

**PUBLIC MEETING OF THE NEBRASKA REAL PROPERTY APPRAISER BOARD
BY VIRTUAL CONFERENCING
Thursday, January 15, 2026, 9:00 a.m.
Nebraska Real Property Appraiser Board Office, First Floor, Nebraska State Office Building
301 Centennial Mall South, Lincoln, Nebraska**

Swearing in of new Board Member Lori Johnson will take place prior to the start of the meeting at 8:45 a.m.

AGENDA

A. Opening 9:00 a.m.

B. Notice of Meeting (Adopt Agenda)

C. Election of Officers

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 9:45 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 D, E, F and G until executive session is completed.

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 - c. AQB Webinar - First Exposure Draft & Concept Paper_January 22, 2026 at 1:00 p.m. ET
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**NEBRASKA REAL PROPERTY APPRAISER BOARD
NRPA OFFICE MEETING ROOM, FIRST FLOOR
NEBRASKA STATE OFFICE BUILDING
301 CENTENNIAL MALL SOUTH, LINCOLN, NE**

December 18, 2025 Meeting Minutes

A. OPENING

Chairperson Gerdes called to order the December 18, 2025 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.

Board Member Johnson entered the meeting via virtual conference at 9:02 a.m.

B. NOTICE OF MEETING

Chairperson Gerdes 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 December 11, 2025. 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 Cody Gerdes of Lincoln, Nebraska; Kevin Hermesen of Gretna, Nebraska; Rodney Johnson of Norfolk, Nebraska; Derek Minshull of North Platte, Nebraska; and Adam Batie of Kearney, Nebraska were present. Also present were Director Tyler Kohtz, Licensing Programs Manager Karen Loll, Education Program Manager Kashinda Sims, and Business Programs Manager Colby Falls, who are headquartered in Lincoln, Nebraska.

ADOPTION OF THE AGENDA

Chairperson Gerdes reminded those present for the meeting that the agenda cannot be altered twenty-four hours prior to the meeting except for emergency items in accordance with the Open Meetings Act. Board Member Minshull moved to adopt the agenda as presented. Board Member Hermesen seconded the motion. The motion carried with Hermesen, Johnson, Minshull, Batie, and Gerdes voting aye.

Board Member Hermesen moved that the Board enter executive session for the purpose of reviewing applicants for credentialing; applications for appraisal management company registration; investigations; pending litigation, or litigation which is imminent as evidenced by communication of 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 Minshull seconded the motion. The time on the meeting clock was 9:05 a.m. The motion carried with Hermesen, Johnson, Minshull, Batie, and Gerdes voting aye.

Board Member Hermesen moved to exit executive session at 9:47 a.m. Board Member Minshull seconded the motion. The motion carried with Hermesen, Johnson, Minshull, Batie, and Gerdes voting aye.

Break from 9:48 a.m. to 9:58 a.m.

G. WELCOME AND CHAIR'S REMARKS

Chairperson Gerdes welcomed all to the December 18, 2025 meeting of the Nebraska Real Property Appraiser Board and thanked the Board and staff for their hard work. Gerdes also thanked the previous Chairperson, Bonnie Downing, for setting an inspiring example of leadership. Gerdes then indicated that this has been a great learning experience and expressed satisfaction with the Board's trajectory. Chairperson Gerdes recognized Scott DiBiasio as the only member of the public in attendance.

H. NRPAB EMPLOYEE RECOGNITION AWARD

Director Kohtz brought attention to the completion of Chairperson Gerdes's term as the first congressional district certified real property appraiser representative on the Board. Director Kohtz presented Chairperson Gerdes with a plaque in recognition of his service to the Board and thanked him for his service and leadership. Chairperson Gerdes thanked Director Kohtz, the Board, and staff for their hard work during his term. Board Member Hermesen thanked Chairperson Gerdes for his leadership and for being a tremendous representative for appraisers. Director Kohtz once again thanked Gerdes for being an excellent chairperson and expressed gratitude for his insights and collaboration needed to solve issues and continue the Board's success.

I. BOARD MEETING MINUTES

1. APPROVAL OF NOVEMBER 20, 2025 MEETING MINUTES

Chairperson Gerdes asked for any additions or corrections to the November 20, 2025 regular meeting minutes. With no discussion, Chairperson Gerdes called for a motion. Board Member Minshull moved to approve the November 20, 2025 regular meeting minutes as presented. Board Member Hermesen seconded the motion. Chairperson Gerdes recognized the motion and asked for any discussion. With no discussion, Chairperson Gerdes called for a vote. The motion carried with Hermesen, Minshull, Batie, and Gerdes voting aye. Board Member Johnson abstained.

J. DIRECTOR'S REPORT

1. REAL PROPERTY APPRAISER AND AMC COUNTS AND TRENDS

a. Real Property Appraiser Report

Director Kohtz presented nine charts outlining the number of real property appraisers as of December 18, 2025 to the Board for review. The Director indicated that he had no specific comments on the charts found on pages J.1 through J.4. Director Kohtz then brought attention to the 2026-27 Renewal Progress Report and informed the Board that, for all classifications, the projected renewal rate for the 2026-27 renewals is 90%. Currently, 57% of credential holders whose credential expires on December 31, 2025 have renewed; another 19% of credential holders have submitted applications currently in pending status. Director Kohtz finished by informing the Board that the renewal application submission rate is approximately 5% behind the historic average. The Director asked for any questions or comments. Chairperson Gerdes thanked the Director for the update. There was no further discussion.

b. Temporary Real Property Appraiser Report

Director Kohtz presented three charts outlining the number of temporary credentials issued as of November 30, 2025 to the Board for review. The Director indicated that he had no specific comments and asked for any questions or comments. There was no further discussion.

c. Supervisory Real Property Appraiser Report

The Director presented two charts outlining the number of registered supervisory real property appraisers as of December 18, 2025 to the Board for review. The Director indicated that he had no specific comments and asked for any questions or comments. There was no further discussion.

d. Appraisal Management Company Report

Director Kohtz presented two charts outlining the number of AMCs as of December 18, 2025 to the Board for review. The Director indicated that he had no specific comments and asked for any questions or comments. There was no further discussion.

2. DIRECTOR APPROVAL OF APPLICANTS

a. Real Property Appraiser 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 November 11, 2025 and December 9, 2025. The Director indicated that he had no specific comments and 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 Companies approved for credentialing by the Director for the period between November 11, 2025 and December 9, 2025. The Director indicated that he had no specific comments and asked for any questions or comments. There was no further discussion.

c. Education Activity and Instructors Report

Director Kohtz presented the Education Activities and Instructors Report to the Board for review showing education activities and instructors approved by the Director for the period between November 11, 2025 and December 9, 2025. The Director asked for any questions or comments. There was no further discussion.

3. 2025-26 NRPAB GOALS AND OBJECTIVES + SWOT ANALYSIS

Director Kohtz presented the 2025-26 NRPAB Goals and Objectives and SWOT Analysis to the Board for review. The Director brought attention to the goal to adopt Title 298 changes to implement the Real Property Appraiser Qualification Criteria effective January 1, 2026 for real property appraisers credentialed prior to January 1, 2026 that upgrade to a higher classification after January 1, 2026 and to implement the CHRC fee changes as increased by the Nebraska State Patrol under the Laws, Rules, and Guidance Documents section and reported that the adopted Title 298 changes hearing was completed on November 20, 2025 and is now under review by the Attorney General's Office. Director Kohtz indicated that a more detailed report will be provided under Agenda Item P. The Director then asked for any questions or comments. There was no further discussion.

K. FINANCIAL REPORT AND CONSIDERATIONS

1. NOVEMBER FINANCIAL REPORT

The receipts and expenditures for November were presented to the Board for review in the Budget Status Report. The Director brought attention to the "CIO Charges" expense in the amount of \$222.27 and informed the Board that this expenditure is significantly lower than normal, as the October CIO IMS billing is not included due to billing issues that needed to be resolved before payment could be made. The "CIO Charges" expenditures in the December Budget Status Report will include both the October and November billings. The Director then moved to the "Postage Expense" in the amount of \$246.41 and communicated that this is higher than normal due to appraiser and AMC renewal activity. Director Kohtz then reported that the "Publication & Print Expense" in the amount of \$738.38 includes the July through September quarterly copy services billing. Next, the Director guided the Board to the "Office Supplies Expense" in the amount of \$983.75 and explained that the majority of this expense is for the purchase of the 2026 USPAP reference manuals. According to Director Kohtz, the "Video Equip" expenditure in the amount of \$229.98 is for the purchase of a video screen for the new office location's flex room. Finally, the Director reported that the expense under "Other Operating Expense" in the amount of \$159.44 is a payment made to resolve OESI 2025.01. The Director reported that the overall expenditures for the month of November were \$36,372.71, and the year-to-date overall expenditures for the fiscal year are \$194,820.68, which amounts to 38.52 percent of the budgeted expenditures for the fiscal year; 41.92 percent of the fiscal year has elapsed.

Director Kohtz then brought the Board's attention to revenues and reported that the revenues for "Certified General New Fees" and "AMC Registered New Fees" continue to be strong during the current fiscal year. In addition, real property appraiser and AMC renewal fees significantly boosted revenues, which is typical for this time of year. The Director Kohtz reported that the overall revenues for the month of November totaled \$79,346.26, and the year-to-date overall revenues for the fiscal year are \$200,325.37, representing 51.98 percent of the projected revenues for the fiscal year. The Director reiterated that 41.92 percent of the fiscal year had passed.

Director Kohtz continued to the Budget Status Report for the Real Property Appraiser Fund and AMC Fund and reported that the Real Property Appraiser Fund expenditures for the month of November totaled \$24,925.02, and the year-to-date expenditures for the fiscal year are \$130,974.44, which amounts to 37.90 percent of the budgeted expenditures for the fiscal year. The Real Property Appraiser Fund revenues were \$59,617.97 for November, and the year-to-date revenues for the fiscal year are \$140,869.29, which amounts to 54.84 percent of the projected revenue for the fiscal year. Director Kohtz then reported that AMC Fund expenditures for the month of November totaled \$11,447.69, and the year-to-date expenditures for the fiscal year are \$63,846.24, which is 39.84 percent of the budgeted expenditures. AMC Fund revenues totaled \$19,728.29 for November, and the year-to-date revenues for the fiscal year are \$59,456.08, which is 46.26 percent of the projected revenue for the fiscal year. The Director asked if there were any questions or comments regarding the Budget Status Report. There was no further discussion.

Director Kohtz presented the MTD General Ledger Detail report for the month of November and reported that batch #8036223, with the Payee/Explanation "Purchase Card Transaction" found on page K.13, was for the aforementioned, 2026 USPAP reference manuals and video screen. Director Kohtz asked for any questions or comments. There was no further discussion.

Director Kohtz presented four graphs illustrating expenses, revenues, and cash balances. The Director noted overall expenditures of \$36,372.71 and revenues of \$79,346.26 for the month of November for the Real Property Appraiser Program, which includes both the Appraiser Fund and the AMC Fund. Director Kohtz then brought the Board's attention to the NRPAB Twenty-Five Month Expenses/Revenues by Program graph, reiterating that Real Property Appraiser Fund expenditures totaled \$24,925.02, the Real Property Appraiser Fund revenues totaled \$59,617.97, AMC Fund expenditures totaled \$11,447.69, and AMC Fund revenues totaled \$19,728.29. The Director then provided a breakdown for real property appraiser renewal revenues compared to projections for the past two years and the current fiscal year. According to Director Kohtz, as of the end of December 2023, \$148,441.90 in real property appraiser renewal revenues were received; the projected real property appraiser renewal revenues for the fiscal year were \$161,150.00; and as of the end of December 2024, \$175,415.47 in real property appraiser renewal revenues were received; the projected real property appraiser renewal revenues for the fiscal year were \$190,850.00. To date, \$143,086.01 in real property appraiser renewal revenues have been received; the projected real property appraiser renewal revenues for the fiscal year are \$173,400.00. Another \$15,000.00 in real property appraiser revenues is expected during the second half of December, which would put the revenues at the end of December at \$158,086.01. Real property appraiser renewal revenues as of the end of December are historically around \$15,000.00 below projections for the fiscal year; this year is right on pace with the historic trends. The Director finished by reporting that the cash balance for the AMC Fund is \$300,630.01, the cash balance for the Appraiser Fund is \$382,892.31, and the overall cash balance for both funds is \$683,522.32. There was no further discussion.

Chairperson Gerdes asked for a motion on the November financial reports. Board Member Minshull moved to file the November financial reports for audit. Board Member Hermesen seconded the motion. Chairperson Gerdes recognized the motion and asked for any discussion. With no discussion, Chairperson Gerdes called for a vote. The motion carried with Hermesen, Johnson, Minshull, Batie, and Gerdes voting aye.

2. ASC SARAS GRANT REPORT

Director Kohtz presented the Budget Status Report for the SARAS Grant Fund to the Board for review and reiterated that the October CIO IMS billing is not included due to billing issues that needed to be resolved before payment could be made. The “CIO Charges” expenditures in the December Budget Status Report will include both the October and November billings. The Director then asked for any questions or comments. There was no further discussion.

Director Kohtz presented the General Ledger Detail Report for the SARAS Grant Fund. The Director indicated that he had no specific comments and asked for any questions or comments. There was no further discussion.

3. NOTICE OF CASH FUND TRANSFERS

The Director presented an email from Budget Management Analyst Ryan Walton and informed the Board that the transfer of \$150,000.00 from the Appraiser Fund and \$100,000.00 from the AMC Fund to the State General Fund has been scheduled for December 31, 2025. The Director indicated that he had no specific comments and asked for any questions or comments. There was no further discussion.

4. PER DIEMS: No discussion.

L. GENERAL PUBLIC COMMENTS

Chairperson Gerdes asked for any public comments. With no public comments, Chairperson Gerdes moved on to Education.

M. EDUCATION

1. NEW CONTINUING EDUCATION ACTIVITY APPLICATIONS

a. 2251497.01: ASFMRA – “Appraising Ag Facilities Equine Seminar”

EPM Sims presented an Agenda Item Summary to the Board concerning an Application for Approval as a Continuing Education Activity in Nebraska for the ASFMRA classroom activity titled, “Appraising Ag Facilities Equine Seminar” (Activity #2251497.01). EPM Sims indicated that this activity, and the activity under Section M.1.b on the agenda, are the same activities with different presentation methods, and will be discussed together.

b. 2253498.01: ASFMRA – “Appraising Ag Facilities Equine Seminar”

EPM Sims presented an Agenda Item Summary to the Board concerning an Application for Approval as a Continuing Education Activity in Nebraska for the ASFMRA synchronous activity titled, “Appraising Ag Facilities Equine Seminar” (Activity #2253498.01).

EPM Sims informed the Board that the timed outline for these activities totals nine hours; however, the applications list eight hours. In addition, the activity name on the documents certifying completion does not match the name of the activity listed on the applications. The provider was notified of the deficiencies in a letter sent on November 13, 2025, which requested that updated materials be submitted before the end of day on December 5, 2025. EPM Sims indicated that a subsequent communication was made on December 8, 2025. There was no response from ASFMRA to the letter or subsequent communication. Chairperson Gerdes asked what the options are for these activities. Director Kohtz informed the Board that the Board may deny the activities or provide a path to resolution of the deficiencies and approval. The Board agreed to give ASFMRA a month to resolve these deficiencies. If the deficiencies are not resolved, the Board will discuss these education activities at its January 15, 2026 meeting. Board Member Hermesen moved to authorize Director to approve education activity "Appraising Ag Facilities Equine Seminar" (#2251497.01), and education activity "Appraising Ag Facilities Equine Seminar" (#2253498.01), upon receipt of documentation evidencing that the requirements under 298 NAC Chapter 6, §§ 001.10B and 001.12 have been met prior to January 9, 2026. Board Member Minshull seconded the motion. Chairperson Gerdes recognized the motion and asked for any discussion. With no discussion, Chairperson Gerdes called for a vote. The motion carried with Hermesen, Johnson, Minshull, Batie, and Gerdes voting aye.

N. UNFINISHED BUSINESS

1. 500 SOUTH 16TH STREET DOL BUILDING RELOCATION

Director Kohtz brought attention to the Board's relocation to 500 South 16th Street and informed the Board that he had no update.

2. EXPLORE SARAS GRANT TO INCREASE NUMBER OF NEBRASKA RESIDENT REAL PROPERTY APPRAISERS

Director Kohtz brought attention to the explore SARAS grant to increase the number of Nebraska Resident Real Property Appraisers and informed the Board that he had no update.

3. OPEN 1ST CONGRESSIONAL DISTRICT CERTIFIED REAL PROPERTY APPRAISER REPRESENTATIVE POSITION

Director Kohtz brought attention to the open 1st Congressional District Certified Real Property Appraiser Representative position and informed the Board that he had no update.

O. NEW BUSINESS: No discussion.

P. LEGISLATIVE REPORT AND BUSINESS

1. PROPOSED CHANGES TO TITLE 298 OF THE ADMINISTRATIVE CODE

Director Kohtz informed the Board that the adopted changes to Title 298 of the Nebraska Administrative Code have been submitted to the Attorney General's Office for review. The AGO is holding the draft and has deemed the submission deficient as no Governor's Checklist is included and the Certificate of Adoption failed to meet the information requirements outlined in statute. The Director then informed the Board that the Secretary of State's Office implemented a new online docket system for changes to rules and regulations at the beginning of this year. Prior to the Board's February 20, 2025 adoption of its changes to Title 298, the Director asked the Governor's Policy and Research Office if the Governor's Checklist was still required as it is not included as a required document in the new system. Director Kohtz indicated that he was informed that this document is no longer required. In addition, the Director informed the Board that the system generated Certificate of Adoption was included with the submission. The AGO had no issues with the February 20, 2025 submission and quickly approved it. Director Kohtz informed the Board that the AGO is working with the GPRO to resolve this issue, which affects many agencies operating under the same understanding. Director Kohtz indicated that he is unsure of the next step and informed the Board that he is in regular contact with the AGO. Board Member Minshull expressed support for the Director and commented on the frustrating nature of the situation. Chairperson Gerdes agreed and thanked Director Kohtz for the report.

2. OTHER LEGISLATIVE MATTERS: No discussion.

Q. ADMINISTRATIVE BUSINESS: No discussion.

R. OTHER BUSINESS

1. BOARD MEETINGS

a. 2026 NRPAB Calendar

Director Kohtz presented the 2026 NRPAB Calendar to the Board for consideration. The Director informed the Board that meeting dates, the AARO conference dates, beginning of the State's fiscal year, the beginning and end dates of the legislative session, and State holidays are all color-coded. Director Kohtz reminded the Board that the meeting dates are tentative and may change. Chairperson Gerdes asked if the strategic planning meeting had been scheduled. The Director responded that the strategic planning meeting is determined by the Board closer to the fiscal year end. Director Kohtz asked for any questions. With no discussion, Chairperson Gerdes asked for a motion to approve the 2026 NRPAB Calendar. Board Member Hermesen moved to approve the 2026 NRPAB Calendar as presented. Board Member Johnson seconded the motion. Chairperson Gerdes recognized the motion and asked for any discussion. With none, Chairperson Gerdes called for a vote. The motion carried with Hermesen, Johnson, Minshull, Batie, and Gerdes voting aye.

2. CONFERENCES/EDUCATION

a. Spring AARO Conference; April 27-29, 2026 – San Diego, CA

Director Kohtz reported that the Spring 2026 AARO Conference will take place April 27, 2026 through April 29, 2026 in San Diego, California. The Director requested permission to attend the conference on behalf of the Board; ASC SARAS Grant funds will be utilized for the travel and registration costs. Chairperson Gerdes asked for any discussion. With none, Chairperson Gerdes called for a motion. Board Member Johnson moved to approve Director Kohtz's attendance at the Spring 2026 AARO Conference from April 27, 2026 through April 29, 2026 utilizing the ASC SARAS Grant funds for registration and travel. Board Member Batie seconded the motion. Chairperson Gerdes recognized the motion and asked for any discussion. With no discussion, Chairperson Gerdes called for a vote. The motion carried with Hermesen, Johnson, Minshull, Batie, and Gerdes voting aye.

3. MEMOS FROM THE BOARD: No discussion.

4. QUARTERLY NEWSLETTER: No discussion.

5. APPRAISAL SUBCOMMITTEE: No discussion.

6. THE APPRAISAL FOUNDATION

a. First Exposure Draft of Proposed Changes to the Real Property Appraiser Qualification Criteria_December 3, 2025

Director Kohtz presented the document titled, "First Exposure Draft of Proposed Changes to the Real Property Appraiser Qualification Criteria" to the Board for review. The Director reported that this exposure draft proposes to:

- Eliminate all college course and college degree requirements for the Certified Residential and Certified General classifications, replacing them with additional qualifying education.
- Remove elective coursework from the required core curriculum; however, there will be an overall net increase in qualifying education hours due to the additional qualifying education requirements.
- Revise experience requirements to allow Licensed and Certified credential experience to be earned before, during, or after completing qualifying education and the national examination.
- Refine definitions of Practicum and supervision, distinguishing Practicum from PAREA and clarifying supervisory authority and limits.
- Create two experience categories: (1) log-based experience pathway; and (2) approved program experience pathway, which includes PAREA Practicum Courses, and programs approved by the AQB.
- Eliminate continuing education for the Trainee Appraiser classification.
- Clarify the three-Trainee Appraiser supervision limit, explaining the circumstances under which states may authorize a higher number of Trainee Appraisers under one Supervisory Appraiser.
- Add two new experience allowances: (1) appraisers working within legally confidential environments such as the IRS; and (2) appraisers performing work under recognized International Valuation Standards.

- Add new Guide Note 12, providing guidance on signatures and supervisory documentation requirements in experience logs, including how those requirements apply in mass appraisal.
- Update language and structure throughout the Criteria to improve readability, consistency, and usability.

The Director also noted that he was asked by The Appraisal Foundation to provide a technical review of the language and structure in the draft and informed the Board that he did this. The Director asked for any questions or comments. There was no further discussion.

b. AQB Concept Paper – Skills Based Pathway_December 3, 2025

Director Kohtz presented the document titled, “AQB Concept Paper – Skills Based Pathway” to the Board for review. The Director reported that this concept paper explains why the skills-based pathway is not included in the Criteria exposure draft, but that the concept is still under consideration. The Director asked for any questions or comments. There was no further discussion.

c. AQB Concept Paper – Examination Only Pathway_December 3, 2025

Director Kohtz presented the document titled, “AQB Concept Paper – Examination Only Pathway” to the Board for review. The Director reported that this concept paper explains why the examination only pathway is not included in the Criteria exposure draft, but that the concept is still under consideration. The Director asked for any questions or comments. There was no further discussion.

d. TAF December Newsletter

Director Kohtz presented The Appraisal Foundation’s December Newsletter 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.

7. ASSOCIATION OF APPRAISER REGULATORY OFFICIALS: No discussion.

8. GOVERNMENT-SPONSORED ENTERPRISES: No discussion.

9. IN THE NEWS: No discussion.

C. CREDENTIALING AS A NEBRASKA REAL PROPERTY APPRAISER

The Board reviewed applicants L25003 and CG2025011R. Chairperson Gerdes asked for a motion on L25003 and CG2025011R.

Board Member Hermesen moved to take the following action:

L25003 / Approve applicant to sit for exam and authorize Director to issue credential as a licensed residential real property appraiser upon receiving evidence of successful completion of the national uniform licensing and certification examination and the necessary fees from applicant. Provide redacted copy of the USPAP Compliance Review Report to applicant and issue written advisory directing applicant to take notice of the findings in the UPSAP Compliance Review Report.

Board Member Minshull seconded the motion. Chairperson Gerdes recognized the motion and called for a vote. Motion carried with Hermesen, Johnson, Minshull, Batie, and Gerdes voting aye.

Board Member Hermesen moved to take the following action:

CG2025011R / Authorize Director to approve 2026-27 Application for Renewal of Nebraska Real Property Appraiser Credential subject to applicant providing evidence showing that terms of Consent Agreement have been met.

Board Member Batie seconded the motion. Chairperson Gerdes recognized the motion and called for a vote. Motion carried with Hermesen, Johnson, Minshull, Batie, and Gerdes voting aye.

D. REGISTRATION AS AN APPRAISAL MANAGEMENT COMPANY: No discussion.

E. COMPLIANCE MATTERS

The Board reviewed compliance matters 23-01 and 25-09. Chairperson Gerdes asked for a motion on 23-01.

Board Member Hermesen moved to take the following action:

23-01 / Close Grievance 23-01. Redact and send USPAP Compliance Review Report pertaining to the report for the property located at 2812 Pratt Street in Omaha, Nebraska to Respondent, and issue a written advisory for Respondent to take notice of findings in the USPAP Compliance Review Report.

Board Member Batie seconded the motion. Chairperson Gerdes recognized the motion and called for a vote. Motion carried with Hermesen, Johnson, Minshull, Batie, and Gerdes voting aye.

F. OTHER EXECUTIVE SESSION ITEMS: No discussion.

S. ADJOURNMENT

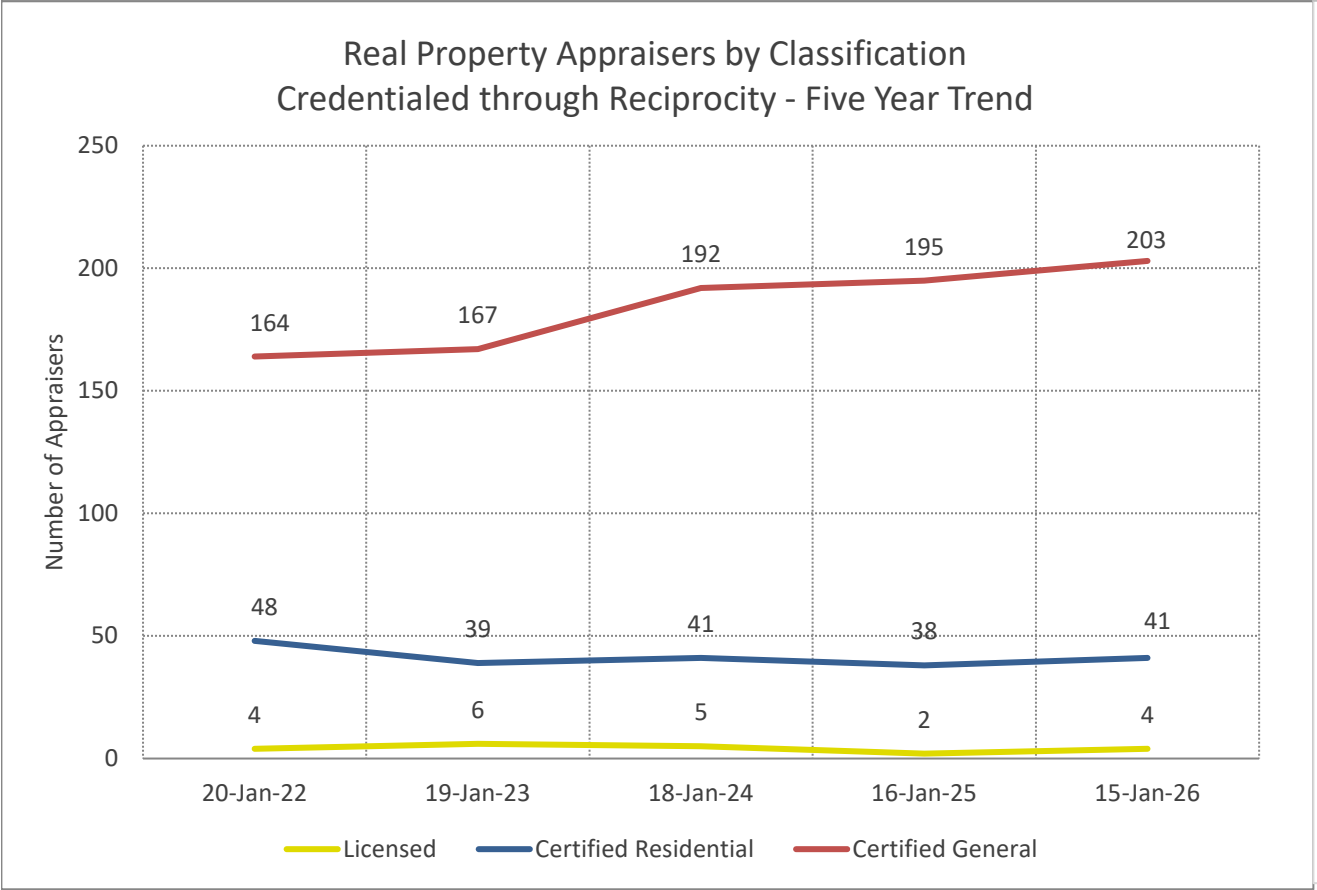
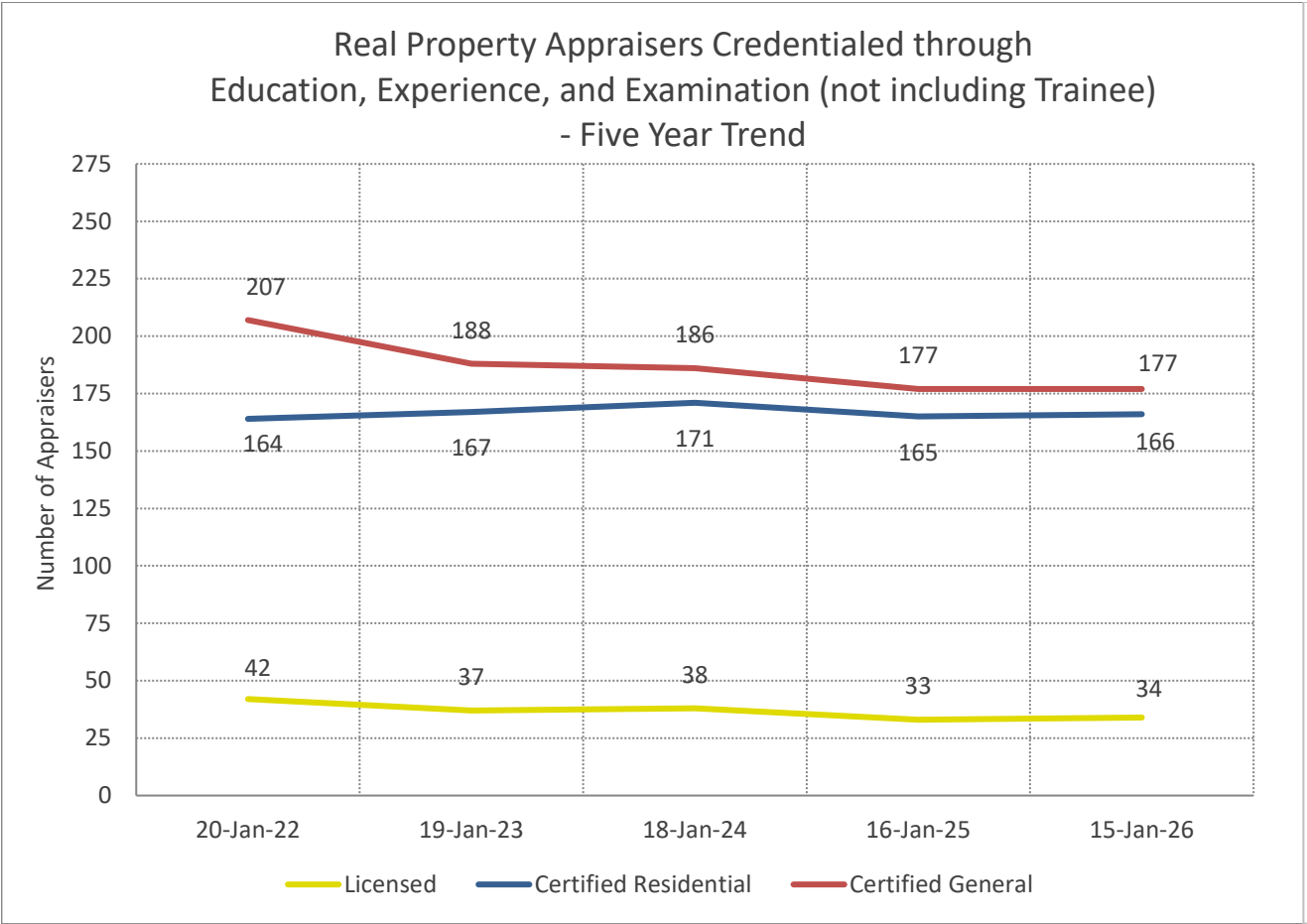
Board Member Minshull moved to adjourn the meeting. Board Member Hermesen seconded the motion. The motion carried with Hermesen, Johnson, Minshull, Batie, and Gerdes voting aye. At 10:46 a.m., Chairperson Gerdes adjourned the December 18, 2025 meeting of the Nebraska Real Property Appraiser Board.

Respectfully submitted,

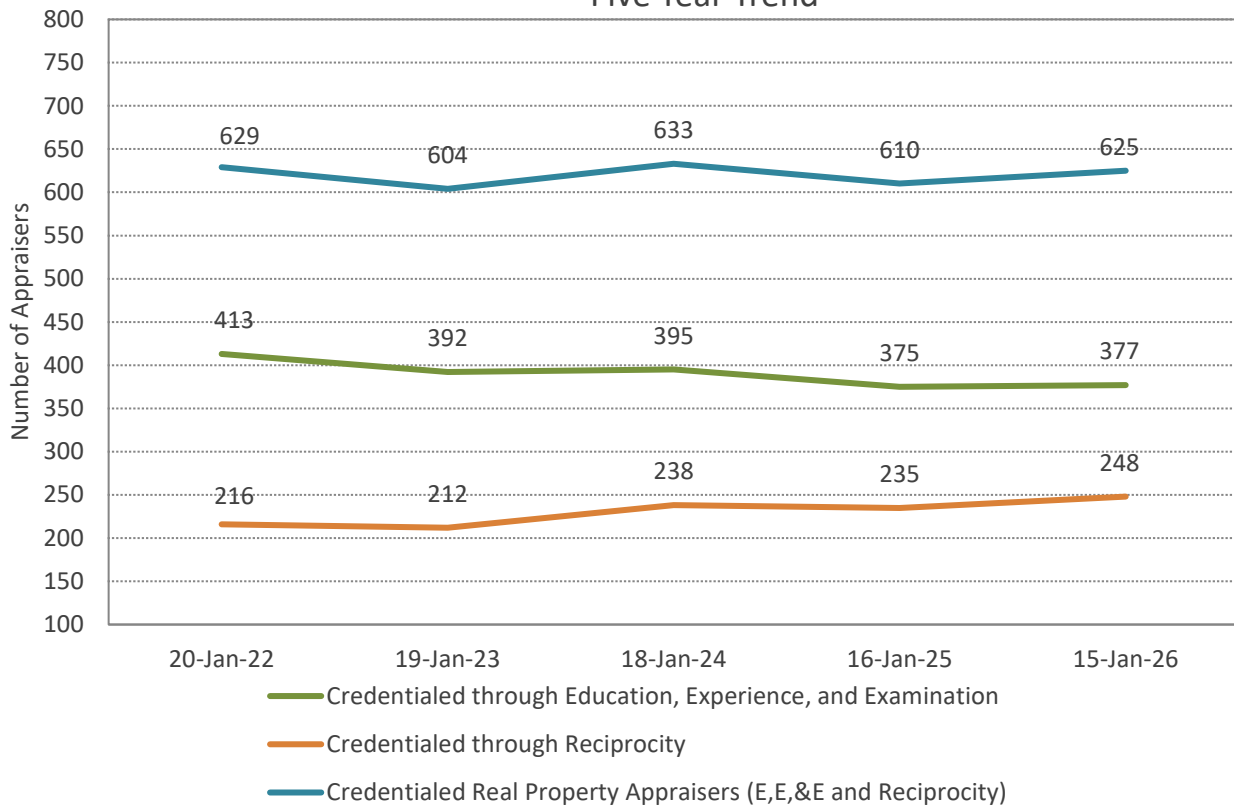
Tyler N. Kohtz
Director

These minutes have been made available for public inspection on December 30, 2025, in compliance with Nebraska Revised Statute § 84-1413(5).

