PUBLIC MEETING OF THE NEBRASKA REAL PROPERTY APPRAISER BOARD
Thursday, July 16, 2026, 9:00 a.m.
Nebraska Real Property Appraiser Board Office, First Floor, Nebraska State Office Building
301 Centennial Mall South, Lincoln, Nebraska

AGENDA

A. Opening 9:00 a.m.

B. Notice of Meeting (Adopt Agenda)

The Nebraska Real Property Appraiser Board will meet in executive session for the purpose of reviewing applicants for credentialing; applicants for appraisal management company registration; investigations; pending litigation, or litigation that is imminent as evidenced by communication of a claim or threat of litigation; and employee performance evaluation. The Board will exit executive session at 10:30 a.m. If needed, the Board will re-enter executive session at the conclusion of the public agenda items discussion to complete review of the above-mentioned items. The Board will not take action on agenda items C, D, E, and F until executive session is completed.

C. Credentialing as a Nebraska Real Property Appraiser 2-16

1. New Applicants for Certified General Credential through Education, Experience, and Examination
    a. CG26006
    b. CG26008
2. New Applicants for Certified Residential Credential through Education, Experience, and Examination
    a. CR26001
3. New Applicants for Renewal of Temporary Real Property Appraiser Credential
    a. CG23138T
    b. CG22699T
    c. CG22789T

D. Registration as an Appraisal Management Company 1-6

1. Applicants for Renewal of Appraisal Management Company Registration
    a. NE2021006

E. Compliance Matters 1

1. New Grievances
    a. 26-04

F. Other Executive Session Items 1

1. General
    a. 2026.07
    b. 2026.08
    c. 2026.09
2. Personnel Matters

G. Welcome and Chair's Remarks (Public Agenda 10:30 a.m.)

H. Board Meeting Minutes

1. Approval of June 16, 2026 Strategic Planning Meeting Minutes 1-30
2. Approval of June 18 2026 Meeting Minutes 31-45

I. Director's Report

1. Real Property Appraiser and AMC Counts and Trends
    a. Real Property Appraiser Report 1-4
    b. Real Property Appraiser Renewal Report 5
    c. Temporary Real Property Appraiser Report 6
    d. Supervisory Real Property Appraiser Report 7
    e. PAREA Program Participation Report 8
    f. Appraisal Management Company Report 9
2. Director Approval of Applicants
    a. Real Property Appraiser Report 10
    b. Appraisal Management Company Report 11
    c. Education Activity and Instructor(s) Report 12
3. 2026-27 NRPAB Goals and Objectives + SWOT Analysis 13

J. Financial Report and Considerations

1. June Financial Report
    a. Agency Budget Status Report 1-3
    b. Appraiser Program Budget Status Report 4-6
    c. AMC Program Budget Status Report 7-9
    d. MTD General Ledger Detail Report 10-15
    e. Financial Charts 16-19
2. ASC SARAS Grant Report
    a. Budget Status Report 20
    b. MTD General Ledger Detail Report 21
3. FY 2026-2027 Budget 22-29
4. Governor Pillen Fiscal Restraint Memo FY2026-27 30-32
5. Per Diems

K. General Public Comments

L. Education

M. Unfinished Business

1. 500 South 16th Street DOL Building Relocation
2. Board Member Annual Statement of Financial Interests (NADC Form C-1) Status Update

N. New Business

1. Processing Fee/Surcharge for Administrative Violations
2. Practicum Course Real Property Appraisal Practice Experience Requirements 1-8
3. Nebraska Resident Assistant A.I. by Tyler Technologies 9-15

O. Legislative Report and Business

1. Other Legislative Matters

P. Administrative Business

1. Guidance Documents
2. Internal Procedural Documents

a. 202601: Mail Received with No Postmark Date 1
3. Forms, Applications, and Procedures

Q. Other Business
1. Board Meetings
2. Conferences/Education
   a. Fall AARO Conference; September 28-30, 2026 – Clearwater, FL 1-3
3. Memos from the Board
4. Quarterly Newsletter
5. Appraisal Subcommittee
   a. ASC Notice to States - AQB 2nd Exposure Draft 4
   b. ASC Annual Report 2025 5-140
6. The Appraisal Foundation
   a. TAF July Newsletter 141-143
   b. TAF State Regulator Newsletter 144
   c. Second Exposure Draft of Proposed Changes to the Criteria_June 22, 2026 145-303
7. Association of Appraiser Regulatory Officials
   a. AARO Quarterly Newsletter – June 2026 304-319
8. Government-Sponsored Enterprises
   a. Fannie Mae
   b. Freddie Mac
      i. GSE Appraiser Capacity_June 2026 320-322
9. In the News

R. Adjourn

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

June 16, 2026 Strategic Planning Meeting Minutes

A. OPENING

Chairperson Hermsen called to order the June 16, 2026 meeting of the Nebraska Real Property Appraiser Board at 9:03 a.m. by virtual conference in the Nebraska Real Property Appraiser Board meeting room located on the first floor of the Nebraska State Office Building, 301 Centennial Mall South, Lincoln, Nebraska.

B. NOTICE OF MEETING

Chairperson Hermsen 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 June 11, 2026. 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 Kevin Hermsen of Gretna, Nebraska; Rodney Johnson of Norfolk, Nebraska; Derek Minshull of North Platte, Nebraska; Adam Batie of Kearney, Nebraska; and Lori Johnson of Lincoln, 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 Hermsen 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 R. Johnson moved to adopt the agenda as presented. Board Member Minshull seconded the motion. The motion carried with R. Johnson, Minshull, Batie, L. Johnson, and Hermsen voting aye.

C. CHAIR'S STATE OF THE BOARD REPORT

Chairperson Hermsen welcomed everyone to the 2026 strategic planning meeting. Hermsen then expressed appreciation for the staff and indicated that the staff's efforts throughout the year are noticed. Hermsen also recognized the Board and its work throughout the year. Hermsen conveyed his belief that the Board is an excellent reflection of the appraiser community.

D. DIRECTOR'S COMMENTS

Director Kohtz thanked the board members for taking the time to go through this process and for their dedication throughout the year. The Director also thanked staff for their hard work preparing for two meetings in a short period of time. Director Kohtz then explained the purpose of the strategic planning meeting and informed the Board that the goal is to build a road map for staff to follow for the next fiscal year and set objectives, not to determine how the objectives will be accomplished. The Director continued by saying that the focus is placed on the development of short- and long-term goals and any previously established goals that were not completed or are ongoing will be presented to the Board for discussion. Any new proposed short-term or long-term goals will be presented to the Board or established during discussion. The Board may make any changes to proposed or existing goals as it sees fit, add any short or long-term goals, and/or remove any proposed short- or long- term goals. Director Kohtz then acknowledged Board Member Lori Johnson's first strategic planning meeting, mentioning that strategic planning is an opportunity to continue building staff and board member institutional knowledge as each member is at a different place in their term. The Director brought attention to the meeting agenda and recognized its length. Director Kohtz explained that the agenda format allows for open conversation regarding any topic the Board may wish to discuss. There is no need to spend time on an agenda item if there is no discussion.

Director Kohtz then highlighted the accomplishments from the current fiscal year:

- 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 became effective on May 29, 2026.

- The Board utilized ASC SARAS Grant funds for the Director's AARO Conference attendance, to complete development of the online temporary application and review interface, to complete development of the online reciprocity application and review interface, and make significant progress in the development of the online education applications and review interfaces.

- The Board's ASC SARAS Grant Continuation Request included the reworked "Development of NRPAB Website-NRPAB Database Translator for Credit/Debit Card Processing System."

- Upgraded existing NRPAB Database functionality with new technology developed during work on the SARAS Grant projects.

- The Board's Mid-Biennium Budget Adjustment Request for the $12,263.00 deficit to Health Insurance Expenses for FY2025-26, and the deficit to Health Insurance Expenses for FY2026-27, due to 18.5% cost of insurance increase to the agency as notified by DAS on June 13, 2025, was approved by the Legislature.

The Director then turned to the future and outlined some areas and goals that he would like the Board to focus discussion on today, which include:

- Continuing education credit for board meeting attendance.

- Timing of executive session vote.

- Future SARAS Grant project priorities.

- Administration of Practicum Course requirements for acceptance as real property appraisal practice experience.

- Update of exemptions for any person appointed by a County Board of Equalization to act as a referee.

- Effects of transfers from the Appraiser Fund and AMC Fund to State General Fund.

- Issuance of a citation with a processing fee for administrative violations.

- Establish the framework for the FY2026-27 budget.

- Establish the framework for the 2027-2029 Biennial Budget.

E. GENERAL PUBLIC COMMENTS:

No members of the public were in attendance. With no public comments, Chairperson Hermsen proceeded to the review of the 2025-26 Strategic Planning Goals and Objectives.

F. REVIEW OF 2025-26 STRATEGIC PLANNING GOALS AND OBJECTIVES

Director Kohtz indicated that he would provide a brief review of the goals and objectives set for the 2025-26 fiscal year since the Board receives a progress update each month. The following items were noted:

- All short-term goals established for FY2025-26 were completed.

- All long-term goals continue to be met and are ongoing.

G. SWOT ANALYSIS

Director Kohtz informed the Board that the review of the SWOT Analysis has been moved to earlier on the agenda this year to help guide the Board's discussions. In the past, this discussion took place at the end of the meeting, which didn't give the Board the opportunity to address any of the identified items during agenda item discussions. The Director reminded the Board that the list includes analysis of the Board's strengths, weaknesses, opportunities, and threats to the agency. The Board reviewed the items from last year:

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 regulations

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
- Authority for non-disciplinary conditional dismissals
- 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

Director Kohtz asked for any discussion pertaining to the SWOT Analysis. The Board discussed the existing strengths and agreed that all listed items are still relevant. Chairperson Hermsen suggested that "Embrace of available technology" be moved from an opportunity to a strength, as technological enhancements have been made and continue to be made. The Board agreed with Chairperson Hermsen's recommendation.

The Board moved to weaknesses and discussed the existing weaknesses. The Board agreed that all listed items are still relevant. Director Kohtz noted that the industry's inability to grow and regulatory and statutory barriers are still an issue; the proposed criteria changes will do little to relieve these weaknesses. The Director brought attention to the education changes in the proposed criteria and informed the Board that the bachelor's degree requirements are being removed but more qualifying education will be required. The cost of qualifying education alone may deter potential real property appraisers from entering the profession, especially after completing a degree. PAREA and practicum courses help with experience, but a major barrier remains in place. There was no further discussion regarding weaknesses.

The Board then moved to opportunities and discussed the existing opportunities. Director Kohtz requested that "Utilization of ASC funding to increase number of Nebraska appraisers" be removed, as the ASC has determined that the project does not meet the grant requirements. The Director indicated that the narrative is written and ready to go, so if anything changes with the grant requirements that would allow the Board to move forward, this could be added back as an opportunity. The Board agreed to remove this as an opportunity. The Board agreed that all listed items are still relevant.

Finally, the Board discussed the existing threats. Chairperson Hermsen suggested that the GSE appraisal requirements are a threat. Director Kohtz brought up the new reporting form UAD 3.6 and asked for Board Member Minshull's thoughts. Minshull stated that he is concerned about the cost to the borrower, noting the form requires data points that will take time for real property appraisers to gather and incorporate into their reporting. As it stands, the new form adds about a day's work to complete, causing appraiser fees to increase. Minshull acknowledged that once the data accumulates, the process may actually become faster, which would be a benefit to real property appraisers and the borrower. The Board discussed the positives and negatives of the UAD 3.6 form to determine if it is a threat or an opportunity. The Board agreed that right now this is a threat, as the UAD 3.6 form may lead to an increased pace of retirements in the certified residential classification, creating a shortage. The Board then discussed deregulation at the Federal level. It was decided that the existing threat "Deemphasis on appraisals at the Federal level" already captures the Board's position. Director Kohtz asked for any additional changes. No further discussion took place.

H. COMPLIANCE

1. REVIEW OF ENFORCEMENT/INVESTIGATIONS

Director Kohtz presented one chart and four graphs to the Board to review outlining the status of the enforcement program. The Director reported that the majority of grievances ended in dismissal or written advisory and reminded the Board that the intent of the Compliance Program is to educate. Director Kohtz added that the number of those who have additional grievances filed against them is very small, evidencing that the program is working as expected. The Director brought attention to the number of grievances each year and noted that policy changes the Board made have had a significant impact on the number of grievances per year. Director Kohtz stated, "Going back ten or fifteen years ago, twenty to thirty-five grievances per year was common." The Director informed the Board that the program policy change has also had a significant positive impact on the way that the Board is viewed by the appraisal business community. Director Kohtz indicated that the number of dissatisfaction phone calls is very low compared to the past. The board members agreed with the Director's assessment, as the same is seen from their side as well. Chairperson Hermsen commended the Board and the Director for management of grievances. There was no further discussion.

2. GENERAL DISCUSSION

a. Issuance of Citation with Processing Fee

Director Kohtz reminded the Board that during the current fiscal year, he was asked to add issuance of a citation with a processing fee to the strategic planning meeting agenda for discussion. The Director indicated that this citation with processing fee would be utilized for administrative violations related to the application process. Board Member Batie questioned if this would be for when applicants answer the application questions untruthfully. Director Kohtz confirmed this assessment as correct. A question was asked if this could be used for grievances as well. The Director reminded the Board that it has the contingent dismissal option at its disposal for grievances, so this would not be needed. A question was asked if this could be used for late 7-Hour USPAP Continuing Education Course submission. Director Kohtz responded that yes, it could be. The Director changed topics to the administration of a citation program and indicated that the technicalities would need to fall into place. For example, the monies received from a civil penalty or fine would be deposited to the State Education Fund. If the Board would like the monies to remain with the Board, it would have to utilize a processing fee, or something similar.

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Batie indicated that the fee would be justified due to the increased time needed to process an application in which staff must conduct additional research. The Director added that if the question on an application had been answered truthfully, the process would be less time-consuming, as staff would not have to spend significant time investigating the matter. Board Member R. Johnson expressed support for the concept and suggested that a surcharge may be an option. The Director indicated that he would work with the Attorney General's office to determine an acceptable path. Director Kohtz asked for any more discussion. There was no further discussion. The Director informed the Board that "Explore processing fee/surcharge for administrative violations" will be added for consideration as a short-term goal. Director Kohtz asked if the Board had a specific date for this goal to be completed. There was none suggested. Director Kohtz indicated that the goal date will be set for December 31, 2026.

3. ENFORCEMENT OF REAL PROPERTY APPRAISER ACT

Director Kohtz asked for any discussion pertaining to real property appraiser enforcement. There was no discussion.

