under relevant law.

Under the prohibition related to residential real property, a comment states in plain language what the FHAct prohibits and that the FHAct can be violated through disparate treatment and disparate impact—concepts that are further discussed in guidance. The comment also highlights Section 1981 and Section 1982 of the Civil Rights Act of 1866, which apply broadly to appraisals, including real and personal property appraisals. Under the prohibition related to assignments where the intended use is in connection with a credit transaction, a comment states in plain language what ECOA prohibits.

NONDISCRIMINATION REQUIREMENTS, REGARDLESS OF APPLICABLE LAW

The proposed Nondiscrimination section continues with four additional prohibitions that apply across appraisal disciplines, regardless of whether (or which) antidiscrimination laws or regulations also apply. These prohibitions apply with respect to an enumerated list of personal characteristics that are drawn from federal antidiscrimination protections, namely the actual or perceived race, ethnicity, color, religion, national origin, sex, sexual orientation, gender, gender identity, gender expression, marital status, familial status, age, receipt of public assistance income, or disability of any person(s).

- An appraiser must not develop and/or report an opinion of value based, in whole or in part, on any of the listed characteristics;
- An appraiser must not base an opinion of value upon the premise that homogeneity of the inhabitants of a geographic area is relevant for the appraisal;
- An appraiser must not perform an assignment with bias¹ with respect to any of the listed characteristics; and
- An appraiser must not use or rely upon another characteristic as a pretext to conceal the use of or reliance upon a listed characteristic.

LIMITED EXCEPTION REGARDING USE OF PROTECTED CHARACTERISTICS

Finally, the proposed Nondiscrimination section recognizes that limited circumstances exist where use of a protected characteristic² in an assignment would not constitute discrimination and would not violate the ETHICS RULE. For use of or reliance upon a

¹ “Bias,” as a defined term in USPAP, means “a preference or inclination that precludes an appraiser’s impartiality, independence, or objectivity in an assignment.”

² As a footnote to this part of the ETHICS RULE states: for purposes of the exception, “‘protected characteristic’ means race, ethnicity, color, religion, national origin, sex, sexual orientation, gender, gender identity, gender expression, marital status, familial status, age, receipt of public assistance income, or disability of any person(s), or any other characteristic protected by applicable antidiscrimination laws or regulations.”

protected characteristic in an assignment to be permissible, the use or reliance must not be prohibited by antidiscrimination laws and regulations, and must further be essential to the assignment and necessary for credible assignment results. These requirements are intentionally stringent. Details about the use of this limited exception are provided in guidance.

The operation of this exception is similar to the Fourth Exposure Draft. However, the framing of the limited exception has been modified to increase the clarity of the relationship between the exception and the requirements of antidiscrimination laws and regulations. The Fifth Exposure Draft also removes a prior third requirement that an appraiser's use of or reliance upon a protected characteristic cannot be due to bias, prejudice, or stereotype. Feedback indicated that this language was confusing and would be difficult to enforce. The remaining elements of the exception—that the use or reliance be permitted by antidiscrimination laws and regulations and be essential to the assignment and necessary for credible assignment results—appropriately limit the circumstances under which use of or reliance upon a protected characteristic can be allowed. In practice, consideration of a protected characteristic based on bias, prejudice, or stereotype is never necessary for credible assignment results.

ADVISORY OPINIONS 39 AND 40

The proposed Advisory Opinion 39 notes that both the ETHICS RULE and the COMPETENCY RULE require an appraiser to understand and comply with all applicable antidiscrimination laws, whether at the federal, state, or local level. The proposed Advisory Opinion 39 gives further explanation for when an appraiser can violate or contribute to a violation of applicable antidiscrimination law. It provides additional background on the FhAct, ECOA, and the Civil Rights Act of 1866, and how these laws and their implementing regulations are relevant to appraisal practice. It also explains in greater detail the concepts of disparate treatment and disparate impact. Additionally, the proposed Advisory Opinion 39 provides additional guidance and illustrations regarding the narrow circumstances in which use of or reliance upon protected characteristics is permitted under the proposed Nondiscrimination section.

The proposed Advisory Opinion 40 provides greater detail on the requirements of applicable antidiscrimination laws and USPAP in the context of residential real property appraisal assignments. Building on discussion of the FhAct and other relevant laws and regulations in the proposed Advisory Opinion 39, the proposed Advisory Opinion 40 provides guidance related to the prohibitions on using particular protected characteristics in developing an opinion of value for residential real property assignments and in the research, analysis, and reporting of location-related data, including demographics, for these types of assignments. The proposed Advisory Opinion 40 also discusses the relationship between the USPAP prohibition on pretext and “code words” that can indicate discrimination.

The proposed Nondiscrimination section of the ETHICS RULE and the accompanying proposed Advisory Opinions are designed to maintain and further the ASB's steadfast commitment to the highest professional standards in appraisal practice. If any changes to USPAP are adopted, training will be aligned to reflect the updated sections of USPAP.

Proposed Changes to the ETHICS RULE

The proposed ETHICS RULE is shown below. There are no proposed edits to the Management and Confidentiality sections of the ETHICS RULE.

1 **ETHICS RULE**

2 **An appraiser must promote and preserve the public trust inherent in appraisal**
3 **practice by observing the highest standards of professional ethics.**

4 **An appraiser must comply with USPAP when obligated by law or regulation, or by**
5 **agreement with the client or intended users. In addition to these requirements, an**
6 **individual should comply any time that individual represents that he or she is**
7 **performing the service as an appraiser.**

8 Comment: This Rule specifies the personal obligations and responsibilities of the
9 individual appraiser. An individual appraiser employed by a group or organization
10 that conducts itself in a manner that does not conform to USPAP should take
11 steps that are appropriate under the circumstances to ensure compliance with
12 USPAP.

13 This ETHICS RULE is divided into four sections: **Nondiscrimination**, **Conduct**,
14 **Management**, and **Confidentiality**, which apply to all appraisal practice.

15 **NONDISCRIMINATION:**

16 **An appraiser must not act in a manner that violates or contributes to a violation**
17 **of federal, state, or local antidiscrimination laws or regulations.¹ This includes**
18 **the Fair Housing Act (FHAct), the Equal Credit Opportunity Act (ECOA), and the**
19 **Civil Rights Act of 1866.**

20 **An appraiser must have knowledge of antidiscrimination laws and regulations**
21 **and when those laws or regulations apply to the appraiser or to the assignment.**
22 **An appraiser must complete an assignment in full compliance with applicable**
23 **laws and regulations.**

24 **1. An appraiser, when completing a residential real property assignment,**
25 **must not base their opinion of value in whole or in part on race, color,**
26 **religion, national origin, sex, disability, or familial status.**

27 Comment: The FHAct prohibits discrimination in residential real estate
28 appraisals on the basis of race, color, religion, national origin, sex,
29 disability, or familial status. Under the FHAct, an appraiser may not use or

1 *See Advisory Opinion 39, Antidiscrimination Laws and Nondiscrimination.*

30 rely upon information relating to these protected characteristics, with
31 limited exceptions.

32 The FHAct can be violated through disparate treatment (treating
33 individuals of one protected group differently from and less favorably than
34 others not in that protected group) and disparate impact (employing
35 neutral policies or practices that disproportionately harm members of a
36 protected group, except when those policies or practices are justified and
37 there are no less disproportionate policies or practices that could be used
38 instead).

39 Section 1981 of the federal Civil Rights Act of 1866 prohibits many forms
40 of discrimination with respect to the making and enforcement of contracts,
41 and Section 1982 of the same law prohibits discrimination with respect to
42 the purchasing, leasing, selling, holding, and conveyance of real and
43 personal property. The Civil Rights Act of 1866 applies to real property
44 appraisals, in addition to personal property and other appraisals.

45 **2. An appraiser, when completing an assignment where the intended use is in**
46 **connection with a credit transaction, not limited to credit secured by real**
47 **property, must not base their opinion of value in whole or in part on race,**
48 **color, religion, national origin, sex, marital status, age, source of income,**
49 **or the good-faith exercise of rights under the Consumer Credit Protection**
50 **Act.**

51 Comment: ECOA prohibits discrimination in any aspect of a credit
52 transaction on the basis of race, color, religion, national origin, sex, marital
53 status, age, source of income, or the good-faith exercise of any right under
54 the Consumer Credit Protection Act in any aspect of a credit transaction,
55 with limited exceptions. An appraisal used in connection with a credit
56 transaction is an aspect of the credit transaction.

57 **3. An appraiser must not violate any state or local antidiscrimination laws or**
58 **regulations applicable to the appraiser or to their assignment.**

59 Comment: State and local laws may expand upon federal
60 antidiscrimination requirements to protect additional characteristics and/or
61 prohibit additional practices. The specific laws and regulations that are
62 applicable to an appraiser or an assignment will vary.

63 **Whether or not any antidiscrimination law or regulation applies:**

64 **1. An appraiser must not develop and/or report an opinion of value that, in**
65 **whole or in part, is based on the actual or perceived race, ethnicity, color,**
66 **religion, national origin, sex, sexual orientation, gender, gender identity,**

67 **gender expression, marital status, familial status, age, receipt of public**
68 **assistance income, or disability of any person(s).**

69 Comment: Within the context of the Nondiscrimination section of the ETHICS
70 RULE, “person(s)” includes but is not limited to:

- 71 ○ a property or asset owner;
- 72 ○ a purchaser or potential purchaser of a property or an asset;
- 73 ○ an individual who might derive benefit from or use a property or an
74 asset;
- 75 ○ a client, representative or agent of a client, or any other intended user;
76 or
- 77 ○ the inhabitants of a geographic area.

78
79 **2. An appraiser must not base an opinion of value upon the premise that**
80 **homogeneity of the inhabitants of a geographic area is relevant for the**
81 **appraisal.²**

82
83 **3. An appraiser must not perform an assignment with bias with respect to the**
84 **actual or perceived race, ethnicity, color, religion, national origin, sex,**
85 **sexual orientation, gender, gender identity, gender expression, marital**
86 **status, familial status, age, receipt of public assistance income, or**
87 **disability of any person(s).**

88
89 **4. An appraiser must not use or rely upon another characteristic as a pretext**
90 **to conceal the use of or reliance upon race, ethnicity, color, religion,**
91 **national origin, sex, sexual orientation, gender, gender identity, gender**
92 **expression, marital status, familial status, age, receipt of public assistance**
93 **income, or disability of any person(s), when performing an assignment.**

94
95 Comment: Where an antidiscrimination law or regulation applies to the appraiser
96 or the appraiser’s assignment, the practices described in 1-4 immediately above
97 may also be prohibited by applicable antidiscrimination law, including the FHAct,
98 ECOA, and the Civil Rights Act of 1866. Any practice prohibited by an applicable
99 antidiscrimination law or regulation is also prohibited by the preceding
100 requirements of the Nondiscrimination section.

101
102 **If an assignment does not involve residential real property and the intended use**
103 **is not in connection with a credit transaction, the FHAct and ECOA do not apply.**
104 **If the FHAct and ECOA do not apply, and no other law or regulation prohibits the**

2 See Advisory Opinion 40, Antidiscrimination and the Research, Analysis, and Reporting of Location Data, including Demographics, for Residential Real Property Appraisal Assignments.

105 use of or reliance upon a protected characteristic,³ then the use of or reliance
106 upon that characteristic is permitted only to the extent that it is essential to the
107 assignment and necessary for credible assignment results.

108 Comment: Where the FHAct, ECOA, or another antidiscrimination law or
109 regulation applies, any use of or reliance upon a protected characteristic must be
110 expressly permitted by applicable laws or regulations.

111 **CONDUCT:**

112 **An appraiser must perform assignments with impartiality, objectivity, and**
113 **independence, and without accommodation of personal interests.**

114 **An appraiser:**

- 115 • **must not perform an assignment with bias;**
- 116 • **must not advocate the cause or interest of any party or issue;**
- 117 • **must not agree to perform an assignment that includes the reporting of**
118 **predetermined opinions and conclusions;**
- 119 • **must not misrepresent his or her role when providing valuation services**
120 **that are outside of appraisal practice;**
- 121 • **must not communicate assignment results with the intent to mislead or to**
122 **defraud;**
- 123 • **must not use or communicate a report or assignment results known by the**
124 **appraiser to be misleading or fraudulent;**
- 125 • **must not knowingly permit an employee or other person to communicate a**
126 **report or assignment results that are misleading or fraudulent;**
- 127 • ~~**must not use or rely on unsupported conclusions relating to**~~
128 ~~**characteristics such as race, color, religion, national origin, gender, marital**~~
129 ~~**status, familial status, age, receipt of public assistance income, handicap,**~~
130 ~~**or an unsupported conclusion that homogeneity of such characteristics is**~~
131 ~~**necessary to maximize value;**~~
- 132 • **must not engage in criminal conduct;**
- 133 • **must not willfully or knowingly violate the requirements of the RECORD**
134 **KEEPING RULE; and**
- 135 • **must not perform an assignment in a grossly negligent manner.**

136 Comment: Development standards (1-1, 3-1, 5-1, 7-1 and 9-1) address the
137 requirement that “an appraiser must not render appraisal services in a
138 careless or negligent manner.” The above requirement deals with an appraiser
139 being grossly negligent in performing an assignment which would be a
140 violation of the Conduct section of the ETHICS RULE.

3 For purposes of this exception, “protected characteristic” means race, ethnicity, color, religion, national origin, sex, sexual orientation, gender, gender identity, gender expression, marital status, familial status, age, receipt of public assistance income, or disability of any person(s), or any other characteristic protected by applicable antidiscrimination laws or regulations.

141 **If known prior to agreeing to perform an assignment, and/or if discovered at any**
142 **time during the assignment, an appraiser must disclose to the client, and in each**
143 **subsequent report certification:**

- 144 • **any current or prospective interest in the subject property or parties**
- 145 **involved; and**
- 146 • **any services regarding the subject property performed by the appraiser, as**
- 147 **an appraiser or in any other capacity, within the three-year period**
- 148 **immediately preceding the agreement to perform the assignment.**

149 Comment: Disclosing the fact that the appraiser has previously appraised the
150 property is permitted except in the case when an appraiser has agreed with the
151 client to keep the mere occurrence of a prior assignment confidential. If an
152 appraiser has agreed with a client not to disclose that he or she has appraised
153 a property, the appraiser must decline all subsequent agreements to perform
154 assignments that fall within the three-year period.

155 In assignments in which there is no appraisal or appraisal review report, only
156 the initial disclosure to the client is required.

157 **MANAGEMENT:**

158 **An appraiser must disclose that he or she paid a fee or commission, or gave a**
159 **thing of value in connection with the procurement of an assignment.**

160 Comment: The disclosure must appear in the certification and in any transmittal
161 letter in which conclusions are stated; however, disclosure of the amount paid is
162 not required. In groups or organizations engaged in appraisal practice, intra-
163 company payments to employees for business development do not require
164 disclosure.

165 **An appraiser must not agree to perform an assignment, or have a compensation**
166 **arrangement for an assignment, that is contingent on any of the following:**

- 167 1. **the reporting of a predetermined result (e.g., opinion of value);**
- 168 2. **a direction in assignment results that favors the cause of the client;**
- 169 3. **the amount of a value opinion;**
- 170 4. **the attainment of a stipulated result (e.g., that the loan closes, or taxes are**
- 171 **reduced); or**
- 172 5. **the occurrence of a subsequent event directly related to the appraiser’s**
- 173 **opinions and specific to the assignment’s purpose.**

174 **An appraiser must not advertise for or solicit assignments in a manner that is**
175 **false, misleading, or exaggerated.**

176 **An appraiser must affix, or authorize the use of, his or her signature to certify**
177 **recognition and acceptance of his or her USPAP responsibilities in an appraisal**
178 **or appraisal review assignment (see Standards Rules 2-3, 4-3, 6-3, 8-3, and 10-3).**
179 **An appraiser may authorize the use of his or her signature only on an**
180 **assignment-by-assignment basis.**

181 **An appraiser must not affix the signature of another appraiser without his or her**
182 **consent.**

183 Comment: An appraiser must exercise due care to prevent unauthorized use of
184 his or her signature. An appraiser exercising such care is not responsible for
185 unauthorized use of his or her signature.