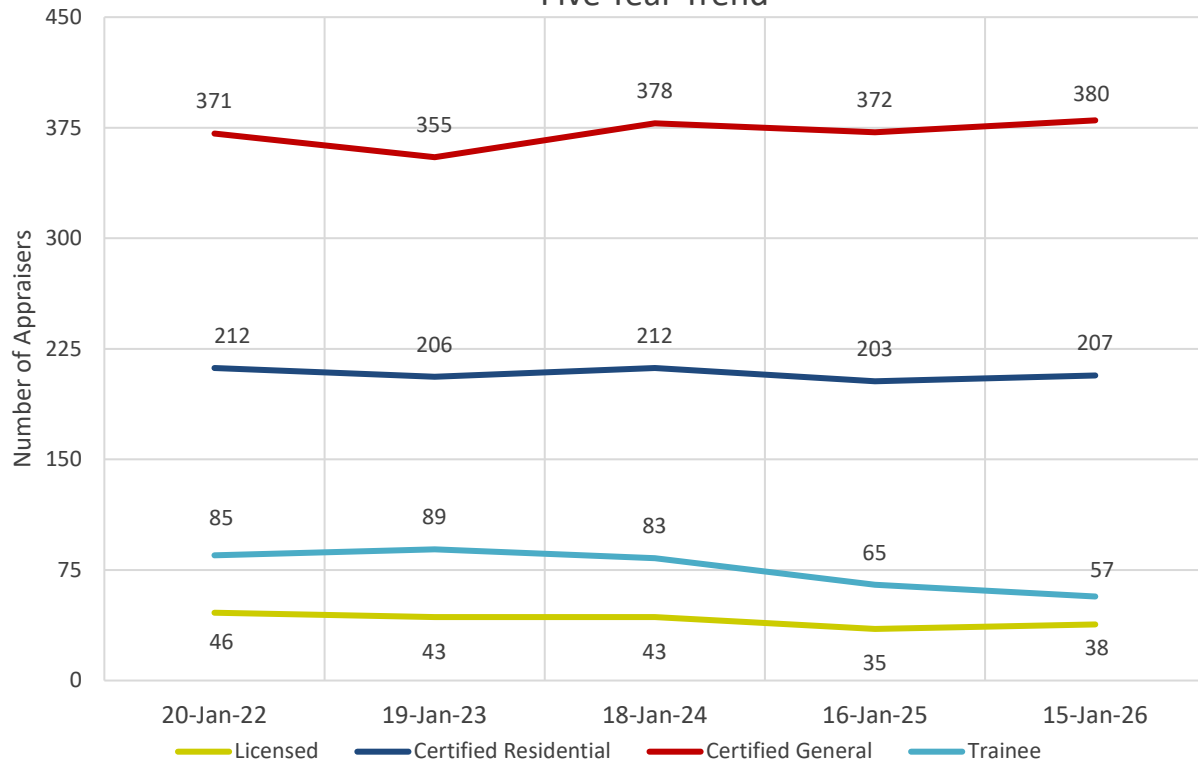
Real Property Appraiser Report

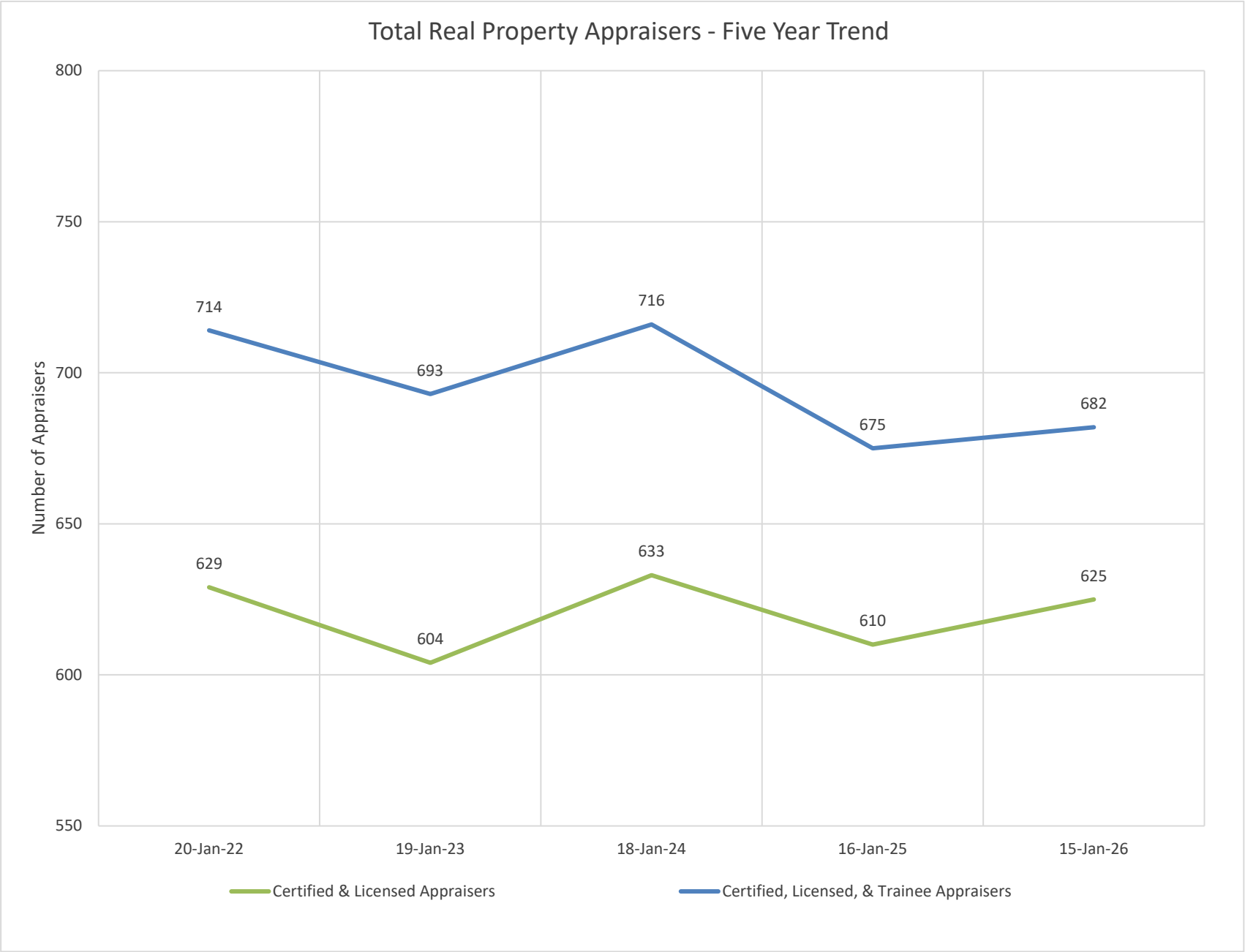


Total Real Property Appraisers (not including Trainee)
- Five Year Trend

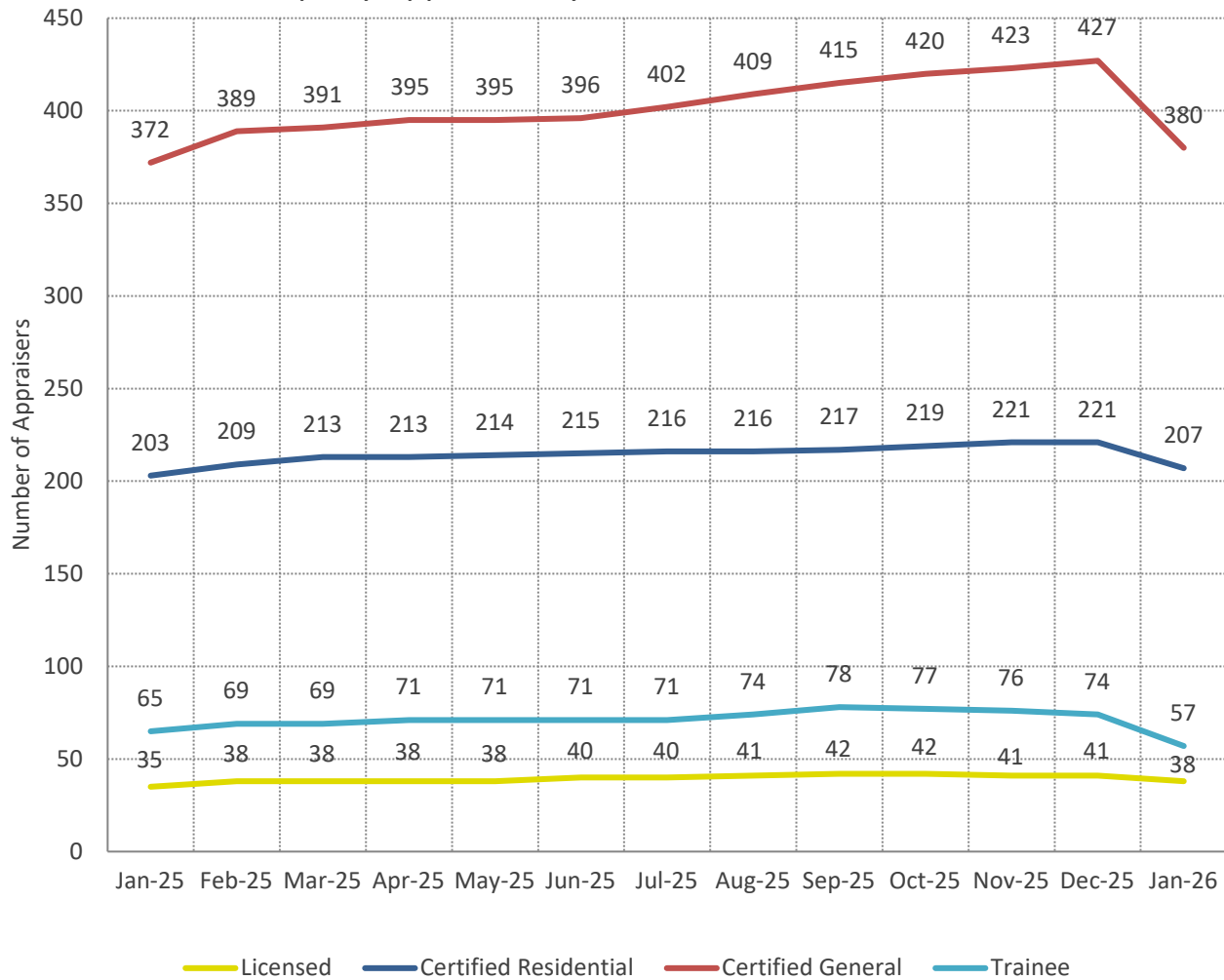


Total Real Property Appraisers by Classification -
Five Year Trend

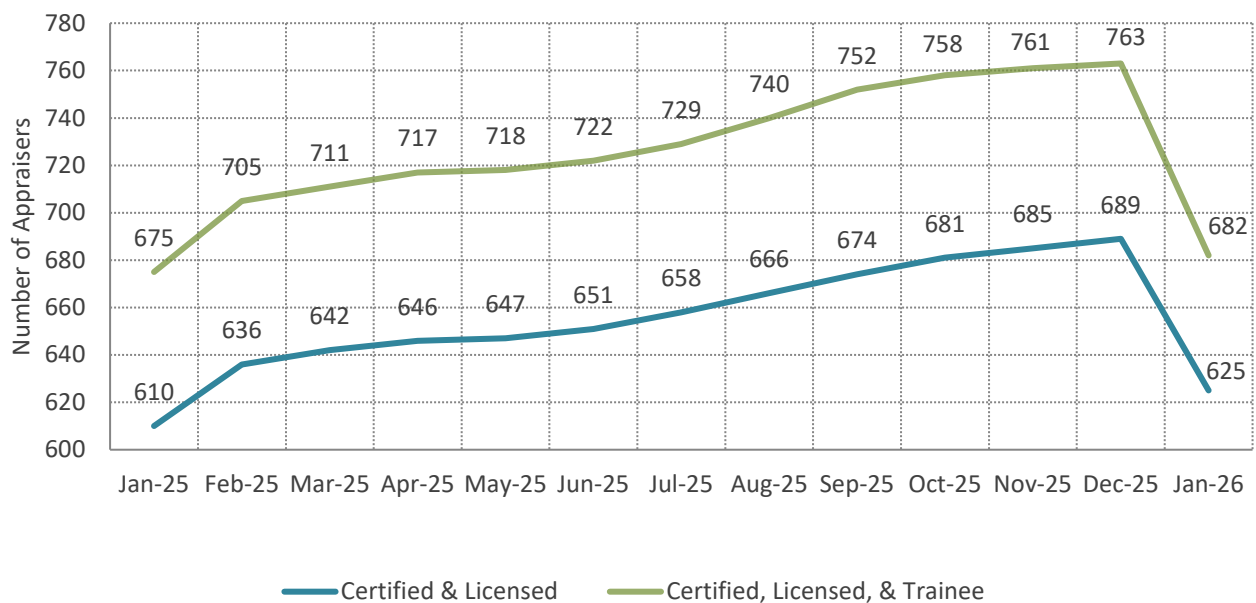




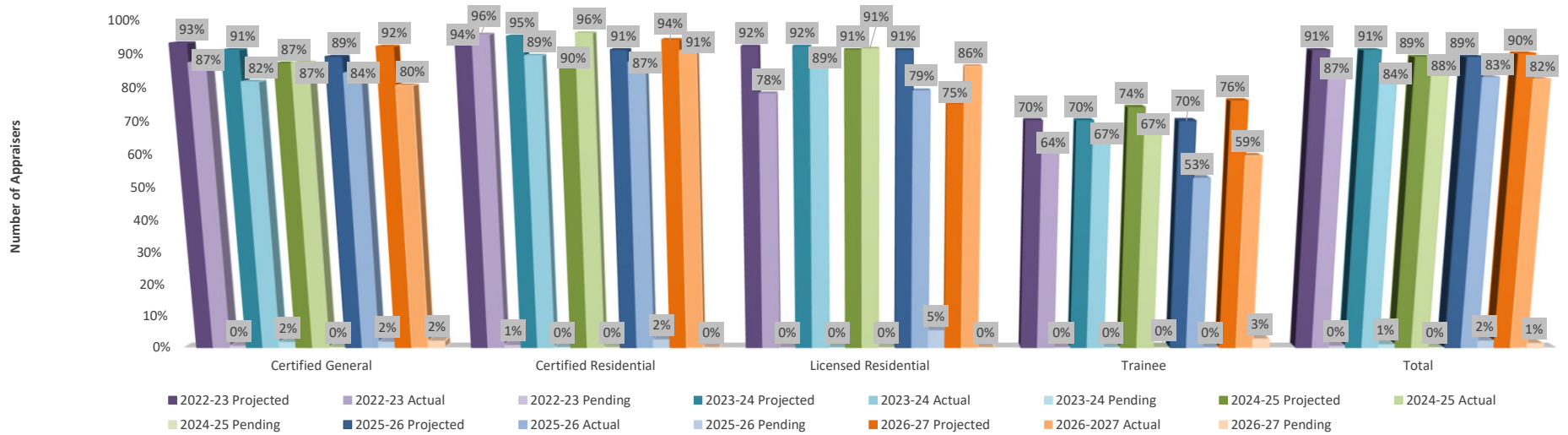
Real Property Appraisers by Classification - Thirteen Month Trend



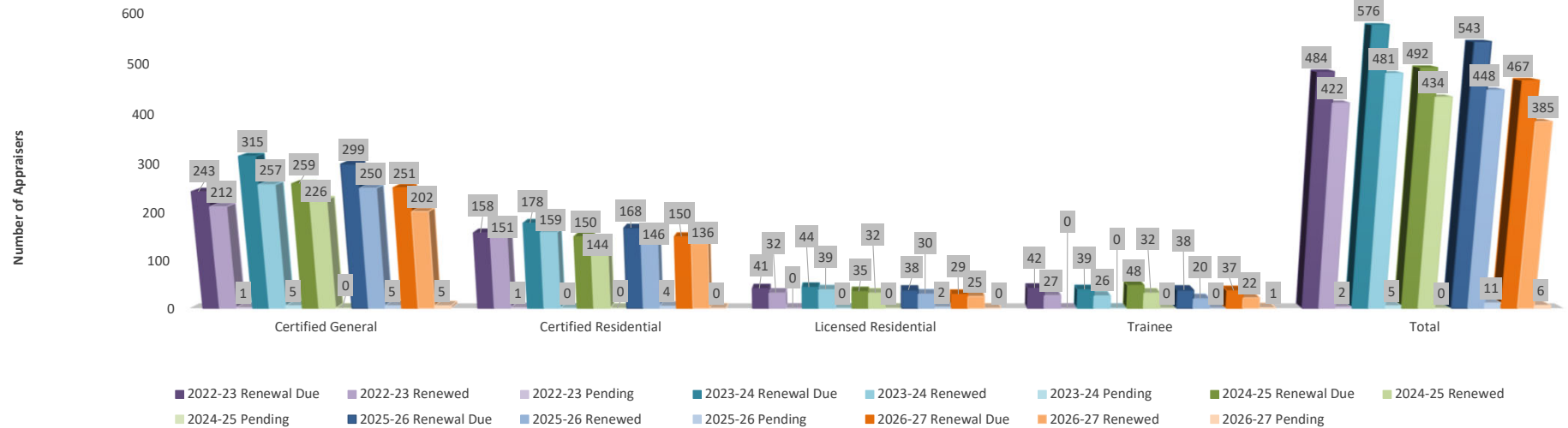
Total Real Property Appraisers - Thirteen Month Trend



2026-27 PERCENTAGE PROJECTIONS/ACTUALS RENEWAL REPORT - 1/6/2026

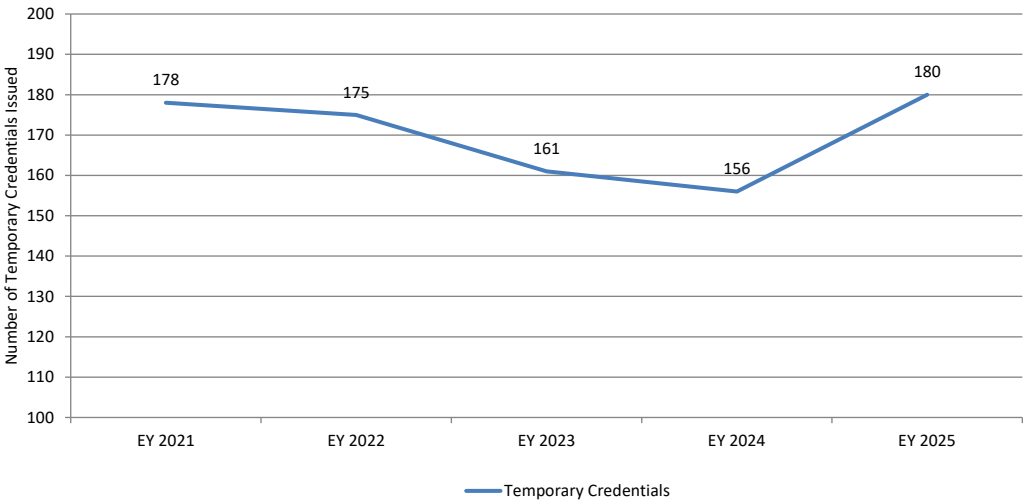


2026-27 APPRAISER COUNT RENEWAL REPORT - 1/6/2026

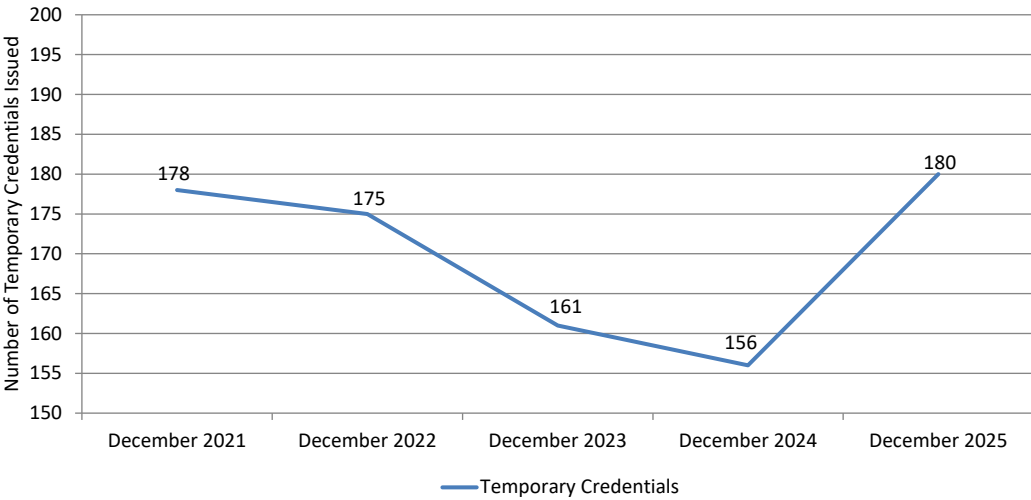


Temporary Real Property Appraiser Report

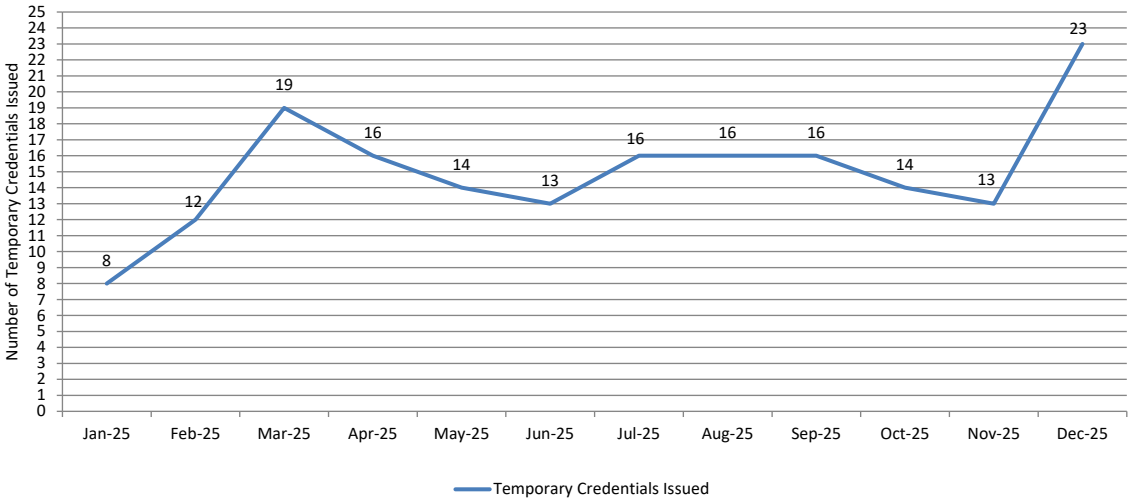
Temporary Real Property Appraiser Credentials Issued by Calendar Year - Five Year Trend



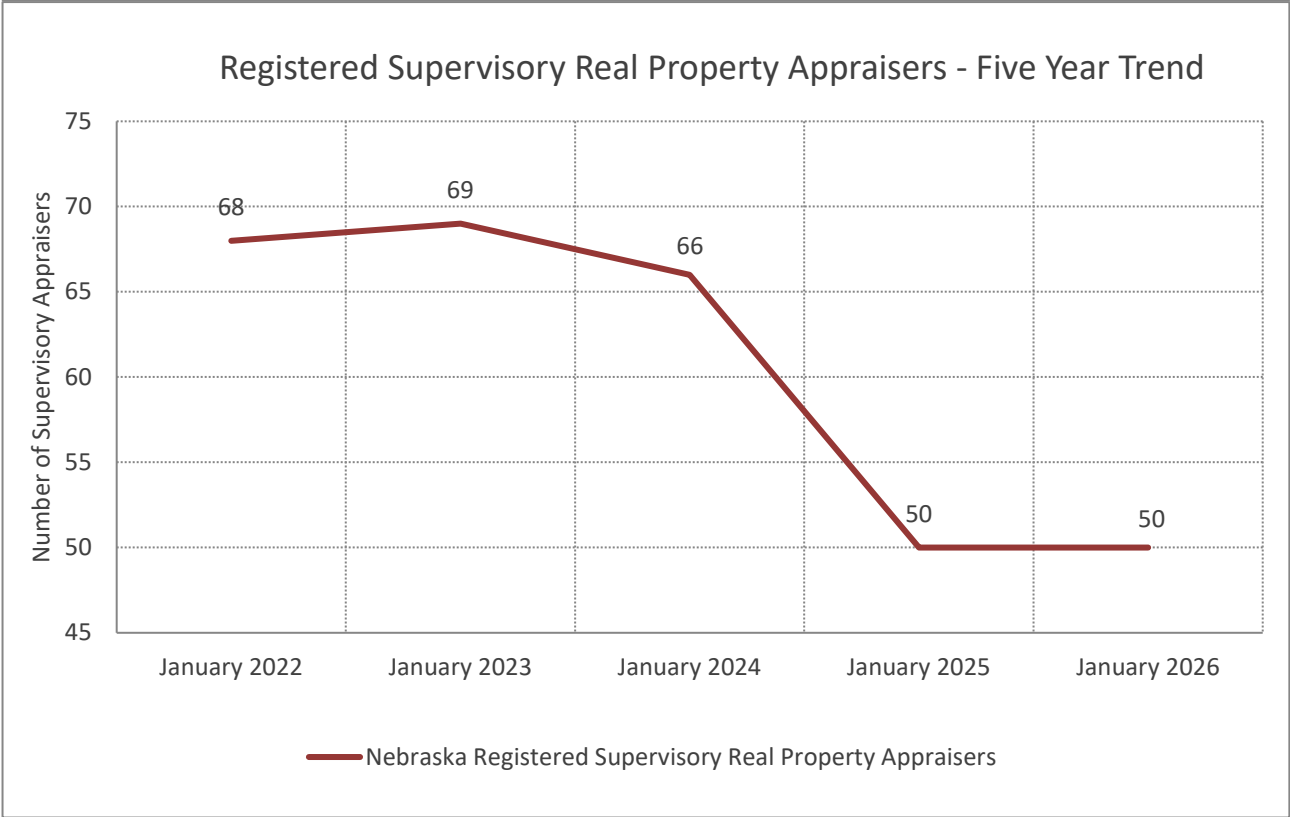
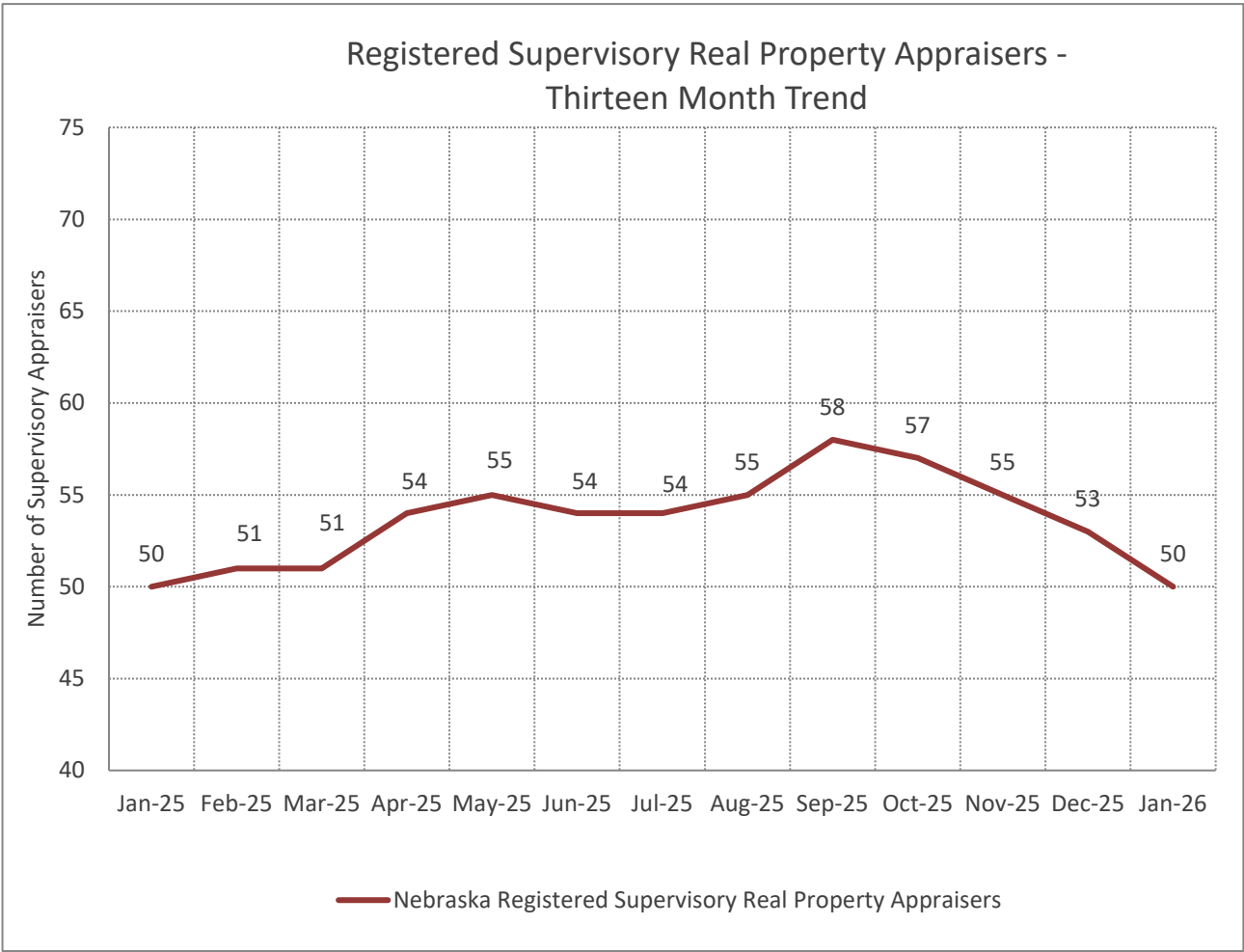
Year-to-date Temporary Real Property Appraiser Credentials Issued - Five Year Trend



Temporary Real Property Appraiser Credentials Issued by Month - Twelve Month Trend

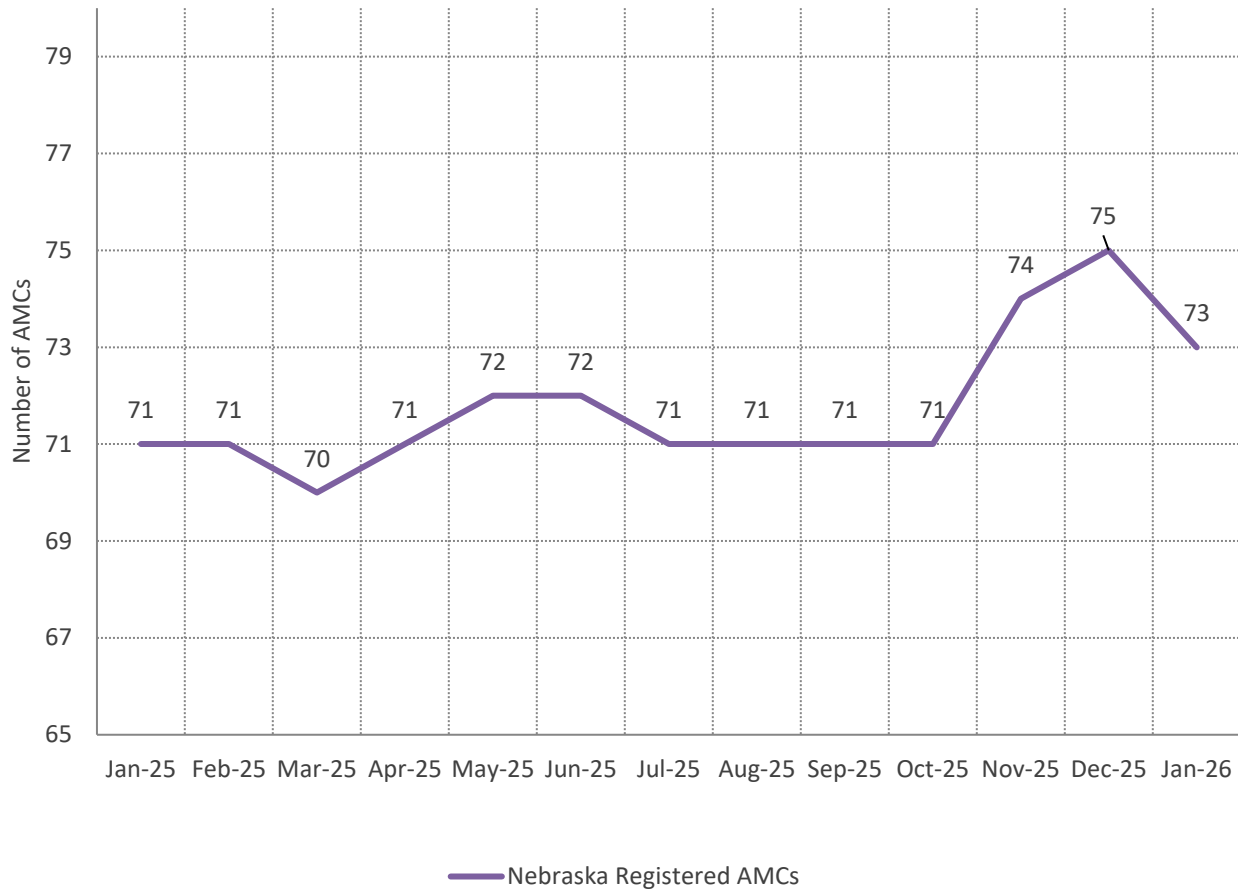


Supervisory Real Property Appraiser Report

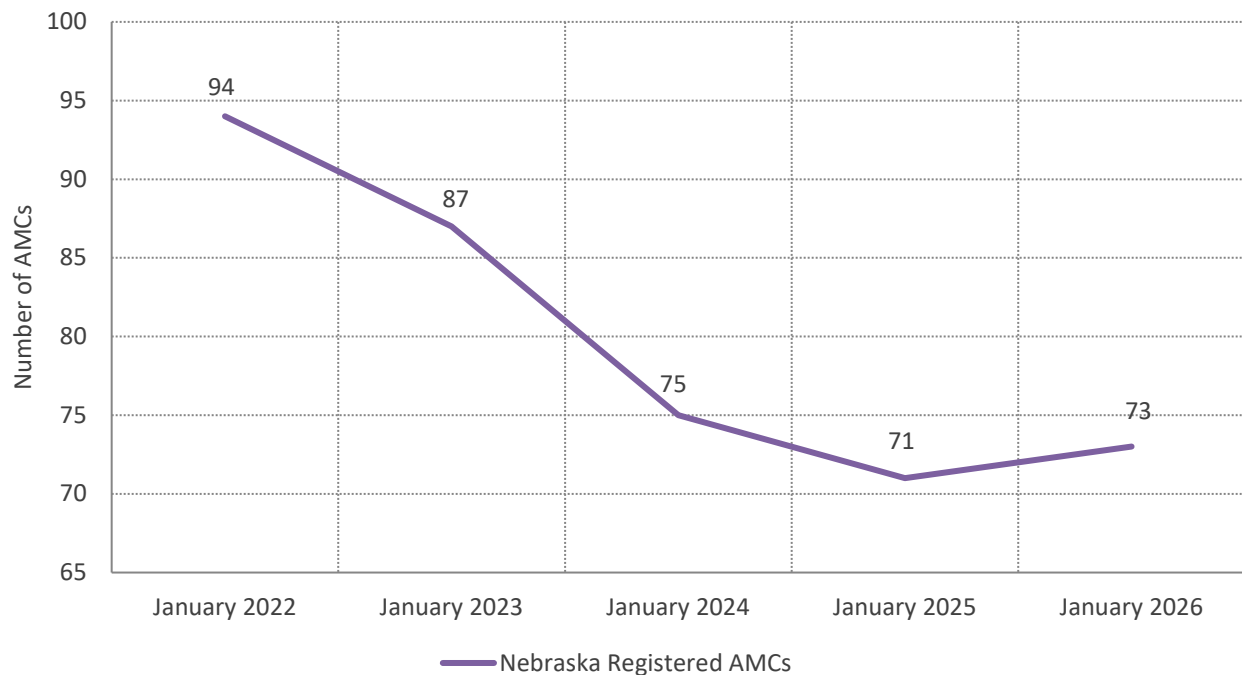


Appraisal Management Company Report

Appraisal Management Companies - Thirteen Month Trend



Appraisal Management Companies - Five Year Trend



NEBRASKA REAL PROPERTY APPRAISER BOARD

DIRECTOR APPROVAL OF REAL PROPERTY APPRAISER APPLICANTS

December 10, 2025 – January 6, 2025

New Certified General Real Property Appraisers through Reciprocity		
CG25032R	Zabel, Aaron	Approved December 9, 2025