4. ENFORCEMENT OF APPRAISAL MANAGEMENT COMPANY REGISTRATION ACT

Director Kohtz asked for any discussion pertaining to AMC enforcement. There was no discussion.

5. INVESTIGATIVE PROCESSES AND PROCEDURES

Director Kohtz asked for any discussion pertaining to investigative processes and procedures. There was no discussion.

6. OTHER EXECUTIVE SESSION ITEMS:

Director Kohtz asked for any discussion specific to other executive session items. There was no discussion.

7. FORMS

Director Kohtz asked for any discussion specific to compliance forms. There was no discussion.

8. SHORT- AND LONG-TERM GOALS AND OBJECTIVES

Director Kohtz informed the Board that, through discussions, one short-term goal had been identified for consideration. The Director presented the following short-term goal for the Board's consideration:

- Explore processing surcharge for administrative violations.

The Board agreed to the establishment of this short-term goal for FY2026-27.

I. CREDENTIALING AND REGISTRATION

1. REVIEW OF CURRENT CREDENTIAL HOLDERS/AMC REGISTRATIONS

A review of the credentialing and AMC registration programs took place for the 2025-26 fiscal year. The Director presented fourteen charts to the Board for review. The first two charts represented the number of Nebraska Real Property Appraisers credentialed through education, experience, and examination over the past five years (not including trainees) by classification, and those credentialed through reciprocity during the past five years by classification.

(Continued on page 7)

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Director Kohtz remarked that the number of certified general real property appraisers credentialed through education, experience, and examination is moderating, while the number of certified general real property appraisers credentialed through reciprocity continues to trend upward. The number of certified residential real property appraisers credentialed through education, experience, and examination is stable, and the number of certified residential real property appraisers credentialed through reciprocity has remained mostly stable since the decline from 2022 to 2023. The licensed residential real property appraiser classification shows a slow decline for those credentialed through education, experience, and examination, while the number of those credentialed through reciprocity is stable.

Director Kohtz moved on to the next two charts that illustrated the total number of Nebraska Real Property Appraisers (not including trainees) credentialed during the past five years through education, experience, and examination, reciprocity, and both combined; and the total number of credentialed real property appraisers by classification during the past five years. The Director reported a declining five-year trend for the total real property appraiser credentialed through education, experience, and examination and a continued upward trend for those credentialed through reciprocity. When the numbers are broken down by classification, the certified general classification continues to trend upward and the certified residential classification remain relatively stable, while the licensed residential classification shows signs of moderating. The number of trainee real property appraisers has declined significantly over the past three years. The Director indicated that it is still not clear as to the reason for the trainee classification trend. Director Kohtz suggested that it could be due to participation in the PAREA program; however, the number of applications with PAREA experience has not yet shown a trend that suggests that PAREA experience is replacing the traditional supervisory real property appraiser/trainee model.

The Director then presented a chart showing the total number of credentialed real property appraisers over the past five years for the Board's review and noted that the drop in the overall number of real property appraisers is primarily due to the decreased number of trainee real property appraisers. Otherwise, when the trainee classification is excluded, the number of certified and licensed real property appraisers remains stable.

Director Kohtz brought attention to two charts representing the number of real property appraisers by classification over the past thirteen-month period and the total number of real property appraisers over the past thirteen-month period. The Director indicated that most of the trends appear to mirror last fiscal year; however, the number of certified residential real property appraisers has leveled off after January 1st, not following the historic trend. Board Member Minshull questioned whether this was an indicator that the state is losing real property appraisers. The Director confirmed that the number of certified residential real property appraisers has decreased; however, the number of certified general real property appraisers continues to increase, which results in an overall steady trend. Board Member Batie inquired if there was a way to record potential applicants going through PAREA. Director Kohtz stated that this is difficult, as the Board has no records of these individuals until they apply for a credential. LPM Loll informed the Board and the Director that the PAREA providers will provide this information. Director Kohtz asked if the Board would like to add this as a short-term goal. The Board agreed. The Director indicated that it would be added as a short-term goal for consideration with an expected completion date of December 31, 2026.

Director Kohtz presented three charts related to temporary credentials: one showing calendar year totals over five years, one showing year-to-date totals over five years, and one showing temporary credentials issued every month over the previous twelve-month period. The Director noted that the total temporary credentials issued is on pace to be another high number for the fiscal year.

Director Kohtz proceeded to the two charts representing the number of registered supervisory real property appraisers over the past thirteen months and the past five years. The Director focused on the five-year trends and indicated that the decrease in the number of supervisory real property appraisers correlates with the decrease in the number of trainee real property appraisers.

Director Kohtz finished by presenting two charts illustrating the number of registered AMCs over thirteen months and over five years to the Board for review. The Director stated that the number of registered AMCs has stabilized.

Director Kohtz then asked for any questions, there was no further discussion

2. REVIEW OF CREDENTIAL HOLDER RENEWALS

Director Kohtz presented the 2025-26 Real Property Appraiser Renewal Progress report to the Board for review, which includes two graphs representing the number of Nebraska real property appraisers that renewed credentials over the past five years. The Director reported that renewal rates for the certified general classification will end the fiscal year at the projected rate; the certified residential classification will finish below projections; the licensed residential classification exceeded projections; and the trainee classification failed to meet the projected rate for the second year in a row. Director Kohtz indicated that the certified residential classification renewal rate is something to monitor over the next few years with the trend in the number of certified residential real property appraisers as discussed under the review of current credential holders. The projected renewal rate for the trainee classification was 76% for the current fiscal year, and the actual renewal rate was 63%, which matches the previous year in the report. The expectation moving forward will be a lower number of trainee real property appraisers renewing each fiscal year.

The Director then presented two graphs representing the number of late renewals by months late and credential type. Director Kohtz indicated that late renewal applications were more spread out from month to month and noted an increase in late renewals in both the certified general and certified residential classifications. The Director informed the Board that the trend seen in these graphs mirrors the staff's experience with real property appraiser renewal application processing this fiscal year. Everything appeared to be around two weeks behind normal.

Director Kohtz asked for any questions, there was no further discussion.

3. **FY2023-24 through FY2029-30 CREDENTIAL HOLDER/AMC REGISTRATION TRENDS AND PROJECTIONS**

The Director presented five graphs to the Board for analysis. The first four graphs outlined real property appraiser trends and projections between FY2023-24 and FY2029-30; the next graph outlined the registered AMC trends and projections between FY2023-24 and FY2029-30. Director Kohtz explained that these projections are used for planning and are the basis for the revenues found in the projected budget. The Director informed the Board that for those credentialed through education, experience, and examination, the certified general classification is projected to continue to moderate overall; the certified residential classification is projected to level out after a period of decrease; and the licensed residential classification is projected to remain stable. The Director then moved to those credentialed through reciprocity and indicated that the projection for the number of certified general real property appraisers will continue to trend upward, the number of certified residential real property appraisers and the number of licensed real property appraisers are projected to remain stable. The projections show that the overall number of certified general real property appraisers will continue to grow, the number of certified residential real property appraisers will eventually level out after a period of decline, and the licensed residential real property appraisers will remain stable in the future. Director Kohtz then brought attention to the trainee classification and informed the Board that the current projection shows a continuation of the current downward trend. Overall, the total number of real property appraisers is projected to remain stable, if not increase slightly. The Director then moved on to the projected number of AMCs and indicated that projections are stable. There was no further discussion.

4. **REAL PROPERTY APPRAISER CREDENTIALS**

   a. **General Discussion**

   Director Kohtz asked for any general discussion on real property appraiser credentials. There was no discussion.

   b. **Real Property Appraiser Qualifications**

   Director Kohtz asked for any discussion specific to real property appraiser qualifications. There was no discussion.

   c. **Real Property Appraiser Credential Renewal**

   Director Kohtz informed the Board that due to the technology enhancements made to the NRPAB Database, communications with real property appraisers and appraisal management companies have become more automated and are almost entirely email based. The Director informed the Board that on the rare occasion when electronic communication is not effective, traditional mail will still be used. Director Kohtz indicated that it is his intent that renewal postcards will no longer be sent. These postcards carry a significant cost and add a lot of work for staff. Real property appraisers whose credentials expire in the current year will receive an automated email notice in July notifying them that their renewal is due on November 30th, and that they are now able to submit their application. There will also be a couple of additional renewal reminders sent through the system if a renewal application has not been processed for a real property appraiser. Finally, a notice will also be sent after January 1st to notify those who have not renewed that their credential is expired. Board Member Minshull indicated that it should be the real property appraiser's priority to renew their credential and agrees that postcards no longer need to be sent. Board Member L. Johnson added that other states have moved to email notices as well. Director Kohtz asked for any other discussion specific to real property appraiser renewals. There was no further discussion.

d. Supervisory Real Property Appraiser

Director Kohtz asked for any discussion specific to supervisory real property appraisers. There was no discussion.

e. Processes and Procedures

Director Kohtz asked for any discussion specific to real property appraiser credentialing processes and procedures. There was no discussion.

f. Forms

Director Kohtz asked for any discussion specific to real property appraiser forms. There was no discussion.

g. Short- and Long-Term Goals and Objectives

Director Kohtz presented one existing long-term goal for the Board's consideration:

- Monitor real property appraiser credential renewal dates

Director Kohtz informed the Board that he had no specific comments on the long-term goal and asked whether the Board believed the goal should remain. The Board agreed that the long-term goal should remain in place.

Director Kohtz then informed the Board that, through discussions, one short-term goal had been identified for consideration. The Director presented the following short-term goal for the Board's consideration:

- Add PAREA participants to monthly appraiser charts and graphs.

The Board agreed to the establishment of this short-term goal for FY2026-27.

No new long-term goals were presented or established.

5. TEMPORARY CREDENTIAL

a. General

Director Kohtz asked for any general discussion specific to temporary credentials. There was no discussion.

b. Processes and Procedures (Title 298 – CH.3)

Director Kohtz asked for any discussion specific to temporary credential processes and procedures. There was no discussion.

c. Forms

Director Kohtz asked for any discussion specific to temporary credential forms. There was no discussion.

d. Short- and Long-Term Goals and Objectives

Director Kohtz asked if the Board had any short- or long-term goals related to temporary credentials. There was no discussion.

6. APPRAISAL MANAGEMENT COMPANY REGISTRATION

a. General Discussion

Director Kohtz asked for any discussion specific to AMC registration. There was no discussion.

b. Initial Registration

Director Kohtz asked for any discussion specific to AMC initial registration. There was no discussion.

c. Renewal of Registration

Director Kohtz asked for any discussion specific to AMC renewal of registration. There was no discussion.

d. Processes and Procedures

Director Kohtz asked for any discussion specific to AMC registration processes and procedures. There was no discussion.

e. Forms

Director Kohtz asked for any discussion specific to AMC registration forms. There was no further discussion.

f. Short- and Long-Term Goals and Objectives

Director Kohtz asked if the Board had any short- or long-term goals related to appraisal management company registration. There was no discussion.

J. EDUCATION

1. GENERAL DISCUSSION

Director Kohtz asked if the Board had any discussion specific to general education. There was no discussion.

2. QUALIFYING EDUCATION

a. General Discussion

Director Kohtz asked if the Board had any discussion specific to qualifying education. There was no discussion.

b. Processes and Procedures

Director Kohtz asked if the Board had any discussion specific to qualifying education processes and procedures. Board Member Minshull asked if real property appraisers have adequate opportunities for continuing education. Director Kohtz responded that there are plenty of Nebraska-approved courses with a wide variety of topics, from valuation methodology to cool tools and tips. Continuing education approved by other states may also be accepted in many situations. Minshull then asked about the use of A.I. The Director informed the Board that the topic will come up later in the agenda. There was no further discussion.

c. Application for Approval as a Qualifying Education Activity in Nebraska

Director Kohtz asked if the Board had any discussion specific to the qualifying education application. There was no discussion.

d. Short- and Long-Term Goals and Objectives:

Director Kohtz presented two existing long-term goals for the Board's consideration:

- 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.

- 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.

Director Kohtz informed the Board that he had no specific comments on the long-term goals and asked whether the Board believed the goals should remain. The Board agreed that the long-term goals should remain in place.

No new short- or long-term goals were presented or established.

3. CONTINUING EDUCATION

a. General Discussion

Director Kohtz asked for a discussion on allowing real property appraiser continuing education credit for attendance of board meetings. The Director informed the Board that Iowa has offered real property appraisers and board members the ability to obtain continuing education credit for their attendance at their meetings for years and asked if the Board would like to consider this option. Director Kohtz noted that this is allowed in the Real Property Appraiser Qualifications Criteria but would require a new form and an update to the Real Property Appraiser Act. The Board agreed this would be beneficial to all residential appraisers. Director Kohtz informed the Board that a short-term goal to amend Neb. Rev. Stat. § 76-2236 to allow for continuing education credit to be awarded for attendance of one NRPAB meeting will be added for consideration with an expected completion date of December 31, 2026.

b. Processes and Procedures

Director Kohtz asked for any discussion pertaining to continuing education processes and procedures. There was no discussion.

c. Forms

Director Kohtz asked for any discussion pertaining to continuing education forms. There was no discussion.

d. Short- and Long-Term Goals and Objectives

Director Kohtz informed the Board that, through discussions, one short-term goal had been identified for consideration. The Director presented the following short-term goal for the Board's consideration:

- Amend Neb. Rev. Stat. § 76-2236 to allow for continuing education credit to be awarded for attendance of one NRPAB meeting. The meeting must be open to the public and must be a minimum of two hours in length but cannot exceed seven hours.

The Board agreed to the establishment of this short-term goal for FY2026-27.

No new long-term goals were presented or established.

4. SUPERVISORY REAL PROPERTY APPRAISER AND TRAINEE COURSE

Director Kohtz asked for any discussion specific to the supervisory real property appraiser and trainee course. There was no discussion.

5. INSTRUCTORS

Director Kohtz asked for any discussion specific to education instructors. There was no discussion.

6. POST-SECONDARY EDUCATION

Director Kohtz asked for any discussion specific to post-secondary education. There was no discussion.

7. BOARD REPRESENTATION/OFFERINGS

Director Kohtz asked for any discussion specific to Board offerings. There was no discussion.

Break from 10:52 a.m. to 11:02 a.m.

K. PERSONNEL

1. GENERAL DISCUSSION

Director Kohtz asked for any discussion pertaining to personnel. There was no discussion.