186 **CONFIDENTIALITY:**

187 **An appraiser must protect the confidential nature of the appraiser-client**
188 **relationship.**

189 **An appraiser must act in good faith with regard to the legitimate interests of the**
190 **client in the use of confidential information and in the communication of**
191 **assignment results.**

192 **An appraiser must be aware of, and comply with, all confidentiality and privacy**
193 **laws and regulations applicable in an assignment.**

194 **An appraiser must not disclose: (1) confidential information; or (2) assignment**
195 **results to anyone other than:**

- 196 • **the client;**
- 197 • **parties specifically authorized by the client;**
- 198 • **state appraiser regulatory agencies;**
- 199 • **third parties as may be authorized by due process of law; or**
- 200 • **a duly authorized professional peer review committee except when such**
- 201 **disclosure to a committee would violate applicable law or regulation.**

202 **An appraiser must take reasonable steps to safeguard access to confidential**
203 **information and assignment results by unauthorized individuals, whether such**
204 **information or results are in physical or electronic form.**

205 **An appraiser must ensure that employees, co-workers, sub-contractors, or others**
206 **who may have access to confidential information or assignment results, are**
207 **aware of the prohibitions on disclosure of such information or results.**

208 **A member of a duly authorized professional peer review committee must not**
209 **disclose confidential information presented to the committee.**

210 Comment: When all confidential elements of confidential information, and
211 assignment results are removed through redaction or the process of aggregation,
212 client authorization is not required for the disclosure of the remaining information,
213 as modified.

Advisory Opinion 39, Antidiscrimination Laws and Nondiscrimination

214 This communication by the Appraisal Standards Board (ASB) does not establish new
215 standards or interpret existing standards. Advisory Opinions are issued to illustrate the
216 applicability of appraisal standards in specific situations and to offer advice from the
217 ASB for the resolution of appraisal issues and problems.

218 **SUBJECT: Antidiscrimination Laws and Nondiscrimination**

219 **APPLICATION: Real Property, Personal Property, Intangible Property (ALL)**

220 **THE ISSUE:**

221 How do federal antidiscrimination laws such as the Fair Housing Act (FHAct), the Equal
222 Credit Opportunity Act (ECOA), and the Civil Rights Act of 1866 affect appraisal
223 practice?

224 Whether or not a particular antidiscrimination law or regulation applies, how can an
225 appraiser comply with the Nondiscrimination section of the ETHICS RULE?

226 **BACKGROUND:**

227 USPAP requires an appraiser to be, or become, knowledgeable about and to fully
228 comply with all laws applicable to the appraiser or to the assignment, including
229 antidiscrimination laws. The three key U.S. federal antidiscrimination laws most
230 relevant to appraisal practice are noted in the Nondiscrimination section of the ETHICS
231 RULE:

- 232 • The Fair Housing Act (FHAct);
233 • The Equal Credit Opportunity Act (ECOA); and
234 • Sections 1981 and 1982 of the Civil Rights Act of 1866.

235 In addition to mentioning these federal antidiscrimination laws, the Nondiscrimination
236 section also references the long-established legal concepts of “disparate treatment” and
237 “disparate impact,” which are integral to the cited laws and explained below.

238 The ETHICS RULE requires that an appraiser not act in a manner that violates
239 antidiscrimination laws or regulations, and further, not act in a manner that contributes
240 to a violation of those laws. For any given assignment, this might require compliance
241 with one or more federal antidiscrimination laws and their implementing regulations, as

242 well as state and local antidiscrimination laws and regulations.¹ For example, where the
243 intended use of residential real property appraisal assignment results is to facilitate a
244 mortgage-related transaction, the FHAct, ECOA, the Civil Rights Act of 1866, and state
245 and local laws have provisions that may apply to the appraiser or the assignment, which
246 the appraiser will need to follow in order not to violate or contribute to violations of
247 antidiscrimination law.

248 **The Fair Housing Act**

249 The Fair Housing Act (FHAct), also known as Title VIII of the 1968 Civil Rights Act
250 (subsequently amended in 1988 by the Fair Housing Amendments Act), addresses
251 housing discrimination and is a key component of the antidiscrimination framework of
252 the U.S. legal system.

253 The FHAct prohibits discrimination in a number of activities relating to housing, including
254 the renting or buying of a home and obtaining a mortgage.² The FHAct prohibits
255 discrimination in residential real estate-related transactions, which the FHAct defines to
256 include “the appraising of residential real property.”³ The Department of Housing and
257 Urban Development (HUD) provides the regulations through which the FHAct is
258 enforced. HUD regulations contain information that applies to appraisers, so appraisers
259 should look to HUD regulations when determining how to comply with the FHAct.⁴

260 Key concepts in the FHAct and its implementing HUD regulations include:

- 261 • FHAct-covered activities may not be based either in whole or in part on
262 information involving race, color, religion, sex, handicap, familial status, or
263 national origin,⁵ unless there is an applicable exception in the FHAct (for
264 example, exceptions for housing for older persons). For purposes of the FHAct,
265 “sex” includes gender identity and sexual orientation.⁶

1 USPAP also requires an appraiser to comply with all other federal, state, or local laws and regulations that are applicable to the assignment as a matter of competency.
2 42 U.S.C. §§ 3601—3619; Housing Discrimination Under the Fair Housing Act, https://www.hud.gov/program_offices/fair_housing_equal_opp/fair_housing_act_overview; 42 U.S.C. § 3605(b).
3 42 U.S.C. § 3605(b).
4 Some terms common to appraisers may be defined differently in the FHAct and HUD regulations than in USPAP. Definitions found in laws and regulations are used in the application of the law, whereas defined terms within USPAP are intended to clarify the meaning of words or phrases in USPAP that differ from or are not found in popular English dictionaries, or in a few instances meant to clarify the intended use of the term within USPAP. To ensure compliance with the ETHICS RULE, appraisers should understand any USPAP terms as well as any legal terms relevant to their practice, and how those terms might differ. For example, HUD regulations use the term “appraisal” to mean “an estimate or opinion of the value of a specified residential real property made in a business context in connection with the sale, rental, financing or refinancing of a dwelling or in connection with any activity that otherwise affects the availability of a residential real estate-related transaction.” 24 C.F.R. § 100.135(b).
5 42 U.S.C. § 3605(a).
6 See U.S. Department of Housing and Urban Development, Memorandum re: Implementation of Executive Order 13988 on the Enforcement of the Fair Housing Act, https://www.hud.gov/sites/dfiles/PA/documents/HUD_Memo_EO13988.pdf.

- 266 • Under the FHAct, protected characteristics include the demographic
- 267 characteristics of the neighborhood where the property is located.⁷
- 268 • Disparate treatment and disparate impact can establish a basis for liability under
- 269 the FHAct.

270 Disparate treatment occurs when an appraiser intentionally treats a person differently
 271 from others, either in whole or in part, because of a protected characteristic.⁸ Disparate
 272 treatment can occur even if the appraiser is not motivated by malice or prejudice.⁹
 273 Additionally, in an appraisal, using or relying on a non-protected characteristic as a
 274 pretext to conceal using or relying upon a protected characteristic is a form of disparate
 275 treatment. Disparate treatment is discriminatory and violates applicable laws and
 276 USPAP even if the appraiser believes that statistics or other data might support the
 277 differential treatment.

278 Disparate impact involves neutral policies or practices—that is, policies or practices that
 279 do not on their face reference or rely upon protected characteristics—that have an effect
 280 that is disproportionately adverse to individuals with a particular protected
 281 characteristic.¹⁰ Disparate impact discrimination or liability does not occur every time
 282 there is a disparate impact—some neutral policies and practices with a disparate impact
 283 may be permissible. A policy or practice that has a disparate impact is permissible if the
 284 policy or practice is justified by a business need, and there is no alternative policy or
 285 practice that would meet that need but have less of a disparate impact. A person or
 286 entity is not required to go to all lengths to minimize a disparate impact, but if an
 287 alternative policy or practice is reasonably available and does not impose a material
 288 burden, the law will generally require adoption of that alternative. In other words, if the
 289 need underpinning a policy or practice that causes a disparate impact could be met by
 290 an alternative policy or practice with less of an adverse impact on a protected group,
 291 then not adopting that alternative could give rise to disparate impact discrimination. As
 292 with disparate treatment, disparate impact discrimination does not require an appraiser
 293 to be motivated by malice or prejudice. Disparate impact does not require a showing of
 294 intent to treat members of a protected class differently from other persons.¹¹

7 See *Advisory Opinion 40, Antidiscrimination and the Research, Analysis, and Reporting of Location Data, including Demographics, for Residential Real Property Appraisal Assignments.*

8 See also *Sanghvi v. City of Claremont*, 328 F.3d 532, 536–38 (9th Cir. 2003); *Reg'l Econ. Cmty. Action Program, Inc. v. City of Middletown*, 294 F.3d 35, 48–52 (2d Cir. 2002); *Kormoczy v. HUD*, 53 F.3d 821, 823–24 (7th Cir. 1995) (all describing and applying a disparate treatment analysis to claims brought under the FHAct).

9 See *Cmty. Servs., Inc. v. Wind Gap Mun. Auth.*, 421 F.3d 170, 177 (3d Cir. 2005) (stating that a plaintiff bringing a disparate treatment claim under the FHAct is not required to show “an evil or hostile motive,” instead only “that a protected characteristic played a role in the defendant’s decision to treat her differently”) (internal citations omitted).

10 See 24 C.F.R. § 100.500; see also *Texas Dep’t of Hous. & Cmty. Affs. v. Inclusive Communities Project, Inc.*, 576 U.S. 519, 533 (2015).

11 See *de Reyes v. Waples Mobile Home Park Ltd. P’ship*, 903 F.3d 415, 421 (4th Cir. 2018) (citing *Inclusive Communities*, 576 U.S. at 524).

295 HUD regulations provide additional details about what is considered an unlawful
296 practice related to the appraisal of residential real property, including “[u]sing an
297 appraisal of residential real property in connection with the sale, rental, or financing of
298 any dwelling where the person knows or reasonably should know that the appraisal
299 improperly takes into consideration race, color, religion, sex, handicap, familial status, or
300 national origin.”¹²

301 **The Equal Credit Opportunity Act**

302 The Equal Credit Opportunity Act (ECOA) was originally passed by Congress in 1974.
303 ECOA prohibits discrimination by “creditors”¹³ in any aspect of a credit transaction on
304 the basis of race, color, religion, national origin, sex, marital status, age, an applicant’s
305 receipt of public assistance, or the good faith exercise of an applicant’s rights under the
306 Consumer Credit Protection Act.¹⁴ ECOA applies to “any extension of credit, including
307 extensions of credit to small businesses, corporations, partnerships, and trusts.”¹⁵ Like
308 the FHAct, ECOA has been interpreted to prohibit discrimination on the basis of sexual
309 orientation and gender identity.¹⁶ Also, as under the FHAct, both disparate treatment
310 and disparate impact can give rise to a violation of ECOA.¹⁷ The Consumer Financial
311 Protection Bureau (CFPB) provides the regulations through which ECOA is enforced,
312 known as Regulation B.¹⁸

313 An appraisal that is used in connection with a credit transaction is an aspect of that
314 credit transaction. Therefore, if an appraisal report is used in the course of a credit
315 transaction, and the appraisal is inconsistent with the antidiscrimination provisions of
316 ECOA, the appraiser likely has contributed to a legal violation on the part of the creditor
317 in the transaction. A creditor cannot take a protected characteristic into account in any
318 system of evaluating the creditworthiness of applicants.¹⁹ A creditor cannot rely on a
319 discriminatory appraisal to deny a loan. Consistent with these requirements, courts
320 have held that creditors can be held liable under both the FHAct and ECOA in relying on
321 discriminatory appraisals.

12 24 C.F.R. § 100.135(d)(1).

13 The term “creditor” is defined in ECOA’s implementing regulations as “a person who, in the ordinary course of business, regularly participates in a credit decision, including setting the terms of the credit.” Entities such as banks or lenders are commonly treated as creditors subject to ECOA, but any person who, “in the ordinary course of business, regularly participates in a credit decision” also qualifies as a creditor subject to ECOA. 12 C.F.R § 1002.2(l).

14 15 U.S.C. § 1691(a).

15 59 Fed. Reg. 18267 (Apr. 15, 1994).

16 See, e.g., CFPB Clarifies That Discrimination by Lenders on the Basis of Sexual Orientation and Gender Identity Is Illegal, <https://www.consumerfinance.gov/about-us/newsroom/cfpb-clarifies-discrimination-by-lenders-on-basis-of-sexual-orientation-and-gender-identity-is-illegal/>.

17 12 CFR Part 1002 Supp. I Sec. 1002.4(a)-1; 12 CFR Part 1002 Supp. I Sec. 1002.6(a)-2.

18 12 C.F.R. Part 1002 et seq.

19 See 12 CFR § 1002.6(b)(1).

322 **The Civil Rights Act of 1866**

323 The Civil Rights Act of 1866 is foundational to U.S. antidiscrimination law and applies in
324 many contexts. Among its provisions are Section 1981 and Section 1982. Section
325 1981 guarantees the right of all persons to “make and enforce contracts.” This includes
326 “the making, performance, modification, and termination of contracts, and the enjoyment
327 of all benefits, privileges, terms, and conditions of the contractual relationship.” Section
328 1982 guarantees all citizens the right to “inherit, purchase, lease, sell, hold, and convey
329 real and personal property.” The Civil Rights Act of 1866 prohibits disparate treatment
330 on the basis of race, ethnicity, national origin, and religion.²⁰

331 The provisions of Sections 1981 and 1982 of the Civil Rights Act of 1866 are applicable
332 to appraisers, regardless of an individual appraiser’s discipline, and they have
333 implications for how appraisers choose to accept or refuse assignments, treat clients,
334 and how appraisers determine the appropriate scope of work for each assignment the
335 appraiser agrees to perform. The results of the assignment in an appraisal report can
336 directly affect a person’s ability to purchase, sell, hold, and convey real or personal
337 property. Additionally, a refusal to accept certain assignments for discriminatory
338 reasons (e.g., refusing to accept assignments from potential clients of a particular race,
339 or refusing to accept assignments to appraise property with owners who are of a
340 particular national origin) could violate Section 1981. Finally, courts often consider
341 Section 1982 in conjunction with the FHAct to analyze housing-related discrimination
342 claims.²¹ Accordingly, discriminatory conduct that violates the FHAct could also be
343 found to violate Section 1982.²²

344 **ADVICE FROM THE ASB ON THE ISSUE:**

345 **Relevant USPAP & Advisory References**

- 346 • The Nondiscrimination section of the ETHICS RULE, particularly regarding the
347 requirement that “An appraiser must not act in a manner that violates or
348 contributes to a violation of federal, state, or local antidiscrimination laws or
349 regulations.”
- 350
- 351 • The COMPETENCY RULE, in the following ways:
 - 352 ○ As it requires “recognition of, and compliance with, laws and regulations
353 that apply to the appraiser or to the assignment.”
 - 354 ○ As it provides for acquiring competency by “1. disclos[ing] the lack of
355 knowledge and/or experience to the client before agreeing to perform an
356 assignment; 2. tak[ing] all steps necessary or appropriate to complete the

20 *St. Francis College v. Al-Khazraji*, 481 U.S. 604 (1987); *Shaare Tefila Congregation v. Cobb*, 481 U.S. 615 (1987).
 21 See, e.g., *Watts v. Boyd Properties, Inc.*, 758 F.2d 1482, 1484 (11th Cir. 1985) (“...many of the cases arising under the Fair Housing Act also involve claims arising under § 1982, courts have often decided the cases without distinguishing between the two statutes.”).
 22 *Jones v. Alfred H. Mayer Co.*, 392 U.S. 409, 413 (1968); *City of Memphis v. Greene*, 451 U.S. 100, 122–23 (1981).