NEBRASKA REAL PROPERTY APPRAISER BOARD
DIRECTOR APPROVAL OF EDUCATION ACTIVITY AND INSTRUCTOR(S) APPLICANTS

December 10, 2025 – January 6, 2026

Provider	Activity Number	Hours	Title	Instructor(s)	Approval Date
<i>New Continuing Education Activities and Instructors</i>					
Appraisal Institute	225240K.02	6.00	Online Business Practices and Ethics	Paula Konikoff, Richard Borges	12/23/2025
<i>New Qualifying Education Activities and Instructors</i>					
Appraisal Institute	125140A.02	33.00	Advanced Market Analysis and Highest & Best Use	John Urubek, Rick Carlile	12/23/2025

2025-26 Nebraska Real Property Appraiser Board Goals and Objectives
June 17, 2025 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	Adopt Title 298 changes to implement the Real Property Appraiser Qualification Criteria Effective January 1, 2026 for real property appraisers credentialed prior to January 1, 2026 that upgrade to a higher classification after January 1, 2026 and to implement the CHRC Fee changes as increased by the Nebraska State Patrol.	6/30/2026	AGO approved January 2, 2026, under GPRO review.	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, maintain an effective enforcement program, and provide for better clarification and administration.	Ongoing.	
				Harmonize Title 298 with the changes made to the Nebraska Real Property Appraiser Act and Appraisal Management Company Registration Act as needed.	Ongoing.	
				Address changes to USPAP, Real Property Appraiser Qualifications Criteria, ASC Policy Statements, AQB CAP Program Guidelines, and Title XI as required.	Ongoing.	
				Continue to adopt Guidance Documents for public advisement concerning interpretation of statutes and rules, and retire Guidance Documents that are no longer relevant.	Ongoing.	
				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.	
COMPLIANCE	None.			None.		
CREDENTIALING AND REGISTRATION	For real property appraiser and AMC applications available online, explore offering paper applications upon request only for processing fee.	12/31/2025	Completed August 21, 2025	Monitor real property appraiser credential renewal dates.	Ongoing.	
	Explore use of SARAS Grant to increase the number of Nebraska resident real property appraisers.	6/30/2026	In progress.			
	Explore separate fee structure for credentialing through reciprocity.	12/31/2025	Completed July 17, 2025			
	Review current AMC fees.	12/31/2025	Completed August 21, 2025			
EDUCATION	Reach out to Nebraska community colleges with real estate degree programs to gauge interest in obtaining AQB CAP Approval.	6/30/2026		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.	
				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.	
PERSONNEL	None.			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.	
PUBLIC INFORMATION	Populate the Disciplinary History Search with all real property appraiser and AMC disciplinary action history for active credential and registration holders.	6/30/2026		Encourage development of Memos from the Board and Facebook posts, and The Nebraska Appraiser articles that contain facts of interest to the appraisal business community.	Ongoing.	
				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.	
				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.	
				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.	Ongoing.	
				Continue utilization of the NRPAB Facebook page to disseminate important information in a timely manner that that appraisal business community and general public would otherwise not be aware of, such as documents posted to the NRPAB website, meeting information, and NRPAB policy and business information.	Ongoing.	
				Continue to monitor the effectiveness of current NRPAB website, and repair bugs and make improvements and add enhancements needed to address functionality or use.	Ongoing.	
ADMINISTRATION	Utilize SARAS Grant for development and implementation of online real property appraiser reciprocity application and NRPAB Database interface, and development and of online education applications and NRPAB Database interface.	6/30/2026	Development of online real property appraiser reciprocity application and NRPAB Database interface in progress.	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.	
				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.	
				Explore online real property appraiser through E,E,&E initial applications, AMC initial application, and other services that require payment of a fee.	Ongoing.	
				Explore use of AI for business functions to automate tasks and for data analysis.	Ongoing.	
				Explore use of SARAS Grant to develop application in NRPAB Database to accept credit card payments through credit card vendor for online applications.	Ongoing.	
FINANCIALS	Submit Budget Deficit Request for \$12,263.00 deficit to Health Insurance Expenses (\$15500) for FY2025-26, and for \$12,876.00 deficit to Health Insurance Expenses (\$15500) for FY2026-27, due to 18.5% cost of insurance increase to the agency as notified by DAS on June 13, 2025.	11/1/2025	Completed September 18, 2025.	None.		

2025-26 NRPAB SWOT Analysis			
STRENGTHS: * Customer service * Organization * Board member knowledge * Staff knowledge * Adaptability * Professional diversity of Board * Modernization of accessibility * Authority to enter into contingent dismissal agreements	WEAKNESSES: * Industry's inability to grow * Efficiency loss due to database not meeting potential * Regulatory and statutory barriers	OPPORTUNITIES: * Growth in real property appraiser field * Continued evaluation of Board and Agency operations * Embrace of available technology * Agency staff size and cross-training of Agency duties * Board member with residential appraisal expertise * Utilization of ASC grant funding for technology projects * Education of users of appraisal reports * Utilization of ASC grant to increase NE appraiser numbers	THREATS: * Agency turnover * Federal agency oversight * Economic climate * Aging appraiser population * Inadequate supervisory appraiser knowledge * Deemphasis on appraisals at the Federal level * Commodification of appraisal reports * Business consolidation * Government consolidation

STATE OF NEBRASKA
Department of Administrative Services
Accounting Division
Budget Status Report
As of 12/31/25Agency 053 REAL PROPERTY APPRAISER BD
Division
Program 079 APPRAISER LICENSING

Percent of Time Elapsed = 50.41

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	221,345.91	15,063.13	107,999.35	48.79		113,346.56
511600	PER DIEM PAYMENTS	8,500.00	400.00	3,100.00	36.47		5,400.00
511700	EMPLOYEE BONUSES	2,000.00					2,000.00
512100	VACATION LEAVE EXPENSE	17,312.93	1,483.49	5,499.79	31.77		11,813.14
512200	SICK LEAVE EXPENSE	1,964.37	309.64	937.50	47.73		1,026.87
512300	HOLIDAY LEAVE EXPENSE	12,227.25	1,872.91	6,495.35	53.12		5,731.90
512500	FUNERAL LEAVE EXPENSE			143.65			143.65-
Personal Services Subtotal		263,350.46	19,129.17	124,175.64	47.15	0.00	139,174.82
515100	RETIREMENT PLANS EXPENSE	19,137.02	1,402.42	9,066.02	47.37		10,071.00
515200	FICA EXPENSE	20,071.09	1,281.28	8,406.87	41.89		11,664.22
515500	HEALTH INSURANCE EXPENSE	66,162.00	6,533.44	39,200.64	59.25		26,961.36
516500	WORKERS COMP PREMIUMS	1,366.00		1,366.00	100.00		
Major Account 510000 Total		370,086.57	28,346.31	182,215.17	49.24	0.00	187,871.40
520000 OPERATING EXPENSES							
521100	POSTAGE EXPENSE	2,654.22	281.39	1,547.27	58.29		1,106.95
521400	CIO CHARGES	37,636.61	2,273.17	14,192.76	37.71		23,443.85
521500	PUBLICATION & PRINT EXP	3,378.08		1,366.46	40.45		2,011.62
521900	AWARDS EXPENSE	50.00				28.00	22.00
522100	DUES & SUBSCRIPTION EXP	600.00		600.00	100.00		
524600	RENT EXPENSE-BUILDINGS	13,767.10	1,141.13	6,872.63	49.92		6,894.47
524900	RENT EXP-DEPR SURCHARGE	4,664.00	388.64	2,331.84	50.00		2,332.16
531100	OFFICE SUPPLIES EXPENSE	1,792.47		1,317.40	73.50		475.07
532100	NON-CAPITALIZED EQUIP PU	150.00	159.98	159.98	106.65		9.98-
532280	VIDEO EQUIP			229.98			229.98-
541100	ACCTG & AUDITING SERVICES	2,986.00		2,986.00	100.00		
541200	PURCHASING ASSESSMENT	41.00		42.00	102.44		1.00-
541500	LEGAL SERVICES EXPENSE	20,020.00		163.50	.82		19,856.50
541700	LEGAL RELATED EXPENSE	3,031.00		31.00	1.02		3,000.00
547100	EDUCATIONAL SERVICES	51.00		51.00	100.00		
554900	OTHER CONTRACTUAL SERVICES	31,294.50	1,305.00	9,379.25	29.97		21,915.25
556100	INSURANCE EXPENSE	93.00		14.79	15.90		78.21

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Program 079 APPRAISER LICENSING

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ACCOUNT CODE DESCRIPTION		BUDGETED AMOUNT	CURRENT MONTH ACTIVITY	YEAR-TO-DATE ACTUALS	PERCENT OF BUDGET	ENCUMBERANCES	VARIANCE
559100	OTHER OPERATING EXP	449.44		199.44	44.38		250.00
Major Account 520000 Total		122,658.42	5,549.31	41,485.30	33.82	28.00	81,145.12
570000 TRAVEL EXPENSES							
571100	LODGING	2,970.00	1,320.00	1,870.00	62.96		1,100.00
571800	MEALS - TRAVEL STATUS	2,142.20	142.80	1,071.00	50.00		1,071.20
573100	STATE-OWNED TRANSPORT	200.00					200.00
574500	PERSONAL VEHICLE MILEAGE	7,282.40	558.60	3,932.60	54.00		3,349.80
575100	MISC TRAVEL EXPENSE	475.95	75.10	238.73	50.16		237.22
Major Account 570000 Total		13,070.55	2,096.50	7,112.33	54.41	0.00	5,958.22
BUDGETED EXPENDITURES TOTAL		505,815.54	35,992.12	230,812.80	45.63	28.00	274,974.74

SUMMARY BY FUND TYPE - EXPENDITURES

2	CASH FUNDS	505,815.54	35,992.12	230,812.80	45.63	28.00	274,974.74
BUDGETED EXPENDITURES TOTAL		505,815.54	35,992.12	230,812.80	45.63	28.00	274,974.74

BUDGETED FUND TYPES - REVENUES

470000 REVENUE - SALES AND CHARGES

471100	SALE OF SERVICES	450.00-	25.00-	175.00-	38.89		275.00-
471120	QUALIFYING ED COURSE FEES	2,010.00-		630.00-	31.34		1,380.00-
471121	CONTINUING ED NEW FEES	6,075.00-	70.00-	1,970.00-	32.43		4,105.00-
471122	CONTINUING ED RENEWAL FEES	225.00-	60.00-	90.00-	40.00		135.00-
475150	CERTIFIED GENERAL NEW FEES	9,600.00-	300.00-	8,140.00-	84.79		1,460.00-
475151	LICENSED NEW FEES	640.00-		320.00-	50.00		320.00-
475152	FINGERPRINT FEES	2,262.50-	181.00-	1,538.50-	68.00		724.00-
475153	CERTIFIED RESIDENTIAL NEW	2,560.00-		1,240.00-	48.44		1,320.00-
475154	CERTIFIED GENERAL RENEWAL	103,200.00-	36,900.00-	95,050.00-	92.10		8,150.00-
475155	LICENSED RENEWAL	8,100.00-	3,600.00-	8,950.00-	110.49		850.00
475157	CERTIFIED RESIDENTIAL RENEWAL	62,100.00-	23,400.00-	56,100.00-	90.34		6,000.00-
475161	TEMPORARY CERTIFIED GENERAL	11,200.00-	1,540.00-	6,840.00-	61.07		4,360.00-
475163	AMC REGISTERED NEW FEES	6,000.00-		6,000.00-	100.00		
475164	AMC APPLICATION FEES	1,050.00-	350.00-	1,400.00-	133.33		350.00
475165	AMC REGISTERED RENEWAL	110,500.00-	10,200.00-	57,600.00-	52.13		52,900.00-

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475166	FED REG AMC RPT FORM PROC FEES	700.00-		300.00-	42.86		400.00-
475234	APPLICATION FEES	27,700.00-	3,320.00-	17,660.00-	63.75		10,040.00-
476101	LATE PROCESSING FEES	4,025.00-	1,800.00-	2,625.00-	65.22		1,400.00-
Major Account 470000 Total		358,397.50-	81,746.00-	266,628.50-	74.39	0.00	91,769.00-
480000 REVENUE - MISCELLANEOUS							
481100	INVESTMENT INCOME	21,000.00-	1,353.46-	9,486.33-	45.17		11,513.67-
484500	REIMB NON-GOVT SOURCES	6,000.00-	1,362.09-	8,672.09-	144.53		2,672.09
Major Account 480000 Total		27,000.00-	2,715.55-	18,158.42-	67.25	0.00	8,841.58-
490000 REVENUE - OTHER FINANCIAL SOURCES/U							
493200	OPERATING TRANSFERS OUT		250,000.00	250,000.00			250,000.00-
Major Account 490000 Total		0.00	250,000.00	250,000.00	0.00	0.00	250,000.00-
BUDGETED REVENUE TOTAL		385,397.50-	165,538.45	34,786.92-	9.03	0.00	350,610.58-
SUMMARY BY FUND TYPE - REVENUE							
2	CASH FUNDS	385,397.50-	165,538.45	34,786.92-	9.03		350,610.58-
BUDGETED REVENUE TOTAL		385,397.50-	165,538.45	34,786.92-	9.03	0.00	350,610.58-

STATE OF NEBRASKA
Department of Administrative Services
Accounting Division
Budget Status Report
As of 12/31/25Agency 053 REAL PROPERTY APPRAISER BD
Division
Program 079 APPRAISER LICENSING

Percent of Time Elapsed = 50.41

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	143,874.85	9,790.56	70,198.24	48.79		73,676.61
511600	PER DIEM PAYMENTS	5,525.00	260.00	2,015.00	36.47		3,510.00
511700	EMPLOYEE BONUSES	1,300.00					1,300.00
512100	VACATION LEAVE EXPENSE	11,253.40	964.12	3,574.23	31.76		7,679.17
512200	SICK LEAVE EXPENSE	1,276.84	201.26	608.89	47.69		667.95
512300	HOLIDAY LEAVE EXPENSE	7,947.71	1,217.40	4,221.95	53.12		3,725.76
512500	FUNERAL LEAVE EXPENSE			93.37			93.37-
Personal Services Subtotal		171,177.80	12,433.34	80,711.68	47.15	0.00	90,466.12
515100	RETIREMENT PLANS EXPENSE	12,439.09	911.51	5,892.69	47.37		6,546.40
515200	FICA EXPENSE	13,046.20	832.77	5,464.16	41.88		7,582.04
515500	HEALTH INSURANCE EXPENSE	43,005.30	4,246.55	25,479.87	59.25		17,525.43
516500	WORKERS COMP PREMIUMS	887.90		887.90	100.00		
Major Account 510000 Total		240,556.29	18,424.17	118,436.30	49.23	0.00	122,119.99
520000 OPERATING EXPENSES							
521100	POSTAGE EXPENSE	2,349.13	222.05	1,447.23	61.61		901.90
521400	CIO CHARGES	24,563.02	1,402.32	9,874.18	40.20		14,688.84
521500	PUBLICATION & PRINT EXP	2,195.75		1,108.02	50.46		1,087.73
521900	AWARDS EXPENSE	32.50				28.00	4.50
522100	DUES & SUBSCRIPTION EXP	390.00		390.00	100.00		
524600	RENT EXPENSE-BUILDINGS	8,948.61	741.73	4,467.17	49.92		4,481.44
524900	RENT EXP-DEPR SURCHARGE	3,031.60	252.62	1,515.72	50.00		1,515.88
531100	OFFICE SUPPLIES EXPENSE	1,173.97		1,258.40	107.19		84.43-
532100	NON-CAPITALIZED EQUIP PU	97.50	103.99	103.99	106.66		6.49-
532280	VIDEO EQUIP			149.49			149.49-
541100	ACCTG & AUDITING SERVICES	1,940.90		1,940.90	100.00		
541200	PURCHASING ASSESSMENT	26.65		27.30	102.44		.65-
541500	LEGAL SERVICES EXPENSE	18,000.00		143.50	.80		17,856.50
541700	LEGAL RELATED EXPENSE	2,731.00		31.00	1.14		2,700.00
547100	EDUCATIONAL SERVICES	33.15		33.15	100.00		
554900	OTHER CONTRACTUAL SERVICES	30,644.50	1,305.00	9,050.60	29.53		21,593.90
556100	INSURANCE EXPENSE	60.45		9.61	15.90		50.84

Agency 053 REAL PROPERTY APPRAISER BD
Division
Program 079 APPRAISER LICENSING

Percent of Time Elapsed = 50.41

ACCOUNT CODE DESCRIPTION		BUDGETED AMOUNT	CURRENT MONTH ACTIVITY	YEAR-TO-DATE ACTUALS	PERCENT OF BUDGET	ENCUMBERANCES	VARIANCE
559100	OTHER OPERATING EXP	279.14		179.44	64.28		99.70
Major Account 520000 Total		96,497.87	4,027.71	31,729.70	32.88	28.00	64,740.17
570000 TRAVEL EXPENSES							
571100	LODGING	1,930.50	858.00	1,215.50	62.96		715.00
571800	MEALS - TRAVEL STATUS	1,392.43	92.82	696.15	50.00		696.28
573100	STATE-OWNED TRANSPORT	130.00					130.00
574500	PERSONAL VEHICLE MILEAGE	4,733.56	363.09	2,556.19	54.00		2,177.37
575100	MISC TRAVEL EXPENSE	309.37	48.83	155.22	50.17		154.15
Major Account 570000 Total		8,495.86	1,362.74	4,623.06	54.42	0.00	3,872.80
BUDGETED EXPENDITURES TOTAL		345,550.02	23,814.62	154,789.06	44.79	28.00	190,732.96

SUMMARY BY FUND TYPE - EXPENDITURES

2	CASH FUNDS	345,550.02	23,814.62	154,789.06	44.79	28.00	190,732.96
BUDGETED EXPENDITURES TOTAL		345,550.02	23,814.62	154,789.06	44.79	28.00	190,732.96

BUDGETED FUND TYPES - REVENUES

470000 REVENUE - SALES AND CHARGES

471100	SALE OF SERVICES	450.00-	25.00-	175.00-	38.89		275.00-
471120	QUALIFYING ED COURSE FEES	2,010.00-		630.00-	31.34		1,380.00-
471121	CONTINUING ED NEW FEES	6,075.00-	70.00-	1,970.00-	32.43		4,105.00-
471122	CONTINUING ED RENEWAL FEES	225.00-	60.00-	90.00-	40.00		135.00-
475150	CERTIFIED GENERAL NEW FEES	9,600.00-	300.00-	8,140.00-	84.79		1,460.00-
475151	LICENSED NEW FEES	640.00-		320.00-	50.00		320.00-
475152	FINGERPRINT FEES	2,262.50-	181.00-	1,538.50-	68.00		724.00-
475153	CERTIFIED RESIDENTIAL NEW	2,560.00-		1,240.00-	48.44		1,320.00-
475154	CERTIFIED GENERAL RENEWAL	103,200.00-	36,900.00-	95,050.00-	92.10		8,150.00-
475155	LICENSED RENEWAL	8,100.00-	3,600.00-	8,950.00-	110.49		850.00
475157	CERTIFIED RESIDENTIAL RENEWAL	62,100.00-	23,400.00-	56,100.00-	90.34		6,000.00-
475161	TEMPORARY CERTIFIED GENERAL	11,200.00-	1,540.00-	6,840.00-	61.07		4,360.00-
475166	LICENSED INACTIVE			300.00-			300.00
475234	APPLICATION FEES	27,700.00-	3,320.00-	17,660.00-	63.75		10,040.00-
476101	LATE PROCESSING FEES	3,750.00-	1,800.00-	2,325.00-	62.00		1,425.00-

STATE OF NEBRASKA
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Division
Program 079 APPRAISER LICENSING

Percent of Time Elapsed = 50.41

ACCOUNT CODE DESCRIPTION		BUDGETED AMOUNT	CURRENT MONTH ACTIVITY	YEAR-TO-DATE ACTUALS	PERCENT OF BUDGET	ENCUMBERANCES	VARIANCE
Major Account 470000 Total		239,872.50-	71,196.00-	201,328.50-	83.93	0.00	38,544.00-
480000 REVENUE - MISCELLANEOUS							
481100	INVESTMENT INCOME	12,000.00-	743.74-	5,170.53-	43.09		6,829.47-
484500	REIMB NON-GOVT SOURCES	5,000.00-	1,350.86-	7,660.86-	153.22		2,660.86
Major Account 480000 Total		17,000.00-	2,094.60-	12,831.39-	75.48	0.00	4,168.61-
490000 REVENUE - OTHER FINANCIAL SOURCES/U							
493200	OPERATING TRANSFERS OUT		150,000.00	150,000.00			150,000.00-
Major Account 490000 Total		0.00	150,000.00	150,000.00	0.00	0.00	150,000.00-
BUDGETED REVENUE TOTAL		256,872.50-	76,709.40	64,159.89-	24.98	0.00	192,712.61-
SUMMARY BY FUND TYPE - REVENUE							
2	CASH FUNDS	256,872.50-	76,709.40	64,159.89-	24.98		192,712.61-
BUDGETED REVENUE TOTAL		256,872.50-	76,709.40	64,159.89-	24.98	0.00	192,712.61-

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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	77,471.06	5,272.57	37,801.11	48.79		39,669.95
511600	PER DIEM PAYMENTS	2,975.00	140.00	1,085.00	36.47		1,890.00
511700	EMPLOYEE BONUSES	700.00					700.00
512100	VACATION LEAVE EXPENSE	6,059.53	519.37	1,925.56	31.78		4,133.97
512200	SICK LEAVE EXPENSE	687.53	108.38	328.61	47.80		358.92
512300	HOLIDAY LEAVE EXPENSE	4,279.54	655.51	2,273.40	53.12		2,006.14
512500	FUNERAL LEAVE EXPENSE			50.28			50.28-
Personal Services Subtotal		92,172.66	6,695.83	43,463.96	47.15	0.00	48,708.70
515100	RETIREMENT PLANS EXPENSE	6,697.93	490.91	3,173.33	47.38		3,524.60
515200	FICA EXPENSE	7,024.89	448.51	2,942.71	41.89		4,082.18
515500	HEALTH INSURANCE EXPENSE	23,156.70	2,286.89	13,720.77	59.25		9,435.93
516500	WORKERS COMP PREMIUMS	478.10		478.10	100.00		
Major Account 510000 Total		129,530.28	9,922.14	63,778.87	49.24	0.00	65,751.41
520000 OPERATING EXPENSES							
521100	POSTAGE EXPENSE	305.09	59.34	100.04	32.79		205.05
521400	CIO CHARGES	13,073.59	870.85	4,318.58	33.03		8,755.01
521500	PUBLICATION & PRINT EXP	1,182.33		258.44	21.86		923.89
521900	AWARDS EXPENSE	17.50					17.50
522100	DUES & SUBSCRIPTION EXP	210.00		210.00	100.00		
524600	RENT EXPENSE-BUILDINGS	4,818.49	399.40	2,405.46	49.92		2,413.03
524900	RENT EXP-DEPR SURCHARGE	1,632.40	136.02	816.12	50.00		816.28
531100	OFFICE SUPPLIES EXPENSE	618.50		59.00	9.54		559.50
532100	NON-CAPITALIZED EQUIP PU	52.50	55.99	55.99	106.65		3.49-
532280	VIDEO EQUIP			80.49			80.49-
541100	ACCTG & AUDITING SERVICES	1,045.10		1,045.10	100.00		
541200	PURCHASING ASSESSMENT	14.35		14.70	102.44		.35-
541500	LEGAL SERVICES EXPENSE	2,020.00		20.00	.99		2,000.00
541700	LEGAL RELATED EXPENSE	300.00					300.00
547100	EDUCATIONAL SERVICES	17.85		17.85	100.00		
554900	OTHER CONTRACTUAL SERVICES	650.00		328.65	50.56		321.35
556100	INSURANCE EXPENSE	32.55		5.18	15.91		27.37

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ACCOUNT CODE DESCRIPTION		BUDGETED AMOUNT	CURRENT MONTH ACTIVITY	YEAR-TO-DATE ACTUALS	PERCENT OF BUDGET	ENCUMBERANCES	VARIANCE
559100	OTHER OPERATING EXP	170.30		20.00	11.74		150.30
Major Account 520000 Total		26,160.55	1,521.60	9,755.60	37.29	0.00	16,404.95
570000 TRAVEL EXPENSES							
571100	LODGING	1,039.50	462.00	654.50	62.96		385.00
571800	MEALS - TRAVEL STATUS	749.77	49.98	374.85	50.00		374.92
573100	STATE-OWNED TRANSPORT	70.00					70.00
574500	PERSONAL VEHICLE MILEAGE	2,548.84	195.51	1,376.41	54.00		1,172.43
575100	MISC TRAVEL EXPENSE	166.58	26.27	83.51	50.13		83.07
Major Account 570000 Total		4,574.69	733.76	2,489.27	54.41	0.00	2,085.42
BUDGETED EXPENDITURES TOTAL		160,265.52	12,177.50	76,023.74	47.44	0.00	84,241.78

SUMMARY BY FUND TYPE - EXPENDITURES

2	CASH FUNDS	160,265.52	12,177.50	76,023.74	47.44		84,241.78
BUDGETED EXPENDITURES TOTAL		160,265.52	12,177.50	76,023.74	47.44	0.00	84,241.78

BUDGETED FUND TYPES - REVENUES

470000 REVENUE - SALES AND CHARGES

475163	AMC REGISTERED NEW FEES	6,000.00-		6,000.00-	100.00		
475164	AMC APPLICATION FEES	1,050.00-	350.00-	1,400.00-	133.33		350.00
475165	AMC REGISTERED RENEWAL	110,500.00-	10,200.00-	57,600.00-	52.13		52,900.00-
475166	FED REG AMC RPT FORM PROC FEES	700.00-					700.00-
476101	LATE PROCESSING FEES	275.00-		300.00-	109.09		25.00
Major Account 470000 Total		118,525.00-	10,550.00-	65,300.00-	55.09	0.00	53,225.00-

480000 REVENUE - MISCELLANEOUS

481100	INVESTMENT INCOME	9,000.00-	609.72-	4,315.80-	47.95		4,684.20-
484500	REIMB NON-GOVT SOURCES	1,000.00-	11.23-	1,011.23-	101.12		11.23
Major Account 480000 Total		10,000.00-	620.95-	5,327.03-	53.27	0.00	4,672.97-

490000 REVENUE - OTHER FINANCIAL SOURCES/U



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<u>ACCOUNT CODE DESCRIPTION</u>		<u>BUDGETED AMOUNT</u>	<u>CURRENT MONTH ACTIVITY</u>	<u>YEAR-TO-DATE ACTUALS</u>	<u>PERCENT OF BUDGET</u>	<u>ENCUMBERANCES</u>	<u>VARIANCE</u>
493200	OPERATING TRANSFERS OUT		100,000.00	100,000.00			100,000.00-
Major Account 490000 Total		0.00	100,000.00	100,000.00	0.00	0.00	100,000.00-
BUDGETED REVENUE TOTAL		128,525.00-	88,829.05	29,372.97	22.85-	0.00	157,897.97-
SUMMARY BY FUND TYPE - REVENUE							
2	CASH FUNDS	128,525.00-	88,829.05	29,372.97	22.85-		157,897.97-
BUDGETED REVENUE TOTAL		128,525.00-	88,829.05	29,372.97	22.85-	0.00	157,897.97-

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REAL PROPERTY APPRAISER BD
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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.		654372	12/30/25	RC	RB	NRPAB DEPOSIT 251230	8091633		25.00-
Total for Object			471100 SALE OF SERVICES									25.00-
25310	079	000	53105018.471121.		653093	12/18/25	RC	RB	NRPAB DEPOSIT 251218	8083454		35.00-
25310	079	000	53105018.471121.		654372	12/30/25	RC	RB	NRPAB DEPOSIT 251230	8091633		35.00-
Total for Object			471121 CONTINUING ED NEW FEES									70.00-
25310	079	000	53105018.471122.		650372	12/02/25	RC	RB	NRPAB DEPOSIT 251202	8064375		60.00-
Total for Object			471122 CONTINUING ED RENEWAL FEES									60.00-
25310	079	000	53105018.475150.		650372	12/02/25	RC	RB	NRPAB DEPOSIT 251202	8064375		300.00-
Total for Object			475150 CERTIFIED GENERAL NEW FEES									300.00-
25310	079	000	53105018.475152.		653093	12/18/25	RC	RB	NRPAB DEPOSIT 251218	8083454		90.50-
25310	079	000	53105018.475152.		653710	12/23/25	RC	RB	NRPAB DEPOSIT 251223	8088356		45.25-
25310	079	000	53105018.475152.		654372	12/30/25	RC	RB	NRPAB DEPOSIT 251230	8091633		45.25-
Total for Object			475152 FINGERPRINT FEES									181.00-
25310	079	000	53105018.475154.		650391	12/01/25	RC	RB	NRPAB APP EFW DEPOSIT 251201	8063238		5,700.00-
25310	079	000	53105018.475154.		650372	12/02/25	RC	RB	NRPAB DEPOSIT 251202	8064375		2,400.00-
25310	079	000	53105018.475154.		650619	12/02/25	RC	RB	NRPAB APP EFW DEPOSIT 251202	8064964		6,000.00-
25310	079	000	53105018.475154.		650719	12/04/25	RC	RB	NRPAB DEPOSIT 251204	8066638		900.00-
25310	079	000	53105018.475154.		650902	12/05/25	RC	RB	NRPAB DEPOSIT 251205	8068428		600.00-
25310	079	000	53105018.475154.		650946	12/04/25	RC	RB	NRPAB APP EFW DEPOSIT 251204	8068546		5,100.00-
25310	079	000	53105018.475154.		651567	12/08/25	RC	RB	NRPAB APP EFW DEPOSIT 251208	8071755		2,400.00-
25310	079	000	53105018.475154.		651816	12/11/25	RC	RB	NRPAB DEPOSIT 251211	8075309		600.00-
25310	079	000	53105018.475154.		651876	12/10/25	RC	RB	NRPAB APP REN EFW DEP 251210	8075660		2,100.00-
25310	079	000	53105018.475154.		652115	12/12/25	RC	RB	NRPAB DEPOSIT 251212	8077365		900.00-
25310	079	000	53105018.475154.		652605	12/16/25	RC	RB	NRPAB DEPOSIT 251216	8080066		600.00-
25310	079	000	53105018.475154.		652630	12/15/25	RC	RB	NRPAB APP EFW DEPOSIT 251215	8080130		4,200.00-
25310	079	000	53105018.475154.		653743	12/22/25	RC	RB	NRPAB APP EFW DEPOSIT 251222	8088437		4,200.00-
25310	079	000	53105018.475154.		654390	12/29/25	RC	RB	NRPAB APP EFW DEPOSIT 251229	8091712		1,200.00-
Total for Object			475154 CERTIFIED GENERAL RENEWAL									36,900.00-
25310	079	000	53105018.475155.		650619	12/02/25	RC	RB	NRPAB APP EFW DEPOSIT 251202	8064964		900.00-
25310	079	000	53105018.475155.		650719	12/04/25	RC	RB	NRPAB DEPOSIT 251204	8066638		600.00-
25310	079	000	53105018.475155.		650946	12/04/25	RC	RB	NRPAB APP EFW DEPOSIT 251204	8068546		300.00-
25310	079	000	53105018.475155.		651567	12/08/25	RC	RB	NRPAB APP EFW DEPOSIT 251208	8071755		900.00-
25310	079	000	53105018.475155.		652630	12/15/25	RC	RB	NRPAB APP EFW DEPOSIT 251215	8080130		2,000.00-