2. STAFF POSITIONS

Director Kohtz asked for any discussion specific to staff positions. Board Member Minshull asked if the Director felt that staff positions are adequate for the workload and are balanced in duties. Director Kohtz confirmed that three staff members allow for the work to be completed timely, efficiently, and accurately. Each staff member has assigned duties that they are responsible for; however, there is enough flexibility to allow for shifting as needed to address heavy workloads and special projects. Adding a third employee a few years ago has significantly reduced the stress on staff and allowed the Board to pursue things such as the SARAS Grant. The Director added that there was no way that staff could manage this process before. Director Kohtz finished by reminding the Board that the justification for adding another employee included the employee paying for themselves. During the past three years, the Board has obtained approximately $300,000.00 in grant funding for technology projects that would typically be paid for out of the Board's cash funds. Board Member Minshull thanked the Director. There was no further discussion.

3. POLICIES AND PROCEDURES

Director Kohtz asked for any discussion pertaining to personnel policies and procedures. There was no discussion.

4. **CONFERENCES/TRAINING**

   a. **AARO Conference**

   Director Kohtz reminded the Board that the ASC SARAS Grant is currently being utilized for the Director's AARO Conference travel and registration. Board Member Minshull asked if board members attend the AARO Conference. Director Kohtz responded that, yes, approximately 10% of the attendees are board members from other states. The Director added that when he started, NRPAB board members regularly attended the AARO Conference. The practice was discontinued since the report provided by him was sufficient for the Board to understand what was covered at the conference. There was also a decline in interest in attending. Board Member Minshull asked the Director if he would see a benefit in board members attending to provide support to the Director. The Director indicated that board members are always welcome when funding is available, but that he has a good relationship with both the ASC and TAF, so additional support is not needed. Director Kohtz informed the Board that he regularly has conversations with decision makers for both entities at the conferences. The Director also reiterated that the Director's attendance is paid for by the SARAS Grant, so if board members wished to attend, funding would have to be secured. Minshull then asked if there were any other conferences that the Director believes would be beneficial for him to attend. Director Kohtz indicated that there are other conferences that some of his peers attend, but that he is unsure of the benefits. Board Member Minshull indicated that it would be nice to have funds in the budget for attendance at conferences other than AARO, if the Director sees a need to attend. Director Kohtz indicated that he would investigate this and get back to the Board if anything captures his attention. Board Member Minshull thanked the Director. There was no further conversation.

   b. **Linkedin Learning**

   The Director informed the Board that he would like to continue the LinkedIn Learning subscription. LinkedIn Learning includes a wide variety of courses for training. Linkedin Learning courses are regularly assigned by him to staff to improve skill sets in targeted areas, and staff can use LinkedIn Learning on their own to obtain new skills that help make the agency better. The Board agreed that it is a good use of funds. There was no further discussion.

5. **BOARD STRUCTURE**

   Director Kohtz asked for any discussion pertaining to board structure. There was no discussion.

6. **SHORT- AND LONG-TERM GOALS AND OBJECTIVES**

   Director Kohtz presented an existing long-term goal for the Board's consideration:

   - Continue updating the policies and procedures documents as needed to ensure compliance with state policy changes, NAPE/AFSCME contract changes, and to address general work environment needs and/or changes.

   Director Kohtz informed the Board that he had no specific comments on the long-term goal and asked whether the Board believed the goal should remain. The Board agreed that the long-term goal should remain in place.

   No new short- or long-term goals were presented or established.

L. PUBLIC INFORMATION

1. GENERAL DISCUSSION

Director Kohtz asked for any general discussion on public information matters. There was no discussion.

a. Short- and Long-Term Goals

Director Kohtz presented two existing long-term goals for the Board's consideration:

- Encourage development of Memos from the Board, Facebook posts, and The Nebraska Appraiser articles that contain facts and information of interest to the appraisal business community.

- 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.

Director Kohtz informed the Board that he had no specific comments on the long-term goals and asked whether the Board believed the goals should remain. The Board agreed that the long-term goals should remain in place.

No new short- or long-term goals were presented or established.

2. NRPAB WEBSITE

a. General discussion

Director Kohtz asked for any discussion specific to the NRPAB website. There was no discussion.

b. Processes and Procedures

Director Kohtz asked for any discussion specific to the NRPAB website processes and procedures. There was no discussion.

c. Short- and Long-Term Goals and Objectives

Director Kohtz presented one existing long-term goal for the Board's consideration:

- Continue to monitor the effectiveness of current NRPAB website; repair bugs, make improvements, and add enhancements needed to address functionality or usability.

Director Kohtz informed the Board that he had no specific comments on the long-term goal and asked whether the Board believed the goal should remain. The Board agreed that the long-term goal should remain in place.

No new short- or long-term goals were presented or established.

3. MEMOS FROM THE BOARD

a. General Discussion

Director Kohtz asked for any discussion specific to the Memos from the Board. There was no discussion.

b. Processes and Procedures

Director Kohtz asked for any discussion specific to the Memos from the Board processes and procedures. There was no discussion.

c. Short- and Long-Term Goals and Objectives

Director Kohtz presented one existing long-term goal for the Board's consideration:

- 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.

Director Kohtz informed the Board that he had no specific comments on the long-term goal and asked whether the Board believed the goal should remain. The Board agreed that the long-term goal should remain in place.

No new short- or long-term goals were presented or established.

4. THE NEBRASKA APPRAISER NEWSLETTER

a. General Discussion

Director Kohtz informed the Board that during the current fiscal year, it was discovered that all state agencies have access to the NebraskaLand Magazine photo gallery. The Director reported that one of his favorite things about putting together each edition is adding in these photos to break up the information. Director Kohtz then asked for any discussion on The Nebraska Appraiser. There was no further discussion.

b. Processes and Procedures

Director Kohtz asked for any discussion specific to The Nebraska Appraiser processes and procedures. There was no discussion.

c. Short- and Long-Term Goals and Objectives

Director Kohtz presented one existing long-term goal for the Board's consideration:

- 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.

Director Kohtz informed the Board that he had no specific comments on the long-term goal and asked the Board if this goal should remain. The Board agreed that the long-term goal should remain in place.

No new short- or long-term goals were presented or established.

5. **FACEBOOK PAGE**

   a. **General Discussion**

   Director Kohtz asked for any general discussion on the NRPAB Facebook Page. There was no discussion.

   b. **Processes and Procedures**

   Director Kohtz asked for any discussion specific to the Facebook page processes and procedures. There was no discussion.

   c. **Short- and Long-Term Goals and Objectives**

   Director Kohtz presented one existing long-term goal for the Board's consideration:

   - Continue utilization of the NRPAB Facebook page to disseminate important information in a timely manner that the appraiser community and general public would not otherwise be aware of, such as documents posted to the NRPAB website, meeting information, and NRPAB policy and business information.

   Director Kohtz informed the Board that he had no specific comments on the long-term goal and asked the Board if this goal should remain. The Board agreed that the long-term goal should remain in place.

   No new short- or long-term goals were presented or established.

M. ADMINISTRATION

1. **GENERAL DISCUSSION**

   Director Kohtz asked for any general discussion pertaining to administration. There was no discussion.

2. **UTILIZATION OF A.I.**

   Director Kohtz informed the Board that there will be an item on the June meeting agenda requesting approval of an estimate received from CIO to migrate the OAC data and link the NRPAB Database data to Power BI Pro. The Director explained that OAC, previously OBIEE, allows for staff to extract data from the NRPAB Database for analysis and report creation. OAC is not user-friendly for those who do not have a coding background, so there have been no data links added to OAC since it moved from OBIEE. Director Kohtz added that he has been advocating for change for a few years. Migrating the data links to Power BI Pro provides a more interactive tool that is A.I. driven. The Board will have the ability to develop more reports with more information, more quickly. Power BI Pro will also allow additional reporting functions, as the reports will be generated directly in the system. There was no further discussion.

   a. **Short- and Long-Term Goals and Objectives**

   Director Kohtz presented one existing long-term goal for the Board's consideration:

   - Explore utilization of A.I. to assist with business functions to automate tasks and for data analysis.

   No new short- or long-term goals were presented or established.

3. POLICIES AND PROCEDURES

Director Kohtz asked for any general discussion pertaining to policies and procedures not already on the agenda. There was no discussion.

a. New or Recommended

Director Kohtz asked for any discussion pertaining to any new or recommended policies and procedures. There was no discussion.

b. Internal Procedural Documents

Director Kohtz asked for any discussion specific to Internal Procedural Documents. There was no discussion.

c. NRPAB Meetings

i. General Discussion

Director Kohtz asked for any general discussion specific to NRPAB meetings. There was no discussion.

ii. Timing of Executive Session Vote

Director Kohtz asked for any discussion on the timing of the executive session vote. There was no further discussion.

d. Request Forms

Director Kohtz asked for any discussion specific to request forms. There was no discussion.

e. Short- and Long-Term Goals and Objectives

Director Kohtz presented one existing long-term goal for the Board's consideration:

- Continue to monitor the effectiveness of current processes and procedures, and update the processes and procedures as needed to maintain effectiveness and efficiency of the administration of the Board's programs.

Director Kohtz informed the Board that he had no specific comments on the long-term goal and asked the Board if this goal should remain. The Board agreed that the long-term goal should remain in place.

No new short- or long-term goals were presented or established.

4. NRPAB RECORDS MANAGEMENT

Director Kohtz asked for any discussion pertaining to records management. There was no discussion.

5. NRPAB DATABASE

a. General Discussion

Director Kohtz asked for any discussion pertaining to NRPAB database. There was no discussion.

b. Credit Card Payment Option for Online Applications

The Director informed the Board that the ASC SARAS Grant award for next fiscal year includes funding for the development of an online mechanism to accept online credit/debit card payments. This project was denied for FY24 due to a miscommunication as to the purpose of the mechanism. The ASC interpreted the request as the purchase of, and use of a credit/debit card payment system from a third-party provider, which the ASC has determined is the State's responsibility. The purpose of the project is to create a translator between the NRPAB database and the website that communicates with a credit card payment system. Director Kohtz asked for any additional discussion pertaining to the credit card payment option for online applications. The Board expressed support for this project and thanked staff for its hard work. There was no further discussion.

c. Short- and Long-Term Goals and Objectives

Director Kohtz presented two existing long-term goals for the Board's consideration:

- Continue to monitor the effectiveness of current NRPAB database; repair bugs, make improvements, and add enhancements needed to address program or use changes.

- Explore online real property appraiser through E, E, & E initial applications, AMC initial application, and other services that require payment of a fee.

Director Kohtz informed the Board that he had no specific comments on these long-term goals and asked the Board if the goals should remain. The Board agreed that these long-term goals should remain in place.

No new long-term goals were presented or established.

Director Kohtz presented one existing long-term goal that he requested be amended and moved to a short-term goal for the Board's consideration:

- Utilize SARAS Grant for development and implementation of online education applications and NRPAB Database interface, and development and implementation of NRPAB Website-NRPAB Database Translator for Credit/Debit Card Processing System.

The Board agreed with moving this long-term goal to an amended short-term goal as recommended. Board Member Batie asked whether there are any other changes that would make the NRPAB Database more efficient. The Director responded that enhancements are always being added. As for big-picture projects, other than what has already been identified as goals, the only other thing that comes to mind would be the development of a program that utilizes A.I. to analyze real property appraisal practice experience logs. Director Kohtz added that he is unsure of the costs of such a program or if OCIO has the capabilities to develop it. There was no further discussion.

No other new short-term goals were presented or established.

6. APPRAISAL REVIEW SERVICES CONTRACTOR PROGRAM

Director Kohtz asked for any discussion pertaining to the appraisal review services contractor program. There was no discussion.

a. Processes and Procedures

Director Kohtz asked for any discussion pertaining to the processes and procedures for appraisal review services contractor program. There was no discussion.

b. Contractor Agreements

Director Kohtz asked for any discussion pertaining to the contractor agreements. Board Member Minshull asked if the standard fees established for USPAP compliance review services are adequate. Director Kohtz informed the Board that no contract offers are being turned down due to the fee that he is aware of. The Director then solicited feedback from LPM Loll. Loll indicated that the contract fees are not a cause for offers being declined. The Board thanked staff for the information. There was no further discussion.

c. Appraisal Services Contractor USPAP Compliance Review Report Summary Documents

Director Kohtz asked for any discussion pertaining to the appraisal services contractor USPAP compliance review report summary documents. There was no discussion.

d. USPAP Compliance Review Reports Forms

Director Kohtz asked for any discussion pertaining to the USPAP compliance review reports forms. There was no discussion.

e. USPAP Compliance Review Report Form Check Sheets

Director Kohtz asked for any discussion pertaining to the USPAP compliance review report form check sheets. There was no discussion.

N. APPRAISAL SUBCOMMITTEE

Director Kohtz asked for any discussion pertaining to the Appraisal Subcommittee. There was no discussion.

O. APPRAISAL FOUNDATION

Director Kohtz asked for any discussion pertaining to The Appraisal Foundation. There was no discussion.

P. GOVERNMENT- SPONSORED ENTERPRISES

Director Kohtz asked for any general discussion pertaining to Fannie Mae or Freddie Mac. Board Member Minshull stated that he would like to see more collaboration between Fannie Mae and Freddie Mac and TAF to reduce real property appraiser confusion. Director Kohtz agreed. There was no further discussion.

Q. AARO

Director Kohtz asked for any general discussion pertaining to AARO. There was no discussion.

R. LAWS, RULES, AND GUIDANCE DOCUMENTS

1. GENERAL DISCUSSION

a. Real Property Appraiser Act_Draft August 4, 2025

Director Kohtz reminded the Board that during the last strategic planning meeting it requested that a paper application processing fee for real property appraiser and AMC applications be added. The proposed language is found on pages R.1 and R.2. When discussed earlier this fiscal year, it was decided that the changes to the Real Property Appraiser Act and AMC Registration Act were not substantial enough to proceed to bill drafting. The Board can revisit this once additional updates are made during the next fiscal year. There was no further discussion.

b. Appraisal Management Company Registration Act_Draft August 4, 2025

Director Kohtz asked for any discussion specific to the Appraisal Management Company Registration Act drafted August 4, 2025. There was no discussion (see discussion under Real Property Appraiser Act_Draft August 4, 2025).

c. Processing Fee for Real Property Appraiser and AMC Applications Available Online

Director Kohtz asked for any additional discussion specific to the processing fee for real property appraiser and AMC applications available online. There was no discussion.

d. Update of Neb. Rev. Stat. § 76-2221(7) Concerning Exemption for Any Person Appointed by a County Board of Equalization to Act as a Referee

Director Kohtz informed the Board that Chairperson Hermsen requested that a discussion take place regarding an update to Neb. Rev. Stat. § 76-2221(7). Director Kohtz invited Chairperson Hermsen to start the discussion. Chairperson Hermsen indicated that the exemption for any person appointed by a County Board of Equalization to act as a referee is not clear. Chairperson Hermsen added that to resolve the confusion, it would be best to make the exemption apply to all and add coordinator to the exempted parties. L. Johnson agreed with Chairperson Hermsen's assessment. Director Kohtz recommended that all language beginning with, "Any real property appraiser appointed to act as a referee…" be stricken. Chairperson Hermsen indicated that the exemption would then be, "Any person appointed by a county board of equalization to act as a referee pursuant to section 77-1502.01, except that any person who also practices as an independent real property appraiser for others shall be subject to the Real Property Appraiser Act and shall be credentialed prior to engaging in such other real property appraisal practice." Director Kohtz confirmed this as correct and indicated that "or coordinator" could be added after "referee." Chairperson Hermsen expressed satisfaction with this change. The Director reviewed Neb. Rev. Stat. § 77-1502.01 to verify that a credentialed real property appraiser is not required for this appointment and informed the Board that the change could be made. Director Kohtz indicated that this would be added as a short-term goal for consideration with an expected completion date of December 31, 2026. The Director informed the Board that before requesting a requisition draft, the proposed language change would be sent to the Department of Revenue for review. The Board agreed. There was no further discussion.