357 assignment competently; and 3. describ[ing], in the report, the lack of
358 knowledge and/or experience and the steps taken to complete the
359 assignment competently.”

360 • DEFINITIONS,²³ specifically the following:

361 ○ APPRAISER: One who is expected to perform valuation services
362 competently and in a manner that is independent, impartial, and objective.

363 Comment: Such expectation occurs when individuals, either by
364 choice or by requirement placed upon them or upon the service
365 they provide by law, regulation, or agreement with the client or
366 intended users, represent that they comply.

367 ○ ASSIGNMENT CONDITIONS: Assumptions, extraordinary assumptions,
368 hypothetical conditions, laws and regulations, jurisdictional exceptions,
369 and other conditions that affect the scope of work.

370 ○ BIAS: A preference or inclination that precludes an appraiser’s impartiality,
371 independence, or objectivity in an assignment.

372 **Requirements to Comply with Antidiscrimination Laws**

373 The opening lines of the Nondiscrimination section of the ETHICS RULE require that an
374 appraiser not act in a manner that violates or contributes to a violation of
375 antidiscrimination law, including the FHAct, ECOA, and the Civil Rights Act of 1866.
376 The Nondiscrimination section further states that an appraiser must have knowledge of
377 antidiscrimination laws and regulations and when they apply to the appraiser or to the
378 assignment, in addition to the requirement to comply with the law. The
379 Nondiscrimination section then provides two more specific requirements for appraisers
380 conducting assignments (1) related to residential real property or (2) where the intended
381 use is in connection with a credit transaction. As used in the ETHICS RULE and this
382 guidance, “residential real property” includes any dwelling under the FHAct or ECOA,
383 and property that is part of a “residential real estate-related transaction” under the
384 FHAct.²⁴ The Nondiscrimination section then provides a third requirement to follow
385 applicable antidiscrimination laws and regulations of other jurisdictions, such as states

23 See USPAP Definitions Section.

24 See 42 U.S.C § 3602(b) (dwelling defined as “any building, structure, or portion thereof which is occupied as, or designed or intended for occupancy as, a residence by one or more families, and any vacant land which is offered for sale or lease for the construction or location thereon of any such building, structure, or portion thereof”); 42 U.S.C. § 3605(b) (defining “residential real estate-related transaction” as the “making or purchasing of loans or providing other financial assistance” “for purchasing, constructing, improving, repairing, or maintaining a dwelling” or “secured by residential real estate,” as well as “the selling, brokering, or appraising of residential real property” (emphasis added)); 12 CFR § 1002.14(b)(2) (defining “dwelling” as “a residential structure that contains one to four units whether or not that structure is attached to real property. The term includes, but is not limited to, an individual condominium or cooperative unit, and a mobile or other manufactured home”). An appraiser should be knowledgeable about any applicable definitions and understand the conditions that trigger nondiscrimination requirements under applicable law, including state law.

386 and localities. State and local laws and regulations can protect additional personal
387 characteristics and/or prohibit additional business practices and appraisal-related
388 activities beyond the federal laws highlighted in the ETHICS RULE.

389 Understanding when an antidiscrimination law or regulation is applicable to an appraiser
390 or an assignment is a component of both acting ethically and performing competently.
391 A law is applicable to an appraiser where an appraiser’s actions could directly violate
392 that law. For example, an appraiser who has agreed to develop an opinion of value for
393 residential real property that will be used in connection with a mortgage transaction
394 would violate the FHAct if the appraiser bases the opinion of value on information about
395 race. Additionally, an appraiser could contribute to a violation of law by another person
396 or entity (such as a lender or client) if a law is applicable to the appraisal report, even if
397 it is not directly applicable to the appraiser. For example, an appraiser who has agreed
398 to provide an opinion of value for collateral in connection with a business loan would
399 contribute to a violation of ECOA if the appraiser bases the opinion of value on race,
400 leading to an ECOA violation on the part of the lender. Knowledge of antidiscrimination
401 laws and their application can be gained in multiple ways, including by taking education
402 courses or undertaking personal study of the laws and regulations. An appraiser who
403 does not recognize when an antidiscrimination law or regulation applies to the appraiser
404 or to their assignment, and therefore does not comply with it, will violate both the
405 COMPETENCY RULE and the ETHICS RULE. Competency is not limited to any one
406 set of applicable laws or regulations, but to all laws and regulations that may be
407 applicable to the appraiser or the assignment.²⁵

408 **General Principles of Nondiscrimination, Regardless of Applicable Law**

409 Where an antidiscrimination law or regulation applies to an appraiser or to the
410 appraiser’s assignment, the appraiser could violate the ETHICS RULE in two ways. As
411 discussed above, the first part of the Nondiscrimination section of the ETHICS RULE
412 (starting at “An appraiser must not act in a manner that violates” and continuing through
413 the comment about state and local antidiscrimination laws) prohibits conduct that
414 violates or contributes to a violation of antidiscrimination laws or regulations. The
415 remainder of the Nondiscrimination section (starting at “Whether or not any
416 antidiscrimination law or regulation applies”) extends nondiscrimination obligations to all
417 appraisal disciplines and all appraisers, regardless of the valuation service provided by
418 an individual appraiser and whether any antidiscrimination laws would apply to that
419 appraiser or that appraiser’s assignments.

420 These requirements and prohibitions, which are in addition to the requirements to not
421 violate or contribute to violations of antidiscrimination laws, prohibit an appraiser from
422 developing and/or reporting an opinion of value on the basis of specified characteristics:

25 This is consistent with the SCOPE OF WORK RULE, which states: “Laws include constitutions, legislative and court-made law, administrative rules, and ordinances. Regulations include rules or orders, having legal force, issued by an administrative agency.”

423 basing an opinion of value upon the premise that homogeneity of the inhabitants of a
424 geographic area is relevant for the appraisal; performing an assignment with bias with
425 respect to specified characteristics; and pretextually concealing the use of or reliance
426 upon specified characteristics through reference to any other characteristic. Although
427 these requirements and prohibitions are independent of any law, they reflect core
428 prohibitions of antidiscrimination laws. Following these requirements helps an appraiser
429 comply with antidiscrimination laws and regulations and preserve public trust in
430 appraisal practice.

431 **Developing or Reporting an Opinion of Value Based on Certain Personal**
432 **Characteristics**

433 The Nondiscrimination section prohibits an appraiser from developing or reporting an
434 opinion of value that, in whole or in part, is based on:

435 *the actual or perceived race, ethnicity, color, religion, national origin, sex, sexual*
436 *orientation, gender, gender identity, gender expression, marital status, familial*
437 *status, age, receipt of public assistance income, or disability of any person(s).*

438 The list of characteristics are personal characteristics that are protected by the FHAct,
439 ECOA, and/or the Civil Rights Act of 1866. These are personal characteristics that are
440 broadly protected by many antidiscrimination laws. As a matter of ethics, appraisers
441 cannot use or rely upon these characteristics in developing or reporting an opinion of
442 value, except in the limited circumstances discussed below. The words “actual or
443 perceived” mean, for example, a person could either be Hispanic or just be perceived
444 (by the appraiser) as Hispanic because he or she has a last name that is believed by
445 the appraiser to be a Hispanic name.

446 **Irrelevance of Homogeneity of the Inhabitants of a Geographic Area**

447 The Nondiscrimination section also prohibits an appraiser from basing an opinion of
448 value upon the premise that homogeneity of the inhabitants of a geographic area is
449 relevant for an appraisal. The homogeneity—or diversity—of the inhabitants of an area
450 is not relevant when appraising residential real property.

451 **Bias with Respect to Certain Personal Characteristics**

452 An appraiser also must not “perform an assignment” with bias with respect to the actual
453 or perceived race, ethnicity, color, religion, national origin, sex, sexual orientation,
454 gender, gender identity, gender expression, marital status, familial status, age, receipt
455 of public assistance income, or disability of any person(s).

456 “Bias” is defined in USPAP as:

457 a preference or inclination that precludes an appraiser’s impartiality,
458 independence, or objectivity in an assignment.

459 The Conduct section of the ETHICS RULE prohibits an appraiser from performing an
460 assignment with bias. Performing an assignment with bias with respect to any of the
461 personal characteristics listed is a violation of both the Conduct section and the
462 Nondiscrimination section of the ETHICS RULE. Although this prohibition relates to
463 bias, bias is not required for a violation of any other portion of the Nondiscrimination
464 section.

465 **Pretext**

466 An appraiser must not conceal the use of or reliance upon any of the personal
467 characteristics enumerated in the ETHICS RULE by pretextually referring to some other
468 characteristic as though that other characteristic were the reason for the appraiser’s
469 opinions or conclusions. Misrepresentation of an appraiser’s reasoning is misleading, in
470 violation of USPAP’s Standards Rules, and concealment by using pretext in this way
471 also is a violation of the ETHICS RULE. Although it can be acceptable for an appraiser
472 to use data that may have a correlation with a protected characteristic, it is never
473 acceptable to use correlated data because of its correlation with one of these personal
474 characteristics. This would constitute a pretext.

475 **The Limited Circumstances When Use of a Protected Characteristic in an**
476 **Assignment is Permissible**

477 The ETHICS RULE recognizes that, in very limited circumstances, an appraiser may
478 use or rely upon a protected characteristic in an assignment. A footnote to the Rule
479 defines “protected characteristic” here as “race, ethnicity, color, religion, national origin,
480 sex, sexual orientation, gender, gender identity, gender expression, marital status,
481 familial status, age, receipt of public assistance income, or disability of any person(s), or
482 any other characteristic protected by applicable antidiscrimination law.”

483 Any use of or reliance upon a protected characteristic in a manner that violates
484 applicable antidiscrimination laws is necessarily a violation of USPAP.²⁶ Where the
485 FHAct and ECOA do not apply, and no other law or regulation prohibits the use of or
486 reliance upon a protected characteristic, “then the use of or reliance upon that
487 characteristic is permitted only to the extent that it is essential to the assignment and
488 necessary for credible assignment results.” This limitation applies regardless of when

26 “Use” and “reliance” require more than simply coming into contact with information during the course of the assignment. For example, an appraiser might come across demographic information for a geographic area during the course of research. Simply being aware of that information does not violate the Nondiscrimination provision. However, the prohibition regarding pretext still applies: an appraiser must not use information about a nonprotected characteristic to conceal use of or reliance upon information that would be prohibited under the ETHICS RULE or antidiscrimination laws or regulations.

489 during the assignment the appraiser concludes a protected characteristic may be
490 necessary for a valid solution to the assignment problem.

491 These conditions are intentionally stringent. Any use of or reliance upon protected
492 characteristics in an assignment should be approached with the utmost care. As the
493 comment to this part of the Nondiscrimination section states, where the FhAct, ECOA,
494 or any other applicable antidiscrimination law or regulation prohibits the use of or
495 reliance upon a protected characteristic, any use of or reliance upon that characteristic
496 must be “expressly permitted.” An appraiser who is developing or reporting an opinion
497 of value for residential real property, however, is never permitted to use or rely upon
498 race, ethnicity, or national origin, or the racial, ethnic, or national origin demographics of
499 a geographic area.

500 To determine whether it is ethical to use or rely upon a protected characteristic in an
501 assignment, the appraiser should ask (1) whether applicable law prohibits consideration
502 of that characteristic, and (2) whether consideration of the characteristic is essential to
503 the assignment and necessary for credible assignment results.

504 **Is consideration of the characteristic prohibited by law?**

505 Use of or reliance upon a protected characteristic is permitted only where applicable
506 laws and regulations expressly permit such use or reliance, or no antidiscrimination law
507 or regulation applies.

508 If no antidiscrimination law or regulation applies, then use of or reliance upon a
509 protected characteristic is not prohibited. If an assignment does not involve residential
510 real property and the intended use is not in connection with a credit transaction, the
511 FhAct and ECOA do not apply. For example, assuming the appraisal is not part of a
512 credit transaction, when appraising a piece of turquoise jewelry, the FhAct and ECOA
513 do not apply or prohibit an appraiser from taking into account whether that jewelry was
514 authenticated as having been made by a Navajo artisan.

515 However, when the FhAct, ECOA, or another antidiscrimination law or regulation
516 applies, use of or reliance upon a characteristic protected by applicable law is prohibited
517 unless it is expressly permitted. Such express permission can occur in two
518 circumstances. First, “expressly permit” means a law that otherwise prohibits basing an
519 opinion of value on a protected characteristic also has a stated exception that, in
520 specified circumstances, allows basing an opinion of value on the otherwise protected
521 characteristic. For example, the FhAct prohibits discrimination based on familial status,
522 but also contains an exception for housing for older persons.

523 Second, “expressly permit” can also mean that there are other laws and regulations that
524 authorize consideration of a particular protected characteristic in applicable
525 circumstances, such that it would be illogical for the appraiser to be prohibited from
526 similarly considering that protected characteristic. For example, Congress has
527 authorized a Disadvantaged Business Enterprise (DBE) program. Under this program,

528 businesses owned and controlled by “socially and economically disadvantaged
529 individual(s),” such as women, are certified as DBEs and become eligible for certain
530 federally funded contracts. Thus, when conducting a business valuation of a woman-
531 owned DBE, the appraiser’s reliance on the fact that the business is certified as a
532 woman-owned business to complete the assignment would likely not be prohibited by
533 law. It is important to note that there are relatively few instances when basing an
534 opinion of value on a protected characteristic in a manner that would otherwise be
535 prohibited by law, is nevertheless expressly permitted by law.

536 If applicable law prohibits basing an opinion of value on a protected characteristic, and
537 there is no express permission to use or rely upon that characteristic, that ends the
538 analysis: the characteristic may not be used or relied upon by the appraiser to develop
539 their opinions and conclusions. However, if an appraiser knows that laws and
540 regulations do not prohibit an appraiser from basing their opinions and conclusions on a
541 protected characteristic, this is not the end of the analysis, because the appraiser must
542 still ensure that doing so is essential to the assignment and necessary for credible
543 assignment results.

544 **Is use of or reliance upon the characteristic “essential to an assignment” and**
545 **“necessary for credible assignment results”?**

546 Use of or reliance upon a protected characteristic must also be both essential to the
547 assignment—in other words, inherently part of the appraisal problem to be solved—and
548 necessary for credible assignment results, meaning that the evidence and logic required
549 to credibly support an appraiser’s opinions and conclusions requires it. It is not enough
550 for an appraiser to believe information related to a protected characteristic is somehow
551 helpful to the analysis, or that use of the information is supportable. It must be essential
552 to the assignment and necessary for credible assignment results.

553 For example, relevant characteristics of a piece of turquoise jewelry that is claimed to
554 be of Navajo origin may be its provenance and authenticity. If, in the context of the
555 assignment and in light of the scope of work for the assignment, it is essential to
556 consider whether the jewelry is, in fact, Navajo-crafted, and information about
557 provenance and authenticity is necessary for credible assignment results, it is
558 appropriate under the ETHICS RULE for an appraiser to use and/or rely upon such
559 information. On the other hand, in most circumstances it would be neither essential to
560 the assignment nor necessary for credible assignment results to consider any other
561 protected characteristic, such as the race or ethnicity of the jewelry’s current owner.