Agency 053 REAL PROPERTY APPRAISER BD
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STATE OF NEBRASKA
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25310	079	000	53105018.475155.		653743	12/22/25	RC	RB	NRPAB APP EFW DEPOSIT 251222	8088437		600.00-
Total for Object			475155 LICENSED RENEWAL									3,600.00-
25310	079	000	53105018.475157.		650391	12/01/25	RC	RB	NRPAB APP EFW DEPOSIT 251201	8063238		4,200.00-
25310	079	000	53105018.475157.		650372	12/02/25	RC	RB	NRPAB DEPOSIT 251202	8064375		600.00-
25310	079	000	53105018.475157.		650619	12/02/25	RC	RB	NRPAB APP EFW DEPOSIT 251202	8064964		5,400.00-
25310	079	000	53105018.475157.		650719	12/04/25	RC	RB	NRPAB DEPOSIT 251204	8066638		900.00-
25310	079	000	53105018.475157.		650946	12/04/25	RC	RB	NRPAB APP EFW DEPOSIT 251204	8068546		3,000.00-
25310	079	000	53105018.475157.		651567	12/08/25	RC	RB	NRPAB APP EFW DEPOSIT 251208	8071755		1,800.00-
25310	079	000	53105018.475157.		651816	12/11/25	RC	RB	NRPAB DEPOSIT 251211	8075309		300.00-
25310	079	000	53105018.475157.		651876	12/10/25	RC	RB	NRPAB APP REN EFW DEP 251210	8075660		1,200.00-
25310	079	000	53105018.475157.		652630	12/15/25	RC	RB	NRPAB APP EFW DEPOSIT 251215	8080130		1,800.00-
25310	079	000	53105018.475157.		653743	12/22/25	RC	RB	NRPAB APP EFW DEPOSIT 251222	8088437		1,800.00-
25310	079	000	53105018.475157.		654372	12/30/25	RC	RB	NRPAB DEPOSIT 251230	8091633		600.00-
25310	079	000	53105018.475157.		654390	12/29/25	RC	RB	NRPAB APP EFW DEPOSIT 251229	8091712		1,800.00-
Total for Object			475157 CERTIFIED RESIDENTIAL RENEWAL									23,400.00-
25310	079	000	53105018.475161.		650946	12/04/25	RC	RB	NRPAB APP EFW DEPOSIT 251204	8068546		70.00-
25310	079	000	53105018.475161.		651567	12/08/25	RC	RB	NRPAB APP EFW DEPOSIT 251208	8071755		140.00-
25310	079	000	53105018.475161.		651816	12/11/25	RC	RB	NRPAB DEPOSIT 251211	8075309		70.00-
25310	079	000	53105018.475161.		652630	12/15/25	RC	RB	NRPAB APP EFW DEPOSIT 251215	8080130		140.00-
25310	079	000	53105018.475161.		653316	12/19/25	RC	RB	NRPAB DEPOSIT 251219	8085211		70.00-
25310	079	000	53105018.475161.		653743	12/22/25	RC	RB	NRPAB APP EFW DEPOSIT 251222	8088437		910.00-
25310	079	000	53105018.475161.		654390	12/29/25	RC	RB	NRPAB APP EFW DEPOSIT 251229	8091712		140.00-
Total for Object			475161 TEMPORARY CERTIFIED GENERAL									1,540.00-
25310	079	000	53105018.475234.		650946	12/04/25	RC	RB	NRPAB APP EFW DEPOSIT 251204	8068546		120.00-
25310	079	000	53105018.475234.		651567	12/08/25	RC	RB	NRPAB APP EFW DEPOSIT 251208	8071755		240.00-
25310	079	000	53105018.475234.		651816	12/11/25	RC	RB	NRPAB DEPOSIT 251211	8075309		120.00-
25310	079	000	53105018.475234.		652630	12/15/25	RC	RB	NRPAB APP EFW DEPOSIT 251215	8080130		240.00-
25310	079	000	53105018.475234.		653093	12/18/25	RC	RB	NRPAB DEPOSIT 251218	8083454		340.00-
25310	079	000	53105018.475234.		653316	12/19/25	RC	RB	NRPAB DEPOSIT 251219	8085211		120.00-
25310	079	000	53105018.475234.		653710	12/23/25	RC	RB	NRPAB DEPOSIT 251223	8088356		170.00-
25310	079	000	53105018.475234.		653743	12/22/25	RC	RB	NRPAB APP EFW DEPOSIT 251222	8088437		1,560.00-
25310	079	000	53105018.475234.		654372	12/30/25	RC	RB	NRPAB DEPOSIT 251230	8091633		170.00-
25310	079	000	53105018.475234.		654390	12/29/25	RC	RB	NRPAB APP EFW DEPOSIT 251229	8091712		240.00-
Total for Object			475234 APPLICATION FEES									3,320.00-
25310	079	000	53105018.476101.		650619	12/02/25	RC	RB	NRPAB APP EFW DEPOSIT 251202	8064964		200.00-

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NIS0003

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Division 000

Grant

REAL PROPERTY APPRAISER BD

AGENCY DEFINED DIVISION

STATE OF NEBRASKA

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25310	079	000	53105018.476101.		650946	12/04/25	RC	RB	NRPAB APP EFW DEPOSIT 251204	8068546		325.00-
25310	079	000	53105018.476101.		651567	12/08/25	RC	RB	NRPAB APP EFW DEPOSIT 251208	8071755		225.00-
25310	079	000	53105018.476101.		651816	12/11/25	RC	RB	NRPAB DEPOSIT 251211	8075309		50.00-
25310	079	000	53105018.476101.		651876	12/10/25	RC	RB	NRPAB APP REN EFW DEP 251210	8075660		175.00-
25310	079	000	53105018.476101.		652115	12/12/25	RC	RB	NRPAB DEPOSIT 251212	8077365		25.00-
25310	079	000	53105018.476101.		652630	12/15/25	RC	RB	NRPAB APP EFW DEPOSIT 251215	8080130		250.00-
25310	079	000	53105018.476101.		653743	12/22/25	RC	RB	NRPAB APP EFW DEPOSIT 251222	8088437		375.00-
25310	079	000	53105018.476101.		654372	12/30/25	RC	RB	NRPAB DEPOSIT 251230	8091633		50.00-
25310	079	000	53105018.476101.		654390	12/29/25	RC	RB	NRPAB APP EFW DEPOSIT 251229	8091712		125.00-
Total for Object			476101 LATE PROCESSING FEES									1,800.00-
25310	079	000	53105018.481100.		27100301	12/12/25	JE	G	OIP Nov 25 2.45285%	8079717		743.74-
Total for Object			481100 INVESTMENT INCOME									743.74-
25310	079	000	53105018.484500.		27029486	12/03/25	JE	G	Q1 2025 PCARD REBATE PART B	8066868		8.18-
25310	079	000	53105018.484500.		27029520	12/03/25	JE	G	Q2 2025 PCARD REBATE	8067388		23.91-
25310	079	000	53105018.484500.		27036670	12/04/25	JE	G	NRPAB PURCH CARD Q1 REBATE	8068635		2.86
25310	079	000	53105018.484500.		27036674	12/04/25	JE	G	NRPAB PURCH CARD Q2 REBATE	8068660		8.37
25310	079	000	53105018.484500.		651816	12/11/25	RC	RB	NRPAB DEPOSIT 251211	8075309		1,250.00-
25310	079	000	53105018.484500.		652115	12/12/25	RC	RB	NRPAB DEPOSIT 251212	8077365		20.00-
25310	079	000	53105018.484500.		652605	12/16/25	RC	RB	NRPAB DEPOSIT 251216	8080066		20.00-
25310	079	000	53105018.484500.		654372	12/30/25	RC	RB	NRPAB DEPOSIT 251230	8091633		40.00-
Total for Object			484500 REIMB NON-GOVT SOURCES									1,350.86-
25310	079	000	53105018.493200.		27167670	12/31/25	JE	G	LB264 REAL PROP APPR-GF	8090905		150,000.00
Total for Object			493200 OPERATING TRANSFERS OUT									150,000.00
25310	079	000	53105018.511100.		3193860	12/10/25	T2	7	PAYROLL LABOR DISTRIBUTION	8067194		3,929.69
25310	079	000	53105018.511100.		3194101	12/24/25	T2	7	PAYROLL LABOR DISTRIBUTION	8083553		5,860.87
Total for Object			511100 PERMANENT SALARIES-WAGES									9,790.56
25310	079	000	53105018.511600.		3193860	12/10/25	T2	7	PAYROLL LABOR DISTRIBUTION	8067194		260.00
Total for Object			511600 PER DIEM PAYMENTS									260.00
25310	079	000	53105018.512100.		3193860	12/10/25	T2	7	PAYROLL LABOR DISTRIBUTION	8067194		831.98
25310	079	000	53105018.512100.		3194101	12/24/25	T2	7	PAYROLL LABOR DISTRIBUTION	8083553		132.14
Total for Object			512100 VACATION LEAVE EXPENSE									964.12
25310	079	000	53105018.512200.		3193860	12/10/25	T2	7	PAYROLL LABOR DISTRIBUTION	8067194		1,179.98

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NIS0003

Agency 053

Division 000

Grant

REAL PROPERTY APPRAISER BD

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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	53105018.512200.		3194101	12/24/25	T2	7	PAYROLL LABOR DISTRIBUTION	8083553		93.37
Total for Object			512200 SICK LEAVE EXPENSE									201.26
25310	079	000	53105018.512300.		3193860	12/10/25	T2	7	PAYROLL LABOR DISTRIBUTION	8067194		1,217.40
Total for Object			512300 HOLIDAY LEAVE EXPENSE									1,217.40
25310	079	000	53105018.515100.		3193861	12/10/25	T3	7	ACTUAL BURDEN JOURNAL ENTRIES	8067194		455.78
25310	079	000	53105018.515100.		3194102	12/24/25	T3	7	ACTUAL BURDEN JOURNAL ENTRIES	8083553		455.73
Total for Object			515100 RETIREMENT PLANS EXPENSE									911.51
25310	079	000	53105018.515200.		3193861	12/10/25	T3	7	ACTUAL BURDEN JOURNAL ENTRIES	8067194		426.35
25310	079	000	53105018.515200.		3194102	12/24/25	T3	7	ACTUAL BURDEN JOURNAL ENTRIES	8083553		406.42
Total for Object			515200 FICA EXPENSE									832.77
25310	079	000	53105018.515500.		3193861	12/10/25	T3	7	ACTUAL BURDEN JOURNAL ENTRIES	8067194		2,123.36
25310	079	000	53105018.515500.		3194102	12/24/25	T3	7	ACTUAL BURDEN JOURNAL ENTRIES	8083553		2,123.19
Total for Object			515500 HEALTH INSURANCE EXPENSE									4,246.55
25310	079	000	53105018.521100.		27022173	12/02/25	J1	G	PURCHASE CARD TRANSACTION	8065049		81.90
25310	079	000	53105018.521100.		27029447	12/02/25	JE	G	NRPAB POSTAGE OCT 2025	8066295		15.24-
25310	079	000	53105018.521100.		27115543	12/15/25	JE	G	Postage 20251101 - 20251130	8081095		.72
25310	079	000	53105018.521100.		27123021	12/16/25	JE	G	POSTAGE DUE NOV 2025	8082670		154.67
Total for Object			521100 POSTAGE EXPENSE									222.05
25310	079	000	53105018.521400.		59014261	12/01/25	PV	V	AS - OCIO - IMSERVICES	8056358		356.42
25310	079	000	53105018.521400.		59090477	12/02/25	PV	V	AS - OCIO - COMMUNICATIONS	8065137		144.48
25310	079	000	53105018.521400.		59152724	12/16/25	PV	V	AS - OCIO - IMSERVICES	8083083		901.42
Total for Object			521400 CIO CHARGES									1,402.32
25310	079	000	53105018.524600.		26995854	12/05/25	JE	G	RENT & LB530 DEC 2025 - OTHER	8060854		1,112.53
25310	079	000	53105018.524600.		59110961	12/08/25	PV	V	SECRETARY OF STATE	8073074		18.59
25310	079	000	53105018.524600.		27077293	12/09/25	JE	G	NRPAB RENT DEC 2025	8074686		389.39-
Total for Object			524600 RENT EXPENSE-BUILDINGS									741.73
25310	079	000	53105018.524900.		26995854	12/05/25	JE	G	RENT & LB530 DEC 2025 - OTHER	8060854		388.64
25310	079	000	53105018.524900.		27077293	12/09/25	JE	G	NRPAB RENT DEC 2025	8074686		136.02-
Total for Object			524900 RENT EXP-DEPR SURCHARGE									252.62
25310	079	000	53105018.532100.		27022173	12/02/25	J1	G	PURCHASE CARD TRANSACTION	8065049		103.99

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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 Object			532100	NON-CAPITALIZED EQUIP PU								103.99
25310	079	000	53105018.539500.		59090316	12/02/25	PC	V	Purchase Card Offset	8064949		285.98
25310	079	000	53105018.539500.		27022173	12/02/25	J1	G	PURCHASE CARD TRANSACTION	8065049		285.98-
Total for Object			539500	PURCHASING CARD SUSPENSE								
25310	079	000	53105018.554900.		59095528	12/03/25	PV	V	REALCORP	8066861		500.00
25310	079	000	53105018.554900.		59095528	12/03/25	PV	V	REALCORP	8066861		125.00
25310	079	000	53105018.554900.		59100274	12/04/25	PV	V	NEBRASKA STATE PATROL	8068661		55.00
25310	079	000	53105018.554900.		59129682	12/11/25	PV	V	SPRACKLING REAL ESTATE SOLUTIO	8077187		625.00
Total for Object			554900	OTHER CONTRACTUAL SERVICES								1,305.00
25310	079	000	53105018.571100.		59014008	12/01/25	P9	V	CORNHUSKER HOTEL	8056314		429.00
25310	079	000	53105018.571100.		59014038	12/01/25	PV	V	CORNHUSKER HOTEL	8056347		357.50
25310	079	000	53105018.571100.		59090493	12/02/25	PV	V	MINSHULL, DEREK	8065166		71.50
Total for Object			571100	LODGING								858.00
25310	079	000	53105018.571800.		59090493	12/02/25	PV	V	MINSHULL, DEREK	8065166		46.41
25310	079	000	53105018.571800.		59090500	12/02/25	PV	V	BATIE, ADAM	8065184		46.41
Total for Object			571800	MEALS - TRAVEL STATUS								92.82
25310	079	000	53105018.574500.		59090485	12/02/25	PV	V	HERMSEN, KEVIN P	8065152		39.13
25310	079	000	53105018.574500.		59090493	12/02/25	PV	V	MINSHULL, DEREK	8065166		205.66
25310	079	000	53105018.574500.		59090500	12/02/25	PV	V	BATIE, ADAM	8065184		118.30
Total for Object			574500	PERSONAL VEHICLE MILEAGE								363.09
25310	079	000	53105018.575100.		59014008	12/01/25	P9	V	CORNHUSKER HOTEL	8056314		8.78
25310	079	000	53105018.575100.		59014038	12/01/25	PV	V	CORNHUSKER HOTEL	8056347		17.55
25310	079	000	53105018.575100.		59090485	12/02/25	PV	V	HERMSEN, KEVIN P	8065152		2.34
25310	079	000	53105018.575100.		59090493	12/02/25	PV	V	MINSHULL, DEREK	8065166		11.38
25310	079	000	53105018.575100.		59090500	12/02/25	PV	V	BATIE, ADAM	8065184		8.78
Total for Object			575100	MISC TRAVEL EXPENSE								48.83
Total for Business Unit			53105018	NE REAL PROPERTY APPRAISER								100,524.02
25320	079	000	53105200.475164.		650903	12/05/25	RC	RB	NRPAB AMC DEPOSIT 251205	8068444		350.00-
Total for Object			475164	AMC APPLICATION FEES								350.00-
25320	079	000	53105200.475165.		650390	12/01/25	RC	RB	NRPAB AMC REN EFW DEP 251201	8063191		1,700.00-

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25320	079	000	53105200.475165.		651566	12/08/25	RC	RB	NRPAB AMC REN EFW DEP 251208	8071748		1,700.00-
25320	079	000	53105200.475165.		652606	12/16/25	RC	RB	NRPAB AMC DEPOSIT 251216	8080080		1,700.00-
25320	079	000	53105200.475165.		652634	12/15/25	RC	RB	NRPAB AMC REN EFW DEP 251215	8080142		3,400.00-
25320	079	000	53105200.475165.		653317	12/19/25	RC	RB	NRPAB AMC DEPOSIT 251219	8085206		1,700.00-
Total for Object			475165 AMC REGISTERED RENEWAL									10,200.00-
25320	079	000	53105200.481100.		27100301	12/12/25	JE	G	OIP Nov 25 2.45285%	8079717		609.72-
Total for Object			481100 INVESTMENT INCOME									609.72-
25320	079	000	53105200.484500.		27036670	12/04/25	JE	G	NRPAB PURCH CARD Q1 REBATE	8068635		2.86-
25320	079	000	53105200.484500.		27036674	12/04/25	JE	G	NRPAB PURCH CARD Q2 REBATE	8068660		8.37-
Total for Object			484500 REIMB NON-GOVT SOURCES									11.23-
25320	079	000	53105200.493200.		27167673	12/31/25	JE	G	LB264 APPRSL MGT CO FD-GF	8090924		100,000.00
Total for Object			493200 OPERATING TRANSFERS OUT									100,000.00
25320	079	000	53105200.511100.		3193860	12/10/25	T2	7	PAYROLL LABOR DISTRIBUTION	8067194		2,116.24
25320	079	000	53105200.511100.		3194101	12/24/25	T2	7	PAYROLL LABOR DISTRIBUTION	8083553		3,156.33
Total for Object			511100 PERMANENT SALARIES-WAGES									5,272.57
25320	079	000	53105200.511600.		3193860	12/10/25	T2	7	PAYROLL LABOR DISTRIBUTION	8067194		140.00
Total for Object			511600 PER DIEM PAYMENTS									140.00
25320	079	000	53105200.512100.		3193860	12/10/25	T2	7	PAYROLL LABOR DISTRIBUTION	8067194		447.77
25320	079	000	53105200.512100.		3194101	12/24/25	T2	7	PAYROLL LABOR DISTRIBUTION	8083553		71.60
Total for Object			512100 VACATION LEAVE EXPENSE									519.37
25320	079	000	53105200.512200.		3193860	12/10/25	T2	7	PAYROLL LABOR DISTRIBUTION	8067194		58.10
25320	079	000	53105200.512200.		3194101	12/24/25	T2	7	PAYROLL LABOR DISTRIBUTION	8083553		50.28
Total for Object			512200 SICK LEAVE EXPENSE									108.38
25320	079	000	53105200.512300.		3193860	12/10/25	T2	7	PAYROLL LABOR DISTRIBUTION	8067194		655.51
Total for Object			512300 HOLIDAY LEAVE EXPENSE									655.51
25320	079	000	53105200.515100.		3193861	12/10/25	T3	7	ACTUAL BURDEN JOURNAL ENTRIES	8067194		245.43
25320	079	000	53105200.515100.		3194102	12/24/25	T3	7	ACTUAL BURDEN JOURNAL ENTRIES	8083553		245.48
Total for Object			515100 RETIREMENT PLANS EXPENSE									490.91
25320	079	000	53105200.515200.		3193861	12/10/25	T3	7	ACTUAL BURDEN JOURNAL ENTRIES	8067194		299.50

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REAL PROPERTY APPRAISER BD
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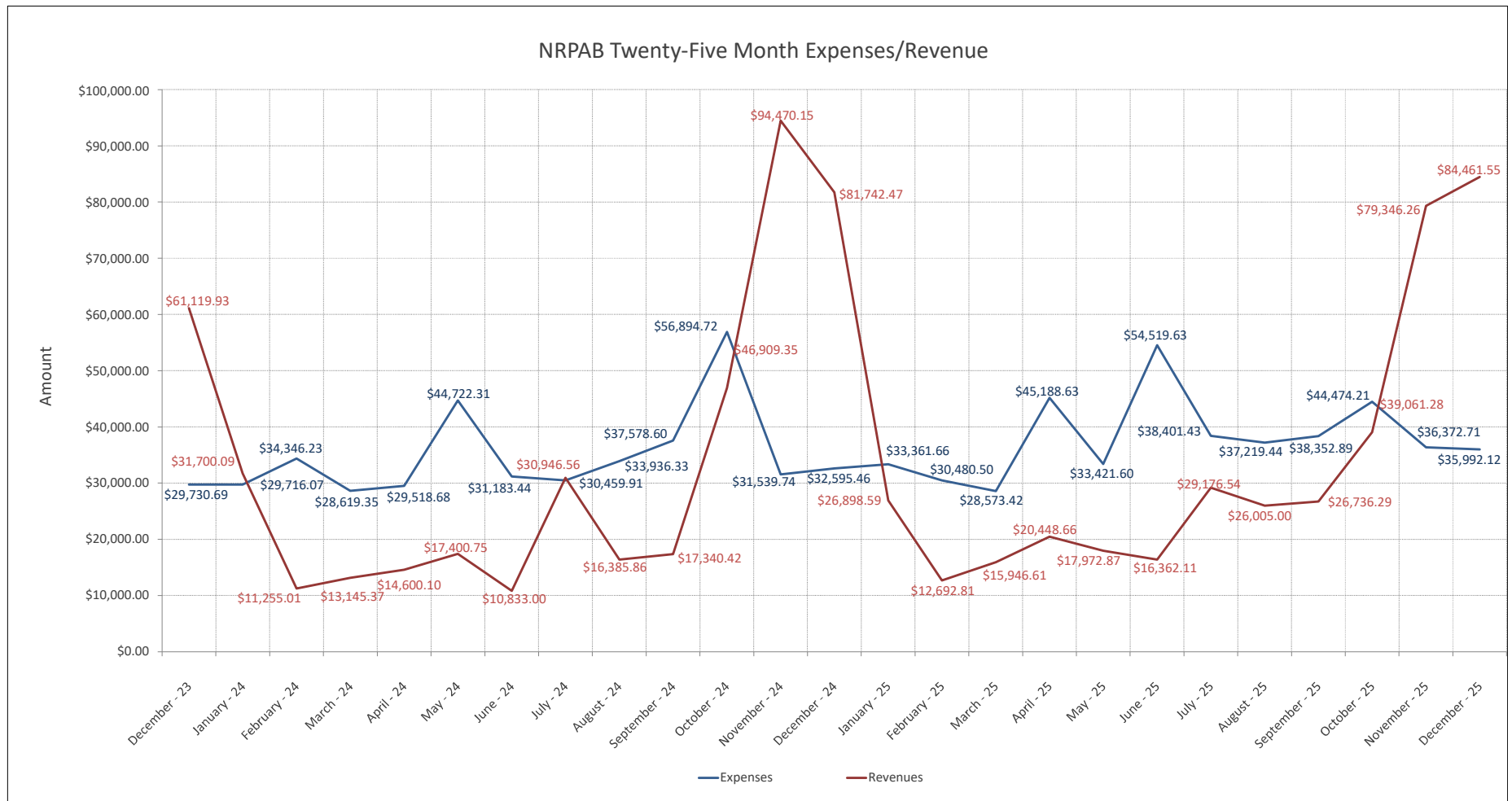
STATE OF NEBRASKA
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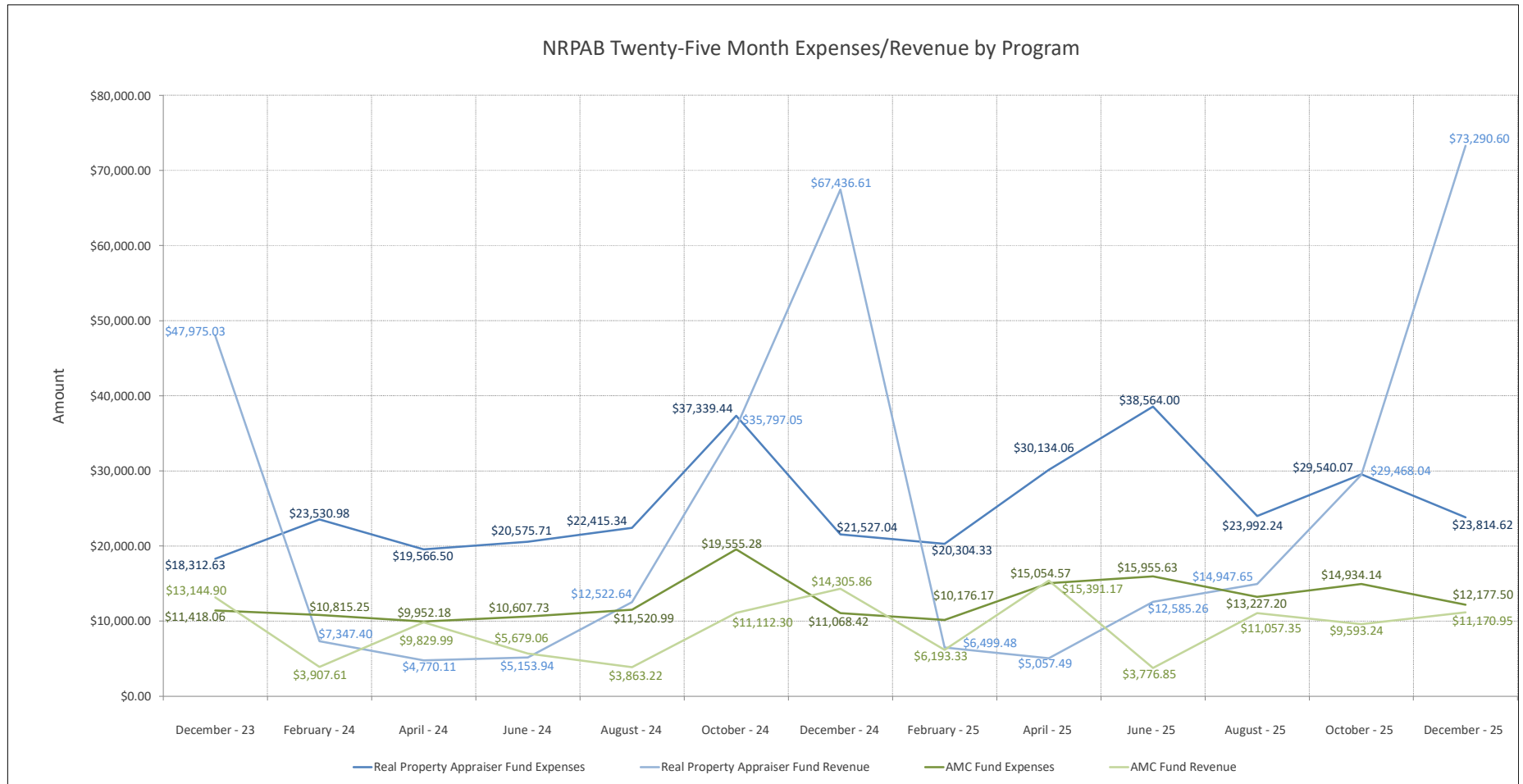
Fund	Program	Sub-Program	Account Number	Sub-ledger	Doc Number	Tran Date	Tran Type	Batch Type	Payee/Explanation	Batch Number	Posted Code	Month to Date
25320	079	000	53105200.515200.		3194102	12/24/25	T3	7	ACTUAL BURDEN JOURNAL ENTRIES	8083553		218.91
Total for Object			515200 FICA EXPENSE									448.51
25320	079	000	53105200.515500.		3193861	12/10/25	T3	7	ACTUAL BURDEN JOURNAL ENTRIES	8067194		1,143.36
25320	079	000	53105200.515500.		3194102	12/24/25	T3	7	ACTUAL BURDEN JOURNAL ENTRIES	8083553		1,143.53
Total for Object			515500 HEALTH INSURANCE EXPENSE									2,286.89
25320	079	000	53105200.521100.		27022173	12/02/25	J1	G	PURCHASE CARD TRANSACTION	8065049		44.10
25320	079	000	53105200.521100.		27029447	12/02/25	JE	G	NRPAB POSTAGE OCT 2025	8066295		15.24
Total for Object			521100 POSTAGE EXPENSE									59.34
25320	079	000	53105200.521400.		59014261	12/01/25	PV	V	AS - OCIO - IMSERVICES	8056358		391.55
25320	079	000	53105200.521400.		59090477	12/02/25	PV	V	AS - OCIO - COMMUNICATIONS	8065137		77.79
25320	079	000	53105200.521400.		59152724	12/16/25	PV	V	AS - OCIO - IMSERVICES	8083083		401.51
Total for Object			521400 CIO CHARGES									870.85
25320	079	000	53105200.524600.		59110961	12/08/25	PV	V	SECRETARY OF STATE	8073074		10.01
25320	079	000	53105200.524600.		27077293	12/09/25	JE	G	NRPAB RENT DEC 2025	8074686		389.39
Total for Object			524600 RENT EXPENSE-BUILDINGS									399.40
25320	079	000	53105200.524900.		27077293	12/09/25	JE	G	NRPAB RENT DEC 2025	8074686		136.02
Total for Object			524900 RENT EXP-DEPR SURCHARGE									136.02
25320	079	000	53105200.532100.		27022173	12/02/25	J1	G	PURCHASE CARD TRANSACTION	8065049		55.99
Total for Object			532100 NON-CAPITALIZED EQUIP PU									55.99
25320	079	000	53105200.571100.		59014008	12/01/25	P9	V	CORNHUSKER HOTEL	8056314		231.00
25320	079	000	53105200.571100.		59014038	12/01/25	PV	V	CORNHUSKER HOTEL	8056347		192.50
25320	079	000	53105200.571100.		59090493	12/02/25	PV	V	MINSHULL, DEREK	8065166		38.50
Total for Object			571100 LODGING									462.00
25320	079	000	53105200.571800.		59090493	12/02/25	PV	V	MINSHULL, DEREK	8065166		24.99
25320	079	000	53105200.571800.		59090500	12/02/25	PV	V	BATIE, ADAM	8065184		24.99
Total for Object			571800 MEALS - TRAVEL STATUS									49.98
25320	079	000	53105200.574500.		59090485	12/02/25	PV	V	HERMSEN, KEVIN P	8065152		21.07
25320	079	000	53105200.574500.		59090493	12/02/25	PV	V	MINSHULL, DEREK	8065166		110.74
25320	079	000	53105200.574500.		59090500	12/02/25	PV	V	BATIE, ADAM	8065184		63.70
Total for Object			574500 PERSONAL VEHICLE MILEAGE									195.51

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	53105200.575100.		59014008	12/01/25	P9	V	CORNHUSKER HOTEL	8056314		4.72
25320	079	000	53105200.575100.		59014038	12/01/25	PV	V	CORNHUSKER HOTEL	8056347		9.45
25320	079	000	53105200.575100.		59090485	12/02/25	PV	V	HERMSEN, KEVIN P	8065152		1.26
25320	079	000	53105200.575100.		59090493	12/02/25	PV	V	MINSHULL, DEREK	8065166		6.12
25320	079	000	53105200.575100.		59090500	12/02/25	PV	V	BATIE, ADAM	8065184		4.72
Total for Object			575100	MISC TRAVEL EXPENSE								26.27
Total for Business Unit			53105200	AMC LICENSING								101,006.55
Total for Division			000									201,530.57
Total for Agency			053	REAL PROPERTY APPRAISER BD								201,530.57

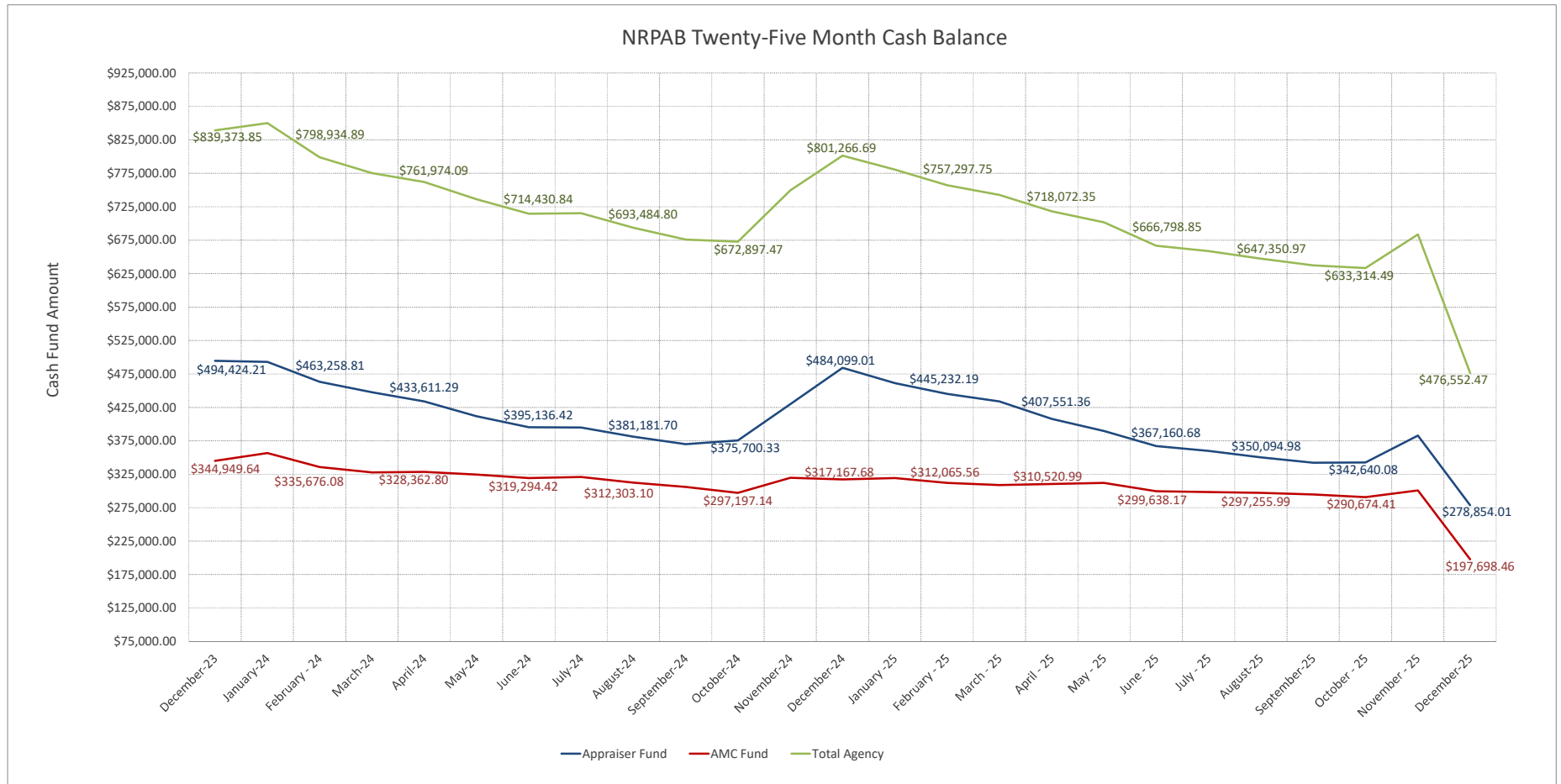
Financial Report and Considerations - Financial Charts



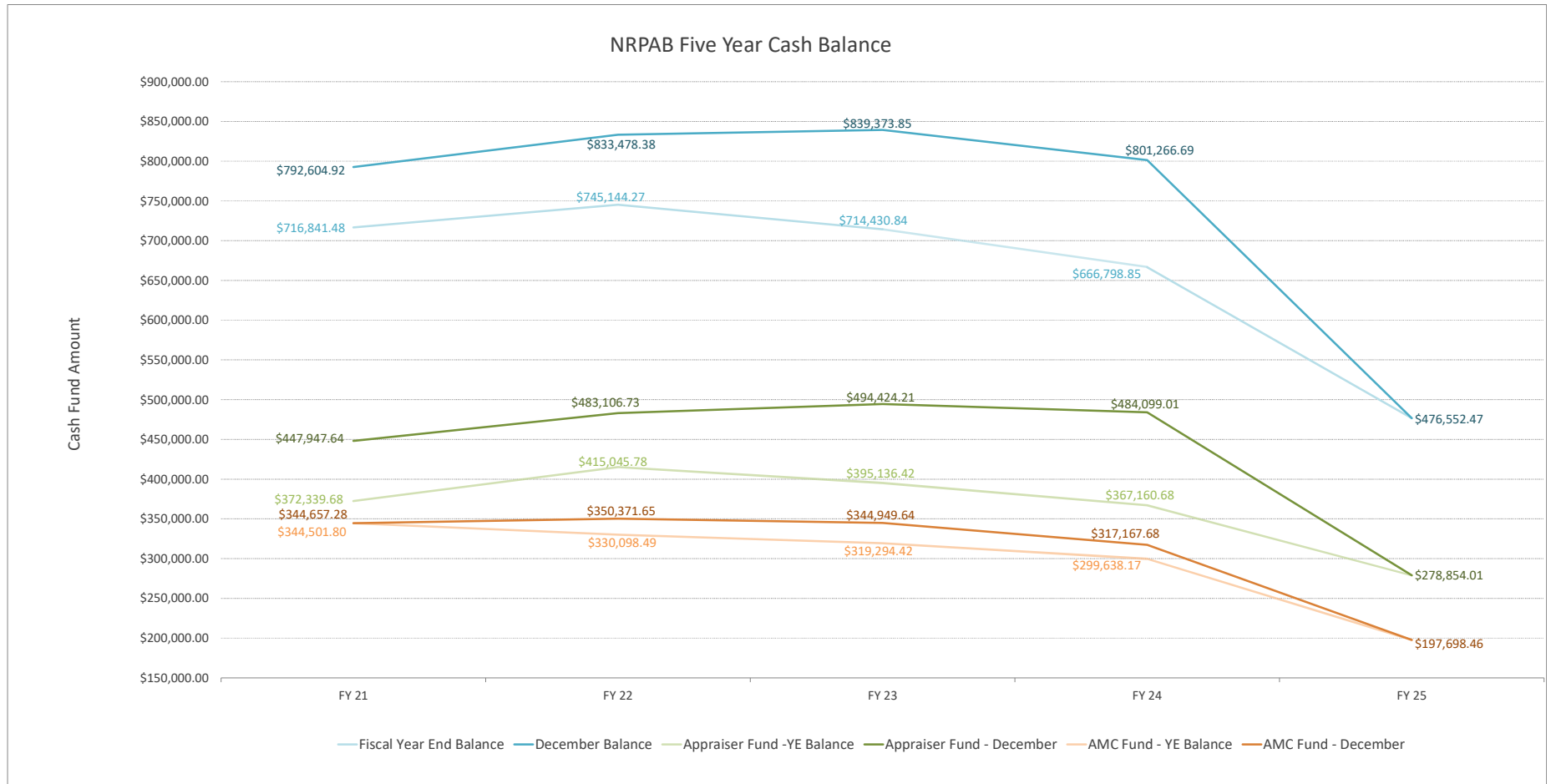
Financial Report and Considerations - Financial Charts



Financial Report and Considerations - Financial Charts



Financial Report and Considerations - Financial Charts



Agency 053 REAL PROPERTY APPRAISER BD
Division
Program 079 APPRAISER LICENSING

Percent of Time Elapsed = 50.41

ACCOUNT CODE DESCRIPTION		BUDGETED AMOUNT	CURRENT MONTH ACTIVITY	YEAR-TO-DATE ACTUALS	PERCENT OF BUDGET	ENCUMBERANCES	VARIANCE
BUDGETED FUND TYPES - EXPENDITURES							
520000 OPERATING EXPENSES							
521400	CIO CHARGES	116,777.25	6,674.25	49,764.25	42.61		67,013.00
522200	CONFERENCE REGISTRATION	1,300.00		650.00	50.00		650.00
Major Account 520000 Total		118,077.25	6,674.25	50,414.25	42.70	0.00	67,663.00
570000 TRAVEL EXPENSES							
571100	LODGING	2,538.00		1,041.28	41.03		1,496.72
571800	MEALS - TRAVEL STATUS	510.00		197.05	38.64		312.95
574500	PERSONAL VEHICLE MILEAGE	1,377.00		955.50	69.39		421.50
Major Account 570000 Total		4,425.00	0.00	2,193.83	49.58	0.00	2,231.17
BUDGETED EXPENDITURES TOTAL		122,502.25	6,674.25	52,608.08	42.94	0.00	69,894.17
SUMMARY BY FUND TYPE - EXPENDITURES							
4	FEDERAL FUNDS	122,502.25	6,674.25	52,608.08	42.94		69,894.17
BUDGETED EXPENDITURES TOTAL		122,502.25	6,674.25	52,608.08	42.94	0.00	69,894.17

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
40000	079	000	53105400.521400.		59014261	12/01/25	PV	V	AS - OCIO - IMSERVICES	8056358		1,795.25
40000	079	000	53105400.521400.		59152724	12/16/25	PV	V	AS - OCIO - IMSERVICES	8083083		4,879.00
Total for Object			521400 CIO CHARGES									6,674.25
Total for Business Unit			53105400 ASC GRANT									6,674.25
Total for Division			000									6,674.25
Total for Agency			053 REAL PROPERTY APPRAISER BD									6,674.25



Memo

To: Nebraska Real Property Appraiser Board
From: Kashinda Sims, Education Program Manager
Date: January 9, 2026
Re: Valuation Bias and Fair Housing Laws and Regulations Course Update

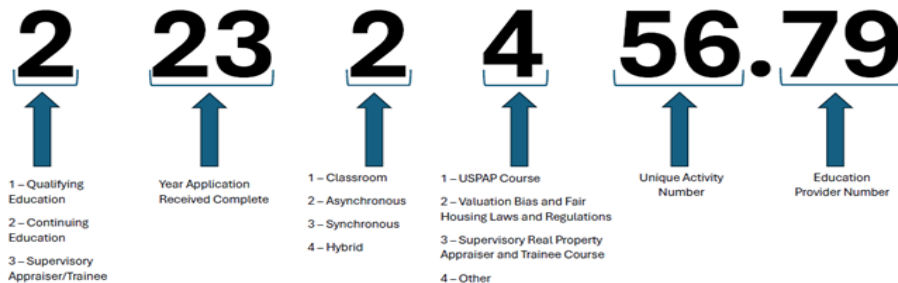
On January 7, 2026, EPM Sims received a phone call from a real property appraiser who completed the seven-hour valuation bias laws and regulations ("VBFH Laws and Regulations") course via Appraisal Institute. Upon completion the appraiser was told that the activity is not approved by the Nebraska Real Property Appraiser Board ("Board"). The Board's records show that there has been no Application for Approval as a Continuing Education Activity or Application for Approval as a Qualifying Education Activity in Nebraska submitted by Appraisal Institute.