2. LAWS

a. Real Property Appraiser Act

Director Kohtz asked for any discussion specific to the Real Property Appraiser Act. There was no discussion.

b. Appraisal Management Company Registration Act

Director Kohtz asked for any discussion specific to the Appraisal Management Company Registration Act. There was no discussion.

c. Processes and Procedures

Director Kohtz asked for any discussion specific to processes and procedures pertaining to statute development. There was no discussion.

d. Short- and Long-Term Goals and Objectives

Director Kohtz presented one existing long-term goal for the Board's consideration:

- Address changes to USPAP, Real Property Appraiser Qualifications Criteria, ASC Policy Statements, AQB CAP Program Guidelines, and Title XI as required.

Director Kohtz informed the Board that he had no specific comments on this long-term goal and asked the Board if this goal should remain. The Board agreed that this long-term goal should remain in place.

No new long-term goals were presented or established.

Director Kohtz presented one existing short-term goal for the Board's consideration:

- Amend Neb. Rev. Stat. §§ 76-2241 and 76-3206 to include a paper application processing fee of no more than fifty dollars for any form available electronically.

Director Kohtz informed the Board that he had no specific comments on this short-term goal and asked the Board if this goal should remain. The Board agreed that this short-term goal should remain in place.

Director Kohtz informed the Board that, through discussions, one short-term goal had been identified for consideration. The Director presented the following short-term goal for the Board's consideration:

- Amend § 76-2221(7) to clarify that any person appointed by a County Board of Equalization to act as a Referee or Coordinator is exempt from the real property appraiser act.

The Board agreed to the establishment of this short-term goal for FY2026-27.

3. RULES

a. Title 297

Director Kohtz asked for any discussion pertaining to Title 297. There was no discussion.

b. Title 298

i. General Discussion

Director Kohtz asked for any discussion pertaining to Title 298. There was no discussion.

ii. Practicum Course Experience (298 NAC Chapter 2 § 002)

Director Kohtz presented an email chain between himself and ASC Program Manager Tom Lewis to the Board for review and informed the Board that during the Spring AARO Conference, there was a presentation on the development and implementation of practicum courses in the State of California. The Director indicated that he was surprised that practicum courses did not require the student to be a trainee real property appraiser, or that a supervisory real property appraiser must oversee the experience, if the state has a trainee program. Title 298 allows AQB-approved practicum courses as non-traditional experience, similar to demonstrative reports.

(Continued on page 23)

(Continued from page 22)
Director Kohtz informed the Board that Program Manager Lewis has yet to provide a response but indicated that if Program Manager Lewis states that students in practicum courses are not required to be trainee real property appraisers, then Title 298 must be updated to apply the same real property appraisal practice experience exemptions as for PAREA participants. The Director reported that he will inform the Board once Program Manager Lewis provides a response. There was no further discussion.

iii. Course Approval Program Procedures_Updated March 2026

Director Kohtz presented the document titled, "AQB Course Approval Program Procedures," updated as of March 2026. The Director noted that practicum course programs are now considered by the AQB to be education rather than traditional experience. Currently, staff do not review practicum courses, and the Board only accepts AQB approved practicum courses for real property appraisal practice experience credit. Director Kohtz then asked if the Board would like to continue the current procedure or approve practicum course programs by staff review. Board Member Minshull recommended continuing with the current procedure, as the AQB already reviews and approves the practicum course programs. The Director agreed and added that reviewing practicum course programs would cause a significant increase to the staff's workload. There was no further discussion.

iv. Implement CHRC Fee as Determined by the Nebraska State Patrol

Director Kohtz informed the Board that the Criminal History Record Check Fee once again increased right after the last increase was adopted into Title 298. The Director then recommended that the fee language in Title 298 be changed to state "as determined by the Nebraska State Patrol" rather than Title 298 be amended every time this fee, not set by the Board, changes. Director Kohtz indicated that the same change could apply to language for the federal registry fee as well. Although this fee has not changed in some time, it will at some point. The Board agreed that this would be a good change. The Director informed the Board that a short-term goal will be added for consideration with an expected completion date of June 30, 2027. No further discussion took place.

c. Processes and Procedures

Director Kohtz asked for any discussion specific to the processes and procedures for drafting and implementing changes to Title 297 or Title 298. There was no discussion.

d. Short- and Long-Term Goals and Objectives

Director Kohtz presented two existing long-term goals for the Board's consideration:

- Harmonize Title 298 with the changes made to the Nebraska Real Property Appraiser Act and Appraisal Management Company Registration Act as needed.

- 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.

Director Kohtz informed the Board that he had no specific comments on these long-term goals and asked the Board if these goals should remain. The Board agreed that these long-term goals should remain in place.

No new long-term goals were presented or established.

Director Kohtz informed the Board that, through discussions, one short-term goal had been identified for consideration. The Director presented the following short-term goal for the Board's consideration:

- Adopt Title 298 changes to implement the increased CHRC fee to "as established by the Nebraska State Patrol," and change the ASC Appraiser Registry Fee and AMC Registry Fee language to "as established by the Appraisal Subcommittee of the Federal Financial Institutions Examination Council."

The Board agreed to the establishment of this short-term goal for FY2026-27.

3. GUIDANCE DOCUMENTS

Director Kohtz asked for a general discussion pertaining to Guidance Documents. There was no discussion.

a. Processes and Procedures

Director Kohtz asked for any discussion specific to processes and procedures for establishing and reviewing guidance documents. There was no discussion.

b. Short- and Long-Term Goals and Objectives

Director Kohtz presented one existing long-term goal for the Board's consideration:

- Continue to adopt Guidance Documents for public advisement concerning interpretation of statutes and rules and retire Guidance Documents that are no longer relevant.

Director Kohtz informed the Board that he had no specific comments on this long-term goal and asked the Board if this goal should remain. The Board agreed that this long-term goal should remain in place.

No new short- or long-term goals were presented or established.

4. INTERNAL PROCEDURAL DOCUMENT

Director Kohtz asked for discussion pertaining to Internal Procedural Documents. There was no discussion.

a. Processes and Procedures

Director Kohtz asked for any discussion specific to processes and procedures pertaining to establishing and reviewing internal procedural documents. There was no discussion.

b. Short- and Long-Term Goals and Objectives

Director Kohtz presented one existing long-term goal for the Board's consideration:

- 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.

Director Kohtz informed the Board that he had no specific comments on this long-term goal and asked the Board if this goal should remain. The Board agreed that this long-term goal should remain in place.

No new short- or long-term goals were presented or established.

S. FINANCIAL

1. REVIEW OF CURRENT FISCAL YEAR

The Board reviewed the expenses and revenues for the current fiscal year to date. The Director reported that, as of this morning, the year-to-date expenditures for the fiscal year are $415,035.43, which amounts to 80.11 percent of the budgeted expenditures for the fiscal year. Director Kohtz then reported the year-to-date revenues for the fiscal year are $396,833.10, which amounts to 103 percent of the projected revenues for the fiscal year. Director Kohtz indicated that 91.78 percent of the fiscal year has passed.

Director Kohtz then moved to the Budget Status Report for the Real Property Appraiser Fund and AMC Fund. As of this morning, the Real Property Appraiser Fund year-to-date expenditures are $273,494.98, which amounts to 77.36 percent of the budgeted expenditures for the fiscal year. The Real Property Appraiser Fund year-to-date revenues are $262,047.10, which amounts to 102 percent of the projected revenues for the fiscal year. The AMC Fund year-to-date expenditures are $141,540.45, which amounts to 86.01 percent of the budgeted expenditures for the fiscal year. The AMC Fund year-to-date revenues are $134,783.00, which amounts to 105 percent of the projected revenue for the fiscal year.

Director Kohtz provided a Budget Status Report for the ASC SARAS Grant. The Director reported that the year-to-date expenditures are $67,076.34, which amounts to 54.76 percent of the budgeted expenditures for the fiscal year. The Director informed the Board that due to OCIO not billing agencies for April and May IMS services, this amount will likely be the end-of-year amount.

Director Kohtz then presented four graphs illustrating expenses, revenues, and cash balances to the Board for review. The Director stated that these graphs will also be presented at the June meeting. The Director then asked if there were any questions or comments regarding the review of the current fiscal year. There was no further discussion concerning the current fiscal year.

2. 2025-30 PROJECTIONS

Director Kohtz presented four charts showing the 2025-30 financial projections. The Director reported that the projected expenditures were calculated at 90 percent for the Appraiser Fund and 90 percent for the AMC Fund. Director Kohtz informed the Board that, as always, a conservative approach was taken towards the revenue projections. The Director also reported that the Title 298 fee schedule is implemented in the projections. According to Director Kohtz, the majority of revenue comes from renewal fees, application fees, and temporary permit fees. The Director informed the Board that health insurance expenditures have had and is having a significant impact on the budget. Health insurance expenditures increased by $36,946.84 between FY2023-24 and FY2026-27.

Director Kohtz then guided the Board to the cash balance projections and illustrated where the fund balance policy stands in relation to the cash balance for both the Appraiser Program and the AMC Program. The Director informed the Board that the $150,000.00 cash fund transfer from the Appraiser Fund and the $100,000.00 cash fund transfer from the AMC Fund, are included in FY2025-26, and the $100,00.00 cash fund transfer from the AMC Fund is included for FY2026-27. Director Kohtz indicated that at the regular meeting on June 18, 2026, an updated Appraiser Fund Cash Balance Policy and an updated AMC Fund Cash Balance Policy will be presented for the Board's consideration. The fund balance policies used in this chart are the proposed fund balance policies. The Director reported that both the AMC Fund and Appraiser Fund balances are expected to be significantly below the policy threshold for all projected years. Director Kohtz informed the Board that when the current fee table was implemented in Title 298, the goal was to build up revenues over the next few years and let the fund balances trickle down for a few years before the statutory fee limit would need to be increased again; the cash fund transfers leave little option to the Board but to move this timeline up significantly. The Director projected that the statutory fee limit will need to be increased in 2029 or 2030. The Director concluded by saying that the cash fund balances will continue to be monitored closely during the next couple of years. Chairperson Hermsen thanked Director Kohtz for the report.

Board Member Batie asked if AMC consolidations have been prevalent during the current fiscal year and if the projections show that more consolidations are likely. Director Kohtz responded that it appears the consolidation in the industry has stopped at the present time. Currently, the number of AMCs is steady as new AMCs are replacing those that don't renew.

3. FY 2026-27 BUDGET

Director Kohtz presented the proposed FY2026-27 Budget to the Board for review and highlighted the following items:

- Projected Appraiser and AMC Fund expenditures are $457,528.50, and projected Appraiser and AMC Fund revenues are $472,882.50.
- Projected Appraiser Fund expenditures are $312,328.00, and projected Appraiser Fund revenues are $316,182.50.
- Projected AMC Fund expenditures are $145,200.00, and projected AMC Fund revenues are $156,700.00.
- No projected deficit budget request is included.
- Projected carryover allocations are $1,847.00 for CHRC cost increase.
- Proposed Budget includes general expenditure allocation of 65% to Appraiser Fund and 35% to AMC Fund.
- Employee Salaries and Benefits ($383,263.00).
- Board Member Per Diem Payments ($7,500.00)
- NRPAB Employee Recognition Program ($1,500.00)

- Rent and Depreciation ($12,407.00)

- Board Member Meeting Travel ($12,465.00)

- Legal Services ($20,000.00); Legal Related ($3,000.00)

- Other Contractual Services - CHRC and Appraisal Review Services ($34,455.00)

- CIO – IM Services expenditures, Network Services expenditures, and software ($31,727.00)

- Other Operating Expenses (overage coverage of $500.00)

- Budget includes the following changes from the FY 2025-26 base:

    - Salary and Benefits ($24,988.00)

        - Permanent Salaries ($9,455.00), Employee Bonuses (-$500.00), Retirement Plan ($672.00), FICA ($685.00), Health Insurance ($14,676.00)

    - Operating Expenses (-$3,847.00)

        - CIO Charges (-$1,537.00), Publication and Print Expense (-$50.00), Awards Expense ($10.00), Rent Expense (-$4,365.00), Rent Depreciation (-$1,603.00), Educational Services ($17.00), Other Contractual Services ($3,432.00), Other Operating Expenses ($249.00).

    - Travel Expenses ($427.00)

- **Applicant Standard 3 Reviewer Fees/SME Fees are set at:**
  Applicant Reviews
  Residential: 4 Hours x $125.00 = $500.00
  2-4 Family: 5 Hours x $125.00 = $625.00
  Agricultural: 10 Hours x $125.00 = $1,250.00
  Commercial: 10 Hours X $125.00 = $1,250.00

  SME
  Residential: 5 Hours x $125.00 = $625.00
  2-4 Family: 5 Hours x $125.00 = $625.00
  Agricultural: 12 Hours x $125.00 = $1500.00
  Commercial: 12 Hours X $125.00 = $1500.00

The Director then asked if there were any questions or comments regarding the budget highlights. There was no further discussion.

a. Policies and Procedures
Director Kohtz asked for any general discussion pertaining to budget policies and procedures. There was no discussion.

i. AMC Fund/Appraiser Fund Split

Director Kohtz presented a memo regarding the FY2026-27 Appraiser-AMC Funds Allocation to the Board for review. The Director reminded the Board that the agency cannot utilize appraiser funds on AMC expenditures and cannot utilize AMC funds on appraiser expenditures. The quarterly workload review for each employee takes place during the first full work week in July, October, January, and April.