562 **Public Trust**

563 Individuals who act as appraisers²⁷ often perform other roles as well, including as real
564 estate brokers, auctioneers, property managers, or even advocates or consultants for
565 various types of valuation services. However, once there is an expectation that the
566 individual is acting as an appraiser in a context where the appraiser must comply with

27 See Advisory Opinion 21, USPAP Compliance.

567 USPAP, the appraiser must promote and preserve public trust in appraisal practice by
568 observing the highest standards of professional ethics as embodied in the ETHICS
569 RULE, including the Nondiscrimination section.

570 Additionally, some antidiscrimination laws may apply to appraisers outside of the
571 requirements of USPAP, such as when deciding whether to accept or reject an
572 assignment. Complying with all applicable antidiscrimination laws and regulations is
573 critical to protecting the public trust.

574 **Illustrations:**

- 575 1. An appraiser based in the U.S. is requested to appraise a house by an appraisal
576 management company that contracts with a mortgage lender. How should the
577 appraiser determine which antidiscrimination laws must be followed in connection
578 with this assignment?

579 Answer: USPAP does not prescribe which laws and regulations apply in
580 any given circumstance. Instead, it is the duty of the appraiser under the
581 COMPETENCY RULE to recognize and comply with laws and regulations
582 that apply to the appraiser or to the assignment. This includes
583 antidiscrimination laws and regulations that must be followed as a matter
584 of both competency and of ethics. The appraiser’s evaluation of
585 applicable law should be informed by adequate training, information, and
586 knowledge, which can be acquired in multiple ways, including through self-
587 study, training on these laws, or working with another appraiser who has
588 knowledge of how to comply with these laws.

589 Under USPAP, the appraiser must not act in a manner that violates or
590 contributes to a violation of antidiscrimination laws or regulations. In this
591 situation, the appraiser has been asked to perform an assignment that
592 likely involves residential real property and a residential mortgage loan.
593 As such, the appraisal is likely to constitute a real estate-related
594 transaction under the FHAct, meaning that law’s provisions would then
595 apply. Additionally, if the intended use of the appraisal is to provide a
596 mortgage (which is a type of credit transaction), ECOA likely would apply
597 to the appraisal report. As such, the appraiser’s failure to follow the
598 requirements in ECOA could contribute to a violation of ECOA.

599 In addition to the FHAct and ECOA, other federal, state, and local laws,
600 such as the Civil Rights Act of 1866 and state and local antidiscrimination
601 laws, might also apply or be otherwise relevant to the assignment. The
602 appraiser is required to be knowledgeable about and follow applicable
603 laws and regulations.

604 2. An appraiser is employed by a major bank to conduct appraisal reviews for the
605 bank’s commercial loan division. How should the Nondiscrimination section of
606 the ETHICS RULE guide this appraiser’s work?

607 Answer: USPAP prohibits an appraiser from engaging in any conduct that
608 violates or contributes to a violation of antidiscrimination laws or
609 regulations. An appraiser working for a bank should know that banks
610 typically are considered “creditors” subject to ECOA.

611 The ETHICS RULE prohibits an appraiser from developing or reporting an
612 opinion of value that is based on specified personal characteristics, and
613 from performing the assignment with bias. However, these requirements
614 and prohibitions do not prevent an appraiser from, in an appraisal review
615 assignment, identifying or reporting potential discrimination or other
616 instances of bias.

617 3. An appraiser advertises appraisal services in a U.S. city through a variety of
618 different media. However, the appraiser maintains a practice of refusing to
619 accept assignments from potential clients of one particular race. Does this policy
620 violate antidiscrimination laws or USPAP?

621 Answer: Section 1981 of the Civil Rights Act of 1866 prohibits
622 discrimination in contracting on the basis of race. Refusing to enter into
623 an appraisal assignment—a contractual relationship—with particular
624 individuals because of their race would violate this law.

625 USPAP does not state how an appraiser must decide which assignments
626 to agree to perform and which ones they can legally turn down. However,
627 USPAP does prohibit an appraiser from acting in a manner that violates
628 applicable antidiscrimination laws or regulations and from advertising for
629 or soliciting assignments “in a manner that is false, misleading, or
630 exaggerated.”²⁸ The practice of refusing to enter into an appraisal
631 assignment because of a potential client’s race thus violates USPAP.

28 See Management section of the ETHICS RULE.

Advisory Opinion 40, Antidiscrimination and the Research, Analysis, and Reporting of Location Data, including Demographics, for Residential Real Property Appraisal Assignments

632 This communication by the Appraisal Standards Board (ASB) does not establish new
633 standards or interpret existing standards. Advisory Opinions are issued to illustrate the
634 applicability of appraisal standards in specific situations and to offer advice from the
635 ASB for the resolution of appraisal issues and problems.

636 **SUBJECT: Antidiscrimination and the Research, Analysis, and Reporting of**
637 **Location Data, including Demographics, for Residential Real Property Appraisal**
638 **Assignments**

639 **APPLICATION: Real Property**

640 **THE ISSUE:**

641 There are antidiscrimination laws and ethical standards that prohibit an appraiser from
642 using or relying upon data or information about protected characteristics when
643 developing and/or reporting an opinion of value for residential real property.

644 In a residential real property appraisal assignment, to develop a credible opinion of
645 value, an appraiser must identify the characteristics of the property that are relevant to
646 the type and definition of value and the intended use of the appraisal. This includes the
647 property’s location and its physical, legal, and economic characteristics. After the
648 appraisal is developed, the appraiser must communicate the appraisal, including the
649 property characteristics relevant to the assignment, in a manner that is not misleading.

650 When performing an appraisal assignment for residential real property, what
651 requirements and prohibitions in USPAP address researching, analyzing, and reporting
652 the appraiser’s opinions and conclusions related to the property’s location, including
653 using or relying upon demographic data about inhabitants of a geographic area?

654 **ADVICE FROM THE ASB ON THE ISSUE:**

655 **Relevant USPAP & Advisory References:**

- 656 • The PREAMBLE states, in part:

657 The appraiser’s responsibility is to protect the overall public trust and it is the
658 importance of the role of the appraiser that places ethical obligations on those
659 who serve in this capacity [as an appraiser who is complying with USPAP].

660 • The Nondiscrimination section of the ETHICS RULE states, in part:

661 ○ An appraiser must not act in a manner that violates or contributes to a
662 violation of federal, state, or local antidiscrimination laws or regulations.

663 ○ An appraiser, when completing a residential real property assignment,
664 must not base their opinion of value in whole or in part on race, color,
665 religion, national origin, sex, disability, or familial status.

666 ○ An appraiser must not develop and/or report an opinion of value that, in
667 whole or in part, is based on the actual or perceived race, ethnicity, color,
668 religion, national origin, sex, sexual orientation, gender, gender identity,
669 gender expression, marital status, familial status, age, receipt of public
670 assistance income, or disability of any person(s).

671 ○ An appraiser must not base an opinion of value upon the premise that
672 homogeneity of the inhabitants of a geographic area is relevant for the
673 appraisal.

674 ○ An appraiser must not use or rely upon another characteristic as a pretext
675 to conceal the use of or reliance upon race, ethnicity, color, religion,
676 national origin, sex, sexual orientation, gender, gender identity, gender
677 expression, marital status, familial status, age, receipt of public assistance
678 income, or disability of any person(s), when performing an assignment.

679 • A Comment in the Nondiscrimination section of the ETHICS RULE states that in this
680 context:

681 “any person(s)” includes the “inhabitants of a geographic area.”

682 • A Comment in the Nondiscrimination section of the ETHICS RULE states that:

683 Where the FHAct, ECOA, or another antidiscrimination law or regulation applies,
684 any use of or reliance upon a protected characteristic must be expressly
685 permitted by applicable laws or regulations.

686 • The COMPETENCY RULE requires:

687 ...recognition of, and compliance with, laws and regulations that apply to the
688 appraiser or to the assignment.

689 • The Comment to the COMPETENCY RULE states, in part:

690 Competency may apply to factors such as, but not limited to, an appraiser’s
691 familiarity with a specific type of property or asset, a market, a geographic area,
692 an intended use, specific laws and regulations, or an analytical method.

693 • The SCOPE OF WORK RULE states, in part:

694 In an appraisal assignment, for example, identification of the problem to be
695 solved requires the appraiser to identify the...subject of the assignment and its
696 relevant characteristics...

697 • The Comment to Standards Rule 1-2 states, in part:

698 In developing a real property appraisal, an appraiser must...(e) identify, from
699 sources the appraiser reasonably believes to be reliable, the characteristics of
700 the property that are relevant to the type and definition of value and intended use
701 of the appraisal, including: (i) its location...

702 • Standards Rule 2, states, in part:

703 In reporting the results of a real property appraisal, an appraiser must
704 communicate each analysis, opinion, and conclusion in a manner that is not
705 misleading.

706 **USPAP’s Prohibitions and Requirements Regarding Use of or Reliance Upon**
707 **Protected Characteristics**²⁹

708 As discussed more fully in Advisory Opinion 39 (AO-39), USPAP requires knowledge of
709 and compliance with applicable antidiscrimination laws and regulations as a matter of
710 both ethics and competency.³⁰ The Nondiscrimination section of the ETHICS RULE
711 states: “[a]n appraiser must not act in a manner that violates or contributes to a violation
712 of federal, state, or local antidiscrimination laws or regulations.” When completing an
713 assignment involving residential real property,³¹ appraisers must be aware that federal

29 “Protected characteristics” refers to race, ethnicity, color, religion, national origin, sex, sexual orientation, gender, gender identity, gender expression, marital status, familial status, age, receipt of public assistance income, or disability of any person(s). Additionally, when an antidiscrimination law or regulation applies, “protected characteristics” include any additional characteristics protected under applicable law.

30 See Advisory Opinion 39, Antidiscrimination Laws and Nondiscrimination.

31 Different laws may have different definitions defining the scope of what constitutes residential real property for purposes of a specific law. As used in the ETHICS RULE and this guidance, and as discussed in Advisory Opinion 39, “residential real property” includes any “dwelling” as defined under the FHAct, see 42 U.S.C § 3602(b) (dwelling defined as “any building, structure, or portion thereof which is occupied as, or designed or intended for occupancy as, a residence by one or more families, and any vacant land which is offered for sale or lease for the construction or location thereon of any such building, structure, or portion thereof”); property that is part of a “residential real estate-related transaction” under the FHAct, see 42 U.S.C. § 3605(b) (defining “residential real estate-related transaction” as the “making or purchasing of loans or providing other financial assistance” “for purchasing, constructing, improving, repairing, or maintaining a dwelling” or “secured by residential real estate,” as well as “the selling, brokering, or appraising of residential real property” (emphasis added)); and property that is a “dwelling” under ECOA, see 12 CFR § 1002.14(b)(2) (defining “dwelling” as “a residential structure that contains one to four units whether or not that structure is attached to real property. The term includes, but is not limited to, an individual condominium or cooperative unit, and a mobile or other manufactured home”). An appraiser should be knowledgeable about any applicable definitions and understand the conditions that trigger nondiscrimination requirements under applicable law.

714 antidiscrimination laws, including the Fair Housing Act (FHAct), prohibit an appraiser
715 from relying on certain types of data and information when developing and reporting an
716 opinion of value. Under the FHAct, it is not permissible for an appraiser to base an
717 opinion of value on race, color, religion, national origin, sex, disability, or familial status
718 (“FHAct protected characteristics”).³² This prohibition includes not only the FHAct
719 protected characteristics of individual people, but also the protected characteristic
720 demographics of geographic areas such as neighborhoods. The prohibition also
721 extends to reliance upon the homogeneity, or lack thereof, of the inhabitants of a
722 geographic area.

723 In addition to the prohibitions of applicable antidiscrimination law, the ETHICS RULE
724 prohibits an appraiser from developing and/or reporting an opinion of value that, in
725 whole or in part, is based on the race, ethnicity, color, religion, national origin, sex,
726 sexual orientation, gender, gender identity, gender expression, marital status, familial
727 status, age, receipt of public assistance income, or disability of any person(s). The
728 prohibition on using or relying upon these protected characteristics is properly
729 understood to include a prohibition on using or relying upon demographic information
730 about such characteristics.

731 There are some limited circumstances under law and USPAP where use of or reliance
732 upon particular characteristics is permitted—i.e., when such use and/or reliance is not
733 prohibited by applicable laws or regulations, and it is essential to the assignment and
734 necessary for credible assignment results.³³ However, an appraiser who is developing
735 or reporting an opinion of value for residential real property is never permitted to use or
736 rely upon race, ethnicity, or national origin, or the racial, ethnic, or national origin
737 demographics of a geographic area. Such use and/or reliance is prohibited by the
738 FHAct.

739 A 1977 settlement between the United States Department of Justice (DOJ) and the
740 American Institute of Real Estate Appraisers (AIREA) underscores the importance of
741 this prohibition.³⁴ The settlement made clear that it is impermissible to “base a
742 conclusion or opinion of value upon the premise that the racial, ethnic or religious
743 homogeneity of the inhabitants of an area or of a property is necessary for maximum
744 value.” This same settlement made it clear that, when evaluating neighborhood trends,
745 “racial, religious, and ethnic factors are deemed unreliable predictors of value trends or
746 price variance.” This demonstrates that the ETHICS RULE is consistent with
747 antidiscrimination law.

748 Additional laws such as state and local laws could apply to the appraiser or the
749 appraiser’s assignment and expand upon federal prohibitions. It is the appraiser’s

32 The FHAct also covers discrimination on the basis of gender identity and sexual orientation in addition to the characteristics listed above. See U.S. Department of Housing and Urban Development, Memorandum re: Implementation of Executive Order 13988 on the Enforcement of the Fair Housing Act, https://www.hud.gov/sites/dfiles/PA/documents/HUD_Memo_EO13988.pdf.

33 See *Advisory Opinion 39, Antidiscrimination Laws and Nondiscrimination*.

34 *United States v. American Institute of Real Estate Appraisers*, 442 F. Supp. 1072 (N.D. Ill. 1977).

750 responsibility to be or become knowledgeable about and comply with all applicable law
751 as a matter of both ethics and competency.³⁵

752 **Researching and Relying on Location and Demographic Data**

753 When developing an opinion of value for residential real property, appraisers may have
754 many sources of data and information available to them. The information available
755 could include general population trends for a subject property’s location, including
756 density and distribution of the population, and could also include demographic
757 information that in some cases provides the ethnicity, race, gender, or sex of the
758 person(s) in a geographic area. However, the simple fact that particular information is
759 available to an appraiser does not mean the information can be used or relied upon
760 when the appraiser is developing and/or reporting their opinion of value. The
761 COMPETENCY RULE requires appraisers to know and follow applicable law, which
762 might prohibit use of certain types of data. Competency also requires that appraisers
763 know which information is needed to develop credible assignment results.
764 Demographic data related to race, ethnicity, and national origin of a subject property’s
765 neighborhood is never necessary for credible assignment results when developing or
766 reporting an opinion of value for residential real property.

767 **Demographic Data and Developing an Appraisal**

768 When developing an opinion of value for residential real property, a relevant
769 characteristic of the subject property is often its location. Relevant characteristics of a
770 property’s location may include the physical, legal, and economic characteristics of the
771 subject property. Standards Rule 1-2(e)(i) states that appraisers are to “*identify... the*
772 *characteristics of the property that are relevant to the type and definition of value and*
773 *intended use of the appraisal, including...its location and physical, legal, and economic*
774 *characteristics...*”

775 Relevant characteristics of a property’s location do not include the protected
776 characteristics of any person or group of persons who may be associated with the
777 property or the appraisal. This includes the property owner, occupants of the property,
778 occupants of any of the nearby properties, potential buyers, the client of the report, etc.
779 Any data or information related to the protected characteristics of individuals or groups
780 may not be used or relied upon when developing an opinion of value, unless the limited
781 exception as set forth in the Nondiscrimination section of the ETHICS RULE applies.³⁶

782 **Pretext and Use of Code Words**

783 An appraiser violates USPAP’s prohibition on pretext when the appraiser refers to
784 something other than a protected characteristic to conceal use of or reliance upon a
785 protected characteristic.³⁷ The use of code words in an appraisal report can indicate
786 that an appraiser has engaged in disparate treatment, and pretextually referred to a

35 See Advisory Opinion 39, Antidiscrimination Laws and Nondiscrimination.

36 id.