On July 14, 2025, the Board Office sent a letter via email and mailing address to education providers stating that, effective January 1, 2026, all applicants for credentialing are required to complete the eight-hour VBFH Laws and Regulations course. The seven-hour VBFH Laws and Regulations course must be completed by any credential holder who has not successfully completed the eight-hour VBFH Laws and Regulations course within two years. After either has been completed once, the four-hour or the seven-hour VBFH Laws and Regulations course must be successfully completed at least once every two years by each credential holder. The letter stated that the Board is now accepting applications for these VBFH Laws and Regulations courses.

Below is a list of approved VBFH Courses that can be pulled from NRPAB Approved Education on the Board's website as of January 9, 2026.

13 Education Activities Found						
Activity Name ◊	Activity Number ◊	Provider Name ◊	Activity Type ◊	Activity Setting ◊	Hours ◊	Expiration Date ◊
4-hour National Valuation Bias and Fair Housing Laws and Regulations	2251280.03	McKissock, LLC	Continuing Education	Classroom	4.00	03/25/2028
Live Webinar: 4-hour National Valuation Bias and Fair Housing Laws and Regulations	2253281.03	McKissock, LLC	Continuing Education	Synchronous	4.00	03/25/2028
7-hour National Valuation Bias and Fair Housing Laws and Regulations	2251277.03	McKissock, LLC	Continuing Education	Classroom	7.00	01/01/2031
7-hour National Valuation Bias and Fair Housing Laws and Regulations	2252279.03	McKissock, LLC	Continuing Education	Asynchronous	7.00	01/01/2031
Live Webinar: 7-hour National Valuation Bias and Fair Housing Laws and Regulations	2253278.03	McKissock, LLC	Continuing Education	Synchronous	7.00	01/01/2031
Valuation Bias and Fair Housing Laws and Regulations	2252267.77	The CE Shop	Continuing Education	Asynchronous	7.00	01/01/2031
Valuation Bias and Fair Housing Laws and Regulations	2253266.91	Trusted Advisors GAP Services, LLC	Continuing Education	Synchronous	7.00	01/01/2031
8-hour National Valuation Bias and Fair Housing Laws and Regulations	1251274.03	McKissock, LLC	Qualifying Education	Classroom	8.00	
8-hour National Valuation Bias and Fair Housing Laws and Regulations	1252276.03	McKissock, LLC	Qualifying Education	Asynchronous	8.00	
Live Webinar: 8-hour National Valuation Bias and Fair Housing Laws and Regulations	1253275.03	McKissock, LLC	Qualifying Education	Synchronous	8.00	
Valuation Bias and Fair Housing Laws and Regulations	1252268.77	The CE Shop	Qualifying Education	Asynchronous	8.00	
Valuation Bias and Fair Housing Laws and Regulations (A112)	1251271.01	ASFMR	Qualifying Education	Classroom	8.00	
Valuation Bias and Fair Housing Laws and Regulations (A112)	1253272.01	ASFMR	Qualifying Education	Synchronous	8.00	

As of January 9, 2026, there are two Applications for Approval as Continuing Education received at the Board office from ASFMRA. When applications are received at the Board office and assigned an activity number, the fifth digit is used as the identifier for an activity that is approved under VBFH Laws and Regulations course requirements. Education applications additionally specify whether the intent of the application is for the VBFH Laws and Regulations course.



Real property appraiser applications for credentialing through education, experience, and examination as well as trainee real property appraiser applications have been updated effective January 1, 2026, to include that the 8-hour valuation bias and fair housing laws and regulations course is required. The NRPAB Database also includes

The summer and fall 2025 editions of The Nebraska Appraiser state that the Board is currently accepting applications from education providers for the qualifying education eight-hour VBFH Laws and Regulations course, continuing education seven-hour VBFH Laws and Regulations course, and continuing education four-hour VBFH Laws and Regulations course.

- On June 22, 2023, the Appraiser Qualifications Board of The Appraisal Foundation adopted modifications to the Real Property Appraiser Qualification Criteria (“Criteria”) that requires all applicants for credentialing as a real property appraiser and all active real property appraisers complete valuation bias and fair housing laws and regulations courses. LB992 updated the Nebraska Real Property Appraiser Act to implement the Criteria effective on January 1, 2026. The Board is currently accepting applications from education providers for the qualifying education eight-hour valuation bias and fair housing laws and regulations course, the continuing education seven-hour valuation bias and fair housing laws and regulations course, and the continuing education four-hour valuation bias and fair housing laws and regulations course. The qualifying education courses will be made available for public consumption as soon as approved by the Board. The continuing education courses will be made available public consumption on January 1, 2026.

Upon review of Appraisal Institute’s website, it appears that the activity is listed as approved in Nebraska. Staff received an email from Liz de Kanter of Appraisal Institute on January 7, 2026, who reported that the education provider is in the process of submitting applications for approval to the Board office.

FILTERS

Nebraska x

Clear All Filters

Valuation Bias and Fair Housing Laws and Regulations

[More Info](#) [REGISTER](#)

This AQB CAP approved course meets the Valuation Bias and Fair Housing Laws and Regulations Outline from the Real Property Qualification Criteria. This online course trains appraisers in topics related to valuation bias and fair housing laws and regulations and fulfills specifications provided by the Appraisal Qualifications Board (AQB). It will enable all appraisers, both residential and non-resid ...

Date:	On Demand	Instructor:	Robert L. Moorman, MAI, SRA, AI-GRS	Full Price:	\$79.00
Sponsor:	Appraisal Institute	Class Time:	7 hours	AI Price:	\$79.00
		Exam Time:	1 Hour		

ONLINE



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

109th Legislature (2nd Regular Session) Bills of NRPAB Interest as of January 8, 2026	
Bill:	LB29
Title:	Create a review process for agency rules and regulations
Status:	January 7, 2026 - Title printed. Carryover bill
Summary:	LB29 amends the Administrative Procedure Act to, as of January 1, 2026, require that each state agency review all existing rules and regulations and every three years after. Each agency head shall designate a person responsible for this oversight. An electronic submission of detailed report with supportive documents shall be submitted to the Clerk of the Legislature on or before June 30th in year review is conducted. The review shall include whether or not rule and regulation is essential to health, safety or welfare of public; a costs vs benefits analysis; report that agency has process in place to measure effectiveness; report if a less restrictive rule and regulation has been considered; and report rule and regulation is a result of state statutory requirement, federal mandate, or court mandate. Upon receipt of agency reports, the Reference Committee of the Legislature shall reference each report to the standing committee based on jurisdictional oversight and the committee shall review and report to Clerk of Legislature by December 15th with recommendations for legislation or clarification. Agency and rulemaking and regulation shall be suspended during pendency of the review process unless rules and regulations impact the health, safety and welfare of the public, is time sensitive, or subject to state or federal regulation deadlines.
Legislature Information and Status:	https://nebraskalegislature.gov/bills/view_bill.php?DocumentID=59121&docnum=LB29&leg=109
Notes:	Legislative Fiscal Office requested a Fiscal Note from the Nebraska Real Property Appraiser Board: A significant time burden would be placed on the Board's staff to review each rule or regulation, including any pending rule or regulation, to determine if each rule or regulation is essential to the health, safety, or welfare of the public; to determine if the costs of each rule or regulation outweigh the benefits; to identify and report if the agency has a process in place to measure the effectiveness of each rule or regulation; to determine and identify if less restrictive alternative have been considered for each rule or regulation; and to identify and report if each rule or regulation was promulgated as the result of a state statutory requirement, federal mandate, or court decision. As the Board's staff lacks the resources to conduct such review within its standard allocation of time, it is likely that the Board would have to contract with a third party to be responsible for such review. It is estimated that such review would require approximately 80 hours of work for the first report, and 20 hours of work for each report after. At an estimated contract rate of \$225.00 per hour for an individual qualified to conduct such review, the cost to the Board would be approximately \$18,000.00 for the first year, and \$4,500.00 for each report year after. Nebraska State Budget Division found no basis to disagree with the Nebraska Real Property Appraiser Board.

	Provisions/portions of LB29 amended into LB660 by AM1008 .
Bill:	LB221
Title:	Provide a procedure to fill unfilled gubernatorial appointments
Status:	January 7, 2026 - Title printed. Carryover bill
Summary:	In the case of a gubernatorial appointment for a seat that has been vacant for six months or more, LB221 would authorize the legislative committee of jurisdiction to take applications for the seat and forward recommendations to the Governor for possible appointment. If the seat remains vacant for another three months after the date recommendations are forwarded to the Governor, the Executive Board of the Legislative Council may make the appointment.
Legislature Information and Status:	https://nebraskalegislature.gov/bills/view_bill.php?DocumentID=59531&docnum=LB221&leg=109
Notes:	
Bill:	LB224
Title:	Require paid maternity leave for state employees (Guereca Priority Bill)
Status:	January 7, 2026 - Title printed. Carryover bill
Summary:	LB224 defines maternity leave and provides eligibility for qualified state employees.
Legislature Information and Status:	https://nebraskalegislature.gov/bills/view_bill.php?DocumentID=59595&docnum=LB224&leg=109
Notes:	No update since the April 17, 2025 meeting.
Bill:	LB233
Title:	Require coverage for in vitro fertilization for state employees under the Nebraska State Insurance Program
Status:	January 7, 2026 - Title printed. Carryover bill
Summary:	Beginning July 1, 2025, the Nebraska State Insurance Program shall include coverage for in vitro fertilization. The special coverages permitted by this section shall be made available uniformly to all employees, but each employee shall retain the option to choose the special coverage or coverages which he or she desires or to reject all such special coverages. Coverage is limited to those individuals who have been unable to conceive or produce conception or sustain a successful pregnancy through less expensive and medically viable infertility treatment or procedures covered under the program, except that nothing in this subdivision shall be construed to deny the coverage required by this section to any individual who foregoes a particular infertility treatment or procedure if the individual's physician determines that such treatment or procedure is likely to be unsuccessful.
Legislature Information and Status:	https://nebraskalegislature.gov/bills/view_bill.php?DocumentID=58948&docnum=LB233&leg=109
Notes:	
Bill:	LB366
Title:	Create the Legislative Economic Analysis Unit and the Chief Economist

Status:	January 7, 2026 - Title printed. Carryover bill
Summary:	LB366 amends §84-901 and §84-901.04 to establish the Legislative Economic Analysis Unit within the Legislature. The bill requires that any rule or regulation projected to have an economic impact of one million dollars or more over five years undergo a regulatory impact analysis before it can take effect. It also mandates that agencies submit cost-benefit analyses, job impact projections, and other relevant data for legislative review. Additionally, LB366 establishes a sixty-day waiting period for major rules unless approved by the Legislature and provides judicial review procedures for determining whether a rule qualifies as a major regulation. The Unit is responsible for providing a regulatory impact analysis of (1) any major rule or regulation or any proposed major rule or regulation; (2) existing rules and regulations; and (3) significant grants received from the federal government or sources outside state government when requested by the Speaker or committee of jurisdiction. LB366 provides certain requirements for the contents of the regulatory impact analysis and reporting of any analysis completed. The bill also provides requirements for information provided by any agency promulgating rules or regulations to the Unit for the purposes of completing the regulatory impact analysis. LB366 requires Legislative action to ratify a rule or regulation within 60 legislative days. The bill includes intent language to extend the legislative session or for the Governor to call a special session to approve proposed rules or regulations. If the Legislature is not in session, the Governor may approve a rule or regulation if a statement is included explaining why an emergency exists or why a federal requirement requires an earlier effective date; why the Legislature cannot be called into session to approve such rule or regulation; and why the rules or regulation complies with emergency powers or is required by federal law.
Legislature Information and Status:	https://nebraskalegislature.gov/bills/view_bill.php?DocumentID=59007&docnum=LB366&leg=109
Notes:	Section 2 of the bill provides for a baseline of 1%-2% contribution of each agency budget for incorporating the cost of the analysis.
Bill:	LB403
Title:	Create the Office of Grants and provide duties
Status:	January 7, 2026 - Title printed. Carryover bill
Summary:	LB403 establishes the Office of Grants within the executive branch to support the identification and coordination of federal and national grant opportunities for Nebraska state agencies, political subdivisions, and community-based organizations.
Legislature Information and Status:	https://nebraskalegislature.gov/bills/view_bill.php?DocumentID=59524&docnum=LB403&leg=109
Notes:	No update since February 20, 2025 meeting.
Bill:	LB433
Title:	Exempt deputy directors and agency attorneys from the State Personnel System and change membership provisions under the State Employees Retirement Act
Status:	January 7, 2026 - Title printed. Carryover bill

Summary:	LB433 amends Neb. Rev. Stat. § 81-1316 to add deputy directors and attorneys among exclusions to the State Personnel System. Deputy Directors and Attorneys currently employed in these positions would have the option to remain in the State Personnel System or become exempt. LB433 also waives the 120-day wait for a permanent employee to be rehired to public service at the State of Nebraska as required by the State Employees Retirement System. N.R.S. § 84-1307 is amended to allow employees who were once permanently employed and contributing members of the state retirement system to return to re-employment with the state prior to waiting 120 days and resume participation in the retirement system upon rehire as a temporary employee.
Legislature Information and Status:	https://nebraskalegislature.gov/bills/view_bill.php?DocumentID=58983&docnum=LB433&leg=109
Notes:	No update since February 20, 2025 meeting.
Bill:	LB472
Title:	Adopt the Regulatory Management Act
Status:	January 7, 2026 - Title printed. Carryover bill
Summary:	LB472 establishes the Office of Regulatory Management within the Executive Branch. This Office aims to enhance and utilize transparency to reduce unnecessary regulatory burdens and ensure that new regulations are evidence-based and cost-effective. The office shall establish a baseline catalog of regulatory requirements currently in effect in all state agencies, boards or commissions. This catalog requires cooperation and communication from all state entities. Agencies shall complete an internal review of regulatory requirements. The review must contain the statutory authority or requirement and other relevant documentation related to the regulation. The initial review must be completed no later than 6 months after the effective date of the act. Subsequent reviews should be completed every 2 years or within 60 days of a request from the Office of Regulatory management. These reviews must contain estimates of monetized and nonmonetized costs or benefits if they are feasible. The office shall publish a biennial report showing the change in number and estimated impact of the regulatory requirement by agency, along with a cost estimate for the median citizen. The office must analyze each new regulatory requirement enacted by each agency to ensure best practices. These best practices are outlined within the act. It also outlines a process to follow when it is determined the regulation was not established using best practices.
Legislature Information and Status:	https://nebraskalegislature.gov/bills/view_bill.php?DocumentID=59549&docnum=LB472&leg=109
Notes:	No update since February 20, 2025 meeting.
Bill:	LB565
Title:	Provide and change requirements relating to agency guidance documents
Status:	January 7, 2026 - Title printed. Carryover bill
Summary:	LB565 creates new duties for agencies which promulgate rules and regulations under the Administrative Procedures Act (APA). LB565 would prohibit the issuance of new guidance documents on or after July 1, 2025 and before July 1, 2027, unless required under Federal rules. LB565 would restrict guidance documents from imposing greater regulations than federal requirements and would revoke guidance documents issued on or after July 1, 2022 and before July 1, 2025 pending a formal rulemaking process.

	AM239 removes all state agencies from the bill except for the Department of Health and Human Services – Division of Developmental Disabilities (filed).
Legislature Information and Status:	https://nebraskalegislature.gov/bills/view_bill.php?DocumentID=59607&docnum=LB565&leg=109
Notes:	No update since February 20, 2025 meeting.
Bill:	LB634
Title:	Adopt the Legislative Sunset Review Act and eliminate the Legislature's Planning Committee (Executive Board Priority Bill)
Status:	January 7, 2026 - Title printed. Carryover bill
Summary:	<p>LB485 creates the Legislative Sunset Review Committee for the purpose of reviewing reviewable entities and proposing legislation to eliminate or modify such reviewable entities. The Legislative Sunset Review Committee is comprised of the following members: (a) The chairperson of the Executive Board of the Legislative Council; (b) The chairperson of the Appropriations Committee of the Legislature; and (c) Five other members of the Legislature to be chosen by the Executive Board of the Legislative Council. The Legislative Sunset Review Committee shall create a schedule to perform sunset reviews of reviewable entities, with the initial sunset reviews beginning in 2027. Each reviewable entity shall be scheduled for review every five years. The performance measures for each program and activity provided by the reviewable entity and three years of data for each measure that provides actual results for the immediately preceding two years and projected results for the fiscal year that begins in the year that the reviewable entity report is scheduled to be submitted to the Legislature; (b) An explanation of factors that have contributed to any failure to achieve the legislative standards; (c) The promptness and effectiveness with which the reviewable entity disposes of complaints concerning persons affected by the entity; (d) The extent to which the reviewable entity has encouraged participation by the public in making its rules and decisions as opposed to participation solely by those it regulates and the extent to which public participation has resulted in rules compatible with the objectives of the reviewable entity; (e) The extent to which the reviewable entity has complied with applicable requirements of state law and applicable rules regarding purchasing goals and programs for small and minority-owned businesses; (f) A statement of any statutory objectives intended for each program and activity, the problem or need that the program and activity were intended to address, and the extent to which these objectives have been achieved; (g) An assessment of the extent to which the jurisdiction of the reviewable entity and its programs overlap or duplicate those of other reviewable entities and the extent to which the programs can be consolidated with those of other reviewable entities;</p> <p>(h) An assessment of less restrictive or alternative methods of providing services for which the reviewable entity is responsible which would reduce costs or improve performance while adequately protecting the public; (i) An assessment of the extent to which the reviewable entity has corrected deficiencies and implemented recommendations contained in reports of the Auditor of Public Accounts, legislative interim studies, and federal audit entities; (j) The process by which the reviewable entity actively measures quality and efficiency of services it provides to the public; (k) The extent to which the reviewable entity complies with public records requirements under sections 84-712 to 84-712.09 and the Open Meetings Act; (l) The extent to which alternative program delivery options, such as privatization, outsourcing, or insourcing, have been considered to reduce costs or improve services to residents of this state; (m) Recommendations to the Legislature for statutory, budgetary, or regulatory changes that would improve the quality and efficiency of services delivered</p>

	to the public, reduce costs, or reduce duplication; (n) The effect of federal intervention or loss of federal funds if the reviewable entity is terminated; (o) A list of each advisory committee relating to the reviewable entity, including those established in statute and those established by managerial initiative, and for each advisory committee; (p) Programs or functions of the reviewable entity that are performed without specific statutory authority; and (q) Other information requested by the Legislature. Upon receipt of any report under section 5 of this act, the Legislative Sunset Review Committee may and the appropriate legislative committee shall conduct a review of the reviewable entity and its advisory committees, including an examination of the cost of each program of the reviewable entity, an evaluation of best practices and alternatives that would result in the administration of the reviewable entity in a more efficient or effective manner, an examination of the viability of privatization or a different reviewable entity performing the functions, and an evaluation of the cost and consequences of discontinuing the reviewable entity. In its report on any reviewable entity, the Legislative Sunset Review Committee shall: (1) Make recommendations on the termination, continuation, or reorganization of each reviewable entity and its advisory committees and on the need for the performance of the functions of the reviewable entity and its advisory committees; (2) Make recommendations on the consolidation, transfer, or reorganization of programs within reviewable entities not under review when the programs duplicate functions performed in reviewable entities under review; and (3) Propose legislation in the next regular legislative session to carry out the recommendations of the Legislative Sunset Review Committee.
Legislature Information and Status:	https://nebraskalegislature.gov/bills/view_bill.php?DocumentID=58758&docnum=LB634&leg=109
Notes:	LB634 is an Executive Board priority bill.
Bill:	LB664
Title:	Change the Administrative Procedure Act to require agencies to allow for public comment and submissions on proposed rules and regulations and change permissible venue for civil actions challenging rules and regulations
Status:	January 7, 2026 - Title printed. Carryover bill
Summary:	LB664 would change processes under the Administrative Procedure Act (APA) and proposes to allow for public comment and submissions relating to the proposal or adoption of rules or regulations as well as challenges to rules or regulations in locations outside of Lancaster County. Provisions/portions of LB664 amended into LB660 by AM1008 .
Legislature Information and Status:	https://nebraskalegislature.gov/bills/view_bill.php?DocumentID=59579&docnum=LB664&leg=109
Notes:	
Bill:	LB772
Title:	Eliminate provisions allowing certain transfers of funds
Status:	January 7, 2026 – Date of introduction
Summary:	LB772 would eliminate provisions relating to transfers from certain funds to the State General Fund as provided. AMC Fund is included in Section 53.

Legislature Information and Status:	https://nebraskalegislature.gov/bills/view_bill.php?DocumentID=62842
Notes:	
Bill:	LB776
Title:	Provide a duty for each state agency to examine fees charged
Status:	January 7, 2026 – Date of introduction
Summary:	LB776 would provide a duty for each state agency to examine fees charged.
Legislature Information and Status:	https://nebraskalegislature.gov/bills/view_bill.php?DocumentID=62843
Notes:	
Bill:	LB799
Title:	Adopt the Service Contract Reporting Act
Status:	January 7, 2026 – Date of introduction
Summary:	LB799 would provide a duty for each state agency to provide a report on service contracts awarded by a city, county, or state agency for the provision of legal services, accounting services, financial consulting services, management consulting services, health care services, engineering services, architectural services, information technology services, marketing and advertising services, human resources consulting services, environmental consulting services, educational and training services, snow removal and hauling services, janitorial services, custodial and cleaning services, yard maintenance services, or tree removal services. The report shall contain the following information: (1) The name and address of each individual or entity that was awarded a service contract during the most recently completed fiscal year and the type of service involved in each such contract; (2) The total dollar value of service contracts awarded during the most recently completed fiscal year; (3) The total dollar value of service contracts awarded during the most recently completed fiscal year to an individual or entity located within an economic redevelopment area or a qualified census tract; and (4) A description of any efforts made by the city, county, or state agency to increase the number of service contracts awarded to individuals and entities located within economic redevelopment areas and qualified census tracts.
Legislature Information and Status:	https://nebraskalegislature.gov/bills/view_bill.php?DocumentID=62795&docnum=LB799&leg=109
Notes:	
Bill:	LB800
Title:	Adopt updates to building and energy codes
Status:	January 7, 2026 – Date of introduction
Summary:	LB800 updates the state building and energy codes to include Chapter 11 of the 2024 edition of the International Building Code and to include Chapter 13 of the 2024 edition of the International Residential Code.

Legislature Information and Status:	https://nebraskalegislature.gov/bills/view_bill.php?DocumentID=62789
Notes:	
Bill:	LB801
Title:	Adopt updates to building and energy codes
Status:	January 7, 2026 – Date of introduction
Summary:	LB801 updates the state building and energy codes to include Chapter 11 of the 2024 edition of the International Building Code and to include Chapter 13 of the 2024 edition of the International Residential Code.
Legislature Information and Status:	https://nebraskalegislature.gov/bills/view_bill.php?DocumentID=62790
Notes:	
Bill:	LB878
Title:	Require paid maternity leave for state employees
Status:	January 8, 2026 – Date of introduction
Summary:	LB878 defines maternity leave and provides eligibility for qualified state employees.
Legislature Information and Status:	https://nebraskalegislature.gov/bills/view_bill.php?DocumentID=63092
Notes:	
Bill:	LB898
Title:	Change which political subdivisions may use virtual conferencing for meetings under the Open Meetings Act and change related requirements
Status:	January 8, 2026 – Date of introduction
Summary:	LB898 changes the virtual conferencing requirements in the Open Meetings Act to allow public bodies whose members are not appointed or elected on a statewide basis, or public bodies whose functions are advisory or conducting studies, to hold more than one-half of its meetings by virtual conferencing if such public body holds at least one meeting each calendar year that is not by virtual conferencing.
Legislature Information and Status:	https://nebraskalegislature.gov/bills/view_bill.php?DocumentID=62831
Notes:	

First Exposure Draft – Proposed New Advisory Opinion 41, *Use of Technology in an Appraisal or Appraisal Review Assignment*

January 2, 2026

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Introduction

The purpose of the *Uniform Standards of Professional Appraisal Practice* (USPAP) is to foster public trust in the appraisal process by establishing clear, consistent, and enforceable standards. While the core principles of USPAP remain unchanged, the rapid emergence of artificial intelligence (AI), alongside technologies such as regression software, machine learning systems, and automated valuation models (AVMs), has raised important questions about how such tools fit within the framework of USPAP requirements.

The Appraisal Standards Board (ASB) is issuing this exposure draft to solicit public comment on proposed guidance regarding the use of technology in appraisal practice, including generative artificial intelligence (AI).

The ASB welcomes feedback on whether the proposed guidance clearly outlines appraiser responsibilities and appropriately addresses concerns related to confidentiality, bias, data security, and reliability. Your input is critical to ensure that USPAP continues to promote public trust and provide effective, relevant standards for the appraisal profession during this time of rapid technological change.

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

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

Nicholas D. Pilz

Chair, Appraisal Standards Board

Join the Conversation

ASB Chair, Nicholas D. Pilz, Vice Chair, Tim Hansen, and The Appraisal Foundation's Vice President of Appraisal Issues, Lisa Desmarais will host a webinar to discuss this exposure draft on January 13, 2026 at 1:00 PM ET (10:00 AM PT). Register [here](#) to attend the webinar.

All interested parties are encouraged to comment in writing to the ASB before the deadline of February 2, 2026. Each member of the ASB will thoroughly read and consider all comments.

The ASB will discuss the received comments at its virtual public meeting on February 19, 2026. You may register to attend the virtual meeting [here](#).

Send Your Comments by February 2, 2026

The rationale for the proposal is presented without line numbers, while the proposed Advisory Opinion is shown with line numbers to assist readers in referencing specific portions of the text when submitting comments. Line numbers are included solely for ease of comment. Because this exposure draft proposes a new Advisory Opinion rather than amendments to USPAP, no deletions or insertions to existing USPAP text are being proposed, and the text of the proposed Advisory Opinion is shown in its entirety. Advisory Opinions proposed for retirement are included for reference and transparency only and are presented consistent with their standalone format in the Guidance and Reference Manual, with line numbering restarting at line 1 to avoid confusion regarding the scope of comments being requested.

When commenting on the exposure draft, commenters are encouraged to reference specific sections and line numbers, clearly explain the basis for their support or concern, provide examples or illustrations where appropriate, and suggest 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 the SurveyMonkey for your comments. If you are unable to provide your comments via SurveyMonkey, you may also email ASB@appraisalfoundation.org.

All written comments will be posted for public viewing, exactly as submitted, on the website of The Appraisal Foundation. Names may be redacted upon request. The Appraisal Foundation reserves the right not to post written comments that contain offensive or inappropriate statements.

Proposed: Advisory Opinion 41, *Use of Technology in an Appraisal or Appraisal Review Assignment*

Rationale

The ASB recognizes that it is insufficient for appraisers to maintain only the skills and knowledge they possessed when they entered the profession. Appraisers must continuously improve their skills to remain proficient; this is especially true when new technological tools are introduced into the appraisal workflow. Although technology can enhance efficiency, support analysis, and assist in communicating assignment results, it also introduces issues related to ethics, confidentiality, record keeping, and the credibility of an appraiser's assignment results. Proposed Advisory Opinion 41, *Use of Technology in an Appraisal or Appraisal Review Assignment* (AO-41) informs appraisers of their responsibilities when using these new technological tools in appraisal and appraisal review assignments to ensure compliance with USPAP.

The ASB has previously taken steps to address questions raised in this area. In January 2024, it published Questions & Answers (Q&A) clarifying that, while generative AI tools may assist with data analysis and communication, they cannot replace an appraiser's judgment, and appraisers remain fully responsible for ensuring assignment results are credible and compliant with USPAP's ETHICS RULE and COMPETENCY RULE. However, that Q&A focused specifically on generative AI and did not address the broader principles that apply when appraisers use any form of computer technology in appraisal practice. In September 2024, the ASB convened a public forum titled *Artificial Intelligence and USPAP: Shaping Future Standards and Ethics Forum* to gather perspectives from experts and stakeholders on the role of AI in appraisal practice.

The ASB invites comments on all aspects of this proposed AO-41, and in particular, seeks input on the following questions:

1. Appraiser Responsibilities

Does the proposed guidance clearly articulate the appraiser's responsibilities when using advanced computer technology in appraisal assignments?

2. Risks

Are there specific risks that you believe require additional clarification within the proposed guidance?

3. Public Trust

Does the proposed guidance appropriately maintain USPAP requirements and public trust while addressing the use of this technology?

4. Additional Issues

Are there additional issues the ASB should consider when using emerging technologies?

The ASB values and relies upon public input to ensure that this guidance regarding the use of advanced computer technology is clear and ensures that its use is consistent with USPAP and its overall goals.

Advisory Opinion 41, Use of Technology in an Appraisal or Appraisal Review Assignment (AO-41)

ADVISORY OPINION 41 (AO-41)

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

SUBJECT: Use of Technology in an Appraisal or Appraisal Review Assignment

APPLICATION: Real Property, Personal Property, Intangible Property

THE ISSUE:

The rapid growth of technology in the valuation profession presents both opportunities and challenges. Appraisers now have access to tools ranging from automated valuation models and statistical software to machine learning and artificial intelligence. These technologies can assist with collecting, analyzing, organizing, and reporting data. While such tools may improve efficiency and help manage large amounts of information, they also raise important questions about scope of work, transparency, and confidentiality. The central issue is how appraisers can responsibly integrate the use of these tools into appraisal or appraisal review assignments without compromising their USPAP obligations.

The increasing use of technological tools in appraisal and appraisal review assignments raises important considerations for appraisers, clients, regulators, and the public, such as:

- What is the appraiser's responsibility when deciding whether to use and rely on a tool that produces results or suggests conclusions?
- How should a tool be evaluated before its output is relied upon?
- Should reliance on a tool's output be disclosed, and if so, how?
- What documentation, if any, related to a tool's use should be retained in the workfile?
- What safeguards are necessary to protect confidential information?

Questions like these arise frequently in everyday practice, especially as more assignments involve third-party systems, automated analyses, or client-specified tools. The core issue is not whether technology can be used, but how its use aligns with the appraiser's responsibility to develop and communicate credible assignment results in compliance with USPAP, and thereby, uphold public trust.

THE APPRAISER'S RESPONSIBILITY

In USPAP, appraisal practice refers to valuation services performed by an individual acting as an appraiser. According to the PREAMBLE, an appraiser must comply with USPAP when either the service or the appraiser is required by law, regulation, or agreement with the client. Tools may assist an appraiser in an appraisal or appraisal review assignment, but compliance with USPAP is solely the appraiser's responsibility.