Each employee reported his or her time spent on appraiser- and AMC-related activities per day in quarter-hour increments. The quarterly workload review for each employee indicates that 34% of time was spent on AMC-related functions, and 66% of time was spent on Appraiser-related functions. During analysis of the proposed budget for FY2026-27, the past, present, and projected numbers and trends for appraiser credentialing, AMC registration, education activities, and compliance, were taken into consideration. The number of AMC registrations renewals has been stable since FY2023-24; the number of new AMC registrations once again increased during FY2026-27, resulting in a slight increase of reported hours for the AMC Registration Program for FY2025-26 compared to FY2024-25. 39.75 hours were reported in FY2024-25 compared to 55.5 hours in FY2025-26. Time spent on AMC-related functions is expected to remain consistent for FY2025-26. The number of new real property appraiser credentials issued increased in FY2025-26 after two years of stability. However, new real property appraiser credentials issued are expected to decrease slightly in FY2026-27. The number of real property appraiser credential renewals met projections in FY2025-26 and are projected to be consistent for the next few fiscal years. Although there was a decrease in the number of education applications received, time spent processing applications remained the same. When compared to FY2024-25, hours attributed to Appraiser-related functions increased from 237.75 to 252.5 in FY2025-26. Overall, the numbers for real property appraisers are stable and the associated time spent is expected to remain stable for FY2026-27. Finally, there are no compliance program changes, or legislative or policy matters, that would affect the AMC/Appraiser Funds allocation for FY2026-27. The AMC/Appraiser Funds allocation for FY2026-27 will remain at 65% Appraiser Fund and 35% AMC Fund. Director Kohtz asked for any questions or comments. There was no further discussion.

ii. Internal Procedural Documents

Director Kohtz asked for discussion specific to internal procedural documents pertaining to financials. There was no discussion.

b. Goals and Objectives

Director Kohtz asked for discussion pertaining to short- and long-term goals and objectives. There was no discussion.

4. 2027-2029 Biennial Budget

Director Kohtz presented the proposed 2027-2029 Biennial Budget to the Board for review and highlighted the following items:

2027-2028 Proposed Budget:

- Proposed Budget includes general expenditure allocation of 65% to Appraiser Fund and 35% to AMC Fund.

- Employee Salaries and Benefits ($388,499.00).
- Board Member Per Diem Payments ($7,500.00).
- NRPAB Employee Recognition Program ($1,500.00).
- Rent and Depreciation ($13,443.00).
- Board Member Meeting Travel ($12,465.00).
- Legal Services ($20,000.00); Legal Related ($3,000.00).
- Other Contractual Services - CHRC and Appraisal Review Services ($34,295.00).
- CIO – IM Services expenditures, Network Services expenditures, and software ($31,727.00).
- Other Operating Expenses (overage coverage of $500.00).

2028-2029 Proposed Budget:

- Proposed Budget includes general expenditure allocation of 65% to Appraiser Fund and 35% to AMC Fund.
- Employee Salaries and Benefits ($403,294.00).
- Board Member Per Diem Payments ($7,500.00).
- NRPAB Employee Recognition Program ($1,500.00).
- Rent and Depreciation ($13,443.00).
- Board Member Meeting Travel ($12,465.00).
- Legal Services ($20,000.00); Legal Related ($3,000.00).
- Other Contractual Services - CHRC and Appraisal Review Services ($34,455.00).
- CIO – IM Services expenditures, Network Services expenditures, and software ($31,727.00).
- Other Operating Expenses (overage coverage of $500.00).

The Director then stated that these numbers are preliminary and that the DAS projected rates and NSP CHRC fee increases are included, but estimated in the projections. Director Kohtz informed the Board that it will see the final biennial budget request at the August meeting. The Director then asked if there were any questions or comments regarding the budget highlights. There was no further discussion.

a. Policies and Procedures

Director Kohtz asked for any general discussion pertaining to the biennial budget policies and procedures. There was no discussion.

b. Goals and Objectives

Director Kohtz informed the Board that one short-term goal had been identified for consideration. The Director presented the following short-term goal for the Board's consideration:

- Complete 2027-29 Biennial Budget Request addressing agency issues discussed at strategic planning (CHRC Fees, DAS State Projected Rate, Possible Director travel/conference attendance funding).

The Board agreed to the establishment of this short-term goal for FY2026-27.

No new long-term goals were presented or established.

5. FEES

Director Kohtz presented the approved Fee Schedule effective July 1, 2026 to the Board for review and asked for any discussion. Board Member Minshull asked if the Director expects appraiser or AMC funds to be transferred to the State General Fund and if the Board should maintain a flat balance for the Appraiser Fund and AMC Fund as much as possible. The Director indicated that for the next biennium, the State is expected to have a deficit of approximately $800 million. Using cash funds to balance the State's General Fund budget is the norm right now, so yes, funds may be transferred again in the future. The Director also reported that he was informed that a couple of peer agencies have defaulted on payments, so it is likely that low fund balances are not a deterrent for cash transfers. Director Kohtz finished by recommending that no drastic changes be made in the near future and noted that fees cannot be increased beyond the fee table in Title 298 until the statutory limit is raised. There was no further discussion.

T. ADJOURNMENT

Board Member Batie moved to adjourn the meeting. Board Member Minshull seconded the motion. The motion carried with R. Johnson, Minshull, Batie, L. Johnson, and Hermsen voting aye. At 12:40 p.m., Chairperson Hermsen thanked the Board and staff for the hard work and adjourned the June 16, 2026 meeting of the Nebraska Real Property Appraiser Board.

Respectfully submitted,

Tyler N. Kohtz
Director

These minutes were available for public inspection on June 25, 2026, in compliance with Nebraska Revised Statutes § 84-1413(5).

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

June 18, 2026 Meeting Minutes

A. OPENING

Chairperson Hermsen called to order the June 18, 2026 meeting of the Nebraska Real Property Appraiser Board at 9:00 a.m. in the Nebraska Real Property Appraiser Board meeting room located on the first floor of the Nebraska State Office Building, 301 Centennial Mall South, Lincoln, Nebraska.

B. NOTICE OF MEETING

Chairperson Hermsen 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 June 16, 2026. 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 Kevin Hermsen of Gretna, Nebraska; Rodney Johnson of Norfolk, Nebraska; Derek Minshull of North Platte, Nebraska; Adam Batie of Kearney, Nebraska; and Lori Johnson of Lincoln, 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. Director Kohtz announced for the record that Special Assistant Attorney General Eric Knutson is present as well.

ADOPTION OF THE AGENDA

Chairperson Hermsen 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 R. Johnson seconded the motion. The motion carried with R. Johnson, Minshull, Batie, L. Johnson, and Hermsen voting aye.

Board Member R. Johnson moved that the Board enter executive session for the purpose of reviewing applications for appraisal management company registration. 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 9:02 a.m. The motion carried with R. Johnson, Minshull, Batie, L. Johnson, and Hermsen voting aye.

Board Member R. Johnson moved that the Board exit executive session at 9:14 a.m. Board Member Minshull seconded the motion. The motion carried with R. Johnson, Minshull, Batie, L. Johnson, and Hermsen voting aye.

C. NRPAB vs Financial Asset Services, Inc (NE2012075)

James Keith, Brandon Sison, and Stacy Seminoff appeared before the Board via virtual conference at 9:15 a.m.

Chairperson Hermsen opened Agenda Item C, the matter of the NRPAB vs Financial Asset Services; Nebraska registered appraisal management company NE2012075. The Chairperson informed all in attendance to take note that Agenda Item C is being recorded.

Chairperson Hermsen stated that Financial Asset Services submitted an Application for Renewal of Nebraska AMC Registration on March 10, 2026; Exhibit A presented. During staff's review of the application, it was found that disciplinary action was taken by the Virginia Real Estate Appraiser Board on March 16, 2026; Exhibit B presented. The Virginia Department of Professional and Occupational Regulation License Lookup was utilized to retrieve the Virginia Real Estate Appraiser Board File No. 2026-00989 public documents; Exhibit C presented. Financial Asset Services answered "no" to Disciplinary Survey Question 3 on the Application for Renewal of Nebraska AMC Registration. A letter was sent to Financial Asset Services on March 20, 2026 to request a response as to why it answered "no" to this question; Exhibit D presented. A response was received from Financial Asset Services between March 25th and 26th, 2026; Exhibit E presented.

The Board discussed this matter at its meeting on May 21, 2026 and determined that it does not intend to approve renewal of Financial Asset Services' registration as a Nebraska appraisal management company at this time. In accordance with Neb. Rev. Stat. § 76-3203(3)(b), registration shall be issued only to persons who have a good reputation for honesty, trustworthiness, integrity, and competence to perform appraisal management services in such manner as to safeguard the interest of the public as determined by the Board. As such, the Board ordered Financial Asset Services to appear at today's meeting and show cause as to why the Board should issue renewal of its registration as a Nebraska appraisal management company.

The Notice to Show Cause, Exhibit G presented, was sent by email, Exhibit I presented, standard mail, and certified mail, Exhibit F presented, on May 28, 2026, and was received by Financial Asset Services by email on May 28, 2026, Exhibit I recognized, and by certified mail on June 8, 2026, Exhibit H presented. A written response was provided by Financial Asset Services by email, Exhibit I recognized, on June 1, 2026; Exhibit J presented.

Chairperson Hermsen then requested, for the record, that each representative for Financial Asset Services appearing before the Board state their names, spell their names, state what organization they represent, and state their relationship with Financial Asset Services. National Sales Representative James Keith, Chief Review Appraiser Brandon Sison, and CEO Stacy Seminoff appeared before the Board via virtual conference, and each stated their names, spelled their names, and stated that they each represent Financial Asset Services, Inc. Chairperson Hermsen welcomed Keith, Sison, and Seminoff.

Chairperson Hermsen then asked if Financial Asset Services had received copies of the exhibits as referenced and presented. CEO Stacy Seminoff confirmed. The Chairperson then gave Financial Asset Services an opportunity to respond.

CEO Stacy Seminoff explained that Financial Asset Services has been established for nearly 30 years. Since 2010 they have been registered in all 50 states. Seminoff expressed that there was no intent to withhold information when filling out the renewal application. An informal fact-finding conference was held on December 2, 2025, and dismissal was recommended. The reason for the incorrect answer on the application was because the employee who completed the application believed that the case would be dismissed after an informal conference. It was the opinion of Financial Asset Services that the matter was due to an upset appraiser. Seminoff then reported that the application was completed on March 3, 2026 and received by the Board on March 11, 2026. Financial Asset Services was notified that its license was suspended on March 16, 2026. Next week a hearing will take place in Virginia to consider reversing the findings. Seminoff reiterated that Financial Asset Services thought that the matter was going to be dismissed and that this is the only action against any of Financial Asset Services' licenses in all fifty states. Seminoff finished by indicating that Financial Asset Services is now very careful about how questions are answered on all applications now.

Chairperson Hermsen then asked the Board if there were any questions or comments for any of the representatives of Financial Asset Services. With none, the Chairperson asked Special Assistant Attorney General Eric Knutson if there were any questions or comments for any of the representatives of Financial Assets Services, or any questions or comments for the Board. SAAG Eric Knutson asked CEO Stacy Seminoff if there were any additional exhibits Financial Assets Services would like to add. None of the representatives offered any additional exhibits.

Chairperson Hermsen stated that the Board will discuss this matter under Agenda Item E and take into consideration all relevant information, including the response provided. Financial Asset Services will be notified of any action taken by the Board shortly after this meeting. Agenda Item C, the matter of the NRPAB vs Financial Asset Services, is now closed and requested that the recording be stopped

James Keith, Brandon Sison, and Stacy Seminoff exited the meeting at 9:27 a.m.

Board Member R. Johnson 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 9:28 a.m. The motion carried with R. Johnson, Minshull, Batie, L. Johnson, and Hermsen voting aye.

SAAG Knutson exited the meeting at 10:35 a.m.

Break from 10:35 a.m. to 10:50 a.m.

Board Member R. Johnson moved to exit executive session at 10:50 a.m. Board Member Minshull seconded the motion. The motion carried with R. Johnson, Minshull, Batie, L. Johnson, and Hermsen voting aye.

H. WELCOME AND CHAIR'S REMARKS

Chairperson Hermsen stated that he had no opening remarks. Hermsen then acknowledged that there were no members of the public in attendance at this time.

I. BOARD MEETING MINUTES

1. APPROVAL OF May 21, 2026 MEETING MINUTES

Chairperson Hermsen asked for any additions or corrections to the May 21, 2026 regular meeting minutes. With no discussion, Chairperson Hermsen called for a motion. Board Member Minshull moved to approve the May 21, 2026 regular meeting minutes as presented. Board Member Batie seconded the motion. Chairperson Hermsen recognized the motion and asked for any discussion. With no discussion, Chairperson Hermsen called for a vote. The motion carried with R. Johnson, Minshull, Batie, L. Johnson, and Hermsen voting aye.

J. DIRECTOR'S REPORT

1. REAL PROPERTY APPRAISER AND AMC COUNTS AND TRENDS

a. Real Property Appraiser Report

Director Kohtz presented seven charts outlining the number of real property appraisers as of June 18, 2026 to the Board for review. The Director reported that trends remained the same as reported during the strategic planning meeting and indicated that he had no specific comments. Director Kohtz then asked for any questions or comments. 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 May 31, 2026 to the Board for review. The Director reported that trends remained stable and indicated that he had no specific comments. Director Kohtz then asked for any questions or comments. There was no further discussion.

c. Supervisory Real Property Appraiser Report

Director Kohtz presented two charts outlining the number of registered supervisory real property appraisers as of June 18, 2026 to the Board for review. The Director reported that trends remained stable and indicated that he had no specific comments. Director Kohtz then 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 June 18, 2026 to the Board for review. The Director reported that trends remained stable and indicated that he had no specific comments. Director Kohtz then 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 May 13, 2026 and June 9, 2026. 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 AMC applicants approved for registration by the Director for the period between May 13, 2026 and June 9, 2026. 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 May 13, 2026 and June 9, 2026. The Director indicated that he had no specific comments and asked for any questions or comments. There was no further discussion.

Director Kohtz finished his report by thanking everyone for attending and going through the strategic planning meeting process. Chairperson Hermsen then thanked the Director and staff for all their work. Board Member Minshull added that the strategic planning meeting was very productive.