37 id.

787 non-protected characteristic as a way to conceal the appraiser’s use of or reliance upon
788 a protected characteristic.

789 Examples of phrases that can constitute code word evidence of disparate treatment
790 include, but are not limited to, “ghetto,” “crime” or “crime-ridden,” “inner city,” and
791 “blight”; references to “shared values” or “undesirables”; concerns about “personal
792 safety due to ‘new people’”; or statements that an area is lacking “pride of ownership.”³⁸
793 References to public assistance income and Section 8 vouchers can also have a coded
794 meaning.³⁹ Whether a code word indicates discrimination depends on the context in
795 which it is used.

796 **Illustrations:**

797 1. An appraiser agrees to perform an assignment to develop an opinion of the market
798 value of a residential property for a financial institution where the intended use is in
799 connection with a mortgage loan. The resulting Appraisal Report states that the
800 subject property is located in a “predominantly Black neighborhood.” What concerns
801 could be raised by the appraiser’s inclusion of this information in the Appraisal
802 Report?

803 Answer: USPAP requires the appraiser to understand which factors are relevant
804 in developing an opinion of value and which are permitted to be used under
805 USPAP and under applicable law, including the FHAct, ECOA, and the Civil
806 Rights Act of 1866. The appraiser may not use factors related to actual or
807 perceived protected characteristics of a geographically defined area to develop
808 an opinion of value, unless permitted under the law and under the exception in
809 the Nondiscrimination section of the ETHICS RULE. The use of or reliance upon
810 race and information about race is never permitted when developing or reporting
811 an opinion of value for residential real property. Therefore, a discussion of race
812 should not be included in the Appraisal Report.⁴⁰

38 See FHFA Advisory Bulletin AB 2021-04 - Enterprise Fair Lending and Housing Compliance, <https://www.fhfa.gov/SupervisionRegulation/AdvisoryBulletins/AdvisoryBulletinDocuments/AB%202021-04%20Enterprise%20Fair%20Lending%20and%20Fair%20Housing%20Compliance.pdf>; *New Orleans Fair Hous. Ctr. v. St. Bernard Parish*, 641 F. Supp. 2d 563, 571-72 (E.D. La. 2009).

39 See Emily Badger, Time Magazine, *How Section 8 became a ‘racial slur’* (June 15, 2015), <https://www.washingtonpost.com/news/wonk/wp/2015/06/15/how-section-8-became-a-racial-slur/>; Abby Vesoulis, Time Magazine, *‘A Mask for Racial Discrimination.’ How Housing Voucher Programs Can Hurt the Low-Income Families They’re Designed to Help* (Feb. 20, 2020), <https://time.com/5783945/housing-vouchers-discrimination/>; Antonia Fasanelli & Philip Tegeler, American Bar Association, *Your Money’s No Good Here: Combatting Source of Income Discrimination in Housing* (Nov. 30, 2019), https://www.americanbar.org/groups/crsj/publications/human_rights_magazine_home/economic-justice/your-money-s-no-good-here--combatting-source-of-income-discrimin/.

40 In a review of millions of appraisals, the Federal Housing Finance Agency noted, “[t]he racial and ethnic composition of the neighborhood should never be a factor that influences the value of a family’s home. Our observation of appraisals suggest that racial and ethnic compositions of a neighborhood are still sometimes included in commentary, clearly indicating the writer thought it was important to establishing value.” FHFA, *Reducing Valuation Bias by Addressing Appraiser and Property Valuation Commentary*, Dec. 14, 2021, <https://www.fhfa.gov/Media/Blog/Pages/Reducing-Valuation-Bias-by-Addressing-Appraiser-and-Property-Valuation-Commentary.aspx>.

813 2. An appraiser agrees to perform an assignment to develop an opinion of the market
814 value of a residential property for a financial institution where the intended use is in
815 connection with a mortgage loan. The resulting Appraisal Report states that the
816 subject property is located in an “ethnically diverse neighborhood.” What concerns
817 could be raised by the appraiser’s inclusion of this information in the Appraisal
818 Report?

819 Answer: USPAP requires the appraiser to understand which factors are relevant
820 in developing an opinion of value and which are permitted to be used under
821 USPAP and under applicable law, including the FHAct, ECOA, and the Civil
822 Rights Act of 1866. The appraiser may not use factors related to actual or
823 perceived protected characteristics of a geographically defined area to develop
824 the opinion of value, unless permitted under the law and under the exception in
825 the Nondiscrimination section of the ETHICS RULE. Similar to race and
826 information about race, the use of or reliance upon ethnicity and information
827 about ethnicity is never permitted when developing or reporting an opinion of
828 value for residential real property. Discussion of the ethnicity of the
829 neighborhood, therefore, should not be included in the Appraisal Report.

830 3. An appraiser agrees to perform an assignment to develop an opinion of the market
831 value of a residential property for a financial institution where the intended use is in
832 connection with a mortgage loan. The resulting Appraisal Report states that the
833 subject property is located in a “crime-ridden area” and is “lacking pride of
834 ownership.” What concerns could be raised by the appraiser’s inclusion of this
835 language in the Appraisal Report?

836 Answer: USPAP requires the appraiser to understand which factors are relevant
837 in developing an opinion of value and which are permitted to be used under
838 USPAP and under applicable law, including the FHAct, ECOA, and the Civil
839 Rights Act of 1866. The FHAct does not permit using or relying upon race,
840 ethnicity, or national origin, or racial, ethnic, or national origin demographic
841 information in residential real property appraisal assignments, and such use or
842 reliance therefore is also prohibited by USPAP. USPAP also prohibits the
843 appraiser from using code words as pretext to refer to a protected characteristic.
844 Crime and pride of ownership are not themselves protected characteristics, but
845 here, the language of the Appraisal Report could indicate that the appraiser used
846 these phrases as code words for a protected characteristic such as race. Courts
847 have concluded that certain terms or references may be “nothing more than
848 camouflaged racial expressions.”⁴¹ Both “crime-ridden area” and “pride of
849 ownership” can be understood as coded language that is intended to stand in for
850 protected characteristics such as race and ethnicity. This is especially the case
851 because both the phrase “crime-ridden area” and the idea of “pride of ownership”
852 are subjective, not the type of objective information that should form the basis of

41 *Greater New Orleans Fair Hous. Action Ctr. v. St. Bernard Parish*, 641 F. Supp. 2d. 563, 571 (E.D. La. 2009) (internal quotation marks omitted).

853 an opinion of value. This potentially coded language could be evidence of
854 discriminatory treatment in violation of the FHAct and USPAP.⁴²

855 4. An appraiser agrees to perform an assignment to develop an opinion of the market
856 value of a residential property for a financial institution where the intended use is in
857 connection with a mortgage loan. The resulting Appraisal Report states that the
858 subject property is located in a district named “Little Cuba,” which is then described
859 as a “spicy” area. The Appraisal Report also notes that “the businesses located
860 near the residential properties in the subject’s neighborhood predominantly serve
861 clients who appear to be immigrants.” What concerns could be raised by the
862 appraiser’s inclusion of this information in the Appraisal Report?

863 Answer: USPAP requires the appraiser to understand which factors are relevant
864 in developing an opinion of value and which are permitted to be used under
865 USPAP and under applicable law. The appraiser may not use factors related to
866 actual or perceived protected characteristics of a geographically defined area to
867 develop their opinion of value, unless permitted under the exception in the
868 Nondiscrimination section of the ETHICS RULE.

869 Some neighborhoods or even towns have legally recorded names that contain
870 words or phrases that refer to a protected characteristic. These include
871 neighborhoods such as “Chinatown,” “Greektown,” etc. Describing a designated
872 area as “Little Cuba” could be appropriate if it is the legal name of an area, and
873 “Little Cuba” is not being used by the appraiser in order to describe or otherwise
874 communicate the racial or ethnic makeup of the area.⁴³

875 Using an adjective such as “spicy” to describe a neighborhood, however, could
876 indicate that the appraiser violated USPAP and applicable antidiscrimination laws
877 and regulations. A word like “spicy” can be understood to serve as a pretext or
878 code word for the racial and/or ethnic makeup of an area. In the context of the
879 other statements in the Appraisal Report, the use of “spicy” can indicate that the
880 appraiser used or relied upon racial or ethnic information in developing and
881 reporting the opinion of value.

882 Stating the fact that a residential property is located near particular businesses
883 may have been relevant when developing an opinion of value; however, the race
884 and ethnicity of the clients that such businesses serve would be irrelevant. The
885 mention of “immigrants” can reasonably be understood to refer to the national
886 origin, race, and/or ethnicity of individuals, and could indicate that the appraiser

42 FHFA Advisory Bulletin AB 2021-04 - Enterprise Fair Lending and Housing Compliance, <https://www.fhfa.gov/SupervisionRegulation/AdvisoryBulletins/AdvisoryBulletinDocuments/AB%202021-04%20Enterprise%20Fair%20Lending%20and%20Fair%20Housing%20Compliance.pdf>.

43 The FHFA has explained that factors such as “context” and “historical usage” are relevant to “[w]hether a code word is evidence of disparate treatment.” FHFA Advisory Bulletin AB 2021-04 - Enterprise Fair Lending and Housing Compliance, at fn. 21, <https://www.fhfa.gov/SupervisionRegulation/AdvisoryBulletins/Pages/Enterprise-Fair-Lending-and-Fair-Housing-Compliance.aspx#footnote21>.

887 inappropriately considered one or more of these protected characteristics in their
888 appraisal in violation of USPAP and applicable laws and regulations.

Proposed Retirement of Advisory Opinion 16, *Fair Housing Laws and Appraisal Report Content*

The ASB is proposing to retire Advisory Opinion 16. There are two proposed new Advisory Opinions included in this exposure draft which include a more comprehensive illustration of concepts related to Fair Housing Laws and Nondiscrimination. The two proposed new Advisory Opinions are noted below and are included in this Fifth Exposure Draft.

Advisory Opinion 39 Antidiscrimination Laws and Nondiscrimination, and

Advisory Opinion 40 Antidiscrimination and the Research, Analysis, and Reporting of Location Data, including Demographics, for Residential Real Property Appraisal Assignments

OTHER PROPOSED CHANGES TO USPAP

Fifth Exposure Draft

USPAP

Section 2: TRANSFERS AND SALES

The following section is the same as proposed in the Fourth Exposure Draft.

STANDARDS 1, 7, and 9 have requirements, under certain circumstances, where the appraiser would need to analyze prior sales of a subject property. However, it has been brought to the ASB's attention that while a "sale of a property" is essentially a "transfer of a property," there is a minor technical difference between the two. A sale always includes a transfer, but a transfer may not always technically include a sale.

This issue is directly related to the work of real property appraisers (STANDARDS 1 and 2), personal property appraisers (STANDARDS 7 and 8), and business appraisers (STANDARDS 9 and 10).

As an example, for business appraisers, in the sale of companies, those sales are often structured in ways that are not considered "true" sales. For example, they can be re-organizations, mergers, or other legal processes that convey or transfer an interest from one person (or entity) to another. There might even be partial transfers of businesses.

While USPAP guidance has always maintained that a "sale" and a "transfer" are essentially the same, enough questions have been raised about the issue that the ASB is now proposing this change.

If adopted, here is one example of what the requirement would be:

Standards Rule 1-5, SUBJECT SALES AND OTHER TRANSFERS, SALE AGREEMENTS, OPTIONS, AND LISTINGS

When the value opinion to be developed is market value, an appraiser must, if such information is available to the appraiser in the normal course of business:

- (a) analyze all agreements of sale, options, and listings of the subject property current as of the effective date of the appraisal; and
- (b) analyze all sales and other transfers of the subject property that occurred within the three (3) years prior to the effective date of the appraisal.

The addition of the words "and other transfers," if adopted, would then appear in the development and reporting standards in the following places:

Standards Rule 1-5(b)

Standards Rule 8-2(a)(x)(3)

Standards Rule 2-2(a)(x)(3)	Standards Rule 8-2(b)(xii)(3)
Standards Rule 2-2(b)(xii)(3)	Standards Rule 9-4(b)
Standards Rule 7-5(b)	

To view the complete proposed changes for each of the Standards Rules listed above, go to [Appendix 1: TRANSFERS AND SALES](#).

Section 3: DEFINITIONS TO RETIRE

Definition of Assignment Elements

The ASB has proposed to remove the definition of ASSIGNMENT ELEMENTS.

The current definition includes a list of the assignment elements, as stated in the Problem Identification section of the SCOPE OF WORK RULE, which are applicable in every appraisal assignment. However, in a few circumstances, the assignment elements listed in the definition may not be the exact ones that are applicable in some appraisal review assignments.

To view the definition being proposed for deletion, go to [Appendix 2: DEFINITIONS TO RETIRE, Assignment Elements](#).

Definition of Misleading

The definition of MISLEADING is proposed for deletion. Some stakeholders have expressed confusion as to when an error in an appraisal report or appraisal review report meets the USPAP definition, in light of the fact that perfection is impossible to attain. Other stakeholders have stated that the definition provides useful information to judge an appraisal report. If the change is adopted, the term will revert to its common dictionary definition and will no longer have a specific USPAP definition.

To view the definition being proposed for deletion, go to [Appendix 2: DEFINITIONS TO RETIRE, Misleading](#).

Definition of Relevant Characteristics

The definition of RELEVANT CHARACTERISTICS is proposed for deletion to avoid drawing a distinction between the phrase “relevant characteristics” and the following similar phrases:

- a. “property characteristics relevant to the assignment” and
- b. “characteristics of the property that are relevant to the type and definition value.”

These two phrases have identical meanings as “relevant characteristics.” Defining one term, but not the others, implies there is a difference requiring a distinction when no difference exists.

To view the definition being proposed for deletion, go to [Appendix 2: DEFINITIONS TO RETIRE, Relevant Characteristics](#).

Section 4: DEFINITIONS TO MODIFY

The ASB is proposing three definitions for modification: APPRAISER, PERSONAL INSPECTION and WORKFILE. The rationale and the proposed modification for each definition is noted below.

Definition of Appraiser

The current definition of APPRAISER in USPAP is:

APPRAISER: *one who is expected to perform valuation services competently and in a manner that is independent, impartial, and objective.*

The ASB is proposing to reinstate the following original Comment that appeared in the 2018-2019 edition of USPAP into the definition of APPRAISER:

Comment: *Such expectation occurs when individuals, either by choice or by requirement placed upon them or upon the service they provide by law, regulation, or agreement with the client or intended users, represent that they comply.*

Prior to the removal of this Comment in the 2020-2021 USPAP (Effective January 1, 2020 through December 31, 2023), the Comment had existed in the definition since the year 2000. It was removed from the current edition in an effort to reformat some of the definitions. Note that its removal had been exposed to the public multiple times with no notable objections.

Stakeholders, however, subsequently recognized that, in practice, the Comment provided important information that was needed to fully understand the definition. Therefore, the ASB is proposing to reinstate the Comment exactly as it appeared in prior editions of USPAP. The Comment was originally in USPAP to make clear where the expectation that an appraiser has an obligation to comply with USPAP comes from. And, while Advisory Opinion 21, *USPAP Compliance*, explains the relationship between that expectation and who should comply with USPAP, and the PREAMBLE explains the concept of what it means to comply with USPAP, stakeholders stated that was not enough. The Comment made it abundantly clear, without having to look to different sections in the USPAP publication, where the expectation comes from for an individual who is acting as an appraiser should comply with USPAP.