A tool cannot comply with USPAP. The appraiser decides whether to use a tool and whether reliance on its output is appropriate. When the use of a tool is appropriate, the appraiser must determine if reliance on the output produces credible assignment results. If an appraiser relies on a tool's output without applying their own analysis of the information consistent with the scope of work, the work does not

comply with USPAP. In that case, the appraiser has relied on a tool's output in place of their own analysis, resulting in work that is not credible. When technology is used in an appraisal or appraisal review assignment, three key elements apply:

1. **Technology:** The use of technology may assist with the type and extent of research or be part of the methods and techniques applied in an assignment. When using technology, the appraiser must not violate the ETHICS RULE, which requires an appraiser to act with impartiality, objectivity, and independence, and without accommodation of personal interests.
2. **Appraiser:** The appraiser must complete the assignment competently by determining and performing the appropriate scope of work sufficient to develop credible assignment results. Each STANDARD contains Standards Rules that establish the requirements for the appraiser to properly perform the assignment. It is the appraiser's judgment and not the tool that determines whether, and to what extent, reliance on a tool's output is appropriate.
3. **Assignment Results:** USPAP defines assignment results as an appraiser's opinions or conclusions developed in an assignment. The definition makes clear that assignment results are the appraiser's work whereas tool output is not. Because only an appraiser can develop assignment results, the appraiser remains responsible for ensuring that the tool is used ethically and competently, in compliance with USPAP.

Taken together, these factors reflect two overarching principles of the ETHICS RULE and COMPETENCY RULE. For example, if an appraiser uses technology during development and intentionally presents the tool's output as their own assignment results, this may constitute a violation of the ETHICS RULE. In contrast, if an appraiser uses technology and relies on its output without understanding that they are required to determine whether, and to what extent, reliance on the tool's output is appropriate, this may constitute a violation of the COMPETENCY RULE.

SCOPE OF WORK AND TECHNOLOGY TOOLS

When developing an appraisal or appraisal review, the appraiser must establish a scope of work sufficient to produce credible assignment results. As part of this process, the appraiser decides when and how to use technological tools.

Problem identification provides the foundation for these decisions. The elements identified at this stage guide the appraiser in determining the necessary research, analyses, and methods. Technology may be applied at each of these points:

- **Researching:** A tool may facilitate research, such as using a computer and web browser to access a subscription database of sales or market data.
- **Analyzing:** A tool may assist in applying analyses, such as regression software, spreadsheets, or statistical programs.
- **Applying Methods and Techniques:** A tool may support recognized appraisal methods or techniques. For example, spreadsheet programs may help apply and present the cost, sales comparison, or income approaches.

USPAP emphasizes that appraisers have broad flexibility and significant responsibility in determining the appropriate scope of work for an appraisal or appraisal review assignment. That flexibility does not diminish the appraiser's responsibility: any reliance on information or outputs generated by a tool must be evaluated in terms of producing credible assignment results. Credible results require support by relevant evidence and logic, not by the tool alone. Simply using a tool does not oblige the appraiser to

rely on its output, and the appraiser remains responsible for determining whether the output is accurate, relevant, and appropriate for the assignment.

APPLYING TECHNOLOGY

Appraisal tools have evolved significantly, but regardless of their form (manual, semi-automated, or fully automated) they remain aids to the appraiser's work; a tool alone cannot comply with USPAP.

Historically, appraisers relied on manual methods such as pen, paper, printed market data, and hand calculations. Semi-automated tools later emerged, such as spreadsheets requiring user-defined formulas and manual data input. Technology has advanced, and will continue to advance, to include largely automated tools such as algorithmic modeling, machine learning, and artificial intelligence. These tools may be applied in appraisal practice to assist appraisers in performing complex analyses such as regression analysis, automated adjustment modeling, or generative artificial intelligence (AI) platforms that can generate output with minimal interaction from an appraiser.

These tools are capable of producing data, organizing information, revealing patterns, and generating valuation outputs, and they will continue to evolve. But in the context of appraisal practice, they remain tools or outputs of a tool: not assignment results.

The operator of a tool **uses** the tool (e.g., spreadsheet programs, regression software, generative AI). That distinction between operating a tool and exercising an appraiser's judgment in deciding how or whether to use its output is critical, because credible assignment results can only be developed by an appraiser. Appraisers must also be competent to recognize when the design or training of advanced tools, such as generative AI, may reflect assumptions, limitations, or embedded biases introduced by their developers, and to determine whether such characteristics could affect the relevance or reliability of the tool's output for the assignment's intended use.

A TOOL'S OUTPUT AND THE APPRAISER'S RESPONSIBILITY

Analytical tools vary from those fully controlled by the appraiser to those with internal processes that may be hidden or inaccessible. This distinction matters when determining how an output from a tool can be relied on in an assignment under USPAP.

When the tool is entirely transparent, such as a spreadsheet where the data and formulas were all entered by the appraiser performing the assignment or another manually constructed model, the development of the assignment results, and the output produced are directly attributable to the appraiser. In these cases, the tool functions as an extension of the appraiser's analytical process, with the appraiser responsible for selecting inputs, defining logic, and interpreting outputs.

By contrast, automated tools (e.g., algorithmic modeling, machine learning, and artificial intelligence) may collect data, apply logic, or perform calculations in ways that are not always visible to the user. Depending on the design of the system and the manner in which it is used (e.g., through simple prompts or more technical, controlled inputs), the transparency of the process may vary. Regardless of the level of transparency, the output of the tool remains only information until the appraiser determines whether, and how, it should be used in developing assignment results.

For example, in a market value appraisal assignment, an appraiser may learn that market participants commonly use a publicly available automated tool to help determine the price at which a property might be bought or sold (e.g., software that helps project cash flows in real property or business valuation, or systems that analyze art auction data in personal property). The appraiser may determine that using such a tool is necessary to reflect market behavior. However, the tool's output remains information, not

assignment results, until the appraiser evaluates the information produced by the tool, determines its relevance, and decides whether reliance on the output is warranted for the intended use.

Appraisers are responsible for determining the relevance of a tool's output in the context of the assignment's intended use. For example, the appraiser might:

1. **Evaluate the data against other data:** Compare the data collected and used in the tool and/or the output with evidence from other credible sources.
2. **Perform the analysis independently:** Where necessary, replicate or develop the analysis using a method the appraiser understands and controls.
3. **Understand the tool's output:** The appraiser must have sufficient understanding of the tool to determine when its output is appropriate for the assignment and to use it in a manner that produces credible assignment results. Such understanding is required before the appraiser may rely on the output.

Regardless of the complexity or transparency of the tool, the appraiser remains responsible for ensuring that any data, analysis, or conclusions derived from it meet the scope of work requirements and result in credible assignment results. Reliance on a tool's output is consistent with USPAP only when the appraiser has acted ethically, performed competently, understood that the logic, methodology, and data are appropriate, and determined that the output is credible for its intended use.

CLIENT CONDITIONS AND PROHIBITIONS AND/OR REQUIREMENTS ON TECHNOLOGY USE

When engaging an appraiser, some clients may include prohibitions on the use of certain technologies, such as generative AI, automated modeling tools, or other similar tools. In an assignment where a client prohibits the use of certain technologies, an appraiser may choose to complete the assignment using alternative, more manual methods such as spreadsheet programs. That substitution alone does not determine whether the scope of work complies with USPAP.

The SCOPE OF WORK RULE requires that the appraiser develop a scope of work that is sufficient to produce credible results. The test for acceptability considers whether the scope of work is consistent with what intended users for similar assignments would expect and consistent with what peers would do in similar assignments. An appraiser must not allow assignment conditions to limit the scope of work to such a degree that the assignment results are not credible in the context of the intended use.

If a client restricts the tools or resources an appraiser may use, the appraiser must determine whether credible results can still be developed under that limitation. If the limitation prevents the appraiser from using necessary tools, accepted data sources, or appropriate methodologies, the scope of work may not support credible results. Regardless of the appraiser's decision about the use of the tool, the appraiser must be prepared to support the decision to exclude any investigation, information, method, or technique that would appear relevant to the client, another intended user, or the appraiser's peers.

For example, a client may prohibit the use of AI technologies in appraisal development. At the same time, a commonly used market data source (e.g., a multiple listing service or similar platform) may rely on AI tools to classify property characteristics or validate listing information. If the client's restriction is interpreted to prohibit the use of MLS data because it incorporates AI processes, and no other credible data source is available, the assignment could not be completed credibly.

In some cases, the client may require the use of a specific program or tool as a condition of the assignment, such as interpreting an AVM's output. This type of instruction is evaluated in the same way as a restriction. The appraiser must determine whether use of the required tool is appropriate given the

intended use of the assignment results and whether it allows for the development of credible assignment results. If the client requires use of a tool but its output is not appropriate, or it prevents the appraiser from applying independent judgment, the appraiser must either modify the scope of work with the client's agreement or decline the assignment.

Assignment conditions that either restrict or mandate technology must not result in a scope of work that prevents the appraiser from complying with USPAP. If the required or prohibited condition interferes with the appraiser's ability to produce credible assignment results, the appraiser must not agree to perform the assignment.

REPORTING THE TOOLS USED IN DEVELOPING ASSIGNMENT RESULTS

USPAP does not contain any requirement to disclose tools or technologies simply because they were used in an assignment. USPAP requires that appraisers use recognized methods and techniques to develop credible assignment results (e.g., Standards Rule 1-1(a), 7-1(a), 9-1(a)), but it does not prescribe or call out the specific tools an appraiser may use. A tool or technology may assist the appraiser in applying a method or completing an analysis, but its use alone does not trigger a disclosure requirement. The obligation to disclose arises only if the use of that tool affects the appraiser's ability to clearly and accurately communicate the assignment results in a manner that is not misleading and is sufficiently communicated for intended users to understand the work performed (e.g., Standards Rules 2-1, 8-1, 10-1). In other words, USPAP's requirements focus on the appraiser's application of methods and techniques, not the tool used to apply them.

Considerations for reporting when a tool was used during development:

1. **Always report the tool:** An appraiser must report the use of a tool when not doing so would prevent the appraisal from being set forth in a manner that is clear, accurate, and not misleading
2. **Report the tool as needed:** When the tool generates output through processes not fully visible to the appraiser (e.g., a proprietary algorithm or generative AI system), disclosure may be needed so intended users understand how the appraiser incorporated that output into their assignment results.

Example: In some assignments, an appraiser may use a generative AI system or regression model to assist in developing a suggested adjustment. The appraiser's interaction with the tool may range from minimal to extensive, and reliance on the tool's output may vary from limited reference to substantial incorporation, depending on the nature of the assignment and the credibility of the output for its intended use. When disclosing the scope of work performed, the appraiser may need to explain how they interacted with the tool so that intended users can understand how the appraiser developed their credible assignment results. The use of the tool alone does not create a disclosure requirement.

3. **No reporting of the tool:** When the tool performs only tasks directly controlled by the appraiser, disclosure of the tool itself is unnecessary. In general, when an appraiser discloses something in a report, it is usually done so that the information is necessary to clearly and accurately set forth the appraisal in a manner that is not misleading. This means the disclosure is the appraiser's analysis and reasoning used to develop the appraisal, not the tool used as part of the process provided that 1 and 2 above do not apply.

Example: An appraiser uses a spreadsheet to perform calculations and summarize data. The appraiser selects the data, writes the formulas, and interprets the results. Alternatively, the appraiser may use a generative AI assistant to check for mathematical errors or inconsistencies in formulas or narrative sections of a draft report. In both cases, the reasoning remains entirely the appraiser's. USPAP disclosure is satisfied by summarizing the data analyzed and the logic applied, not by identifying the spreadsheet software or the AI assistant used in the quality control process.

- 4. Client-driven disclosure:** Client requirements to disclose the use of a specific tool in a report are contractual obligations but are not assignment conditions under USPAP. These types of requirements are business practice issues and are outside the scope of USPAP.

When disclosing a tool in a report, the appraiser must not imply that the tool's output alone constitutes an assignment result. The report must clearly state or summarize how a tool's output was relied upon in developing the appraiser's assignment results. This disclosure is part of communicating the scope of work and must be sufficient for the intended users to understand the work performed, consistent with the intended use. The appraiser may additionally consider, depending on the nature of the tool and its role in the assignment, how source data was obtained, the output generated, the software or service used (including version, if relevant), and the date of the analysis.

REPORTING THE TOOLS USED IN COMMUNICATING ASSIGNMENT RESULTS

Tools that assist only in preparing or presenting the report, such as software for formatting, grammar, spell checking, or generating text that does not contribute to the appraiser's analyses, opinions, or conclusions, do not affect the assignment results, and therefore USPAP does not require that they be named or described in the report. Because these tools do not affect the assignment results, USPAP does not require that they be named or described in the report.

CONFIDENTIAL INFORMATION

The ETHICS RULE prohibits the disclosure of confidential information or assignment results to anyone other than:

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

Under USPAP, confidential information means information that is either identified by the client as confidential when providing it to an appraiser and that is not available from any other source or classified as confidential by applicable law or regulation. Assignment results are an appraiser's opinions or conclusions, not limited to value, developed in an appraisal or appraisal review assignment. Both confidential information and assignment results are specifically addressed in the ETHICS RULE, which requires the appraiser to protect them and limit disclosure to only what USPAP permits.

When using tools, the appraiser must take reasonable steps to prevent improper disclosure of confidential information or assignment results. This obligation is no different from the requirements that apply outside of tool use: under the ETHICS RULE, an appraiser must protect the confidential nature of

the appraiser-client relationship and may not disclose confidential information or assignment results except as USPAP permits. The use of a tool does not lessen or change these responsibilities; it simply provides another context in which they must be observed.

Before entering confidential information into a tool, the appraiser must confirm that doing so does not violate the ETHICS RULE. This may include, for example, when using a generative AI system an appraiser *“must act in good faith with regard to the legitimate interests of the client in the use of confidential information and in the communication of assignment results.”*

If the appraiser cannot take reasonable steps to safeguard confidential information and assignment results from unauthorized access, such information must not be entered into the tool. Responsibility for protecting confidentiality always remains with the appraiser. The use of tools does not reduce or remove these obligations. Failing to acquire the knowledge and experience necessary to use a tool competently or neglecting to exercise due diligence in evaluating how a tool handles confidential information, may constitute careless or negligent practice under USPAP.

When client-provided information is identified as confidential, or when the client imposes additional confidentiality requirements, the appraiser must ensure that such information is not disclosed through use of systems or services that may inappropriately expose, retain, or transmit the information. Similarly, if a tool stores or transmits data outside the appraiser’s control, the appraiser must evaluate whether its use is consistent with client conditions, assignment conditions, and USPAP confidentiality requirements. Knowing that a system may inappropriately disclose or transmit confidential information and choosing to use it anyway demonstrates a lack of due care and may constitute gross negligence in violation of the ETHICS RULE.

Negligent or uninformed use of a tool that results in improper disclosure of confidential information may violate the ETHICS RULE and/or the COMPETENCY RULE. Appraisers remain responsible for understanding the capabilities and limitations of any system they use, and for applying the same ethical and competency obligations that govern all aspects of appraisal practice.

RECORD KEEPING

The RECORD KEEPING RULE requires that an appraiser prepare a workfile for each appraisal or appraisal review assignment. As part of the requirements, the workfile must contain *“...all other data, information, and documentation necessary to support the appraiser’s opinions and conclusions and to show compliance with USPAP, or references to the location(s) of such other data, information, and documentation.”*

When a tool is used during development of an appraisal or appraisal review assignment, the appraiser’s record keeping obligation depends on the role the tool or its output played in the assignment.

1. **Relied upon:** If a tool’s output was relied upon in developing an assignment result, the workfile must include enough information to show how that output was used in forming the appraiser’s opinions and conclusions. This may include the tool’s output, related data and information and prompts or instructions used in the tool, and any analysis applied in connection with the tool’s output. The purpose is to document the information and reasoning that contributed to the development of the assignment results.
2. **Reviewed but not relied upon:** The decision depends on the scope of work and the actions of the appraiser’s peers and the expectations of intended users in a similar assignment. If reviewing the tool’s output was an expected part of the process, the documentation in the appraiser’s workfile should be sufficient to show that the scope of work was reasonable and that the

conclusions are supported. This may include notes or a short explanation of why the tool's output was not used, especially if that decision affects the appraiser's conclusions.

ILLUSTRATIONS¹

Question 1-A: An appraiser is using a generative AI tool to identify demand drivers in a market as part of an appraisal assignment. The appraiser is familiar with the tool and knows that it has limitations, as it sometimes omits recent local developments and is known to generate plausible but inaccurate content (hallucinating). May the appraiser take the output from the tool and rely on that output as the only way to identify the market demand?

Answer 1-A: No. The use of any tool requires the appraiser to apply judgment in performing steps to collect, verify, and analyze relevant data while developing their assignment results (see Standards Rule 1-4, Standards Rule 7-4, or Standards Rule 9-4). If the tool's output is incomplete, unreliable, or has known deficiencies, reliance on it can undermine the credibility of the assignment results.

Question 1-B: Under what circumstances can the appraiser rely on the output from this tool?

Answer 1-B: The output may be relied upon when it has been verified and analyzed to the degree necessary to develop credible assignment results given the intended use, and the appraiser has determined the tool's output is necessary. After verifying and analyzing the information, the appraiser must determine whether any limitations remain that affect the credibility of the information. The appraiser is responsible for the decision as to whether the output generated by the tool is complete, relevant, and appropriate for the assignment, and for the decision to rely on the output when performing their analysis in accordance with applicable standards.

Question 2: Does an appraiser need to understand the technical details of how a statistical tool like regression analysis performs calculations, or is basic familiarity sufficient for USPAP compliance?

Answer 2: In most instances, an appraiser is not required to replicate or fully understand the technical algorithms underlying a statistical tool. However, under the COMPETENCY RULE, the appraiser must have sufficient knowledge and experience to use the tool competently, which means applying judgment in every case to interpret its output and determine whether reliance on it is appropriate. For example, when using regression analysis, the appraiser should be able to recognize whether the output indicates a strong or weak correlation between variables. Relying on output that demonstrates little or no meaningful relationship may lead to unsupported or misleading conclusions. The appraiser remains responsible for the credibility of the assignment results based on sound analysis and judgment.

Question 3-A: The appraiser uses both semi-automated tools, such as spreadsheet programs, and automated tools, such as generative AI, to assist in developing assignment results. In some cases, a spreadsheet formula may contain an error created by the appraiser. In other cases, a

¹ Note: all Illustrations are answered assuming the reporting format is an Appraisal Report, and not a Restricted Appraisal Report

generative AI tool may produce an inaccurate output. Under USPAP, if reliance on either type of flawed output causes an assignment result that is not credible, is the appraiser responsible?

Answer 3-A: Yes. Regardless of the tool used, whether a spreadsheet, generative AI, or other technology, the appraiser is responsible for the decision to rely on the output in developing assignment results. USPAP requires competency in performing the assignment, which includes understanding how a tool functions, verifying that its data and assumptions are appropriate for the intended use of the assignment results, and ensuring that its output is credible.

Question 3-B: Can an appraiser use a tool over which they have limited control, and where the process the tool uses may contain an error that the appraiser may or may not be able to detect?

Answer 3-B: Yes. USPAP does not prohibit the use of a tool simply because the appraiser has limited control over its internal process or cannot fully observe how it operates. However, if the tool produces information that the appraiser uses in developing assignment results, the appraiser is responsible for determining that such information is used in a way that results in credible assignment results given the intended use. The decision to rely on any tool, regardless of how much control the appraiser has over it, is part of the appraiser's competency requirements under USPAP.

Question 3-C: When an appraiser uses a tool within an assignment to analyze data or assist in developing assignment results, where the appraiser has limited control over how the tool functions and errors may occur, what are the appraiser's responsibilities?

Answer 3-C: When using a tool within an assignment to analyze data or assist in developing assignment results, and the appraiser has limited control over how the tool functions or recognizes that errors may occur, the appraiser is responsible for understanding enough about how the tool operates to evaluate whether its output can be relied upon given the intended use of the assignment results. The appraiser may need to consider things such as the tool's purpose, assumptions, and limitations, and how factors outside the appraiser's control could affect the credibility of the assignment results developed using the output. If, after such consideration, the appraiser determines that the information produced by the tool supports the development of credible assignment results for the intended use, the appraiser may rely on it. When reporting the assignment results, it may be necessary to disclose the appraiser's steps taken in solving the appraisal problem if omission would mislead intended users. The appraiser's responsibility is to ensure the report is not misleading and contains sufficient information for intended users to understand the report properly.

Question 4: I used a tool created by a third party to support an adjustment in my appraisal. I previously conducted analyses to test the tool's output and determined that it was credible. In this new assignment, can I use those prior tests without performing new analysis?

Answer 4: It depends. Under USPAP, the appraiser must determine the scope of work necessary to produce credible assignment results for each assignment. This decision includes whether prior validation of a tool remains sufficient or whether new analysis is required.

If the prior analysis is still relevant, current, and applicable to the specific assignment, it may support the appraiser's decision to consider the tool's output. However, the appraiser

must determine in the new assignment whether the previous testing fully addresses the appraisal problem and is adequate for the intended use. Simply stating that the tool was tested in the past is not enough if the current assignment presents different characteristics, requirements, or expectations.

Question 5: If an appraiser uses a generative AI tool to provide a capitalization rate, is that any different than using a published rate from a data vendor?

Answer 5: No. In both cases, the appraiser receives information that they did not develop. Both the output of the generative AI tool and the published rate from a data vendor are information until the appraiser analyzes the information and determines whether it is relevant and necessary to produce credible assignment results in the context of the intended use.

Question 6: I used a generative AI tool to create an output that I relied upon to develop an adjustment in the sales comparison approach. What do I need to retain in the workfile?

Answer 6: If the output from the generative AI tool was relied upon in developing your adjustment and contributed to your assignment results, examples of items you may need to retain in your workfile might include:

- The specific output generated by the tool that was used in developing the adjustment and the related data and information used when prompting the tool.
- The prompts or instructions provided to the tool sufficient to understand how the system was prompted.
- Sufficient information to explain how the tool's output was relied upon when developing the assignment results.

If documentation is already included in your report, for example, through a summary of the development process, and it clearly demonstrates how the tool contributed to your assignment results in a manner sufficient for the intended use, then maintaining the report as part of your workfile may satisfy the RECORD KEEPING RULE. In most instances, you are not required to retain the tool's internal code, algorithms, or technical specifications.

Question 7: I used a program that assists with writing the appraisal report, such as formatting text or checking grammar, but the program did not interpret data, assist me in forming any opinions, or contribute to the development of my conclusions. What do I need to retain in the workfile?

Answer 7: If the program was used solely to assist in non-analytical tasks, such as organizing content, formatting, spelling or grammar correction, or inserting text unrelated to the assignment results, and did not influence the development of opinions or conclusions, there is no requirement under the RECORD KEEPING RULE to document its use in the workfile.

Proposed Changes to the *USPAP® Guidance and Reference Manual (GRM)*

Rationale

If the ASB adopts Advisory Opinion 41, *Use of Technology in an Appraisal or Appraisal Review Assignment* (AO-41), the ASB is also considering retiring Advisory Opinion 18, *Use of an Automated Valuation Model (AVM)* (AO-18), and Advisory Opinion 37, *Computer Assisted Valuation Tools* (AO-37) in a future edition of the *USPAP® Guidance and Reference Manual (GRM)*. Proposed AO-41 substantially incorporates and expands upon the topics currently addressed in those AO's.

The ASB seeks public comment on the following points:

- **Retirement of AO-18**

Use of an Automated Valuation Model was originally published in 1998. While the ASB discussed the possibility of revising or retiring AO-18 during the 2018 USPAP cycle, it ultimately chose to retain it at that time. Since then, technological advancements have expanded the capabilities and use cases of automated valuation models (AVM's) beyond those originally contemplated in the 2018 cycle. Proposed AO-41 provides current guidance on the appropriate use of these tools, aligned with existing USPAP obligations and applicable to all appraisal disciplines. The ASB is also considering converting relevant examples in AO-18 into standalone Frequently Asked Questions (FAQs).

- **Retirement of AO-37**

Computer Assisted Valuation Tools was developed to address the use of tools such as regression models and statistical applications within real property appraisal. At the time, these tools were distinguished from AVM's. As technology has progressed, the functions performed by these tools have increasingly overlapped with the appraisers judgment. This reinforces the importance of focusing on the appraiser's role in the process. Regardless of the tool or system used, appraisal practice must be based on the appraiser's informed judgment, with the appraiser being responsible for developing assignment results in compliance with USPAP.

- **Alignment Across Appraisal Disciplines**

Proposed AO-41 is designed to apply to real property, personal property, and intangible property appraisal. It focuses on core USPAP principles, such as ethics, competency, and the steps an appraiser takes to develop and report credible assignment results. The proposal also provides guidance that applies to a multitude of technological tools, including automated models, algorithmic systems, and generative artificial intelligence.

Conclusion

Since AO-18 was published in 1998 and AO-37 followed in 2018, the role of technology in appraisal has expanded considerably and will continue to expand. Proposed AO-41 responds to these developments by offering foundational guidance on how USPAP applies when these tools are used in developing and communicating assignment results consistent with USPAP's principles.

Proposed Retirement of Advisory Opinion 18, *Use of an Automated Valuation Model (AVM) (AO-18)*

~~ADVISORY OPINION 18 (AO-18)~~

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

~~SUBJECT: Use of an Automated Valuation Model (AVM)~~

~~APPLICATION: Real Property, Personal Property, Intangible Property~~

~~THE ISSUE:~~

~~What steps should an appraiser take when using an AVM as a tool in the development of an appraisal or appraisal review concerning an individual property?~~

~~In addition, what steps should an appraiser take when he or she is using an AVM only to process information and communicate the AVM's output but is not performing an appraisal or appraisal review assignment?~~

~~BACKGROUND:~~

~~This Advisory Opinion addresses how an appraiser may use an AVM.~~

~~An AVM is a computer software program that analyzes data using an automated process. For example, AVMs may use regression, adaptive estimation, neural network, expert reasoning, and artificial intelligence programs.~~

~~The output of an AVM is not, by itself, an appraisal. An AVM's output may become a basis for appraisal or appraisal review if the appraiser believes the output to be credible for use in a specific assignment.~~

~~An appraiser can use an AVM as a tool in the development of an appraisal or appraisal review. However, the appropriate use of an AVM is, like any tool, dependent upon the skill of the user and the tool's suitability to the task at hand.~~

~~This Advisory Opinion applies when an appraiser uses an AVM in connection with an individual property. This Advisory Opinion does not apply to mass appraising.~~

~~An appraiser needs to know, before using an AVM, whether it is to be used:~~

- ~~1. to perform an appraisal or appraisal review or~~
- ~~2. solely to provide the client with AVM output.~~

~~When an appraiser uses an AVM to develop his or her own opinions or conclusions in an appraisal or appraisal review assignment, all of the USPAP rules governing that assignment apply and all of this Advisory Opinion is relevant.~~

~~An appraiser is not performing an appraisal or appraisal review assignment when he or she simply runs an AVM by using information provided by the client and:~~

- ~~1. does not alter the input or affect the output of the AVM, and~~
- ~~2. does not communicate his or her own appraisal or appraisal review regarding the AVM's output.~~

If the appraiser uses an AVM only to provide the client with the AVM output, the references to the Conduct section of the ETHICS RULE and the “Communicating the AVM Output” section in this Advisory Opinion are relevant.

ADVICE FROM THE ASB ON THE ISSUE:

Relevant USPAP References

- ~~Conduct section of the ETHICS RULE:~~

~~An appraiser must not engage in criminal conduct.~~

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

Further,

~~An appraiser must not communicate assignment results with the intent to mislead or to defraud. An appraiser must not use or communicate a report that is known by the appraiser to be misleading or fraudulent.~~

- ~~The COMPETENCY RULE states, in part:~~

~~...Competency requires: (1) the ability to properly identify the problem to be addressed; and (2) the knowledge and experience to complete the assignment competently; and (3) recognition of, and compliance with, laws and regulations that apply to the appraiser or to the assignment.~~

- ~~The Comment to the COMPETENCY RULE states, in part:~~

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

- ~~SCOPE OF WORK RULE:~~

~~The scope of work must include the research and analyses that are necessary to develop credible assignment results... Appraisers have broad flexibility and significant responsibility in determining the appropriate scope of work for an appraisal or appraisal review assignment. The appraiser must be prepared to demonstrate that the scope of work is sufficient to produce credible assignment results... An appraiser must not allow the intended use of an assignment or a client’s objectives to cause the assignment results to be biased.~~

- ~~Standards Rule 1-1(a):~~

~~An appraiser must be aware of, understand, and correctly employ those recognized methods and techniques that are necessary to produce a credible appraisal.~~

- ~~Standards Rule 1-1(b):~~

~~An appraiser must not commit a substantial error of omission or commission that significantly affects an appraisal.~~

- ~~Standards Rule 1-1(c):~~

~~An appraiser must not render appraisal services in a careless or negligent manner, such as by making a series of errors that, although individually might not significantly affect the results of an appraisal, in the aggregate affect the credibility of those results.~~

• ~~Standards Rule 1-6(b):~~

~~An appraiser must reconcile the applicability and relevance of the approaches, methods and techniques used to arrive at the value conclusion(s).~~

• ~~STANDARD 2:~~

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

• ~~STANDARD 3:~~

~~In developing an appraisal review assignment, an appraiser acting as a reviewer must identify the problem to be solved, determine the scope of work necessary to solve the problem, and correctly complete research and analyses necessary to produce a credible appraisal review.~~

• ~~STANDARD 4:~~

~~In reporting the results of an appraisal review assignment, an appraiser acting as a reviewer must communicate each analysis, opinion, and conclusion in a manner that is not misleading.~~

• ~~Advisory Opinion 37, Computer Assisted Valuation Tools.~~

Competency

~~When an appraiser is asked to use an AVM in an assignment, the appraiser must ensure that he or she can comply with the requirements of the COMPETENCY RULE both prior to accepting the assignment and in the course of performing it.~~

~~In an appraisal assignment, an appraiser must have a basic understanding of how the AVM works in order to reasonably determine that:~~

- ~~1. use of the AVM is appropriate for the assignment;~~
- ~~2. the output of the AVM is credible for use in the assignment; and~~
- ~~3. the AVM does not exclude relevant market measures or factual information necessary for a credible calculation.~~

~~A client may suggest or request the use of an AVM in an appraisal or appraisal review assignment, but ultimately the appraiser is responsible for the decision to use or not use the AVM and its output. The appraiser must be able to reasonably conclude that the AVM's output is credible before deciding to use the AVM or rely on its output. For example, in an appraisal assignment, the credibility of the AVM output may be established by comparison to the subject market. If the appraiser concludes that using the AVM output in an assignment would be misleading, the appraiser should either use other tools to perform the analysis or decline or withdraw from the assignment.~~

Under What Conditions May AVMs Be Used?

~~There are five critical questions to which the appraiser should answer "yes" before deciding to use an AVM in an appraisal or appraisal review assignment:~~

- ~~1. Does the appraiser have a basic understanding of how the AVM works?~~
- ~~2. Can the appraiser use the AVM properly?~~

3. Are the AVM and the data it uses appropriate given the intended use of assignment results?

4. Is the AVM output credible?

5. Is the AVM output sufficiently reliable for use in the assignment?

The answers to these questions may be affected by the degree to which the appraiser can interact with the AVM.

The decision to use an AVM may also be affected by support information supplied by the AVM's developer, the appraiser's previous experience in using the AVM, or other available information.

Database

Credibility of the AVM output depends on the quality of its database and how well the AVM is designed to analyze that database. When using an AVM in an appraisal or appraisal review assignment, the appraiser must have reason to believe the AVM appropriately uses data that are relevant.

Understanding and Control of the AVM

When using an AVM in an appraisal or appraisal review assignment, an appraiser should have a basic understanding of how the AVM analyzes data to determine whether the AVM measures and reflects market activity for the subject property. The appraiser does not need to know, or be able to explain, the AVM's algorithm or intricacies of its statistical or mathematical formulae. However, the appraiser should be able to describe the AVM's overall process and verify that the AVM is consistent in producing results that accurately reflect prevailing market behavior for the subject property.

AVMs differ in the number and type of data characteristics as well as in the volume of data analyzed. The appraiser should know which characteristics (e.g., size, location, quality) are analyzed and how the analysis is tested for accuracy and reasonableness. The appraiser should ascertain that the characteristics analyzed are those to which the market responds. Some AVMs allow the appraiser to select the data analyzed on the basis of, for example, distance from subject, size, or age of the improvements. An appraiser's ability to change the AVM's selection parameters may affect the appraiser's decision to use or rely on the AVM output.

The appraiser should be aware that the AVM may not perform consistently given the same input criteria. The appraiser should be confident of the AVM's credibility when applied to a specific property. The appraiser decides whether to rely on the AVM output, regardless of the AVM's overall test performance. In some cases, the appraiser may accept the AVM's output, while in other cases that same AVM's output would not be acceptable.

Communicating the AVM Output

Appraisers must ensure that their communication of an AVM's output is not misleading.

An AVM's output is not, by itself, an appraisal, and communication of an AVM's output is not, in itself, an appraisal report. When an AVM is used in an appraisal or appraisal review assignment, information furnished about an AVM in the appraiser's report must satisfy the reporting requirements applicable to the type of report provided (e.g., in the case of a real property appraisal, an Appraisal Report or Restricted Appraisal Report). The appraiser should cite the name and version of the AVM software and provide a brief description of its methods, assumptions, and level of allowed user intervention. The report should, to the extent possible, identify the database (e.g., Multiple Listing Services) and the data analyzed.

An appraiser bound by USPAP may be asked to run an AVM and communicate its output without performing an appraisal or appraisal review assignment. For example, an appraiser may be asked to simply enter property characteristics provided by the client but not alter the input or affect the AVM's output. In this specific instance, the appraiser is not acting in the capacity of an appraiser but rather is functioning only as an AVM operator. In such a situation, an appraiser must carefully avoid any action that could be considered misleading or fraudulent. The appraiser should take steps to ensure that communication of the AVM's output is not misconstrued as an appraisal or appraisal review report. For example, appraisers should:

1. not communicate their opinions or conclusions as an appraiser regarding the credibility or reliability of the AVM's output;
2. not provide an appraiser's certification or statement of limiting conditions in connection with the AVM's output; and
3. ensure that their role as only an AVM operator is clearly indicated if their signature or other identification marks appear on document(s) used to communicate the AVM's output.

Analyzing an AVM's Effectiveness

An appraiser bound by law, regulation, or an agreement to comply with USPAP may be asked to analyze and comment on the effectiveness of an AVM for a stated intended use. Such a request involves an aspect of value and thereby this would be an appraisal practice service, but one for which USPAP has no specific performance standards.

Before agreeing to perform such an assignment, an appraiser bound to comply with USPAP must ensure compliance with the ETHICS RULE, the COMPETENCY RULE, and the JURISDICTIONAL EXCEPTION RULE. To meet the COMPETENCY RULE, at a minimum, the appraiser should also have a basic understanding of how the AVM works.

Review of the Output of an AVM

An appraiser bound by law, regulation, or an agreement to comply with USPAP may be asked if the output of an AVM is credible for a specific property, given the intended use of the AVM's output. Such a request involves an aspect of value and thereby making this determination is an appraisal practice service, but one for which USPAP has no specific performance standards. The appraiser must ensure compliance with the ETHICS RULE, the COMPETENCY RULE, and the JURISDICTIONAL EXCEPTION RULE.