K. FINANCIAL REPORT AND CONSIDERATIONS

1. MAY FINANCIAL REPORT

The receipts and expenditures for May were presented to the Board for review in the Budget Status Report. The Director brought attention to the "Publication & Print" expense in the amount of $554.09 and informed the Board that this expenditure includes the January through March copy services billing. The Director then moved to "CIO Charges" expense in the amount of $222.17 and indicated that OCIO is not billing agencies for IMS services for April or May; only the communications expenses are included in the May Budget Status Report. OCIO exceeded its revenues when compared to expenditures, so non-billing for services is a way to balance the expenditures and revenues. Director Kohtz informed the Board that this occurs every three or four years. The Director then continued to the "Personal Computing Equipment" expense in the amount of $219.89 and indicated that this expenditure was for the new printer for the Director's office. Director Kohtz then brought attention to "Purchasing Assessment" expense in the amount of -$51.00 and "SOS Temp Serv - Personnel" expense in the amount of -$787.90 and informed the Board that these were assessment rebates. Similar to OCIO, DAS is using rebates to balance revenues and expenditures. Board Member Minshull stated that he does not recall the use of temporary services for this fiscal year. The Director clarified that the rebates were for last fiscal year. The Director then reported that the overall expenditures for the month of May were $30,956.15, and the year-to-date overall expenditures for the fiscal year are $415,035.43, which amounts to 80.11 percent of the budgeted expenditures for the fiscal year; 91.78 percent of the fiscal year has elapsed.

Next, Director Kohtz brought the Board's attention to revenues and indicated that he had no comments on any specific revenues for the month. The Director then reported that the overall revenues for the month of May totaled $18,708.73, and year-to-date revenues for the fiscal year are $396,830.10, which amounts to 103 percent of the projected revenues for the fiscal year. The Director reiterated that 91.78 percent of the fiscal year has 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 May totaled $20,553.99, and the year-to-date expenditures for the fiscal year are $273,494.98, which amounts to 77.36 percent of the budgeted expenditures for the fiscal year. The Real Property Appraiser Fund revenues were $8,071.73 for May, and the year-to-date revenues for the fiscal year are $262,047.10, which amounts to 102 percent of the projected revenues for the fiscal year. Director Kohtz then reported that AMC Fund expenditures for the month of May totaled $10,402.16, and the year-to-date expenditures for the fiscal year are $141,540.45, which is 86.01 percent of the budgeted expenditures. The AMC Fund revenues totaled $10,637.00 for May, and the year-to-date revenues for the fiscal year are $134,783.00, which amounts to 105 percent of the projected revenues 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 May and reported that on page K.12, batch #8232079 with the payee/explanation "PURCHASE CARD TRASACTION," is for the new printer purchased for the Director's office with the purchasing card. 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 $30,956.15 and revenues of $18,708.73 for the month of May 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 and reiterated that Real Property Appraiser Fund expenditures totaled $20,553.99, Real Property Appraiser Fund revenues totaled $8,071.73, AMC Fund expenditures totaled $10,402.16, and AMC Fund revenues totaled $10,637.00 for May. The Director finished by reporting that the cash balance for the AMC Fund is $193,337.72, the cash balance for the Appraiser Fund is $204,650.17, and the overall cash balance for both funds is $397,987.89.

Chairperson Hermsen asked for a motion on the May financial reports. Board Member Minshull moved to file the May financial reports for audit. Board Member Batie seconded the motion. Chairperson Hermsen recognized the motion and asked for any discussion. With no discussion, Chairperson Hermsen called for a vote. The motion carried with R. Johnson, Minshull, Batie, L. Johnson, and Hermsen 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 reported that the SARAS Grant Fund expenditures for the month of May totaled $2,082.26, and the year-to-date expenditures for the fiscal year are $67,076.34, which amounts to 54.76 percent of the budgeted expenditures for the fiscal year. Director Kohtz informed the Board that the entire amount for May includes travel expenditures for the Director's attendance at the Spring AARO Conference. Director Kohtz then reminded the Board that the year-to-date expenditures will not change next month due to OCIO not billing for IMS services for April or May. The Director indicated that work on the online education applications and NRPAB Database Interface is being completed and is still on schedule.

(Continued on page 7)

(Continued from page 6)

Director Kohtz asked for any questions or comments. There was no further discussion. Board Member Minshull requested confirmation that a new federal grant application must be submitted for FY 27. Director Kohtz confirmed this as correct and informed the Board that staff will prepare as much as possible before the grant application submission period opens, as the acceptance window is very small. The Director added that the application may need to be submitted prior to the Board's review to meet the submission deadline.

Director Kohtz presented the May 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.

Chairperson Hermsen asked for a motion on the May SARAS Grant Fund financial reports. Board Member Minshull moved to file the May SARAS Grant Fund financial reports for audit. Board Member R. Johnson seconded the motion. Chairperson Hermsen recognized the motion and asked for any discussion. With no discussion, Chairperson Hermsen called for a vote. The motion carried with R. Johnson, Minshull, Batie, L. Johnson, and Hermsen voting aye.

3. APPROVAL OF AMENDED FY2026-27 FEE SCHEDULE

Director Kohtz presented an amended proposed FY2026-27 Fee Schedule to the Board for consideration. The Director informed the Board that the amended draft includes the new Appraisal Management Company Registration Renewal Fee that will take effect July 1, 2026 after the changes to Title 298 were approved by the Governor and have gone into effect. Chairperson Hermsen asked for any discussion, with none, Chairperson Hermsen asked Director Kohtz for proposed language. Director Kohtz presented the following proposed language: Approve FY2026-27 Fee Schedule as presented effective on July 1, 2026. Board Member R. Johnson moved as proposed. Board Member L. Johnson seconded the motion. Chairperson Hermsen recognized the motion and asked for any discussion. With no discussion, Chairperson Hermsen called for a vote. The motion carried with R. Johnson, Minshull, Batie, L. Johnson, and Hermsen voting aye.

4. OAC to Power BI Migration Estimate

Director Kohtz presented an estimate received from CIO to migrate the OAC data and link the NRPAB Database data to Power BI Pro. The Director explained that OAC, previously OBIEE, allows for staff to extract data from the NRPAB Database for analysis and report creation. OAC is not user friendly for those that do not have a coding background, so there have been no data links added to OAC since it moved from OBIEE. Director Kohtz added that he has been advocating for change for a few years. Migrating the data links to Power BI Pro provides for a more interactive tool that is A.I. driven. The Board will have the ability to develop more reports with more information, quicker. Power BI Pro will also allow more reporting functions, as the reports will be generated directly in the system. The Director then informed the Board that he was notified earlier this week that OCIO will not include linking data from the database to Power BI Pro and that the estimate provided does not include the total costs for what needs to be done. Director Kohtz then requested that the Board take no action on this estimate, so that he can work with OCIO to get a proper quote that covers the scope of work that needs to be completed to get the Board's data analysis capabilities back to current. Chairperson Hermsen requested that the Director confirm again that there is no action required by the Board at this time. Director Kohtz confirmed.

5. **PER DIEMS:** No discussion.

L. GENERAL PUBLIC COMMENTS

Chairperson Hermsen asked for any public comments. With none, Chairperson Hermsen moved on to Education.

M. EDUCATION: No discussion.

N. UNFINISHED BUSINESS

1. **500 SOUTH 16TH STREET DOL BUILDING RELOCATION**

Director Kohtz informed the Board that, due to difficulty tracking inventory, DAS Buildings Division will not invoice the Board for furniture ordered through CSI for the new office. The Director expressed gratitude and asked for any questions or comments. There was no further discussion.

O. NEW BUSINESS

1. **REVIEW OF DISCIPLINARY HISTORY POPULATION OF PUBLIC WEBSITE FOR ACTIVE APPRAISER AND AMCS**

EPM Sims presented a Memo to the Board for review regarding the Board's 2025-26 short-term goal to populate the Disciplinary History Search with all real property appraiser and AMC disciplinary action history for active credential and registration holders. EPM Sims reported that this goal was completed on June 2, 2026. According to Sims, eighteen disciplinary action matters were made public for active real property appraiser credential holders; no additional disciplinary actions were made public for active appraisal management company registration holders. Of the records reviewed, four real property appraisers were identified on the ASC Appraiser Registry with disciplinary action, where the matter did not resolve by way of consent agreement or final order. These individuals will be notified that the matter is to be expunged from the Appraiser Registry. Director Kohtz informed the Board that the majority of non-disciplinary actions reported to the ASC have been corrected. This process likely brought the remaining issues to light. The Director reminded the Board that around 2018-2020 many real property appraisers were reporting previous disciplinary action on their renewal applications that were found on the ASC Appraiser Registry but were not consistent with the Board's records. During this time, AS Peppe reviewed each case, and if found not to be disciplinary action, requested that the real property appraiser notify the Board that it wished for the record to be expunged. Once these cycled through, in 2021, the Board changed the disciplinary action question length on the renewal applications to "within the three-year period immediately preceding the date of application." The Board thanked staff for its work on this.

2. BOARD MEMBER REQUIREMENT TO FILE ANNUAL STATEMENTS OF FINANCIAL INTERESTS (NADC FORM C-1)

Director Kohtz informed the Board that effective January 1, 2027, board members are now required to file NADC Form C-1, Annual Statements of Financial Interests, as the Board regulates businesses in Nebraska. This financial disclosure form will need to be completed annually and when a board member's term ends. NADC Form C-1 is available and completable online on the Nebraska Accountability and Disclosure Commission website. The Director informed the Board that he has always been required to complete the NADC financial disclosure form, and indicated that once the form is completed online, that information will be carried over from the previous submission so it only needs to be updated thereafter. Director Kohtz had LPM Loll show the Board where the information is located on the Nebraska Accountability and Disclosure Commission's website. The Director added that this is not an agency requirement, so board members will be contacted by the Nebraska Accountability and Disclosure Commission for filing. Board Member Minshull expressed concern with board members being required to file an NADC Annual Statements of Financial Interests form. The Board held a brief conversation regarding the requirement.

P. LEGISLATIVE REPORT AND BUSINESS

1. OTHER LEGISLATIVE MATTERS: No discussion.

Q. ADMINISTRATIVE BUSINESS

1. GUIDANCE DOCUMENTS

a. 24-01: PAREA Program Real Property Appraisal Practice Experience Evaluation (Retire)

The Director presented Guidance Document 24-01 titled, "PAREA Program Real Property Appraisal Practice Experience Evaluation" to the Board for consideration of retirement. The Director informed the Board that the guidance has been incorporated into Title 298 and that this guidance document is no longer necessary. Chairperson Hermsen asked for any discussion. With none, Chairperson Hermsen asked Director Kohtz if there is proposed language for 24-01. Director Kohtz presented the following proposed language: Retire guidance document 24-01. Board Member R. Johnson moved as proposed. Board Member Minshull seconded the motion. Chairperson Hermsen recognized the motion and asked for any discussion. With no discussion, Chairperson Hermsen called for a vote. The motion carried with R. Johnson, Minshull, Batie, L. Johnson, and Hermsen voting aye.

2. INTERNAL PROCEDURAL DOCUMENTS

a. 201704: AMC Fund Cash Balance

Director Kohtz presented the amended Internal Procedure 201704, "AMC Fund Cash Balance," to the Board for consideration. The Director informed the Board that the minimum cash fund balance for the AMC Fund for FY2026-27 as proposed is $195,667.00. Chairperson Hermsen asked for any discussion. With none, Chairperson Hermsen asked Director Kohtz if there is proposed language for Internal Procedural Document 201704. Director Kohtz presented the following proposed language: Approve amended Internal Procedural Document 201704 as presented. Board Member R. Johnson moved as proposed.

(Continued on page 10)

(Continued from page 9)

Board Member Minshull seconded the motion. Chairperson Hermsen recognized the motion and asked for any discussion. With no discussion, Chairperson Hermsen called for a vote. The motion carried with R. Johnson, Minshull, Batie, L. Johnson, and Hermsen voting aye.

b. 201705: Real Property Appraiser Fund Cash Balance

Director Kohtz presented the amended Internal Procedure 201705, "Real Property Appraiser Fund Cash Balance," to the Board for consideration. The Director informed the Board that the minimum cash fund balance for the Appraiser Fund for FY2025-26 as proposed is $303,516.00. Chairperson Hermsen asked for any discussion. With none, Chairperson Hermsen asked Director Kohtz if there is proposed language for Internal Procedural Document 201705. Director Kohtz presented the following proposed language: Approve amended Internal Procedural Document 201705 as presented. Board Member R. Johnson moved to approve as proposed. Board Member Minshull seconded the motion. Chairperson Hermsen recognized the motion and asked for any discussion. With no discussion, Chairperson Hermsen called for a vote. The motion carried with R. Johnson, Minshull, Batie, L. Johnson, and Hermsen voting aye.

3. **FORMS, APPLICATIONS, AND PROCEDURES:** No discussion.

R. OTHER BUSINESS

1. **BOARD MEETINGS**: No discussion.

2. **CONFERENCES/EDUCATION:** No discussion.

3. **MEMOS FROM THE BOARD:** No discussion.

4. **QUARTERLY NEWSLETTER:** No discussion.

5. **APPRAISAL SUBCOMMITTEE:** No discussion.

6. **THE APPRAISAL FOUNDATION**

a. TAF June Newsletter

Director Kohtz presented The Appraisal Foundation's June 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.

b. TAF State Regulator Newsletter

Director Kohtz presented The Appraisal Foundation's State Regulator 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.

c. TAF Opens Call for ASB and AQB Applications

Director Kohtz presented The Appraisal Foundation's Announcement titled, "The Appraisal Foundation Opens Call for ASB and AQB Applications" 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.

d. TAF Report on The U.S. Real Property Appraiser Workforce_May 2026

Director Kohtz presented The Appraisal Foundation's report titled, "U.S. Real Property Appraiser Workforce" issued in May 2026 to the Board for review. The Director highlighted the following findings in the report:

- Except for the certified residential classification, which is stable, the "Yearly Appraiser Credential Trends" graph on page R.10 follows a similar trend as experienced in Nebraska.

- The median age range of U.S. real property appraisers is reported as 47.9-53.2. While the average appraiser age in Nebraska is 53.

- Appraiser Qualifications Board (AQB) National Exam first-time test takers averaged 1,994 per year from 2008-2025 and 1,606 per year from 2015-2025.

- State-level overlays on the Real Property Appraiser Qualification Criteria fragment the workforce geographically. Only about 16% of appraisers are licensed in more than one state, and most of those are commercial specialists at large national firms. Cross-state portability matters for that small group, but it isn't the reform that would move the needle for the rest of the profession. This is not the same as what is experienced in Nebraska, where a larger percentage of real property appraisers are credentialed in more than one state.

- The Director then summarized the downstream economic effect that capacity issues have on rural communities on page R.13, which includes longer closing times, higher borrower costs, reduced credit availability, and single-point-of-failure exposure.

The Director continued to the report's projections and highlighted the following:

- The BLS Occupational Outlook Handbook projects a 4% growth in combined property appraiser and assessor employment from 2024 to 2034 (77,300 to 80,200 jobs), with approximately 6,300 openings per year over the decade.