The ASB agrees and is proposing to reinstate the Comment as it was in USPAP prior editions.

If adopted, the definition would appear exactly as it previously appeared in the 2018-2019 edition of USPAP, as follows:

APPRAISER: one who is expected to perform valuation services competently and in a manner that is independent, impartial, and objective.

Comment: Such expectation occurs when individuals, either by choice or by requirement placed upon them or upon the service they provide by law, regulation, or agreement with the client or intended users, represent that they comply.

This change can also be found in [Appendix 3: DEFINITIONS TO MODIFY, Appraiser](#).

Definition of Personal Inspection

Previous Exposure Drafts had proposed the deletion of the definition of Personal Inspection and the addition of a new requirement to disclose the type and extent of inspection in scope of work reporting.

Feedback had previously been received from stakeholders indicating there was a need to address the appraiser’s inspection, particularly in light of technology. Thus the ASB proposed the addition of a new disclosure requirement which would add a sentence clarifying the scope of work reporting requirement to STANDARDS RULES 2, 4 and 8. Specifically, whenever one of more inspections of the property that is the subject of a report occurs (or, for appraisal review, whenever an inspection of the property that is the subject of the work under review occurs), the proposed edit would have required the report to contain information on both the type and extent of that inspection.

Type and extent are elaborations of the requirements of the SCOPE OF WORK RULE, and while including a requirement to report the type and extent of the appraiser’s inspection is one possible solution, a more direct solution is modifying the definition of Personal Inspection. Edits to this definition are proposed to clarify the distinction between the appraiser’s inspection that is part of the scope of work for the assignment compared with an inspection that is completed by a third party outside of the appraiser’s scope of work.

After considerable analysis, the ASB is proposing to modify the definition of Personal Inspection and is also exposing an updated Advisory Opinion 2 *Inspection of the Subject Property* which illustrates the applicability of this proposed definition.

The current definition is:

PERSONAL INSPECTION: *a physical observation performed to assist in identifying relevant property characteristics in a valuation service.*

Comment: *An appraiser’s inspection is typically limited to those things readily observable without the use of special testing or equipment.*

Appraisals of some types of property, such as gems and jewelry, may require the use of specialized equipment. An inspection by an appraiser is not the equivalent of an inspection by an inspection professional (e.g., a structural engineer, home inspector, or art conservator).

The proposed definition modifications are as follows:

PERSONAL INSPECTION: (for an appraisal assignment) the appraiser's in-person observation of the subject property performed as part of the scope of work; (for an appraisal review assignment) the reviewer's in-person observation of the subject of the work under review, performed as part of the scope of work.

Comment: An appraiser's personal inspection is typically limited to those things readily observable without the use of special testing or equipment. Appraisals of some types of property, such as gems and jewelry, may require the use of specialized equipment. A personal inspection is not the equivalent of an inspection by an inspection professional (e.g., a structural engineer, home inspector, or art conservator).

This change can also be found in [Appendix 3: DEFINITIONS TO MODIFY, Personal Inspection](#).

Definition of Workfile

As proposed in previous Exposure Drafts, the ASB continues to propose amending the definition of WORKFILE. The current definition is:

WORKFILE: *data, information, and documentation necessary to support the appraiser's opinions and conclusions and to show compliance with USPAP.*

The PREAMBLE states that an appraiser “*must maintain the data, information and analysis necessary to support his or her opinions for appraisal or appraisal review assignments.*” The main purpose, then, of a workfile, is to contain the documentation necessary to *support* the appraiser's opinions and conclusions. However, the workfile also serves other purposes. For example, an appraiser can also choose to retain additional materials that go beyond showing compliance with USPAP, such as materials used to answer questions, to document correspondence with a client, or to provide background information on a business contract.

To reflect what the ASB intends for the workfile to contain, and not restrict it to just materials specifically intended to show compliance with USPAP, the ASB proposes the following definition:

WORKFILE: documentation necessary to support an appraiser's analyses, opinions, and conclusions.

To view the complete proposed change, go to [Appendix 3: DEFINITIONS TO MODIFY, Workfile](#).

Section 5: MINOR EDITS

The following section is the same as proposed in the Third Exposure Draft.

As the appraisal profession evolves, sometimes changes require a closer look at some of the individual words used in USPAP. Below are four proposed edits that: (1) update a term, (2) create consistency between one standard and another, (3) solidify a concept that already exists in USPAP, or (4) refine a meaning.

These are not significant changes and should have minimal impact on an appraiser's day-to-day appraisal practice.

Minor Change in 2-3, 4-3, 6-3, 8-3, and 10-3

The ASB is proposing to replace the words “a summary” with “the description” in one sentence in each of the certification requirements for STANDARDS 2, 4, 6, 8, and 10. To explain this change, we will use STANDARD 2 as an example.

In the reporting Standards and specifically in the Certification requirements, there is a section that deals with significant appraisal assistance and where disclosures related to the assistance may appear in a report:

*Comment: Although a certification must contain the names of individuals providing significant real property appraisal assistance, it is not required that a **summary** of the extent of their assistance be located in a certification. This disclosure may be in any part(s) of the report. **(bold added for emphasis)***

The requirements to report the extent of any significant appraisal assistance come from the requirements for an Appraisal Report and for a Restricted Appraisal Report. Each requirement is:

For an Appraisal Report (Standard Rule 2-2(a)(ix)):

*...**summarize** the extent of any significant real property appraisal assistance*

For a Restricted Appraisal Report (Standard Rule 2-2(b)(xi))

*...**state** the extent of any significant real property appraisal assistance*

Thus, depending on which reporting option is used, the appraiser is required to, at a minimum, either state or summarize the extent of the assistance. To be certain both options are encapsulated in the requirement, the ASB is proposing to replace the word “summary” with the word “description.”

If adopted, the requirement would now read as follows:

Comment: Although a certification must contain the names of individuals providing significant real property appraisal assistance, it is not required that the description of the extent of their assistance be located in a certification. This disclosure may be in any part(s) of the report.

This proposed change, if adopted, will now appear in the following places:

Standards Rule 2-3(c)(ii)	Standards Rule 8-3(c)(ii)
Standards Rule 4-3(c)(ii)	Standards Rule 10-3(c)(ii)
Standards Rule 6-3(c)(ii)	

To view the complete proposed changes for each of the Standards Rules listed above, go to [Appendix 4: MINOR EDITS, Minor Change in 2-3, 4-3, 6-3, 8-3, and 10-3.](#)

Minor Change in STANDARD 6

STANDARD 6 addresses how an appraiser should report the results of a mass appraisal.

The ASB has always held that STANDARD 6 does not include an option for an oral report. However, this exclusion is not directly stated, as recently noted by several stakeholders. In response, the ASB proposes the current edit to the opening line of STANDARD 6 so this is abundantly clear:

STANDARD 6: MASS APPRAISAL, REPORTING

In reporting the results of a mass appraisal, an appraiser must communicate each analysis, opinion, and conclusion in writing and in a manner that is not misleading.

To view the complete proposed change, go to [Appendix 4: MINOR EDITS, Minor Change in STANDARD 6](#).

Minor change in Standards Rule 8-2(b)(xii)(3)

The ASB proposes adding words to a requirement in Standards Rule 8-2(b) so that it is consistent with the exact wording in 8-2(a). This proposed change has already been exposed several times for adoption with no notable objections. It is not a concept change or an added requirement; rather, the addition of these words would make the language in 8-2 internally consistent.

Here is the current wording¹ in the two sections as they appear in the current edition of USPAP. **The part highlighted in gray is the wording that currently exists in 8-2(a) which is proposed to be added to 8-2(b).**

Standards Rule 8-2(a)(x)(3)

The content of an Appraisal Report must be appropriate for the intended use of the appraisal and, at a minimum, provide sufficient information to indicate that the appraiser complied with the requirements of STANDARD 7 by:

summarizing the results of analyzing the subject property's sales, agreements of sale, options, and listings when, in accordance with Standards Rule 7-5, it was necessary for credible assignment results and if such information was available to the appraiser in the normal course of business;

Standards Rule 8-2(b)(xii)(3)

The content of a Restricted Appraisal Report must be appropriate for the intended use of the appraisal and, at a minimum, provide sufficient information to indicate that the appraiser complied with the requirements of STANDARD 7 by:

summarizing the results of analyzing the subject sales, agreements of sale, options, and listings in accordance with Standards Rule 7-5;

If this change is adopted, the requirement will read as follows:

Standards Rule 8-2(b)(xii)(3)

The content of a Restricted Appraisal Report must be appropriate for the intended use of the appraisal and, at a minimum:

provide sufficient information to indicate that the appraiser complied with the requirements of STANDARD 7 by:

¹ Please note that for ease of reading, the format or layout of these words is not as they appear in USPAP. This is for illustrative purposes.

summarizing the results of analyzing the subject property's sales, agreements of sale, options, and listings when, in accordance with Standards Rule 7-5, it was necessary for credible assignment results and if such information was available to the appraiser in the normal course of business; and

If this change and the change noted in Section 3: TRANSFERS AND SALES are both adopted, the requirement will read as follows*:

Standards Rule 8-2(b)(xii)(3)
The content of a Restricted Appraisal Report must be appropriate for the intended use of the appraisal and, at a minimum, provide sufficient information to indicate that the appraiser complied with the requirements of STANDARD 7 by:
summarizing the results of analyzing the subject property's sales and other transfers, agreements of sale, options, and listings when, in accordance with Standards Rule 7-5, it was necessary for credible assignment results and if such information was available to the appraiser in the normal course of business; and

The edits shown above include the addition of the proposed edits from Section 3 of this Exposure Draft. If that proposed edit is adopted **and this proposed edit is adopted, this is how the requirement will appear.*

To view the complete proposed change, go to [Appendix 4: MINOR EDITS, Minor Change in 8-2](#).

Section 6: Proposed Changes to Advisory Opinion 2, *Inspection of Subject Property*

Advisory Opinion 2 Inspection of the Subject Property is proposed to be updated to reflect a proposed change in the definition of Personal Inspection.

In prior exposure drafts, the definition of Personal Inspection had been proposed for deletion, and there was an accompanying proposed new requirement to disclose the type and extent of inspection in scope of work reporting. This had been proposed based upon feedback from stakeholders indicating a need to address the appraiser’s inspection, particularly in light of technology. After considerable analysis, a more direct solution is being proposed in this Fifth Exposure Draft that includes modifying the definition of Personal Inspection to clarify the distinction between an appraiser’s inspection that is part of the scope of work for the assignment and an inspection that is completed by a third party outside of the appraiser’s scope of work. The proposed guidance in Advisory Opinion 2 illustrates the applicability of this proposed revised definition and includes guidance regarding an appraiser’s disclosure obligations related to a personal inspection.

Due to the extent of the changes, the proposed revisions and deletions are not shown in strikethrough.

1 **ADVISORY OPINION 2 (AO-2)**

2 *This communication by the Appraisal Standards Board (ASB) does not establish new*
3 *standards or interpret existing standards. Advisory Opinions are issued to illustrate the*
4 *applicability of appraisal standards in specific situations and to offer advice from the ASB*
5 *for the resolution of appraisal issues and problems.*

6 **SUBJECT: Inspection of Subject Property**

7 **APPLICATION: Real Property, Personal Property**

8 **THE ISSUE:**

9 An inspection of a property is not required by USPAP, but one is often conducted.
10 USPAP does require the report to include a certification that indicates whether or not
11 the subject property was personally inspected by the appraiser(s).

- 12 • What is the purpose of inspecting a subject property?
- 13 • What is a personal inspection?
- 14 • Is an appraiser’s inspection different than a third-party inspection?
- 15 • When is an inspection part of the appraiser’s scope of work?

- 16 • Does USPAP mandate a minimum level of property inspection?
- 17 • What are an appraiser’s disclosure obligations relating to an inspection?
- 18 • When does a personal inspection conducted as Significant Appraisal
- 19 Assistance require disclosure?

20 **ADVICE FROM THE ASB ON THE ISSUE:**

21 **Relevant USPAP & Advisory References:**

- 22 • DEFINITION of PERSONAL INSPECTION

23

24 PERSONAL INSPECTION: (for an appraisal assignment) the appraiser's in-

25 person observation of the subject property performed as part of the scope of

26 work; (for an appraisal review assignment) the reviewer’s in-person

27 observation of the subject of the work under review, performed as part of the

28 scope of work.

29 Comment: An appraiser’s personal inspection is typically limited to those

30 things readily observable without the use of special testing or equipment.

31 Appraisals of some types of property, such as gems and jewelry, may

32 require the use of specialized equipment. A personal inspection is not the

33 equivalent of an inspection by an inspection professional (e.g., a structural

34 engineer, home inspector, or art conservator).

- 35 • Standards Rules 1-2(e) and 7-2(e)
- 36 • Standards Rules 2-3 and 8-3
- 37 • SCOPE OF WORK RULE
- 38 • Advisory Opinion 23, Identifying the Relevant Characteristics of the Subject
- 39 Property in a Real Property Appraisal Assignment.

40 **Purpose of an Inspection**

41 The primary reason for an appraiser to inspect a property is to gather information about

42 the characteristics of the property that are *relevant* to its value.²

43 **What is a Personal Inspection?**

44 A personal inspection is an appraiser’s in-person observation of a property that is

45 performed as part of the scope of work, usually to gather information about some or

² See Advisory Opinion 23, *Identifying the Relevant Characteristics of the Subject Property of a Real Property Appraisal Assignment* and Advisory Opinion 39, *Antidiscrimination Laws and Nondiscrimination*, and Advisory Opinion 40, *Antidiscrimination and the Research, Analysis, and Reporting of Location Data, including Demographics, for Residential Real Property Appraisal Assignments*.

46 many of the property characteristics relevant to the assignment. While there are other
47 ways to gather information on the subject property’s relevant characteristics, the in-
48 person observation (the personal inspection) allows the appraiser to conclude what
49 information to gather that is relevant to the assignment.

50 The appraiser’s personal inspection involves more than just gathering data about a
51 property, it also includes developing relevant analyses. In all parts of the appraisal
52 process, including during a personal inspection, the appraiser, acting competently and
53 correctly applying judgment, continually determines the appropriate methods and
54 techniques to use to gather the relevant information needed to solve the appraisal
55 problem.

56 A personal inspection performed by an appraiser can be assisted by tools, and as
57 technology evolves, so will the available tools. For example, the use of unmanned aerial
58 vehicles, or drones, are tools that can be used to amplify vision like binoculars or a
59 jeweler’s loupe. Drones now allow an appraiser to view much more of a subject
60 property while making a personal inspection. However, any tools used to view a
61 property, or any data (video recordings, images, photos, etc.) produced by those tools
62 are never a substitute for an appraiser’s personal inspection. A “personal” inspection is
63 when the appraiser makes the in-person observation of the subject property, regardless
64 of any tools that appraiser may be using while making those in-person observations.

65 **An Appraiser’s Personal Inspection Versus a Third-Party Inspection**

66 There is a clear distinction between an appraiser who inspects a property as part of the
67 scope of work to complete an appraisal assignment, and a “third party” person who has
68 inspected or will inspect the same property, but who is not engaged in performing any
69 part of the scope of work used to develop the appraisal.

70 Per the SCOPE OF WORK RULE:

71 For each appraisal and appraisal review assignment, **an appraiser** must:

- 72 1. identify the problem to be solved;
- 73 2. determine and **perform the scope of work** necessary to develop credible
74 assignment results; and
- 75 3. disclose the scope of work in the report. [Bold added for emphasis]

76 It is only the appraiser, the individual signing the certification for the appraisal report,
77 who is responsible for determining and performing the scope of work necessary to
78 develop credible assignment results. Deciding whether or not that appraiser will
79 complete a personal inspection of the subject property is, therefore, part of that
80 appraiser’s scope of work decision.