Review of an Appraisal Report Containing Output of an AVM

An appraiser may be asked to review an appraisal report that includes an opinion of value based on the output of an AVM. This is an appraisal review assignment under USPAP which must follow the requirements of STANDARDS 3 and 4. This kind of appraisal review assignment may be performed if the appraiser conducting the review understands how the AVM works and can form an opinion as to the adequacy and relevancy of the data and the appropriateness of the analysis, based on the information provided in the report under review.

Use of an AVM in an Appraisal Review Assignment

An AVM may be used in the process of reviewing a real property appraisal report. The appraisal reviewer may use the AVM to test the reasonableness of the value conclusion in the report under review if the appraisal reviewer has a basic understanding of how the AVM works, can use the AVM properly,

determines that use of the AVM is appropriate for the appraisal review assignment, and believes the AVM output is credible and sufficient for the appraisal review assignment.

Illustrations:

1(a). Staff Appraiser D, who has access to market databases, is asked to use an AVM to process information. When Appraiser D runs the AVM, she has done no other appraisal research. Appraiser D does not apply any of her appraisal knowledge or judgment in operating the AVM. Appraiser D has entered only property characteristics provided by the client and does not know how the AVM analyzes the data. Is the AVM output an appraisal?

No. The AVM output by itself is not an appraisal. Appraiser D did not apply her appraisal knowledge, judgment, or expertise, nor did she represent that the output was her own opinion of value.

Appraiser D must be very careful in communicating the AVM output to ensure that there is no misunderstanding as to her role in operating the AVM or communicating its output. For example,

Appraiser D should:

1. not communicate her opinions or conclusions as an appraiser regarding the credibility or reliability of the AVM's output;
2. not provide an appraiser's certification or statement of limiting conditions in connection with the AVM's output; and
3. ensure that her role as only an AVM operator is clearly indicated if her signature or other identification mark appears on documents used to communicate the AVM's output.

1(b). Staff Appraiser D receives AVM output from a coworker who is not an appraiser. Appraiser D is requested to determine if the AVM output is credible, given the intended use. What can Appraiser D do?

Appraiser D should not express an opinion regarding value. However, the request involves an aspect of value and, therefore, Appraiser D can indicate if the AVM output is credible. USPAP includes no specific performance standards for this kind of service. However, because performing the service requires an appraiser to consider an aspect of property value, it is part of appraisal practice. Appraiser D must, therefore, ensure compliance with the ETHICS RULE, the COMPETENCY RULE, and the JURISDICTIONAL EXCEPTION RULE.

1(c). After staff Appraiser D has received the AVM output, can she incorporate the information into the appraisal process?

Yes. However, Appraiser D must be able to understand how the AVM works and determine that the information analyzed is credible and reliable.

2. Appraiser V provides residential appraisals to Client A, whose intended use is to document security for equity lines of credit. Appraiser V has determined that Orange Box AVM is sufficiently reliable to use as a tool in these appraisals. Orange Box AVM was recently used by Appraiser V on a house in a suburban single-family residential subdivision.

Client B requests Appraiser V to use Orange Box AVM, alone, for a relocation appraisal assignment on an identical house in the same subdivision. Can Appraiser V use Orange Box AVM alone in this relocation appraisal assignment?

AVM itself and the AVM output for Client A's needs may not be appropriate for Client B's needs.

Client A's intended use of the appraisal is to document security for an equity line of credit. Typically, Client A's lending decision is based primarily on the homeowner's capacity to pay the debt and only secondarily on the value of the house. The reliability expectation of the value opinion needed by Client A is relatively low.

The intended use of the relocation appraisal for Client B is to develop an opinion of a sale price of the house under very specific conditions. Typically, the reliability expectation of the opinion needed by Client B is relatively high because their intended use involves a near-term transfer of the house, with immediate financial implications. Appraiser V must determine if Orange Box AVM's output is sufficiently reliable to meet Client B's stated expectations.

3(a). Appraiser A developed a regression analysis model that suggests a relationship between the size of a residence and the price per square foot of similar residences in a specific market. This relationship has been confirmed by market behavior, and the database used is believed to be reliable. Can the appraiser use the regression analysis model in other appraisal assignments of similar properties in the same market?

Yes, because the appraiser knows how the regression analysis model works, has independently tested the conclusions it provides, and believes the database is reliable. However, the appraiser must consider whether the AVM output is credible and reliable for each assignment on a case by case basis.

3(b). Appraiser A's friend, Appraiser B, works in a different market area. Appraiser B is impressed with Appraiser A's model and wants to use the model in Appraiser B's market area. Can Appraiser B use Appraiser A's model?

Yes, if Appraiser B understands how Appraiser A's model works and verifies by independent testing that the model produces reliable results in Appraiser B's market area and that the database used by Appraiser B reflects behavior in Appraiser B's market area. However, the appraiser must consider whether the AVM output is credible and reliable for each assignment on a case by case basis.

4(a). A client of Appraiser A requests that Appraiser A use Blue Box AVM. The client says, "Since we are only doing residential appraisals, you can skip the cost and income approach. To lower the cost of the appraisal just use the Blue Box AVM results as the basis for your value conclusion." The client also says, "Blue Box AVM makes thirteen adjustments, and that is all that the appraiser needs to be concerned with." The Blue Box AVM developer feels that appraisers cannot understand this new technology and that appraisers do not need to know how the thirteen adjustments are made. What should Appraiser A do?

Appraiser A should:

1. learn how the Blue Box AVM works;
2. determine if he can use the AVM properly; and,

~~3. given the intended use, determine if the output of Blue Box AVM is credible and sufficiently reliable for use in the assignment.~~

~~If Appraiser A cannot understand how the Blue Box AVM works or concludes that the results are not credible, given the intended use, Appraiser A should discuss the issue with the client. This discussion may result in a modified scope of work or in the appraiser declining the assignment.~~

~~4(b). Another client requests that Appraiser A consider Green Box AVM. The client indicates that Appraiser A can modify six of the thirteen items analyzed in Green Box AVM, such as the distance within which the comparables are selected and the size range (square footage) of the comparables. The developer of Green Box AVM will also describe how the AVM works and provide the results of test data, which indicate that the model is reliable. What should Appraiser A do?~~

~~Appraiser A should follow the same steps described in 4(a).~~

Proposed Retirement of Advisory Opinion 37, *Computer Assisted Valuation Tools* (AO-37)

ADVISORY OPINION 37 (AO-37)

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

SUBJECT: Computer Assisted Valuation Tools

APPLICATION: Real Property

THE ISSUE:

~~Appraisers rely upon market data as the basis for their opinions and conclusions. This data is used by appraisers to analyze and report on market trend information (e.g., median sale prices, rent trends, marketing time, etc.), or the impact different features have on their subject's value (i.e., appropriate adjustments).~~

~~Appraisers have access to technology that enables them to automate some aspects of the appraisal process. Regression analysis is a common example, but there are others as well. These tools generate information that once had to be calculated by hand. The information generated by this technology can enable appraisers to produce appraisals and appraisal reviews with greater credibility, but its misuse can have the opposite effect. What steps should an appraiser take to comply with USPAP when using information generated by these types of resources?~~

BACKGROUND:

~~This Advisory Opinion addresses an appraiser's obligations when relying upon adjustments, trend analyses, or other information generated by software or various online services. Two such examples of these tools are:~~

- ~~• Regression Analysis Tools: A regression analysis tool is a computer software program that analyzes data using an automated process. It is a statistical process used for determining relationships among variables. For example, an appraiser may wish to determine if the market recognizes a relationship between the size of a property and its price per square foot.~~

- ~~• Multiple Listing Services: These services publish listings of properties for sale in a given marketplace. Typically, these services have a function that can provide subscribers with an analysis of past sale trends, such as average prices, sales volume, days on market, etc.~~

~~Automated Valuation Models (AVMs) and Discounted Cash Flow Analysis (DCF) are addressed separately in other advisory opinions, AO 18 and AO 33, respectively. The output of an AVM or DCF may become a basis for appraisal or appraisal review if the appraiser believes the output to be credible for use in a specific assignment. The output of computer assisted valuation tools are most often used as analytical tools within one or more approaches to value.~~

~~Stand-alone software or various online services can be useful tools that allow appraisers to enhance their appraisals. Some residential lenders are increasingly requiring appraisers to provide additional support for their adjustments. In the past, these forms of analysis would have been prohibitively difficult for an appraiser to provide in the normal course of business. Appraisers sometimes meet this request by~~

providing a regression analysis, or a software generated matched pair analysis. There are software packages available to appraisers that make this relatively simple. Some residential form software vendors include these functions as an integral part of their product. Many modern Multiple Listing Services now have integrated analytical tools to accommodate the needs of their appraiser members. Some appraisers create their own tools using commercially available spreadsheet software.

ADVICE FROM THE ASB ON THE ISSUE:

Relevant USPAP and Advisory References

- The Conduct section of the ETHICS RULE states, in part:

—An appraiser must not communicate assignment results with the intent to mislead or to defraud.

—An appraiser must not use or communicate a report or assignment results known by the appraiser to be misleading or fraudulent.

- The RECORD KEEPING RULE states, in part:

The workfile must include all other data, information, and documentation necessary to support the appraiser's opinions and conclusions and to show compliance with USPAP, or references to the location(s) of such other data, information, and documentation.

- The COMPETENCY RULE states, in part:

Competency requires: (1) the ability to properly identify the problem to be addressed; (2) the knowledge and experience to complete the assignment competently; and (3) recognition of, and compliance with, laws and regulations that apply to the appraiser or to the assignment.

- The Comment to the COMPETENCY RULE states, in part:

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

- The SCOPE OF WORK RULE includes:

—The scope of work must include the research and analyses that are necessary to develop credible assignment results.

—Appraisers have broad flexibility and significant responsibility in determining the appropriate scope of work for an appraisal or appraisal review assignment.

—An appraiser must be prepared to demonstrate that the scope of work is sufficient to produce credible assignment results

—An appraiser must not allow the intended use of an assignment or a client's objectives to cause the assignment results to be biased.

- Standards Rule 1-1(a):

An appraiser must be aware of, understand, and correctly employ those recognized methods and techniques that are necessary to produce a credible appraisal.

- Standards Rule 1-1(b):

An appraiser must not commit a substantial error of omission or commission that significantly affects an appraisal.

79 ~~• Standards Rule 1-1(c):~~

80 ~~An appraiser must not render appraisal services in a careless or negligent manner, such~~
 81 ~~as by making a series of errors that, although individually might not significantly affect the~~
 82 ~~results of an appraisal, in the aggregate affect the credibility of those results.~~

83 ~~• Standards Rule 1-6(a):~~

84 ~~An appraiser must reconcile the quality and quantity of data available and analyzed within~~
 85 ~~the approaches used;~~

86 ~~• Standards Rule 1-6(b):~~

87 ~~An appraiser must reconcile the applicability and relevance of the approaches, methods~~
 88 ~~and techniques used to arrive at the value conclusion(s).~~

89 ~~• STANDARD 2:~~

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

92 ~~• STANDARDS 3 and 4:~~

93 ~~In developing an appraisal review, an appraiser must identify the problem to be solved,~~
 94 ~~determine the scope of work necessary to solve the problem, and correctly complete~~
 95 ~~research and analyses necessary to produce a credible appraisal review. In reporting the~~
 96 ~~results of an appraisal review assignment, an appraiser must communicate each analysis,~~
 97 ~~opinion, and conclusion in a manner that is not misleading.~~

98 ~~• Advisory Opinion 18, Use of an Automated Valuation Model.~~

99 ~~• Advisory Opinion 33, Discounted Cash Flow Analysis.~~

100 **Competency**

101 The COMPETENCY RULE specifically states that competency may apply to an analytical method.
 102 Technology that performs statistical analyses is simple to use but still requires competence. When using
 103 computer assisted valuation tools in an appraisal or appraisal review assignment, an appraiser should
 104 have a basic understanding of how it analyzes data to determine whether the computer assisted
 105 valuation tool measures and reflects market activity for the property that is being analyzed.

106 The appraiser does not need to know, or be able to explain, the tool's algorithm, or the intricacies of its
 107 statistical or mathematical formulae. However, the appraiser should be able to describe the overall
 108 process and verify that the computer assisted valuation tool is consistent in producing results that
 109 accurately reflect prevailing market behavior for the property that is being analyzed.

110 For example, a calculation of both the mean (average) and median of a given data sometimes yield
 111 different results. Either may be appropriate for use but it is the appraiser's responsibility to make that
 112 determination. Proper application of these results must also be consistent. For example, it would not be
 113 appropriate to compare the mean sale price of office space in one year to the median sale price of office
 114 space from a different year. Likewise, an appraiser should not employ terminology (e.g., standard
 115 deviation, coefficient of variation, etc.) without understanding what that terminology means.

116 **Data**

117 The credibility of any analysis that incorporates output from computer assisted valuation tools depends
 118 on the quality of its data and how well the tool is designed to analyze that data. When using one of the

tools in an appraisal or appraisal review assignment, the appraiser must have reason to believe it appropriately uses data that is relevant.

The size of the database does not necessarily mean that the output is directly applicable. A sample of dozens of sales may appear to yield a well-supported correlation between size and price per acre. But if the sales would not otherwise be deemed comparable, they should not be included as part of the sample. The sales may be credible comparisons if the analysis takes into account the differences, but it is the appraiser's responsibility to determine if the source data is comparable as is, or if some adjustments are necessary prior to generating a relationship.

Use of Computer Assisted Valuation Tools

Standards Rule 1-1(b) states that the appraiser must not commit a substantial error of omission or commission that significantly affects an appraisal. Output from computer assisted valuation tools is typically used only as a portion of the analysis the appraiser relies upon to develop assignment results. A single error, which on the surface may appear minor, could have a compounding effect that could have a noteworthy impact on the results of the assignment.

When using computer assisted valuation tools, the appraiser is responsible both for selecting the appropriate input parameters and also for being proficient in the use of the technology to ensure the correct input of those parameters. The calculations performed by a computer assisted valuation tool may always be mathematically correct and easily duplicated. But if either of these criteria is not met, reliance upon the output of the computer assisted valuation tool's calculation may not provide credible results. Depending on how the appraiser relies upon this data, inappropriate information may impact the results of the assignment.

Statistical tools may be employed to support adjustments. Because of the number of independent variables required for analysis of both residential and non-residential properties, a useful statistical tool is multiple linear regression. The number of variables requires the utilization of an adequate sample size. Multiple linear regression may also be a valuable analytical tool in quantifying and supporting adjustments.

Appraisers must also have at least a basic understanding of statistics. For example, regression analysis is based upon complex calculations. Appraisers do not need to be able to duplicate those calculations but must understand how to use the output. They must be able to recognize a graph that shows a strong relationship between the variables and one that does not. Reliance on a weak correlation of the data will directly impact the credibility of the conclusion drawn using that information.

The appraiser must also be aware of what information is used as the input and how to properly apply the output. The appraiser may have developed a credible adjustment for market conditions in one appraisal, but the appraiser must consider whether or not the data upon which that adjustment was supported is based upon data that is suitable for comparison to the subject of another appraisal.

A regression analysis that correlates the sale prices per acre of land sales to the size of each lot may either be based upon the unadjusted or adjusted sale prices. If unadjusted, the appraiser may need to perform additional analysis before applying the result to the subject.

When using any of these analytical tools, the appraiser is responsible for the accuracy of the output. Thus, the appraiser must have confidence that the technology uses data that is relevant and that the output is mathematically correct and sufficiently reliable for use in the assignment.

Regardless of the tool chosen, the appraiser is responsible for the entire analysis, including selection of the source data, the calculations, and the resulting output. Appraisers should use sufficient care to avoid errors that would significantly affect their opinions and conclusions. Diligence is required to identify and

analyze the factors, conditions, data, and other information that would have a significant effect on the credibility of the assignment results.

When using a computer assisted valuation tool, an appraiser must not simply rely on the output of data programs which claim to give support for adjustments without an understanding that the output is credible. Reliance on this data without understanding the output could place credibility of assignment results in doubt.

Additional Considerations

Appraisers may rely upon forms of technology other than computer assisted valuation tools. The advice provided in this Advisory Opinion can, in large part, be applied to those tools as well. One such example is software that calculates the size of the subject property (CAD, or computer aided design software). Appraisers use these programs to illustrate the floorplan of the subject and, by including dimensions, calculate building size. As with valuation tools, the appraiser is responsible for the accuracy of the measurements, correctly identifying how each area is to be classified (e.g., living area, basement, garage, etc.), and that the resulting calculation is accurate and appropriate for use in producing credible assignment results.

Reporting Requirements

Standards Rule 2-2(a)(x) states, in part:

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 1 by: (1) summarizing the appraisal methods and techniques employed, and ... (5) stating the information analyzed and the reasoning that supports the analyses, opinions, and conclusions, including reconciliation of the data and approaches.

This could be accomplished by summarizing the input parameters and the analysis in the report and the rationale for selecting those parameters. The summary might also be supported by graphs, tables, charts, screen captures, etc. that are generated by the tools.

This may include all of the input parameters, how the source data was obtained, the resulting output, the software used, including the version number, or the online service relied upon, and the date of the analysis. Events beyond the appraiser's control may make it impossible to reproduce the exact same output results at a later date. For example, a software vendor might refine the algorithm, or there may be a different vendor altogether. The information retained in the workfile must be sufficient to support the analyses that were the basis for the report.

Illustrations:

1. Q: A stand-alone program will calculate the replacement cost of the office building that is being appraised. The software's output is notably different from the actual costs submitted by the builder. On which cost estimate should the appraiser rely?

A: Standard Rule 1-4(b)(ii) requires that the appraiser "analyze such comparable cost data as are available to estimate the cost new of the improvements (if any)." Therefore, the appraiser should not simply accept one cost calculation or another without careful analysis.

The appraiser should double-check and reconsider the factual data being input. Likewise, the appraiser should review the cost contract submitted to verify that it also is based upon the same assumptions (e.g., all items included, any personal property included, arm's-length transaction, etc.) and that the calculations are correct. After doing so, the appraiser can determine whether the proposed cost or the software's output is more credible.

2. Q: An appraiser has purchased a software package that has multiple functions, such as market analysis, deriving adjustments for physical characteristics, automatically inputting information from the local MLS, and more. He uses the program to develop an adjustment for an in-ground pool. The program provides that amount and reports the standard deviation. The appraiser is not familiar with this term. He assumes that a large standard deviation is better so he decides to employ that adjustment. Is the appraiser correct in deciding that the output was credible?

A: No. The COMPETENCY RULE requires that an appraiser have the knowledge to complete the assignment competently. An appraiser must have at least a basic understanding of statistics in order to rely upon the output. By relying upon unfamiliar terminology, the appraiser is not complying with the COMPETENCY RULE.

SUMMARY:

- Computer assisted valuation tools that are available to the appraiser are often used in developing value opinions in concert within one or more approaches.
- The output of computer assisted valuation tools is most often used as an analytical tool within one or more approaches to value.
- The information generated by these types of valuation tools is merely a calculation that once had to be calculated by hand; it is not a substitute for an appraiser's judgment.
- Appraisers may find analytic tools useful for supporting their adjustments.
- Regardless of the tool chosen, the appraiser is responsible for the entire analysis including the controlling input, the calculations, and the resulting output.
- Appraisers must be proficient in the use of their chosen technology to ensure that they have correctly selected and input appropriate parameters.
- If the appropriate parameters are not correctly entered into the program, the information provided may neither meet the requirements of the assignment nor provide credible assignment results.
- Appraisers must have an understanding of statistical analysis and not employ terminology and/or methodology with which they are not familiar.
- It is the responsibility of the appraiser to ensure that the controlling input is consistent with market evidence and prevailing market attitudes.
- Output should be tested and checked for errors and reasonableness.
- Information retained in the workfile must be sufficient to support the analyses.



NEWSLETTER



**The Appraisal
FOUNDATION**

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

Greetings!

I hope you all had a wonderful holiday season and are ready to kick off 2026!

As I reflect on last year, 2025 was a year of big and bold steps to move the appraisal profession into the future. From the release of the Exposure Draft of proposed changes to the *Real Property Appraiser Qualification Criteria*, to new consumer resources through Progressive Insurance, to improvements to our website, to the Pathways to Success scholarship and the Rural Practicum Outline, we were able to lay the groundwork to continue strengthening this profession for years to come.

Now, as we look to the year ahead, we envision 2026 as a year of building on that foundation through increased engagement. There are so many opportunities for us to engage together across the appraisal landscape. There will be countless public meetings, opportunities to hear comments on exposure drafts, and new ways to connect with the people responsible for building and upholding public trust in the appraisal profession.

That trust-centered future requires all of us giving our best and working together. My challenge to everyone reading this newsletter is for each and every one of us to make 2026 a year of engagement.

Look for opportunities to get involved and engage across the profession and with those whose decisions impact it. From state and federal regulators to appraiser membership organizations to lender or consumer advocates and the many groups with an interest in valuation, your engagement is critical in creating the envisioned future. Submit a public comment on an Exposure Draft, offer guidance to an aspiring appraiser, or get involved with an appraisal organization. The possibilities are truly endless.

I believe that if every person reading this newsletter takes just one action to further engage with their fellow appraisers or aspiring appraisers, this profession will be transformed. I hope you'll join me.

Let's Make it a Great Year!

Kelly Davids

President

The Appraisal Foundation

AQB Webinar on Criteria Exposure Draft

Thursday, January 22nd | 1 PM ET

[Register Today >](#)

Updates from the AQB

The Appraiser Qualifications Board has released an Exposure Draft of proposed changes to the *Real Property Appraiser Qualification Criteria*. A webinar will be held on January 22nd to discuss the Exposure Draft, and the comment deadline is March 3rd. Click above to register for the webinar, and click [here](#) to access the Exposure Draft.

On December 5, 2025, the Appraiser Qualifications Board adopted three targeted actions related to the *Real Property Appraiser Qualification Criteria*. The AQB adopted an Interpretation clarifying how completion of an AQB-approved PAREA program applies to minimum experience time requirements; this clarification is effective immediately and applies to the *Criteria* currently in force. The Board also adopted an Interpretation clarifying that appraisers seeking to reactivate an inactive credential must complete the most recent Valuation Bias and Fair Housing continuing education course, which will be incorporated into the 2026 edition of the *Criteria* and became effective January 1, 2026. In addition, the AQB voted to retire Guide Note 4, which provided guidance on practicum courses, effective February 1, 2026, to avoid confusion between binding *Criteria* requirements and non-binding guidance, while continuing to provide practicum-related guidance through the AQB's publicly available Course Approval Program (CAP) policies.

Updates from the ASB

The ASB released a first Exposure Draft on Proposed New Advisory Opinion 41. The ASB will hold an upcoming webinar on the Exposure Draft on January 13th. Register [here](#). Click [here](#) to read the Exposure Draft and leave a comment. The comment deadline is February 2nd.

The ASB will hold their first work session of the year in early February followed by their first public meeting on February 19th. Click [here](#) to register.

CARE and TAFAC Winter Meetings

February 5-6 | Washington, DC

[Register Today >](#)

Appraiser Talk

Have you checked out USPAP Talk? This special series on Appraiser Talk walks you through USPAP in weekly episodes. Join Amy and Lisa as they explore USPAP from week to week. Listen [here](#).

Partner Spotlight

American Society of Appraisers (ASA)

Explore highlighted [American Society of Appraiser Personal Property](#) courses now through August 2026, including:

- PP201 Introduction to Personal Property Valuation
- PP202 Development of a Personal Property Appraisal: Research and Analysis
- PP203 Communication of a Personal Property Appraisal: Report Writing

Additionally, the [2026-2027 15-Hour and 7-Hour Personal Property USPAP Update Courses](#) are available for Personal Property, Gems & Jewelry, and Machinery & Technical Specialties. Claim your seat early for the 2026 Personal Property Appraisal Summer Camp to take advantage of [ASA's PP POV courses](#) bundled at a discounted rate - starting July 2026!

American Society of Farm Managers and Appraisers (ASFMRA)

Summer Learning Series – ASFMRA's flagship education event returns July 13–24, 2026, in Denver, Colorado. This immersive, in-person program features a wide range of foundational and advanced courses designed to support rural appraisers working toward accreditation or seeking continuing education. Registration opens late January 2026.

To learn more about ASFMRA's mission, membership, and upcoming programs, visit www.asfmra.org

International Association of Assessing Officers (IAAO)

IAAO is soliciting proposals (www.iaao.org/events/call-for-presentations) for the 2026 Annual Conference, Oct. 13-16, 2026, in Calgary, Canada, for programs featuring innovative, cutting-edge content on property valuation.

IAAO is also working with the International Property Tax Institute to solicit program topics (www.iaao.org/mavspresent26) for a joint virtual Mass Appraisal Valuation Symposium on June 24-25; and with the Geospatial Professional Network on registration for the 2026 [GIS/Valuation Technologies Conference](#), March 30 to April 2 in Mobile, Alabama.

International Society of Appraisers (ISA)

Big things are coming to ISA in 2026! Join us in Phoenix for ISA's Annual Conference - Assets 2026: Desert Horizons (Apr 29–May 2, 2026) — which will be an inspiring gathering of ISA members, non-members and world-class experts. [Register here](#) before the rates go up.

Then, August 3 & 4, 2026 in New York, don't miss the ISA Summer Institute at Doyle Auctions — an exclusive, hands-on learning experience for appraisers, collectors and more! Mark your calendars and get ready to learn, connect, and grow! [Register here](#).

National Association of Appraisers (NAA)

We hope everyone enjoyed a wonderful holiday season. As we move into the new year, remember that applications for the George R. Harrison Scholarship Fund and the Appraiser Relief Fund are available under the Resources tab at www.naappraisers.org. The Appraiser's Conference and Trade Show (ACTS) will take place in Seattle, April 11–14, 2026. Visit www.appraisersconference.net for details. We hope to see you there.

North Carolina Professional Appraisers Coalition (NCPAC)

The North Carolina Professional Appraisers Coalition (NCPAC) is entering 2026 with a focus on strengthening professional competency across North Carolina. NCPAC recently began its Mentorship Program, launching mentor recruitment to support trainees and new entrants, while also delivering Valuation Bias and Fair Housing education in Boone, North Carolina, at the High-Country Association of REALTORS®, and national engagement through attendance at TAFAC. <https://www.ncpac.us>



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

The Appraisal Foundation

1155 15th Street NW, Suite 1111
Washington, DC 20005
202-347-7722



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Quarterly Update - December 2025

To submit a story, update, or announcement for the next quarterly newsletter, please email: Brandy March at brandy.march@aaro.net or Fran Oreto at franfreab@gmail.com. The next quarterly update will be sent around April 2025.

The Fall 2025 AARO Conference May Be Over, But the Innovation Is Just Beginning

The energy and engagement from all our attendees: veterans and brand-new faces, made this year's conference a true highlight! We genuinely hope your time was packed with learning, connecting, and inspiration.





What's next?

Mark Your Calendars!

Get Ready for Our Spring 2026 AARO Conference in San Diego!

Picture this: Three days of cutting-edge insights, incredible networking, and the sunny, vibrant backdrop of San Diego, California with an enhanced agenda and an earlier start time!

We're thrilled to announce the dates for our highly anticipated Spring 2026 conference: **April 27 - 29, 2026**. The conference will start at 9:30 a.m. instead of the normal 1:00 p.m. Stay up to date as the program gets finalized by going to: <https://aaro.net/Events>.

Don't miss this opportunity to grow your expertise while enjoying one of the country's most beautiful destinations. Start planning your trip now—you won't want to miss what we have in store!

Location and Hotel:

The Wyndham San Diego Bayside

1355 North Harbor Drive

San Diego, CA 92101

Secure Your Stay! Exclusive Hotel Block Available

Don't wait to book your accommodation! We've secured an exclusive room block at a fantastic rate just for our attendees through 5:00 pm on March 25, 2025, or until the block is sold out.

- Rate: Just \$249 per night (plus tax and fees).
- Dates: April 25, 2025, to April 30, 2025.

Call for Presentations: Shape the Next AARO Conference Agenda?

The interest phase for presentations is close to closing for the next AARO Conference; Don't Miss Out on this fantastic opportunity to share your knowledge and expertise in a subject currently relevant to our stakeholders. We want to hear from you. Presenting at AARO is a fantastic opportunity to elevate your profile and engage directly with key members of our community.

How to Get Involved:

- Express Your Interest: If you want to present or have a compelling topic you'd like the Program Committee to consider, submit a [presentation proposal here](#).

Don't miss the chance to be on stage at AARO!

Proposals are due by January 1, 2026.

2026 INCOMING OFFICERS & DIRECTORS

PRESIDENT – Dennis Badger, Kentucky

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Highlighted States

Rhode Island Department
of Business Regulation
1511 Pontiac Avenue
Cranston, RI 012920

[Click here for website](#)



Rhode Island is known for:

Rhode Island, nicknamed the "Ocean State," is known for its stunning coastline, charming seaside towns, rich maritime history, Newport Mansions, and seafood, including clam cakes and Del's Lemonade.

Fun Facts:

- Rhode Island is the smallest state in size in the United States. It

covers an area of 1,214 square miles. Its distances North to South are 48 miles and East to West 37 miles.

- Rhode Island was the last of the original thirteen colonies to become a state.
- Rhode Island shares a state water border with New York.

Quick Facts:

- Capital: Providence.
- Population: 1 million.
- Nickname: The Ocean State.
- Key Cities: Providence, Newport, Warwick, Pawtucket, Narragansett.
- Postal Abbreviation: RI.
- Major Industries: Healthcare, tourism, financial services, manufacturing, and education.
- Size: 1,212 sq. miles.
- Lowest point: Atlantic Ocean at sea level.

Rhode Island is famous for the following foods:

- Coffee Milk: A unique drink consisting of coffee syrup mixed with frosty milk, resembling a milkshake.
- Johnnycakes: A type of pancake made with stone-ground cornmeal, a staple at May breakfasts in Rhode Island.
- Hot Wieners: Small hot dogs topped with meat sauce, mustard, onions, and celery salt, served in steamed buns.
- Fried Dough: A popular dessert, often eaten at seaside locations, made of sugar-coated fried dough.
- Pizza Strips: A regional pizza specialty, featuring a thin, crispy crust with a unique sauce.
- Allie's Donuts: A popular donut maker in Rhode Island, known for its sinkers.
- Zeppole: An Italian pastry that is popular in Rhode Island.

South Carolina Real Estate Appraisers Board (SCLLR)

**P.O. Box 11329 Columbia, SC
29211-1329**

[Click here for website](#)



South Carolina is known for:

South Carolina, nicknamed “The Palmetto State,” where fragrant yellow jessamine perfumes the air, and ancient oaks whisper tales of Southern charm! One minute, you’re soaking up the sun on Coligny Beach, the next, you’re diving into the deep at Ripley’s Aquarium, or stepping back in time at Fort Sumter, where history dramatically unfolded. From the blooming beauty of Brookgreen Gardens to the echoes of naval history at Patriots Point, and from the breathtaking views of Falls Park on the Reedy to the storied grounds of Boone Hall Plantation, this state is a vibrant tapestry of beaches, history, and Lowcountry delights, all wrapped up in a package of undeniable Southern allure. Upon South Carolina’s statehood, the state’s economy was centered on the cultivation of cotton on plantations in the Sea Islands and Low Country, along with rice, indigo, and some tobacco as commodity crops, which were worked by indentured servants, most from America.

Quick Facts

- Nickname: The Palmetto State.
- Statehood: 1788; 8th state.
- Population (as of July 2016): 4,961,119.
- Capital: Columbia.
- Biggest City: Columbia.
- Abbreviation: SC.
- State bird: Carolina wren.
- State flower: yellow jessamine

South Carolina is famous for the following foods:

- South Carolina is renowned for its Lowcountry cuisine, featuring dishes like shrimp and grits, she-crab soup, Frogmore stew, and South Carolina barbecue, known for its unique mustard-based and

vinegar-pepper sauces.

- Chicken Bog: A hearty, one-pot dish featuring pulled chicken, tender rice, and smoked sausage in a flavorful broth, essentially a chicken and rice soup.
- She-Crab Soup: Creamy, rich soup, traditionally featuring crab meat, sherry, and crab roe (female crab eggs).
- Carolina Gold Sauce: A signature style, mustard-based sauce that is tangy, sweet, and slightly spicy, often used on pork, chicken, or ribs.
- Huguenot Torte: Popular dessert often described as a cross between a pecan pie and a macaroon, with apples. While it's named after the French Huguenots, it's actually believed to have roots in Ozark pudding.
- Barbecue.
- Shrimp and Grits.
- Hoppin' John: A traditional Southern dish, made with black-eyed peas, rice, and pork, often served on New Year's Day for good luck and prosperity.
- Pimiento Cheese. It's a true Southern classic.

**South Dakota Department of
Labor & Regulation Appraiser
Certification Program**

217 W. Missouri Ave.

Pierre, SD 57501



[Click here for website](#)

South Dakota is known for:

South Dakota is famously known for Mount Rushmore National Memorial, its agricultural industry, and its diverse landscapes, including the Badlands National Park and the Black Hills.

Fun Facts:

- South Dakota Has More Shorelines Than Florida.
- More Than 1,300 Bison Roam Free Across Custer State Park, South Dakota.
- The Crazy Horse Mountain Carving Will Be the Largest Sculpture in The World.

- Sioux Falls Is South Dakota's Largest City.
- It Hosts the Largest Motorcycle Rally in The World.
- More Than 1,300 Bison Roam Free Across Custer State Park, South Dakota.
- South Dakota's Home to More Than 25 Breweries
- The Highest Summit East of the Rockies is in South Dakota
- It Has One of the Longest and Most Complicated Cave Systems on the Planet
- It is One of The Best Places for Stargazing
- It Has One of the Largest and Most Complete Tyrannosaurus Rex
- Badlands National Park is Home to a Unique Bed of Fossil Evidence
- South Dakota Has One of the Largest American Indian Populations
- It Contains the Largest Concentration of Columbian Mammoth and Woolly Mammoth Bones in the World
- It Is Home to the Most Attractive Billion-year-Old Rocks
- South Dakota was once covered by the Sea

Quick Facts:

- Nickname: "The Mount Rushmore State".
- Statehood: November 2, 1889 (40th state).
- Capital: Pierre.
- Largest City: Sioux Falls.
- Abbreviation: SD.
- State Bird: Ring-necked pheasant.
- State Flower: Pasque flower.
- Population (2022 Estimate): 909,824.
- Square Miles: 77,123 (16th largest state).
- Population Density: 10 people per square mile.
- Highest Point: [Black Elk Peak](#) (7,242 feet).
- Highest point east of the Rocky Mountains: [Black Elk Peak](#) (7,242 feet).
- Tallest Building: [CenturyLink Tower](#), Sioux Falls (174 feet).
- State motto: "Under God, the People Rule".
- State song: "South Dakota, A Land of Beauty".
- State tree: Black Hills Pine.
- State fish: Walleye.
- State gemstone: Black Hills Jasper.
- State insect: Honeybee.
- State animal: American Bison.

South Dakota is famous for the following foods:

- Chislic: Salted, deep-fried, or grilled cubes of meat (beef, lamb, venison, goat, etc.) are a South Dakota staple.
- Bison: South Dakota is known for its bison meat, which is featured in burgers, steaks, and sausages.
- Pheasant and Walleye: The state bird and fish, respectively, are popular game dishes.
- Indian Fry Bread: A Native American staple, often served with savory toppings or as a base for tacos.
- Lefse: A thin, flat, Scandinavian pancake, popular in South Dakota.
- Kolache: A Czech pastry featuring a soft, yeasty dough filled with fruit, cream cheese, or poppyseed.
- Kuchen: A German-Russian custard-filled pastry, South Dakota's official state dessert.
- Kimball Popcorn Balls: A gooey, sweet treat made with popcorn and other ingredients.
- Wojapi: A viscous dipping sauce made from berries, sweetener, and corn starch.
- Mocha Cakes: A popular dessert in South Dakota.
- Tiger Meat: A dish made from wild game, commonly found in South Dakota.
- Cinnamon Rolls with Chili: A unique and popular dish, especially in the Midwest.