- The BLS anticipates rising per-worker productivity from mobile technology and AVMs.

- By 2030, the aggregate credentialed professional appraiser workforce is likely to settle in the 85,000-90,000 range, with Certified General continuing modest growth, Certified Residential stable to slightly down, and Licensed Residential significantly restored.

- By 2040, the workforce is projected to be modestly smaller in headcount but materially more productive per appraiser; the work mix has shifted toward complex, high-stakes, and rural-specialist assignments where human judgment is crucial.

The Director then moved to the potential federal investments, supervisory attention, and policy refinement that could produce the largest measurable improvement in workforce capacity and collateral-risk management found on page R.14, which includes:

- Direct workforce-development resources to rural and capacity-constrained markets.
- Restore and operationalize the Licensed Residential credential for rural use.
- Increase transparency in the consumer-facing "appraisal fee."
- Enable assignment to appraisal firms, not only to individual appraisers.
- Continue measured modernization of valuation products.

The Director informed the Board that the report has a lot of good information and asked for any questions or comments. Chairperson Hermsen agreed with the Director's assessment and brought attention to Nebraska's similarities and differences compared to the national trends. There was no further discussion.

7. **ASSOCIATION OF APPRAISER REGULATORY OFFICIALS:** No discussion.

8. **GOVERNMENT-SPONSORED ENTERPRISES**
   a. **Fannie Mae**
      i. **UCDP Submission Summary Report Messaging Updates Supporting the Transition to UAD 3.6_June 4, 2026**
      Director Kohtz presented an article from Fannie Mae titled, "UCDP Submission Summary Report Messaging Updates Supporting the Transition to UAD 3.6" to the Board for review and reported that he had no specific comments. The Director asked for any questions or comments. There was no further discussion.

   b. **Freddie Mac**
      i. **GSE Appraiser Capacity_May 2026**
      Director Kohtz presented the Freddie Mac document titled, "Appraiser Capacity" 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.

9. **IN THE NEWS:** No discussion.

D. CREDENTIALING AS A NEBRASKA REAL PROPERTY APPRAISER

The Board reviewed applicant CG26001.

1. **PENDING APPLICATIONS**
   a. **CG26001**
   Chairperson Hermsen asked Director Kohtz for proposed language for CG26001.

Director Kohtz presented the following proposed language:

Approve to sit for exam and authorize Director to issue a credential as a certified general real property appraiser upon providing evidence of successful completion of the National Uniform Licensing and Certification Examination and providing the necessary fees. Issue written advisory to take notice of findings in the UPSAP Compliance Review Report and provide redacted copy of the USPAP Compliance Review Report for the report pertaining to the Thayer, Nebraska property.

Board Member R. Johnson moved the proposed language as presented. Board Member Minshull seconded the motion. Chairperson Hermsen recognized the motion and called for a vote. The motion carried with R. Johnson, Minshull, Batie, L. Johnson, and Hermsen voting aye.

E. REGISTRATION AS AN APPRAISAL MANAGEMENT COMPANY

The Board reviewed applicant NE2012075.

1. APPLICANTS FOR RENEWAL OF APPRAISAL MANAGEMENT COMPANY REGISTRATION

a. NE2012075

Chairperson Hermsen asked Director Kohtz for proposed language for NE2012075.

Director Kohtz presented the following proposed language:

The Board reviewed Exhibits A-J introduced during Agenda Item C, the matter of the NRPAB vs Financial Asset Services, and determined that Financial Asset Services fails to have a good reputation for honesty, trustworthiness, integrity, and competence to perform appraisal management services in such manner as to safeguard the interest of the public required for issuance of a registration. Because Financial Asset Services' registration was not renewed, it is hereby ordered that Financial Asset Services shall immediately cease and desist from engaging in business as an appraisal management company in the State of Nebraska requiring a registration as an appraisal management company. Adopt Findings of Fact, Conclusions of Law, Decision and Order.

Board Member R. Johnson moved the proposed language as presented. Board Member L. Johnson seconded the motion. Chairperson Hermsen recognized the motion and called for a vote. The motion carried with R. Johnson, Minshull, Batie, L. Johnson, and Hermsen voting aye.

F. COMPLIANCE MATTERS

The Board reviewed compliance matters 25-03 and 25-04.

1. POST-BOARD ACTION MATTERS

a. 25-03

Chairperson Hermsen asked Director Kohtz for proposed language for 25-03.

Director Kohtz presented the following proposed language:

Close Grievance 25-03.

Board Member R. Johnson moved the proposed language as presented. Board Member Minshull seconded the motion. Chairperson Hermsen recognized the motion and called for a vote. The motion carried with R. Johnson, Minshull, Batie, L. Johnson, and Hermsen voting aye.

b. 25-04

Chairperson Hermsen asked Director Kohtz for proposed language for 25-04.

Director Kohtz presented the following proposed language:

Close Grievance 25-04.

Board Member R. Johnson moved the proposed language as presented. Board Member Minshull seconded the motion. Chairperson Hermsen recognized the motion and called for a vote. The motion carried with R. Johnson, Minshull, Batie, L. Johnson, and Hermsen voting aye.

G. OTHER EXECUTIVE SESSION ITEMS

1. GENERAL

The Board reviewed 2026.06.

a. 2026.06

Chairperson Hermsen asked Director Kohtz for proposed language for 2026.06.

Director Kohtz presented the following proposed language:

Approve the Application for Renewal of Nebraska Real Property Appraiser Credential; and issue a written advisory to inform applicant of the requirement to complete the 7-Hour USPAP Continuing Education Course at least once every two years and that the next 7-Hour USPAP Continuing Education Course is due on or before December 31, 2026. If applicant fails to submit evidence of the successful completion, on or before December 31, 2026, of a 7-Hour USPAP Continuing Education Course completed after June 2, 2026, the matter will go before the Board at its next meeting for consideration.

Board Member R. Johnson moved the proposed language as presented. Board Member L. Johnson seconded the motion. Chairperson Hermsen recognized the motion and called for a vote. The motion carried with R. Johnson, Minshull, Batie, and L. Johnson voting aye. Hermsen abstained.

2. PERSONNEL MATTERS: No discussion

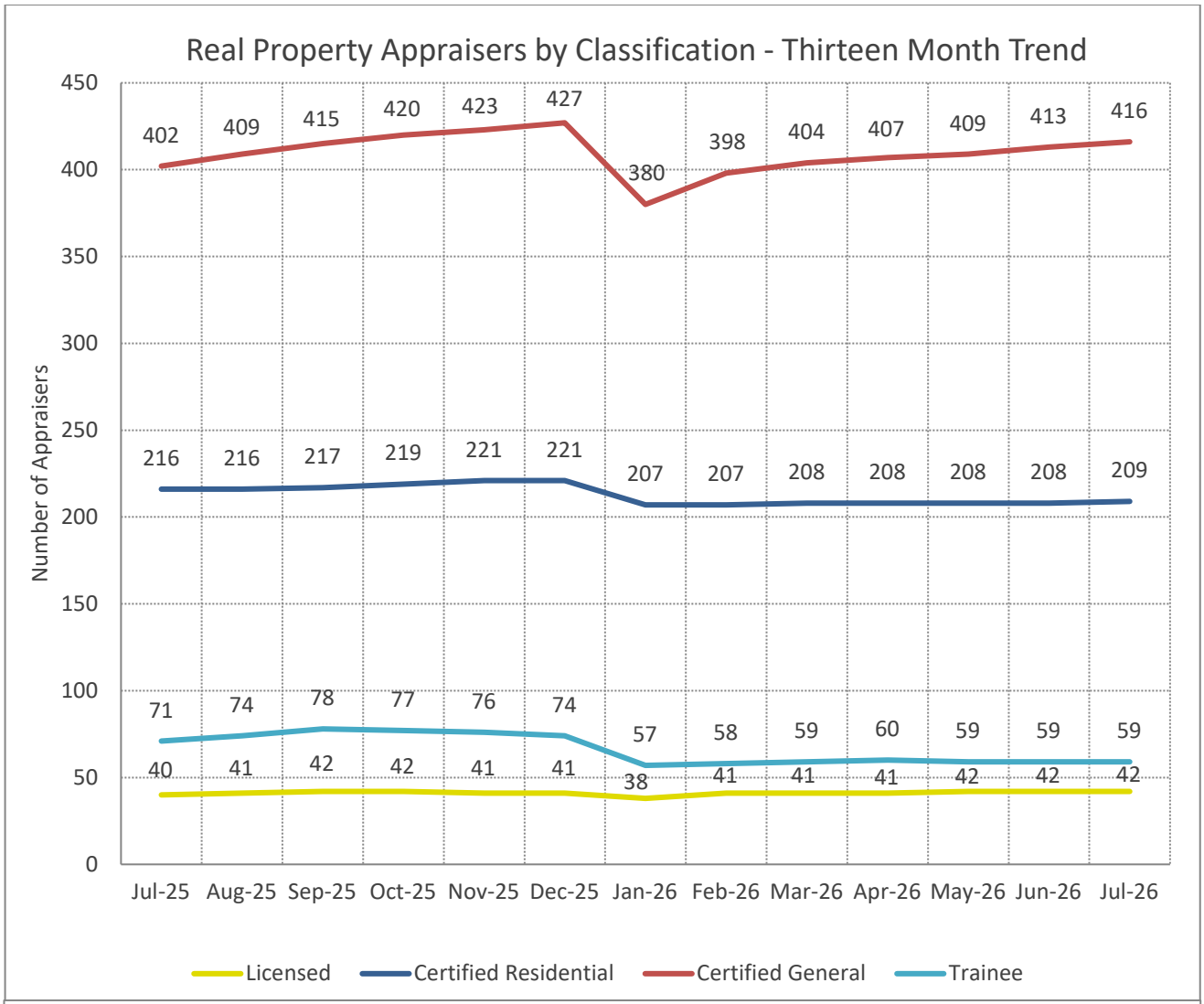
S. ADJOURNMENT

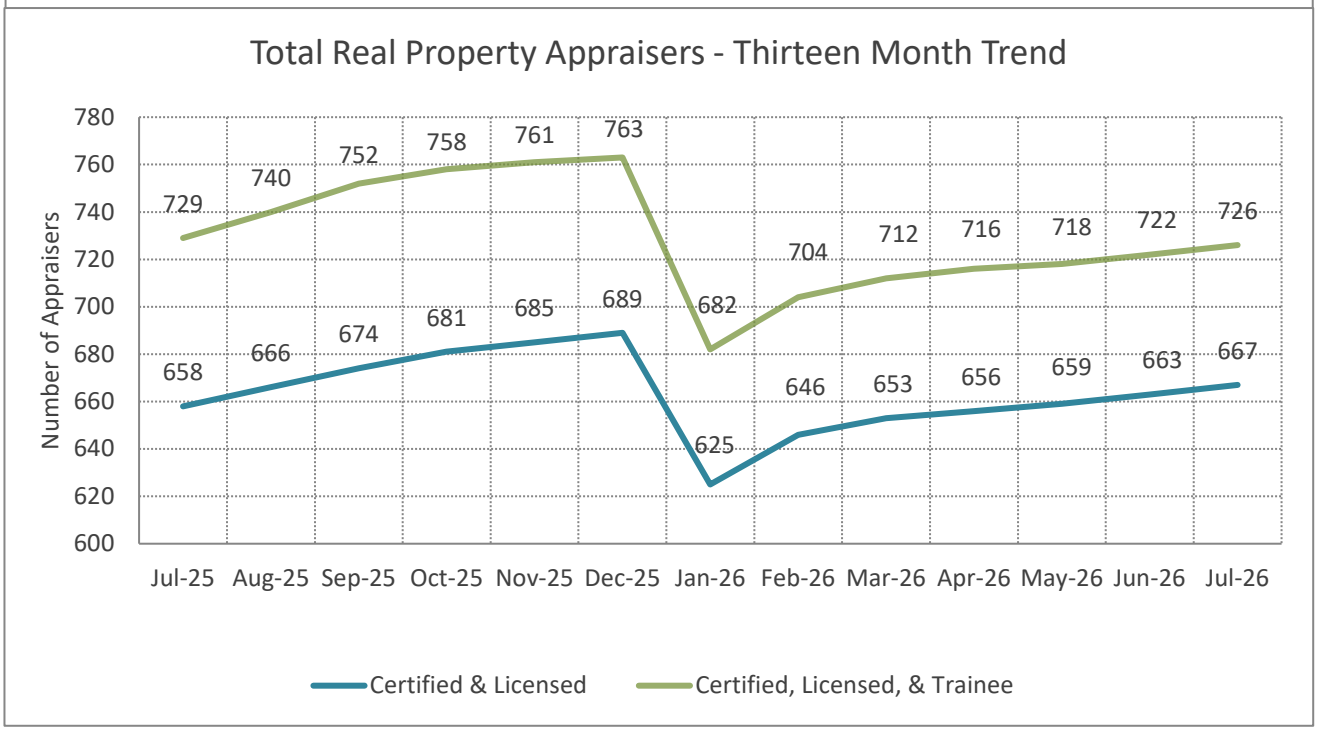
Board Member Minshull moved to adjourn the meeting. Board Member R. Johnson seconded the motion. The motion carried with R. Johnson, Minshull, Batie, L. Johnson, and Hermsen voting aye. At 11:46 a.m., Chairperson Hermsen adjourned the June 18, 2026 meeting of the Nebraska Real Property Appraiser Board.