81 Sometimes, a client will provide the appraiser with an inspection report of the subject
82 property, which was completed by, for example, a person that is identified as a data
83 collector. These reports may be provided to the appraiser before the appraiser agrees
84 to perform an appraisal assignment, or at any point during the assignment. Regardless
85 of the timing of the inspection report being provided, and if the information is useful to
86 the appraiser, it is the appraiser who still needs to conclude if they must personally
87 inspect the property to produce credible assignment results for the intended use.

88 The following are examples of third-party inspector data reports:

89 1) A property inspection report completed by an appraiser, whose assignment was
90 to only inspect the property and to collect data.

91 2) An assessment office property data card filled out by an appraiser.

92 3) A multiple listing service report filled out by an individual (who sometimes acts
93 as an appraiser) who was acting in the role of a real estate broker when they
94 collected the information about a property and listed that information in the MLS.

95 In cases when the appraiser relies upon the data and information in a third-party
96 inspector’s report, the appraiser still must conclude if they need to gather additional
97 information (by, for example, making a personal inspection) to identify the relevant
98 characteristics of the subject property.

99 A third-party inspection report that includes the inspector’s opinions and conclusions
100 about physical characteristics is not a substitute for the appraiser’s opinions and
101 conclusions about those same characteristics. An appraiser who signs a certification in
102 an appraisal report is indicating that all opinions and conclusions in that report are the
103 appraiser’s own personal opinions and conclusions. Therefore, an inspection report
104 provided to the appraiser is just information to consider, not conclusions the appraiser
105 must accept, which is no different than any other information or data the appraiser uses
106 such as MLS data, property tax data, maps, photographs, etc.

107 Third-party inspectors are not performing an inspection that is part of the scope of work
108 of the assignment; it is only the appraiser that concludes what data is needed for the
109 assignment.

110 **A Personal Inspection as Part of the Scope of Work**

111 Appraisers are often asked to appraise a property which they have previously
112 inspected. If an appraiser has driven past a property many times prior to that property
113 becoming the subject of an assignment, the appraiser has not yet inspected the
114 property as a part of his or her scope of work for the assignment.

115 The definition of PERSONAL INSPECTION is distinguished as an inspection the
116 appraiser performs “as part of the scope of work” for an appraisal or an appraisal review

117 assignment. In these situations, prior inspections occurred before the agreement to
118 perform an assignment and thus are not part of the appraiser’s scope of work. It is not
119 unusual for an appraiser to have, for example, seen a property in-person before they
120 agree to perform an appraisal assignment.

121 **Minimum Extent of a Personal Inspection**

122 An inspection is not required by USPAP for appraisal or appraisal review assignments,
123 but one is often conducted.

124 The appraiser's personal inspection, and the extent of that inspection, is an aspect of the
125 scope of work and may be required as an assignment condition and/or be necessary for
126 the intended use of the assignment results. The extent of any personal inspection can be
127 quite comprehensive, or very limited in scope. Regardless of the level of detail of a
128 personal inspection, it is always possible to perform a personal inspection that is even
129 more thorough. It is the appraiser’s responsibility to determine the appropriate scope of
130 work, including the extent of a personal inspection (when one is performed, required or
131 necessary to produce credible assignment results given the intended use of the
132 assignment results).

133 There are many circumstances that influence the appraiser’s personal inspection. In
134 some assignments, the client may request that the appraiser perform an exterior-only
135 inspection from the street or perform no inspection of the subject property (i.e., a “desktop
136 appraisal”). There are situations where inspection of the subject property is not possible;
137 for example, if the improvements have been destroyed, removed, or not yet built. In some
138 cases, the appraiser is denied access to the property for legal, personal safety, or other
139 reasons. In such cases, the appraiser must use other means to gather information about
140 the characteristics of the subject property relevant to the assignment in order to provide
141 credible assignment results in the context of the intended use.

142 **Disclosure Requirements Regarding the Appraiser’s Personal Inspection**

143 While an inspection is not required, written appraisal reports for real and personal
144 property must contain a signed certification (oral reports must have the signed
145 certification in the workfile) that clearly states whether the appraiser has or has not
146 personally inspected the subject property.

147 When a personal inspection is performed as part of the scope of work used to develop
148 the appraisal, there are additional reporting requirements.

149 First, the report must contain sufficient information to enable the intended users to
150 understand the scope of work performed. Per the SCOPE OF WORK RULE this
151 includes, “the extent to which tangible property is inspected”. This disclosure informs the
152 intended user how much (or what parts) of the property were personally inspected (or, if
153 necessary, details about which parts of the property that were not inspected), so that
154 the communication is meaningful and not misleading.

155 And, regardless of the minimum USPAP reporting requirements related to inspections
156 performed as part of the scope of work, situations may arise where the intended user
157 would need to know, provided there are no applicable confidentiality restrictions from a
158 prior assignment, that the appraiser has inspected the property sometime prior to
159 agreeing to perform an assignment. Such a disclosure of an inspection that occurred
160 prior to agreeing to perform an assignment may be especially necessary if that
161 knowledge was uniquely relevant to being able to solve the appraisal problem for the
162 current assignment.

163 Second, the report must contain a certification indicating whether any signing appraiser
164 has or has not personally inspected the property that is the subject of the appraisal
165 report. For an appraisal review assignment, the certification would disclose if any
166 signing appraiser personally inspected the property that is the subject of the work under
167 review. A personal inspection that satisfies the appraiser’s certification must be
168 conducted as part of the scope of work for the appraisal or appraisal review assignment.
169 An inspection by the appraiser that occurred outside of the assignment may be
170 information used by the appraiser, but those inspections are a type of research that was
171 not informed by the scope of work needed to solve the appraisal problem. Therefore,
172 certifying a personal inspection was made as part of the assignment when the
173 inspection occurred outside of the assignment would be misleading. If information from
174 a prior inspection about a subject property is used to develop an appraisal, then
175 appropriate disclosure of that inspection would be necessary as part of the scope of
176 work reporting requirements.

177 Regarding third-party inspection reports, no disclosure about those reports is required in
178 the certification or in the appraisal report, however, there may be instances where
179 disclosures about those types of reports is necessary for the intended user to properly
180 understand the appraisal report.

181 **Disclosure Requirements for a Personal Inspection as part of Significant**
182 **Appraisal Assistance**

183 Appraisals can be completed by more than one appraiser. One common situation is
184 there is a “signing appraiser” (the one who signs the certification) and a “trainee
185 appraiser” (where that trainee is providing significant appraisal assistance).

186 In the case of a residential real property appraisal assignment, consider the following:

187 When a trainee appraiser inspects the subject property, the signing appraiser needs to
188 determine if that inspection was just administrative in nature (i.e. the trainee is being
189 employed to provide something similar to a third-party inspection report to the signing
190 appraiser), or if the trainee’s inspection was a personal inspection (one that meets the
191 definition of personal inspection in USPAP, and thus, was performed as part of the
192 scope of work used to develop the appraisal). If the signing appraiser concludes the
193 trainee appraiser did perform a personal inspection, and did provide significant real

194 property appraisal assistance, then the extent of that assistance must be disclosed in
195 the appraisal report.

196 In other words, a trainee’s inspection may or may not be a “personal inspection” (as
197 defined in USPAP) and may or may not be significant real property appraisal
198 assistance.

199 If a trainee appraiser made a personal inspection (as defined in USPAP) of the subject
200 property, the appraisal report, and maybe even the certification, must clearly disclose
201 the significant real property appraisal assistance that was performed by the trainee.

202 **Illustrations**

203 1. I have agreed to appraise a single-unit property and I performed an exterior-only
204 inspection of the property from the street. What are my reporting obligations for an
205 Appraisal Report related to this inspection that I performed as part of the scope of
206 work?

207 An exterior-only inspection performed from the street, where the appraiser made
208 an in-person observation of the property, is a personal inspection. As the appraiser
209 signing the certification, you would indicate in the certification that you did make a
210 personal inspection of the property. Additionally, you are required to disclose the
211 scope of work used to develop the appraisal, including the extent to which the
212 property was inspected sufficient to enable the intended users to understand the
213 report properly.

214 2. I have agreed to perform an appraisal for a client. The client provided me with a
215 detailed property inspection report that includes photographs, types of materials, and
216 condition ratings of those materials by a third-party inspector. Does USPAP allow
217 me to use this information to develop my opinions and conclusions and what am I
218 required to disclose regarding the inspection completed by the third-party inspector?

219 The property inspection report is information; therefore, you can use the
220 information to conclude the characteristics of the property that are relevant to the
221 assignment or decide to research additional information. An appraiser must have
222 sufficient information to develop their own opinions and conclusions. Therefore,
223 in cases when the appraiser relies upon a third-party inspector’s report, it may be
224 necessary to obtain additional information and/or examine other documents in
225 order to understand the property characteristics relevant to the assignment.
226 Since the inspection was not performed by you, it was not a part of the scope of
227 work completed as a part of the appraisal assignment.

228 3. I have been contacted by a property owner who is being transferred by their employer
229 to another city. The owner indicated that while they might want a “detailed appraisal”
230 later, right now they only need a rough idea of the value of the residence to begin
231 negotiations related to the relocation. The owner has asked me to perform a
232 “desktop” appraisal (i.e., an appraisal with no inspection of the property). I believe that,

233 given this intended use, credible assignment results can be developed without a
234 personal inspection. Is this permitted under USPAP?

235 Yes, this is permitted if sufficient information is available to conclude the
236 characteristics of the property that are relevant to the assignment. Such
237 information could be obtained from public records, previous listings of the property
238 for sale, appraiser’s files, etc.

239 While such an issue would likely not exist in this example, if, in a similar scenario
240 the use of an extraordinary assumption about the condition of the property is
241 necessary, then one must comply with the requirements for the use of an
242 extraordinary assumption.

Appendices

Fifth Exposure Draft

USPAP

Appendix 1: TRANSFERS AND SALES

Standards Rule 1-5, SUBJECT SALES AND OTHER TRANSFERS, SALE AGREEMENTS, OPTIONS, AND LISTINGS, ~~AND PRIOR SALES~~

243 When the value opinion to be developed is market value, an appraiser must, if
244 such information is available to the appraiser in the normal course of business:

245 (a) analyze all agreements of sale, options, and listings of the subject property
246 current as of the effective date of the appraisal; and

247 (b) analyze all sales and other transfers of the subject property that occurred
248 within the three (3) years prior to the effective date of the appraisal.

Standards Rule 2-2, CONTENT OF A REAL PROPERTY APPRAISAL REPORT

249 Each written real property appraisal report must be prepared under one of the
250 following options and prominently state which option is used: Appraisal Report
251 or Restricted Appraisal Report.

252 An appraiser may use any other label in addition to, but not in place of, the labels
253 set forth in this Standards Rule for the type of report provided. The use of
254 additional labels such as analysis, consultation, evaluation, study, or valuation
255 does not exempt an appraiser from adherence to USPAP.

256 The report content and level of information requirements in this Standards Rule
257 are minimums for each type of report. An appraiser must supplement a report
258 form, when necessary, to ensure that any intended user of the appraisal is not
259 misled and that the report complies with the applicable content requirements.

260 (a) The content of an Appraisal Report must be appropriate for the intended
261 use of the appraisal and, at a minimum:

.....

262 (x) provide sufficient information to indicate that the appraiser
263 complied with the requirements of STANDARD 1 by:

264 (1) summarizing the appraisal methods and techniques employed;

265 (2) stating the reasons for excluding the sales comparison, cost, or
266 income approach(es) if any have not been developed;

267 (3) summarizing the results of analyzing the subject sales and other
268 transfers, agreements of sale, options, and listings in accordance
269 with Standards Rule 1-5;

270 Comment: If such information is unobtainable, a statement on the efforts
 271 undertaken by the appraiser to obtain the information is required. If such
 272 information is irrelevant, a statement acknowledging the existence of the
 273 information and citing its lack of relevance is required.



274 **(b) The content of a Restricted Appraisal Report must be appropriate for the**
 275 **intended use of the appraisal and, at a minimum:**



276 **(xii) provide sufficient information to indicate that the appraiser**
 277 **complied with the requirements of STANDARD 1 by:**

278 **(1) stating the appraisal methods and techniques employed;**

279 **(2) stating the reasons for excluding the sales comparison, cost, or**
 280 **income approach(es) if any have not been developed;**

281 **(3) summarizing the results of analyzing the subject sales and other**
 282 **transfers, agreements of sale, options, and listings in accordance**
 283 **with Standards Rule 1-5; and**

284 Comment: If such information is unobtainable, a statement on the efforts
 285 undertaken by the appraiser to obtain the information is required. If such
 286 information is irrelevant, a statement acknowledging the existence of the
 287 information and citing its lack of relevance is required.

**Standards Rule 7-5, SUBJECT SALES AND OTHER TRANSFERS, SALE
 AGREEMENTS, OPTIONS, AND LISTINGS, ~~AND PRIOR SALES~~**

288 **When necessary for credible assignment results, an appraiser must, if such**
 289 **information is available to the appraiser in the normal course of business:**

290 **(a) analyze all agreements of sale, validated offers or third-party offers to sell,**
 291 **options, and listings of the subject property current as of the effective date**
 292 **of the appraisal if warranted by the intended use of the appraisal; and**

293 **(b) analyze all prior sales and other transfers of the subject property that**
 294 **occurred within a reasonable and applicable time period if relevant given**
 295 **the intended use of the appraisal and property type.**

Standards Rule 8-2, CONTENT OF A PERSONAL PROPERTY APPRAISAL REPORT

296 Each written personal property appraisal report must be prepared under one of
297 the following options and prominently state which option is used: Appraisal
298 Report or Restricted Appraisal Report.

299 An appraiser may use any other label in addition to, but not in place of, the labels
300 set forth in this Standards Rule for the type of report provided. The use of
301 additional labels such as analysis, consultation, evaluation, study, or valuation
302 does not exempt an appraiser from adherence to USPAP.

303 The report content and level of information requirements in this Standards Rule
304 are minimums for each type of report.

305 (a) The content of an Appraisal Report must be appropriate for the intended
306 use of the appraisal and, at a minimum:



307 (x) provide sufficient information to indicate that the appraiser
308 complied with the requirements of STANDARD 7 by:

309 (1) summarizing the appraisal methods or techniques employed;

310 (2) stating the reasons for excluding the sales comparison, cost,
311 or income approach(es) if any have not been developed;

312 (3) summarizing the results of analyzing the subject property's
313 sales and other transfers, agreements of sale, options, and
314 listings when, in accordance with Standards Rule 7-5, it was
315 necessary for credible assignment results and if such
316 information was available to the appraiser in the normal course
317 of business;

318 Comment: If such information is unobtainable, a statement on the
319 efforts undertaken by the appraiser to obtain the information is
320 required. If such information is irrelevant, a statement
321 acknowledging the existence of the information and citing its lack of
322 relevance is required.



323 (b) The content of a Restricted Appraisal Report must be appropriate for the
324 intended use of the appraisal and, at a minimum:



- 325 (xii) provide sufficient information to indicate that the appraiser
- 326 complied with the requirements of STANDARD 7 by:
- 327 (1) stating the appraisal methods and techniques employed;
- 328 (2) stating the reasons for excluding the sales comparison, cost, or
- 329 income approach(es) if any have not been developed;
- 330 (3) summarizing the results of analyzing the subject sales and other
- 331 transfers, agreements of sale, options, and listings in accordance
- 332 with Standards Rule 7-5; and
- 333 Comment: If such information is unobtainable, a statement on the efforts
- 334 undertaken by the appraiser to obtain the information is required. If such
- 335 information is irrelevant, a statement acknowledging the existence of the
- 336 information and citing its lack of relevance is required.