Tennessee Real Estate Appraiser Commission

500 James Robertson Pkwy.

Nashville, TN 37243-0564



[Click here for website](#)

Tennessee is known for:

Tennessee is widely known for its rich music heritage, particularly country music, and is also famous for its natural beauty, including the Great Smoky Mountains, and its culinary scene, including barbecue and hot chicken.

Tennessee, known as the "Volunteer State," boasts a rich history and culture, from its birthplace of country music, Graceland, to the Great

Smoky Mountains National Park, and is home to the world's largest underground lake, the Lost Sea

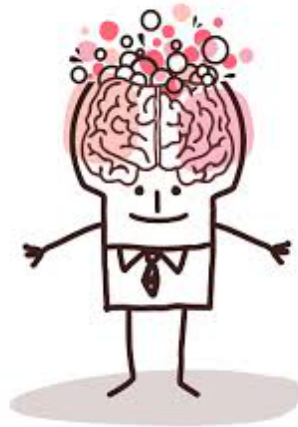
Fun Facts:

- Mountain Dew was invented in Knoxville in the 1930s as a new drink to mix with whiskey.
- The first combination candy bar was created in Tennessee: The Goo Goo Cluster.
- Machine-made Cotton Candy (fairy floss) was invented in Tennessee by a dentist and a candy maker in 1897.
- The beloved Southern treat, MoonPie, was invented in Chattanooga in 1917; it is a treat as big as the “moon.”
- Maxwell House Coffee was originally named for a luxury hotel in downtown Nashville in 1895. Some say the famous slogan “good to the last drop” was coined in 1907 when President Theodore Roosevelt was served coffee by the Maxwell House coffee company and proclaimed it to be “good to the last drop.”
- The tallest underground waterfall in the United States is Ruby Falls, an impressive 145 feet.
- Home to The Lost Sea, the country’s largest underground lake.
- Tennessee is home to the most visited national park in the Country: The Great Smoky Mountains (technically shared with neighboring NC)
- Tennessee has the world’s largest and only Salt and Pepper Collection: 20,000 pairs!
- Home to the Grand Ole Opry, the longest-running live radio program in the world since 1925.
- Tennessee ties Missouri for the state with the most borders by other states 8!
- Davy Crockett was born in Tennessee.
- Tennessee has more caves than any other state. There are over 9,200 caves and caverns throughout the state.
- Bristol, not Nashville, recorded some of the earliest country music in America, dating back to 1927.
- Not only is Elvis Presley’s home, Graceland, in Memphis, the second-most visited house in the country, but Elvis also recorded his first hit, “That’s All Right,” at Sun Studio in Memphis.
- Knoxville, Tennessee, hosted the 1982 World’s Fair.
- Nashville has its very own Batman Building. Technically, it is the AT&T building, but it has been nicknamed the Batman Building. At 617 feet tall, the building is the tallest skyscraper in Tennessee.

- Piggie Wiggle, America's first true self-service grocery store, was founded in Memphis in 1916.
- Milk is the official state beverage. Reports state Tennessee milk production was 508 million pounds in 2021.

Tennessee is famous for the following foods:

- Tennessee Whiskey: straight whiskey produced in Tennessee with a unique charcoal filtration process before aging.
 - Memphis Pulled Pork: regional barbecue featuring slow-smoked, shredded pork.
 - Nashville Hot Chicken: fried chicken known for its heat.
 - Fried Pies: small, fried pastry filled with fruit or other sweet fillings.
 - Memphis Dry Rub Ribs: generally a sweet and savory loin back rib.
 - Moon Pies: features marshmallow cream sandwiched between two graham crackers with a chocolate coating.
 - Country Ham With Red Eye Gravy: dry-cured, salty ham served with gravy made from the ham's drippings and typically coffee.
 - Fried Catfish: classic dish of catfish fillets breaded in cornmeal and fried until golden and crispy.
-



Upgrade Your Brain: Did you know . . . ?

1. The world's largest vacuum chamber is located at a NASA facility in the U.S. state of Ohio. [The earliest vacuum cleaners were horse-drawn.](#)
2. Herbert Hoover's presidency (1929 to 1933) arrived decades after the debut of the Hoover vacuum company, named after Ohio businessman William H. Hoover. The vacuum mogul has no relation to the nation's 31st president.

3. Dr Pepper: Though it's primarily enjoyed as a cold soda today, Dr Pepper was marketed as a hot drink from the late 1950s into the 1970s. Seasonal ads ran during winter to increase sales, and consumers were told to heat Dr Pepper to 180 degrees, pour it over a thin slice of lemon, and enjoy.
4. Capitol Crypt: Beneath the iconic dome of the U.S. Capitol lies a space known as the Capitol Crypt – a place of echoing stone and quiet anticipation, yet, paradoxically, a tomb without a tenant. No one is interred within its walls. The Capitol Crypt's sandstone floor was sourced from a quarry in Seneca, Maryland.
5. The five basic tastes are sweet, salty, sour, bitter, and umami.
6. Body Temperature: The average body temperature is not 98.6 degrees. actually a 97–99-degree range and can fluctuate based on various factors, including time of day, activity, and individual differences.

Keeping up with other Regulation Partners:

THE APPRAISAL SUBCOMMITTEE (ASC):

How to attend or address ASC at a meeting?

ASC meetings can occur in-person or virtually. You must register in advance to attend either format.

To register, email meetings@asc.gov by 5:00 p.m. Eastern Standard Time, three business days before the meeting.

Addressing ASC Members at a Meeting

Participation by public attendees at a regular meeting is at the Chair's discretion. If granted, participation is subject to time limitations specified by the Chair. To request participation, send an email to meetings@asc.gov detailing the nature of the request no less than 2 weeks in advance of a regular meeting date. ASC staff will confirm authorizations via email.

THE APPRAISAL FOUNDATION:

Keep up-to-date with all newsletters and articles, as well as press releases in [The Appraisal Foundation Press Room](#).

For information from The Appraisal Foundation Press Room, media inquiries, or to schedule an interview with a TAF representative, please contact: amy@appraisalfoundation.org, or call: (202) 624-3048.

Sign up for The Appraisal Foundation e-News!

Click [Sign up for eNews](#) and stay up-to-date with the latest from The Appraisal Foundation!

Appraisal Standards Board (ASB)

Access and explore recent ASB [Q&As](#)

Read the recent [Concept Paper - Generative AI and Appraisal Standards](#)

Appraisal Qualification Board (AQB)

Access and explore recent [Q&As](#)

View the [Exposure Draft - Proposed Changes to the Criteria, Concept Paper - Skills Based Examination Pathway](#), and the [Concept Paper - Examination Only Pathway](#).

APPRAISER TALK:

Keep in the loop with Appraiser Talk! Appraiser Talk is a podcast that answers questions from every corner of the appraisal profession, from consumers to appraisers and real estate to business valuation.

Want to join the fun? You can find all the episodes [here](#), or sign up to get a heads-up whenever a new episode is released.

If you have a question you'd like to ask Lisa and Amy, email amy@appraisalfoundation.org, and you might just hear it answered in a future episode.

HUD/FHA

[Single Family Housing Policy Handbook 4000.1](#)

HUD has an [online search](#) tool to find FHA loan limits, where you can search by county or state.

FANNIE MAE:

Selling Guide: [Download PDF Guide](#) - (Published: [December 10, 2025](#))

Stay informed with the latest information - [Sign up](#) for key policy, technology, and product updates.

FREDDIE MAC:

Seller/Service Guide: <https://guide.freddiemac.com/>

U.S. Department of Veterans Affairs (VA)

Website: [Department of Veterans Affairs](#)

Please feel free to send some recent activity from your state to share with the AARO Newsletter, or if you are interested in serving on a committee, please contact:

Fran Oreto at franfreab@gmail.com or

Brandy March at brandy.march@aaro.net.

Authors:

Fran Oreto 2025 Chair

Bryn Kaelin 2025 Vice Chair

Brandy March Managing Director

Program Committee Members

Look for the Newsletter (current and past) on the AARO [website](#).

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Originating & Underwriting

Appraiser Update

Periodic updates for residential appraisers serving Fannie Mae customers

Welcome to the Q4 2025 Fannie Mae *Appraiser Update*.

As the year wraps up, we’re focused on what matters most to your success: clarity, consistency, and confidence in every appraisal. This edition gives you practical insights to stay ahead:

- Several deep-dive articles on Uniform Appraisal Dataset (UAD) 3.6, focused on condition/quality ratings, the inspection component of Scope of Work, disaster mitigation, energy efficiency, and training and resources;
- Why time adjustments matter—and how to apply them effectively; and
- Our approach to managing Appraiser Management Company (AMC) risk for stronger compliance and reliability.

Use the links below to share feedback or subscribe to future editions.

We hope you and your loved ones have a joyful holiday season!

Collateral Policy Team
Fannie Mae

In this issue

UAD 3.6 articles

- [Quality and Conditions Ratings](#)
- [Statement of Work](#)
- [Training Opportunities](#)
- [New Sections in the URAR](#)

[The Important of Time Adjustments](#)

[Selling Guide Requirements for AMCs](#)

[Educational Letters to AMCs](#)

Related links

[Newsletter archive](#)

Interested in receiving this newsletter and other periodic appraisal-related updates?

Sign up now! >

UAD 3.6 Quality and Conditions Ratings

UAD 3.6 introduces clearer, more robust definitions and guidance for how the appraiser rates property condition (C) and quality of construction (Q). The 3.6 definitions retain the same scale, 1 through 6, and the intent for each level is essentially the same, but we have enhanced the definitions to enable more consistent determination of the appropriate rating.

For example, the UAD 2.6 definition of C1 calls for very recent construction, not occupied, all components new, with no physical depreciation. The 3.6 definition adds an age limit of 12 months. Similarly, 3.6 clarifies that C2 means the property is new construction or remodeled “to the studs” within 36 months with no deferred maintenance nor repairs needed. We won’t take up space here with an exhaustive comparison of the changes, but we encourage every appraiser and professional consumer of appraisal reports to familiarize yourself with the new definitions and criteria.

Many aspects of how the appraiser determines C and Q remain the same. For example, the rating scale is still absolute, not relative, meaning it is determined by reference to the definitions, not by comparison to other properties. Also, if any component of the improvements meets the definition of C6 (such as a major component missing or no longer functional), then the whole must be rated C6; however, what we mean by “the whole” shifts from the property to the dwelling.

One difference in 3.6 is that the appraiser rates C and Q separately for each dwelling (building) exterior, each unit interior, and overall, for the entire property. When the property is not new and is subject to repairs or completion, the appraiser must also provide an As Is Overall Condition Rating.

The [Appendix F-1: URAR Reference Guide](#) provides detailed guidance on how to determine and support the C and Q ratings in Section 08 Dwelling Exterior, Section 10 Unit Interior, and Section 15 Overall Quality and Condition. In fact, Section 15 provides three examples for how to reconcile the various interior and exterior ratings to arrive at the overall ratings. It is just three pages, well worth the quick read.

Note: damages, defects, and deficiencies are described in six sections of the new URAR corresponding to six categories of improvements. We explored the damages, defects, and deficiencies (DDD) terminology in the Safety, Soundness, and Structural Integrity article in the [Q2 2025 Appraiser Update edition](#).

You can find the UAD 3.6 Q and C rating definitions in several places including the [Appendix F-1: URAR Reference Guide](#), the [Selling Guide Supplement for UAD 3.6](#), and in the [Uniform Appraisal Dataset \(UAD\) Specification Condition and Quality Rating Definitions](#).

Scope of Work in UAD 3.6

In our legacy (UAD 2.6) appraisal forms, the minimum required scope of work is prescribed by static text in the Scope of Work section. The required level of inspection of the subject and the comparables is incorporated into the Scope of Work. Importantly, the appraiser is not allowed to edit the Scope of Work text nor change the minimum required scope of work.

Because of this, whenever we wanted to change the required level of inspection by the appraiser (such as during the COVID pandemic or when we created our desktop appraisal option), we had to launch new forms. This led to a proliferation of legacy appraisal forms that are almost identical with only minor differences in the Scope of Work and Certification sections.

Form	Appraiser must..
1004	perform a complete visual inspection of the interior and exterior areas of the subject property
2055	perform a visual inspection of the exterior areas of the subject property from at least the street
1004 Desktop	obtain and review adequate and reliable information for the subject property

Similar proliferation occurred for condo appraisal forms (1073, 1075, and 1073 Desktop) not to mention hybrid appraisals. Because the differences between these forms are subtle, it can be challenging for readers of the report to recognize what scope of work was executed and whether that scope of work was compliant with mortgage lending requirements.

UAD 3.6 takes a different approach. It removes the inspection disclosure from the Scope of Work text. Instead, the Assignment Information section of the report asks the appraiser to describe the Inspection Method for both the interior and exterior of the subject. The options for Inspection Method are: Physical, Virtual, or No Inspection. The appraiser’s answers are displayed in a space called the Scope of Inspection by Appraiser (and for the supervisory appraiser if applicable).

Next, the appraiser is asked to report a Property Valuation Method. The allowable options are Traditional Appraisal, Hybrid Appraisal, Desktop Appraisal, or Exterior Appraisal. Each Property Valuation Method has a set of defining characteristics that pertain to inspection of the subject:

Traditional Appraisal

Requires the appraiser to perform a personal, onsite inspection of the interior and exterior of the subject. This translates to Inspection Method = Physical for both the interior and the exterior of the subject.

Hybrid & Desktop Appraisals

No appraiser inspection requirement.

Exterior Appraisal

Requires the appraiser to inspect the exterior areas of the subject from at least the street, which translates to Inspection Method = No Inspection for interior and = Physical for the exterior of the subject.*

**Exterior appraisals are not a valid option under current Fannie Mae Selling Guide policy, so while the UAD would allow the appraiser to report an Exterior Appraisal, that would not satisfy Fannie Mae lending requirements.*

The level of inspection is also incorporated into the Appraiser Certifications. Certification 10 is dynamic, offering three options: (a) the appraiser personally performed an onsite inspection of the interior and exterior of the subject; (b) the appraiser inspected the exterior of the subject from the street; or (c) the appraiser did not personally perform an onsite inspection.

NOTE: Although UAD 3.6 equips the appraiser to certify to any of these three levels of inspection, that does not mean the appraiser is free to perform whatever level they choose. Lending requirements typically dictate the minimum level of inspection needed for a particular assignment, and failure to perform the required minimum inspection may make the loan unsaleable.

Another challenge with the legacy UAD 2.6 forms is that, although the appraiser is allowed to expand the scope of work, the forms do not have a standardized way for reporting any expansion. UAD 3.6 resolves this by asking the appraiser if there is additional scope of work (Yes/No). When the response is Yes, then the appraiser describes the additional scope in a designated comment field. The additional scope of work cannot be contrary to, and should not repeat, the predefined Scope of Work text.

UAD 3.6 Training & Resources

Don't miss the industry training:

UAD 3.6 is live and in limited production with broad production slated to begin Jan. 26, 2026. If you have not already taken the 7-hour continuing education course, we recommend you sign up soon! For those who have already taken the course but want a refresher, we have a non-CE class called “[The Industry's Guide to the New URAR](#).” *Spoiler alert:* it is about four hours long.

Review a new appraiser-specific resource:

The [Inspection and Reporting Tips for Appraisers](#) document highlights the notable differences between UAD 2.6 and UAD 3.6, offers inspection tips and reporting tips for specific sections of the 3.6 report, and points the reader to relevant sections of [Appendix F-1: URAR Reference Guide](#). Being only four pages long, you can print this resource and bring it with you when you observe a property.

Exploring UAD 3.6: New Sections for Disaster Mitigation and for Energy Efficient and Green Features

UAD 3.6 introduces two new sections to the URAR, Section 5 (Disaster Mitigation) and Section 6 (Energy Efficient and Green Features). These share a common structure with other UAD 3.6 sections: first, the appraiser reports any relevant features (from a pick list). If there are no relevant features, then the appraiser is done with that section. If there are relevant features, then the appraiser is given the option of adding commentary and photos / exhibits that will display together in the report with the features list.

Disaster Mitigation

The Disaster Mitigation section captures any property features designed to prevent or reduce the risk or impacts of disasters. UAD 3.6 defines 12 standardized features including fire resistant decking, fortified roof, impact resistance glass or shingles, and storm shelters. If the feature is not on the standardized list, the appraiser can choose “Other” and describe it.

Energy Efficient and Green Features

The Energy Efficient and Green Features section differs from Disaster Mitigation in three ways. First, instead of one comprehensive feature list, it has three subsections, each with a feature list. Second, the appraiser is asked to provide additional information about each feature noted. Third, the appraiser is asked to rate the impact on value and marketability. The subsections are Renewable Energy Components, Building Certifications, and Green Efficiency Ratings.

You can find more details about these sections in [Appendix F-1: URAR Reference Guide](#). For tips on how to navigate Appendix F-1, see our article [F-1 for UAD 3.6 Help](#) in the 2Q 2025 Appraiser Update.

https://singlefamily.fanniemae.com/originating-underwriting/appraisers/appraiser-update?utm_source=sfmc&utm_medium=email&utm_campaign=10965074&utm_term=5121337&utm_content=43362180&sfmc_id=12... 4/7

On Oct. 28, 2025, the Federal Housing Finance Authority published its latest [House Price Index \(HPI\)](#). Interestingly, it shows some regions of the country have recently experienced home price declines. For example, it found for the one month period from Jul. to Aug. 2025, prices declined 0.8% in the Pacific region.

In order to protect the public trust and achieve credibility, you must analyze for changing market conditions and make time adjustments if warranted by your analysis. Lenders, borrowers, agents, brokers, and builders should expect to see downward time adjustments in appraisals of properties where home prices have recently declined.

Learn more about time adjustment policies in the [Q1 2025 Appraiser Update](#) and in *Selling Guide* sections [B4-1.1-04](#) and [B4-1.3-09](#).

Selling Guide Requirements for AMCs

Lenders have long been utilizing third-party vendors, known as AMCs, to manage appraisal procurement. A common misconception is that the implementation of the Home Valuation Code of Conduct (HVCC) in 2009, along with subsequent regulations, such as the Dodd-Frank Act and the GSEs’ Appraiser Independence Requirements (AIR), mandated the use of AMCs to ensure appraiser independence. None of these regulatory frameworks require lenders to engage AMCs. In fact, a significant portion of appraisals submitted to Fannie Mae is procured directly by lenders without AMC involvement.

When electing to use an AMC, the lender remains responsible for ensuring the AMC’s compliance with AIR. Additionally, the lender must adhere to the Appraiser Selection Criteria outlined in the Fannie Mae *Selling Guide* [B4-1.1-03](#):

“Fannie Mae does allow lenders to use third-party vendors (for example, appraisal management companies) to manage the appraiser selection process. However, it should be noted that if a lender enters into a contract with any vendor, contractor, or third-party service provider, the lender is accountable for the quality of the work performed as if it was performed by an employee of the lender.”

The introduction of UAD 3.6 improves transparency by enabling clearer identification of AMC involvement in the appraisal process. However, it does not alter Fannie Mae’s policies regarding AMC usage.

Educational Letters to AMCs

In Jul. 2025, Fannie Mae began sending letters to AMCs detailing appraisal quality issues identified through Fannie Mae loan quality reviews completed in 2024. Each letter contains a comprehensive list of the issues identified for appraisals associated with that AMC. The appraisal reports are identified by the subject property address, appraiser name, and appraisal date.

Examples of issues frequently cited include inadequate comparable adjustment, failure to adjust for material differences, inaccurate reporting of comparable condition or quality, inappropriate comparable selection due to location, and use of physically dissimilar comparables (when more similar were available).

AMCs can use this information for training, enhancing engagement instructions, and improving quality control (QC) processes. Initial feedback from AMCs has been appreciative. We plan to repeat this operation at least annually.

NOTE: The AMC educational letter and spreadsheet are not scorecards. They do not rank the AMC in relation to other AMCs nor the appraiser working for the AMC.

As a reminder, in UAD 2.6 the appraiser identifies the AMC by entering its official name in the Name field of the LENDER/CLIENT section of the Appraiser’s Certification. Appraisers should *NOT* include any abbreviations, extra words, AMC licensing information, ID numbers, names of persons, or lender name in this field. If no AMC is involved, the appraiser must enter “No AMC”. For more details, see page 62 of the [UAD Specification, Appendix D](#).

LENDER/CLIENT

Name

XYZ Appraisal Management Company

Company Name

DEF Bank

Company Address

300 Maple Ave, Anytown, VA 12345

For UAD 3.6, AMC identification is straightforward. The appraiser simply selects Appraisal Management Company from the list of roles in the Assignment Information section of the report and then provides the Company Name and Company Address.

Assignment Information

Assignment Reason	Purchase	Property Valuation Method	Traditional Appraisal	
Borrower Name	Betty Borrower	Was a Property Data Report used in lieu of an Inspection?	Yes No	
	Bob Borrower		<input type="checkbox"/>	<input checked="" type="checkbox"/>
Seller Name	Jane Doe			
Current Owner of Public Record	Jane Doe			

Contact Information

Client/Lender

Company Name	DEF Bank
Company Address	200 Elm St
	Anytown, VA 12346

Appraisal Management Company

Company Name	XYZ Appraisal Management Company
Company Address	300 Maple Ave
	Anytown, VA 12345

For more info

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QUALITY INSIDER

DECEMBER 18, 2025

Controlling For Collateral Defects

As a lender, you’re on the front lines of loan quality. Strengthening your appraisal review process and reinforcing quality controls can help you avoid downstream issues and protect your rep and warrant relief.





Two of the most common collateral-related issues we cite are:

- Ineligible property – safety, soundness and structural integrity
- Subject Physical Features Reported Inaccurately – Condition/Quality of Construction (property condition and quality ratings).

To help avoid these issues and mitigate risk, we’ve highlighted the following best practices and risk controls to help strengthen your appraisal review process.

Risk mitigation and best practices to avoid common collateral defects

- **Review all appraisals**, even those with a Collateral Underwriter® (CU®) score below 2.5. Lenders remain responsible for ensuring property descriptions and appraisal data are accurate and complete.
- **Inspect photos closely**, particularly exterior shots and photos of basements.
- **Review appraisal notes for structural issues** like infestation, dampness, or settlement. If flagged, obtain a detailed report from a qualified professional with photos and a clear explanation of the issue and repair.
- **Ensure the reports are generated by qualified experts** or professionals with knowledge and relevant expertise. Reports must be detailed and contain information that explains the problem and the fixes as well as photographs showing the remedied areas.
- **Verify the appraiser’s work**. Appraisers are experts, but use your tools, knowledge, and experience as controls to verify the appraiser did not make a mistake.
- **Share Fannie Mae feedback** with appraisal management companies (AMC) to help improve appraisers’ skills, even if no action is required.
- **Educate origination and QC teams** by leveraging appraisal findings cited by Fannie Mae so professionals can continue to increase their knowledge bases.

-  [Loan Quality](#)
-  [Selling Guide, B4-1.3-06](#)
-  [Uniform Appraisal Dataset \(UAD 2.6\)](#)
-  [Quality Insider Archive](#)



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Sign up now!

Collateral Defects

Definition: Issues related to the property valuation, appraisal accuracy, or condition.

Examples: Unsupported adjustments, incorrect property type, missing comparables, or appraisal not meeting investor guidelines.

Control Tip: Ensure appraisers follow standardized methodologies and provide sufficient commentary and support for adjustments

What does structural soundness look like?

Issues around structural soundness are anything that may compromise the physical integrity of a property and jeopardize a property's marketability, value, insurability, and eligibility for sale to Fannie Mae. Identifying and addressing these risks early helps protect borrowers and prevent costly repurchase demands.

Common structural defects include:

- Water intrusion or mold
- Roof damage or leaks
- Foundation cracks or settlement
- Termite or pest damage affecting structural components
- Missing siding and/or extensive windowsill rot

Lenders must thoroughly review appraisals for these issues, which are often noted in the following areas of appraisals originated under the UAD 2.6 framework:

- Improvements
- Reconciliation
- Additional Comments
- Supplemental Addenda
- Subject photos (exterior and basement)

Why defects are flagged:

1. Appraiser noted an issue, but lender didn't follow up
2. Appraiser noted an issue but said no action was needed
3. Appraiser missed the issue entirely

Bottom line: Lenders must review appraisals thoroughly and act on any signs of structural concerns to maintain loan eligibility and quality.

Structural soundness examples:

Property Condition and Quality

Condition and quality ratings contribute to a property’s value and marketability. Accurate ratings are critical to the selection of comparable sales and making proper market adjustments. Inaccurate ratings may skew the collateral value.

Appraisers must:

Conduct a holistic review. Ratings must be based on a **holistic** view or be reflective of the entire property, not just isolated upgrades. For example, a completely renovated kitchen with new appliances and fixtures may suggest C3 and Q3 ratings. However, **if** other areas of the property (such as the bathrooms), are 15 years old, the HVAC system is outdated, and the roof is nearing the end of its functional life, the property ratings **would** likely not be accurate as C3 or Q3 ratings solely because of the kitchen component.

Adjust based on condition and quality. Even if the subject property and the comparables share the same rating, the appraiser is required to analyze and make adjustments based on actual quality and condition differences. For example, if an appraiser rates a subject as C3 and a comparable as C3, appraisers must still apply adjustments based on their observations.

Distinguish between C3 and C4. Appraisers regularly assign a C3 rating to properties that more accurately align to the definition of a C4 rating. When a property is incorrectly rated as C3 instead of C4, the selections of comparable properties and the associated adjustments may be inaccurate. Per the Selling Guide:

- C3: The improvements are well-maintained and feature limited physical depreciation due to normal wear and tear. Some components, but not every major building component, may be updated or recently rehabilitated. The structure has been well-maintained.
- C4: The property has been adequately maintained and exhibits moderate wear and tear resulting from occupancy and exposure to elements. The dwelling may feature some updating but otherwise contains deferred maintenance items that are generally minor or cosmetic in nature.

Examples of portions of properties rated C3 that should have been rated C4:

Take control of collateral quality—review appraisals thoroughly, act on red flags, and empower your teams to protect loan integrity from the ground up. If you have questions about collateral quality, please reach out to your relationship manager or QC specialist.



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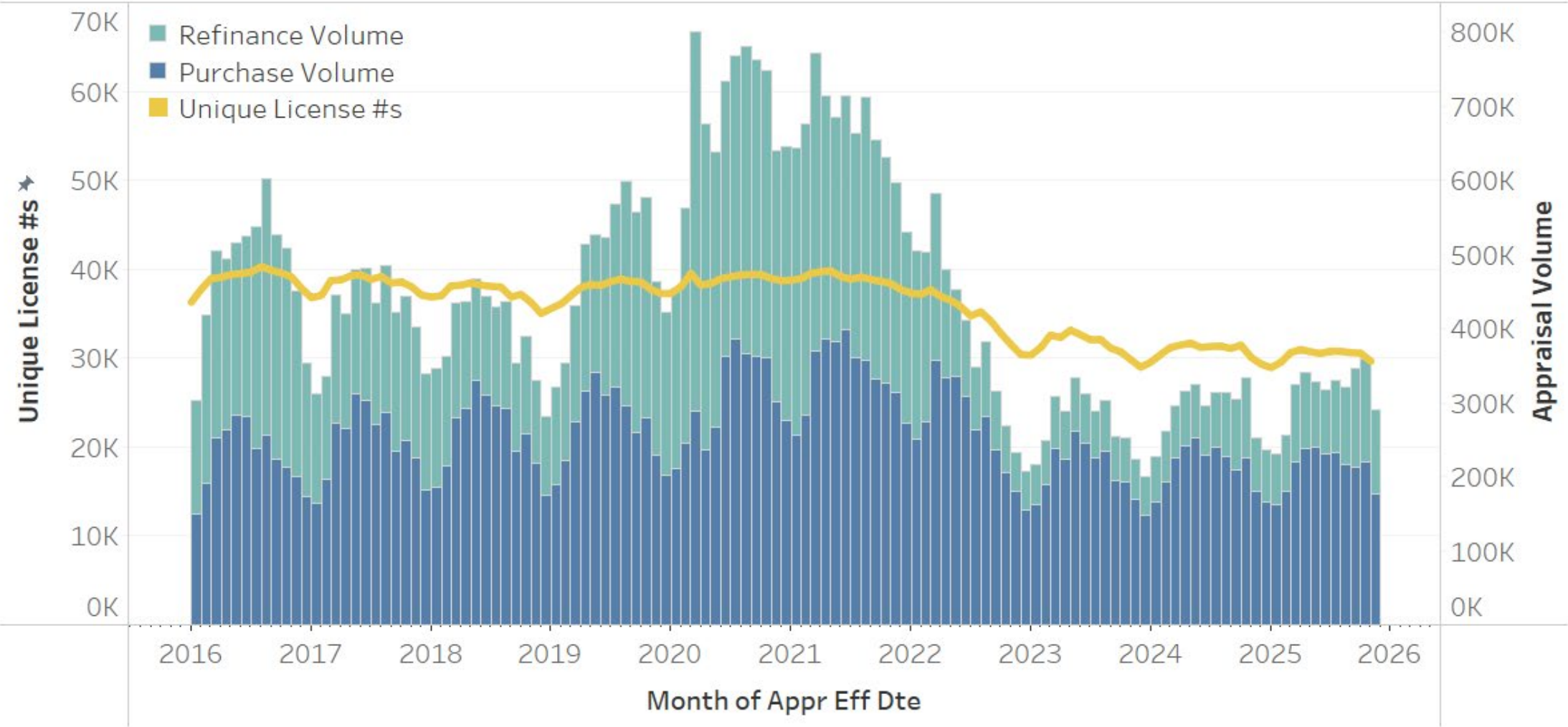
Appraiser Capacity

Updated December 2025



S.58

UCDP Appraisal Volume

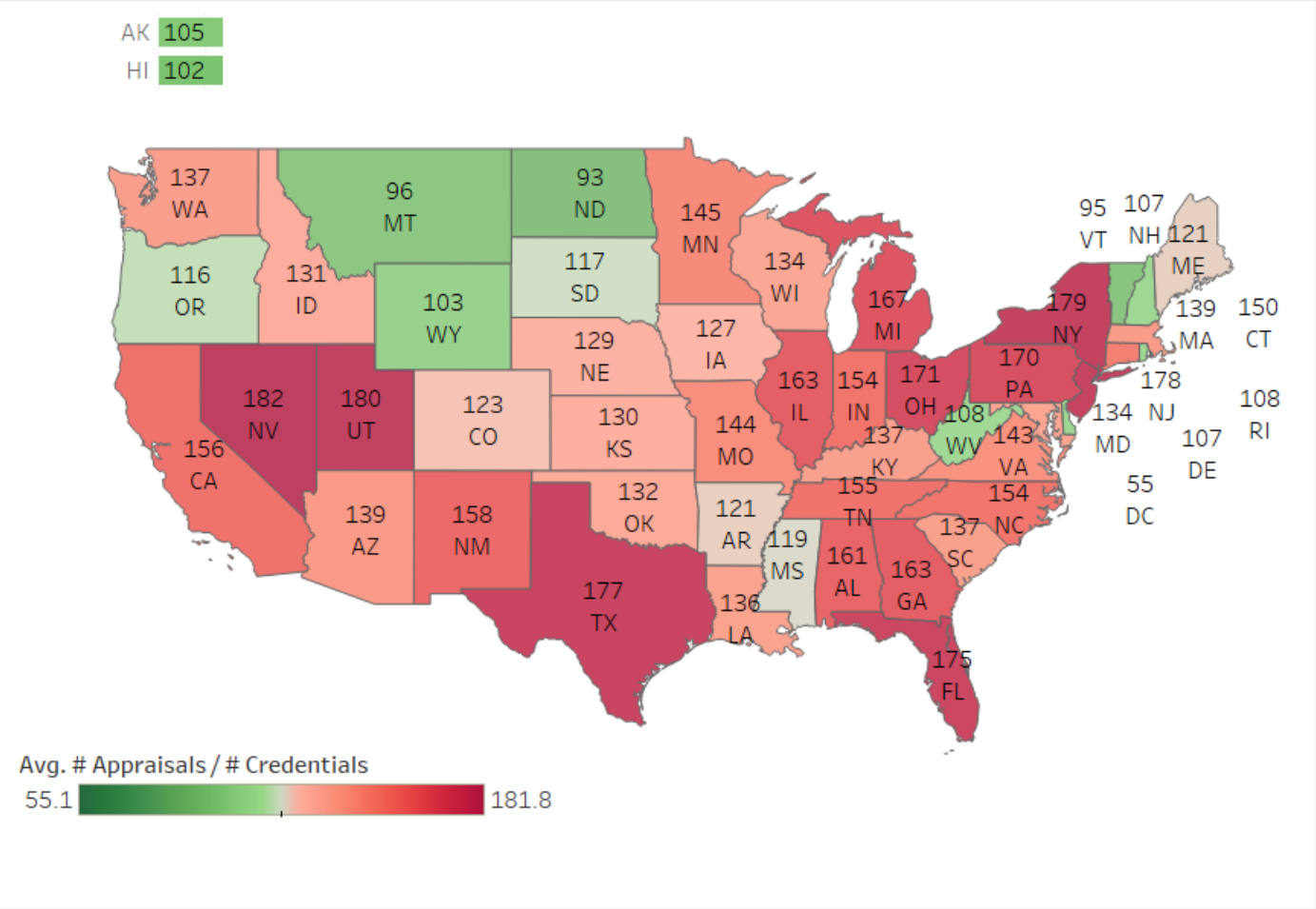


Unique appraiser license numbers in UCDP, per month. Volume includes all form types (not limited to 1004/70). January 2016 to November 2025.

GSE Appraisals per Appraiser – State View

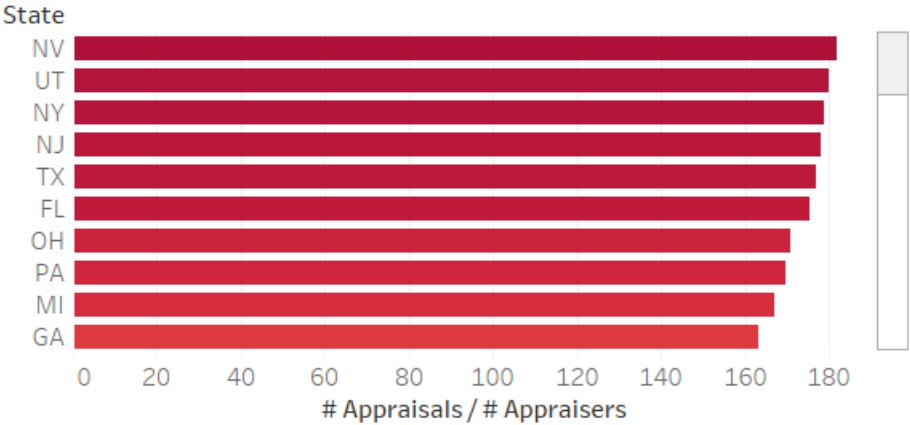


2025 Avg. GSE Appraisals per Appraiser (2025 YTD as of 11/30/2025)



Based on unique appraiser license #s in UCDP. Appraisal and license volume for all form types (not limited to 1004/70).

Appraisals per Appraiser (Top 10 HIGHEST)



Appraisals per Appraiser (Top 10 LOWEST)