Standards Rule 9-4, APPROACHES TO VALUE

337 In developing an appraisal of an interest in a business enterprise or intangible
338 asset, an appraiser must collect and analyze all information necessary for
339 credible assignment results.



- 340 (b) An appraiser must, when necessary for credible assignment results,
- 341 analyze the effect on value, if any, of:
- 342 (i) the nature and history of the business enterprise or intangible asset;
- 343 (ii) financial and economic conditions affecting the business enterprise or
- 344 intangible asset, its industry, and the general economy;
- 345 (iii) past results, current operations, and future prospects of the business
- 346 enterprise;
- 347 (iv) past sales and other transfers of capital stock or other ownership
- 348 interests in the business enterprise or intangible asset being
- 349 appraised;
- 350 (v) sales and other transfers of capital stock or other ownership interests
- 351 in similar business enterprises;
- 352 (vi) prices, terms, and conditions affecting past sales and other transfers
- 353 of similar ownership interests in the asset being appraised or a similar
- 354 asset; and
- 355 (vii) economic benefit of tangible and intangible assets.

356 Comment on (i)-(vii): This Standards Rule directs the appraiser to study the
357 prospective and retrospective aspects of the business enterprise in terms of
358 the economic and industry environment within which it operates. .

Appendix 2: DEFINITIONS TO RETIRE

Definition of Assignment Elements

359 ~~**ASSIGNMENT ELEMENTS:** Specific information needed to identify the appraisal or~~
360 ~~appraisal review problem: client and any other intended users; intended use of the~~
361 ~~appraiser's opinions and conclusions; type and definition of value; effective date of the~~
362 ~~appraiser's opinions and conclusions; subject of the assignment and its relevant~~
363 ~~characteristics; and assignment conditions.~~

Definition of Misleading

364 ~~**MISLEADING:** Intentionally or unintentionally misrepresenting, misstating, or~~
365 ~~concealing relevant facts or conclusions.~~

Definition of Relevant Characteristics

366 ~~**RELEVANT CHARACTERISTICS:** features that may affect a property's value or~~
367 ~~marketability such as legal, economic, or physical characteristics.~~

Appendix 3: DEFINITIONS TO MODIFY

Definition of Appraiser

368 **APPRAISER:** one who is expected to perform valuation services competently and in a
369 manner that is independent, impartial, and objective.

370 Comment: Such expectation occurs when individuals, either by choice or by
371 requirement placed upon them or upon the service they provide by law,
372 regulation, or agreement with the client or intended users, represent that they
373 comply.

374 Definition of Personal Inspection

375 **PERSONAL INSPECTION:** (for an appraisal assignment) the appraiser's in-person
376 observation of the subject property performed as part of the scope of work; (for an
377 appraisal review assignment) the reviewer's in-person observation of the subject of the
378 work under review, performed as part of the scope of work. a physical observation
379 performed to assist in identifying relevant property characteristics in a valuation service.

380 Comment: An appraiser's personal inspection is typically limited to those things
381 readily observable without the use of special testing or equipment. Appraisals of
382 some types of property, such as gems and jewelry, may require the use of
383 specialized equipment. An personal inspection ~~by an appraiser~~ is not the
384 equivalent of an inspection by an inspection professional (e.g., a structural
385 engineer, home inspector, or art conservator).

Definition of Workfile

386 **WORKFILE:** ~~data, information, and~~ documentation necessary to support ~~the an~~
387 appraiser's analyses, opinions, and conclusions ~~and to show compliance with USPAP.~~

Appendix 4: MINOR EDITS

Minor change in 2-3, 4-3, 6-3, 8-3, and 10-3

Standards Rule 2-3, CERTIFICATION

388 **A signed certification is an integral part of the appraisal report.**

389 **(c) When a signing appraiser has relied on work done by appraisers and**
 390 **others who do not sign the certification, the signing appraiser is**
 391 **responsible for the decision to rely on their work.**

392 **(i) The signing appraiser is required to have a reasonable basis for**
 393 **believing that those individuals performing the work are**
 394 **competent; and**

395 **(ii) The signing appraiser must have no reason to doubt that the work**
 396 **of those individuals is credible.**

397 Comment: Although a certification must contain the names of individuals
 398 providing significant real property appraisal assistance, it is not required
 399 that a summary the description of the extent of their assistance be
 400 located in a certification. This disclosure may be in any part(s) of the
 401 report.

Standards Rule 4-3, CERTIFICATION

402 **A signed certification is an integral part of the appraisal review report.**

403 **(c) When a signing appraiser has relied on work done by appraisers and**
 404 **others who do not sign the certification, the signing appraiser is**
 405 **responsible for the decision to rely on their work.**

406 **(i) The signing appraiser is required to have a reasonable basis for**
 407 **believing that those individuals performing the work are**
 408 **competent; and**

409 **(ii) The signing appraiser must have no reason to doubt that the work**
 410 **of those individuals is credible.**

411 Comment: Although a certification must contain the names of individuals
 412 providing significant appraisal or appraisal review assistance, it is not
 413 required that ~~a summary~~ the description of the extent of their assistance
 414 be located in a certification. This disclosure may be in any part(s) of the
 415 report.

Standards Rule 6-3, CERTIFICATION

416 **A signed certification is an integral part of the appraisal report.**



417 **(c) When a signing appraiser has relied on work done by appraisers and**
 418 **others who do not sign the certification, the signing appraiser is**
 419 **responsible for the decision to rely on their work.**

420 **(i) The signing appraiser is required to have a reasonable basis for**
 421 **believing that those individuals performing the work are**
 422 **competent; and**

423 **(ii) The signing appraiser must have no reason to doubt that the work**
 424 **of those individuals is credible.**

425 Comment: Although a certification must contain the names of individuals
 426 providing significant mass appraisal assistance, it is not required that ~~a~~
 427 ~~summary~~ the description of the extent of their assistance be located in a
 428 certification. This disclosure may be in any part(s) of the report.

Standards Rule 8-3, CERTIFICATION

429 **A signed certification is an integral part of the appraisal report.**



430 **(c) When a signing appraiser has relied on work done by appraisers and**
 431 **others who do not sign the certification, the signing appraiser is**
 432 **responsible for the decision to rely on their work.**

433 **(i) The signing appraiser is required to have a reasonable basis for**
 434 **believing that those individuals performing the work are**
 435 **competent; and**

436 **(ii) The signing appraiser must have no reason to doubt that the work**
 437 **of those individuals is credible.**

438 Comment: Although a certification must contain the names of individuals
 439 providing significant personal property appraisal assistance, it is not
 440 required that a summary the description of the extent of their assistance
 441 be located in a certification. This disclosure may be in any part(s) of the
 442 report.

Standards Rule 10-3, CERTIFICATION

443 **A signed certification is an integral part of the appraisal report.**



444 **(c) When a signing appraiser has relied on work done by appraisers and**
 445 **others who do not sign the certification, the signing appraiser is**
 446 **responsible for the decision to rely on their work.**

447 **(i) The signing appraiser is required to have a reasonable basis for**
 448 **believing that those individuals performing the work are**
 449 **competent; and**

450 **(ii) The signing appraiser must have no reason to doubt that the work**
 451 **of those individuals is credible.**

452 Comment: Although a certification must contain the names of individuals
 453 providing significant business and/or intangible asset appraisal
 454 assistance, it is not required that a summary the description of the extent
 455 of their assistance be located in a certification. This disclosure may be in
 456 any part(s) of the report.

Minor change in STANDARD 6

457 **In reporting the results of a mass appraisal, an appraiser must communicate each**
 458 **analysis, opinion, and conclusion in writing and in a manner that is not**
 459 **misleading.**

460 Comment: STANDARD 6 addresses the content and level of information required
 461 in a report that communicates the results of a mass appraisal.

462 STANDARD 6 does not dictate the form, format, or style of mass appraisal
 463 reports. The substantive content of a report determines its compliance.

Minor change in Standards Rule 8-2(b)(xii)(3)

Standards Rule 8-2, CONTENT OF A PERSONAL PROPERTY APPRAISAL REPORT

464 Each written personal property appraisal report must be prepared under one of
465 the following options and prominently state which option is used: Appraisal
466 Report or Restricted Appraisal Report.

467 An appraiser may use any other label in addition to, but not in place of, the labels
468 set forth in this Standards Rule for the type of report provided. The use of
469 additional labels such as analysis, consultation, evaluation, study, or valuation
470 does not exempt an appraiser from adherence to USPAP.

471 The report content and level of information requirements in this Standards Rule
472 are minimums for each type of report.

473 (b) The content of a Restricted Appraisal Report must be appropriate for the
474 intended use of the appraisal and, at a minimum:

475 (xii) provide sufficient information to indicate that the appraiser
476 complied with the requirements of STANDARD 7 by:

477 (1) stating the appraisal methods and techniques employed;

478 (2) stating the reasons for excluding the sales comparison, cost, or
479 income approach(es) if any have not been developed;

480 (3) summarizing the results of analyzing the subject property's sales
481 and other transfers, agreements of sale, options, and listings
482 when, in accordance with Standards Rule 7-5, it was necessary
483 for credible assignment results and if such information was
484 available to the appraiser in the normal course of business; and

485 Comment: If such information is unobtainable, a statement on the
486 efforts undertaken by the appraiser to obtain the information is
487 required. If such information is irrelevant, a statement acknowledging
488 the existence of the information and citing its lack of relevance is
489 required.

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Foundation Shares Updates Ahead of One Year Anniversary of PAVE Task Force Report

(Washington, DC) March 14, 2023 –The Appraisal Foundation today shared an update on how it is progressing on a number of recommendations made in the Biden Administration’s Property Appraisal and Valuation Equity (PAVE) Task Force’s Action Plan. The Action Plan was released a year ago next week with the aim of providing a “blueprint for how all Americans can benefit fairly from the equity built through homeownership.”

“The Appraisal Foundation shares the PAVE Task Force’s commitment to root out bias and discrimination in the appraisal profession, and our boards have been hard at work over the past few years to do just that,” said The Appraisal Foundation President Dave Buntun. “I am proud of the work that our boards have accomplished in such a short time, but much remains to be done. We look forward to partnering with the PAVE Task Force to continue these efforts to build public trust in the appraisal profession.”

The following are the **top ten** highlights of The Foundation and its boards’ actions on the following PAVE commitments:

- Updating the 90-minute section of the 7-Hour National USPAP Update Course focused on bias and discrimination in consultation with fair housing law firm Relman Colfax,
- Creating the Council to Advance Residential Equity (CARE) to bring previously unrecognized stakeholders with a mission of civil rights, fair housing, or consumer advocacy to the table to provide input on proposed changes to standards and qualifications,
- Instituting a new process for the public to submit comments, questions, and requests for the boards on any topic at any time,
- Removing the requirement that a majority of The Appraisal Foundation’s trustees be appraisers,
- Conducting a comprehensive review of the Ethics Rule, with advice from Relman Colfax, resulting in proposed changes that make it crystal clear that bias and discrimination against protected classes have always been prohibited by USPAP and that USPAP has always required appraisers to comply with all applicable fair housing laws,
- Supporting the adoption of the Practical Application of Real Estate Appraisal (PAREA) as a simulated training alternative for aspiring appraisers to fulfill their experience requirements in 40 states and counting,
- Developing a scholarship through the Pathways to Success Initiative that will prioritize serving aspiring appraisers who are people of color, veterans or those who wish to work in underserved communities,
- Proposing changes to the *Real Property Appraisal Qualification Criteria* that would require fair housing education for incoming and existing credential holders, and
- Designing resources for consumers to learn more about the appraisal process and how to proceed if they need to make a complaint.



The Appraisal FOUNDATION

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

- Publishing the report of the Automated Valuation Models (AVMs) Task Force which makes recommendations on potential standards for AVMs. This work has been shared with regulators who are working to write AVM standards.

For more information on each of these initiatives and how the Foundation is responding to many more PAVE recommendations please [read this update](#) provided to the PAVE Task Force on February 2, 2023.

###

Background: The Appraisal Foundation is the nation's foremost authority on the valuation profession. The organization sets the congressionally-authorized standards and qualifications for real estate appraisers and provides voluntary guidance on recognized valuation methods and techniques for all valuation professionals. This work advances the profession by ensuring appraisals are independent, consistent, and objective. More information on The Appraisal Foundation is available at www.appraisalfoundation.org.

NEWSLETTER



Dear Subscriber,

As I shared last month, the Appraisal Standards Board decided to develop a Fifth Exposure Draft of proposed changes to USPAP for public comment after receiving feedback from a wide range of stakeholders.

In an effort to be responsive to stakeholders, the ASB acted quickly to produce the newest exposure draft and released accompanying guidance for public review and comment. I am pleased to say that their hard work has already resulted in that draft being made available to you.

As I've shared before, public input is critical to updating the standards and qualifications. Our boards are so appreciative of the time folks have taken to review these exposure drafts and share their thoughtful feedback.

Here are some important links for the Fifth Exposure Draft:

- [Read](#) the Fifth Exposure Draft
- [Attend](#) the April 13th webinar on the Fifth Exposure Draft
- [Submit](#) a public comment by April 29th
- [Register](#) for the May 5th public meeting

We hope you will continue to do so, and we look forward to hearing your input on the Fifth Exposure Draft.

Sincerely,

Dave Bunton
President

Updates from the AQB

The AQB held a public meeting on March 22nd. This included a discussion of the First Exposure Draft of proposed changes to the *Real Property Appraiser Qualification Criteria*. After considering public comments on the exposure draft, the Board decided to begin working on a Second Exposure Draft to incorporate the comments they received.

If you missed the public meeting, you can [watch it here](#).

Appraiser Talk

Stay up to date on Appraiser Talk! Recent podcasts have included a look at comp selection, the Competency Rule, and appraisal reviews.

You can check out all episodes [here](#). Click [here](#) to sign up to receive a notification each time a new episode is published.

You can subscribe to Appraiser Talk on Spotify, Apple Podcasts or wherever you get your podcasts. If you have a question you'd like to hear answered on the show, email it to Amy Timmerman at amy@appraisalfoundation.org.

In This Newsletter

From the President's Desk:
ASB's Fifth Exposure Draft is Here

Updates from the AQB

Appraiser Talk

Upcoming Events

April 13: [ASB Webinar on Fifth Exposure Draft](#)

May 5: [ASB Public Meeting](#)

May 18-20: [BOT Public Meeting](#)

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About The Appraisal Foundation

The Appraisal Foundation is the nation's foremost authority on the valuation profession. The organization sets the Congressionally authorized standards and qualifications for real estate appraisers, and provides voluntary guidance on recognized valuation methods and techniques for all valuation professionals. This work advances the profession by ensuring appraisals are independent, consistent, and objective. More information on The Appraisal Foundation is available at www.appraisalfoundation.org.

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ASB Public Meeting May 5, 2023 - VIRTUAL



The Appraisal Standards Board will hold a virtual Public Meeting on May 5, 2023.

Location

Virtually

Date/Time

Friday, May 5, 2023

1:00 p.m. – 2:00 p.m. ET

Registration

Register using this link:

https://us02web.zoom.us/webinar/register/WN_wKavJ94UTxKyFocOydYB8whttps://us02web.zoom.us/webinar/register/WN_oXLVrRXdSxymCqI_kOBj9g

https://us02web.zoom.us/webinar/register/WN_oXLVrRXdSxymCqI_kOBj9g

Agenda

The Board will receive updates on recent activities of the Foundation and the Appraiser Qualifications Board (AQB). The Board will take comments from attendees on the Fifth Exposure Draft of Proposed Changes to USPAP.

When 5/5/2023

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