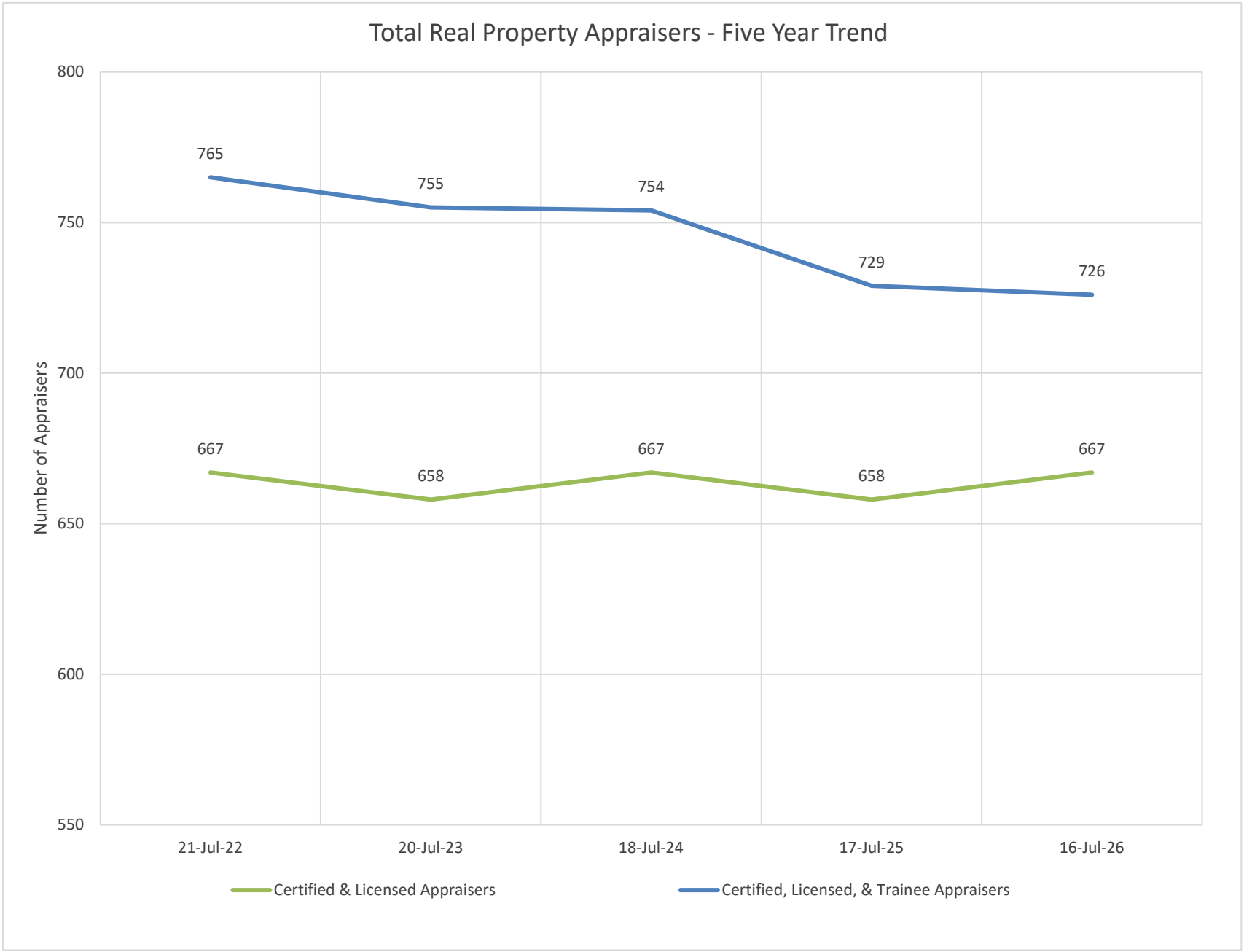
Respectfully submitted,

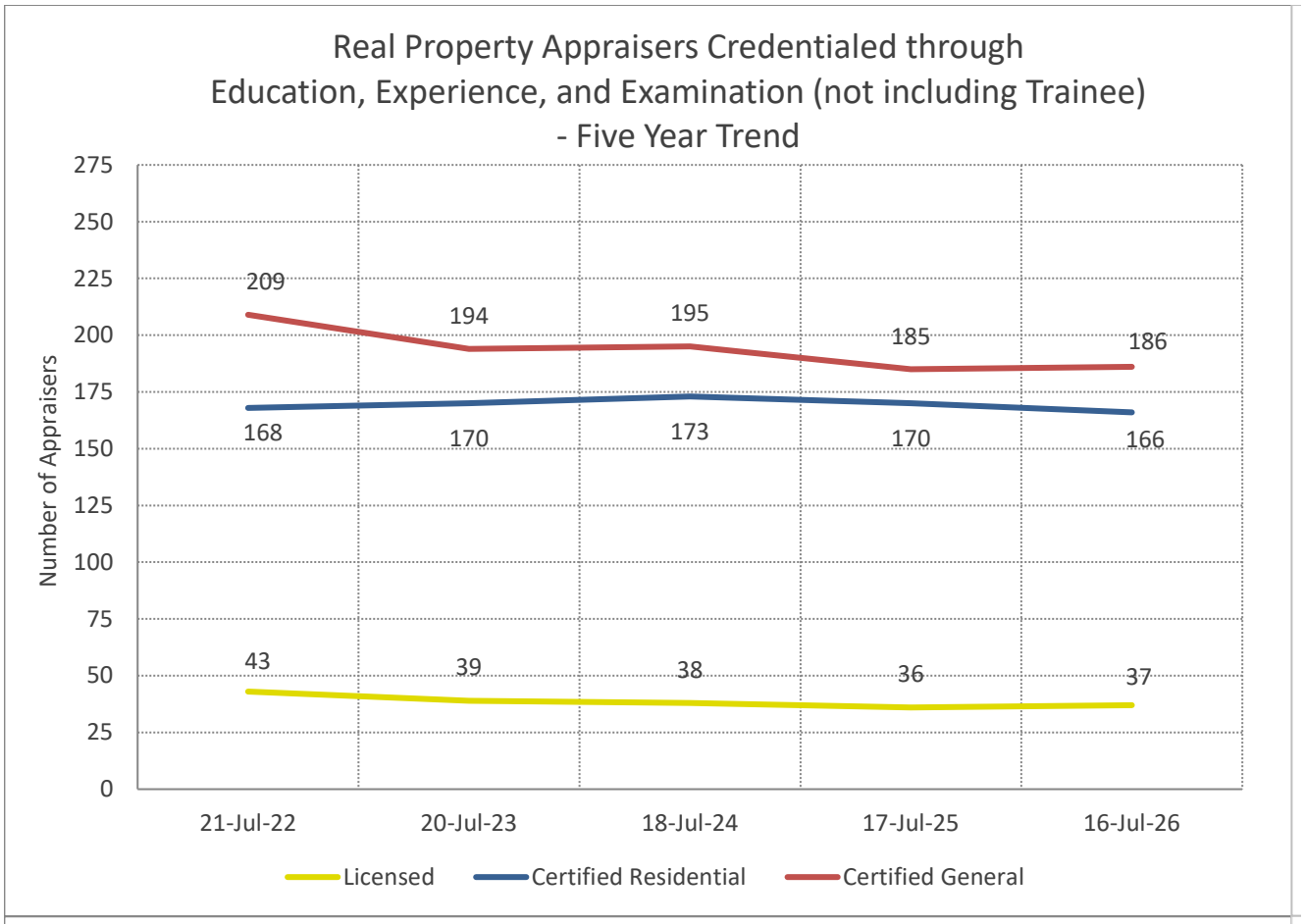
Tyler N. Kohtz
Director

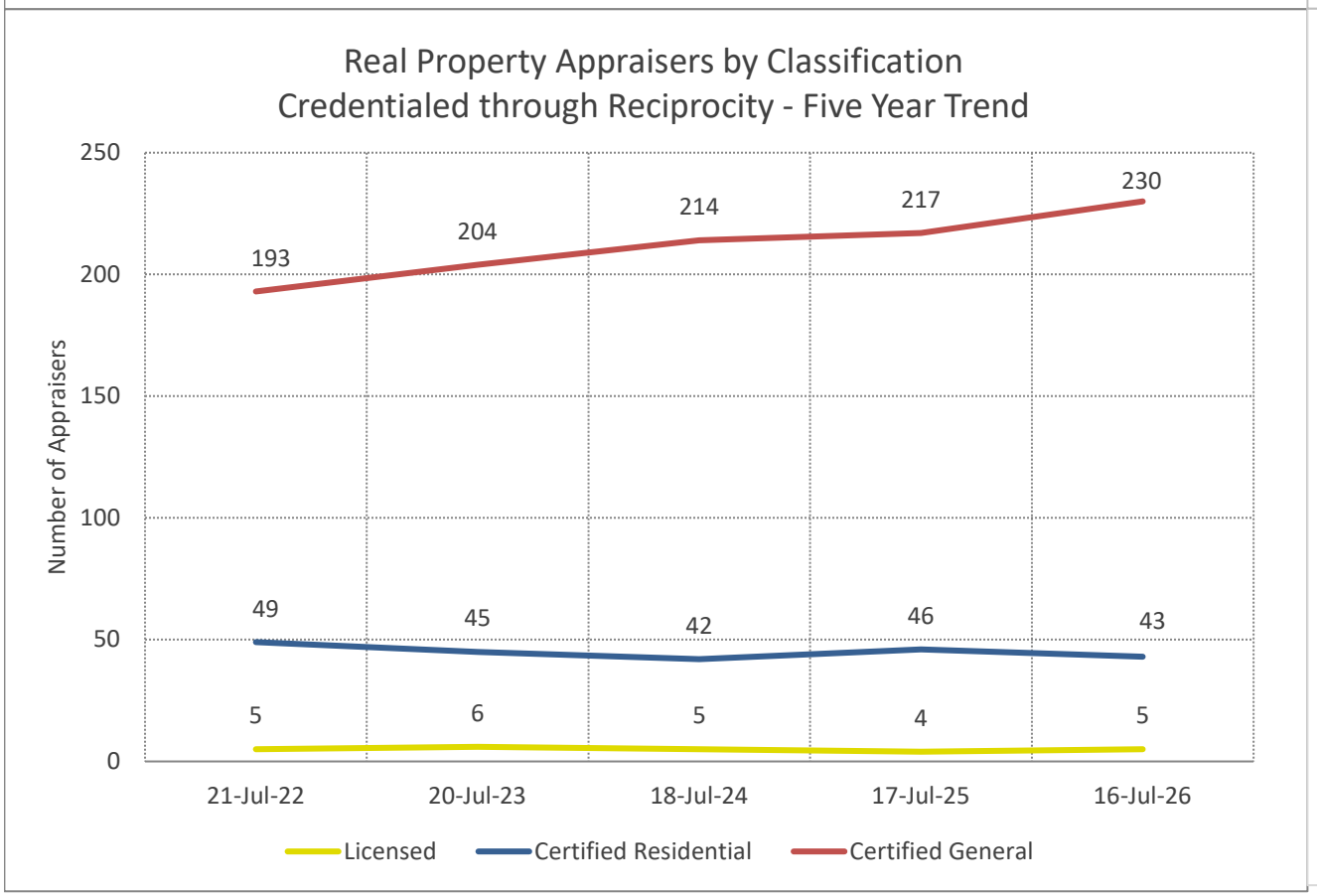
These minutes have been made available for public inspection on June 29, 2026, in compliance with Nebraska Revised Statue § 84-1413(5).

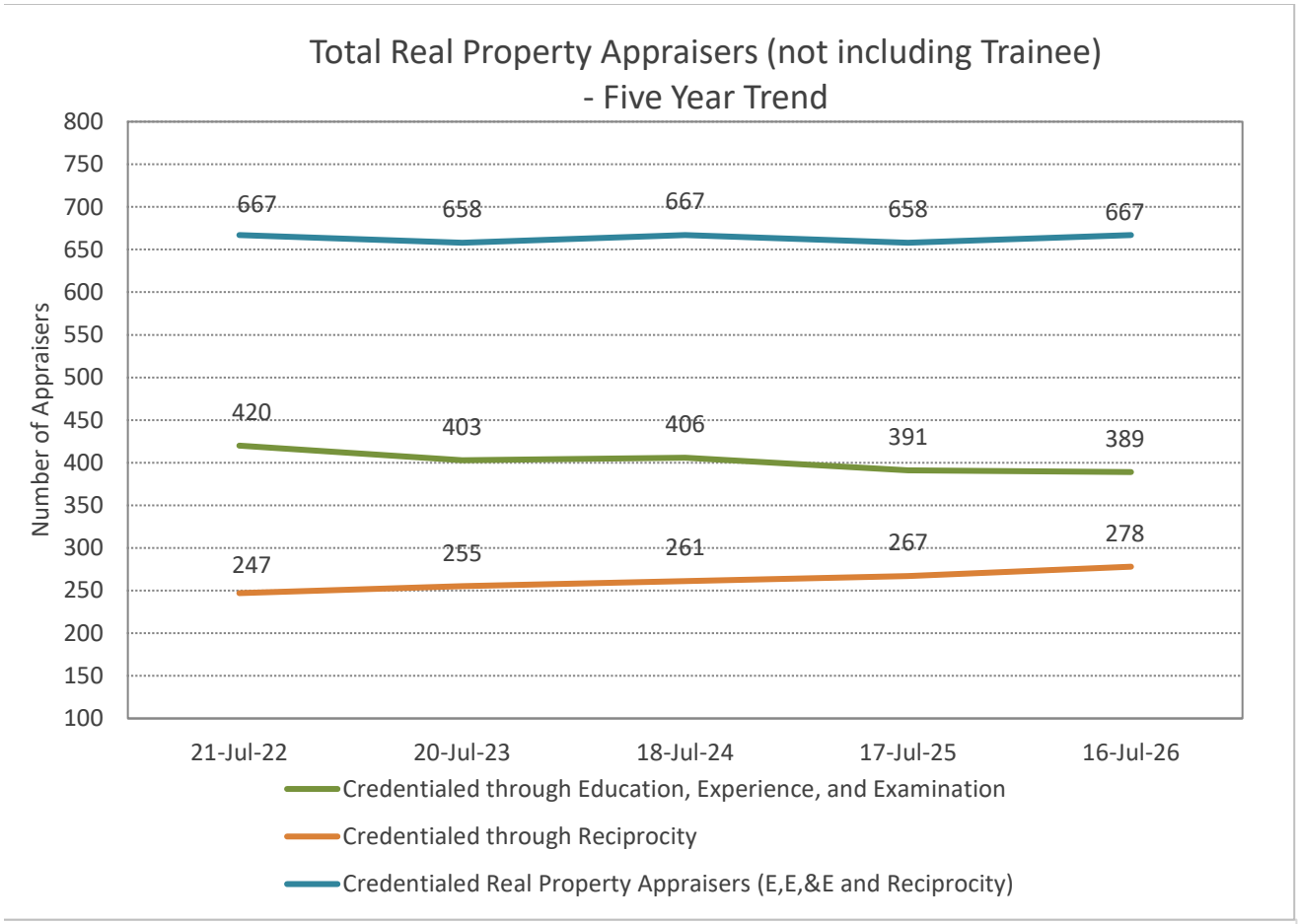

Real Property Appraisers by Classification - Thirteen Month Trend
Number of Appraisers
450
400
350
300
250
200
150
100
50
0
402 409 415 420 423 427 380 398 404 407 409 413 416
216 216 217 219 221 221 207 207 208 208 208 208 209
71 74 78 77 76 74 57 58 59 60 59 59 59
40 41 42 42 41 41 38 41 41 41 42 42 42
Jul-25 Aug-25 Sep-25 Oct-25 Nov-25 Dec-25 Jan-26 Feb-26 Mar-26 Apr-26 May-26 Jun-26 Jul-26
Licensed
Certified Residential
Certified General
Trainee

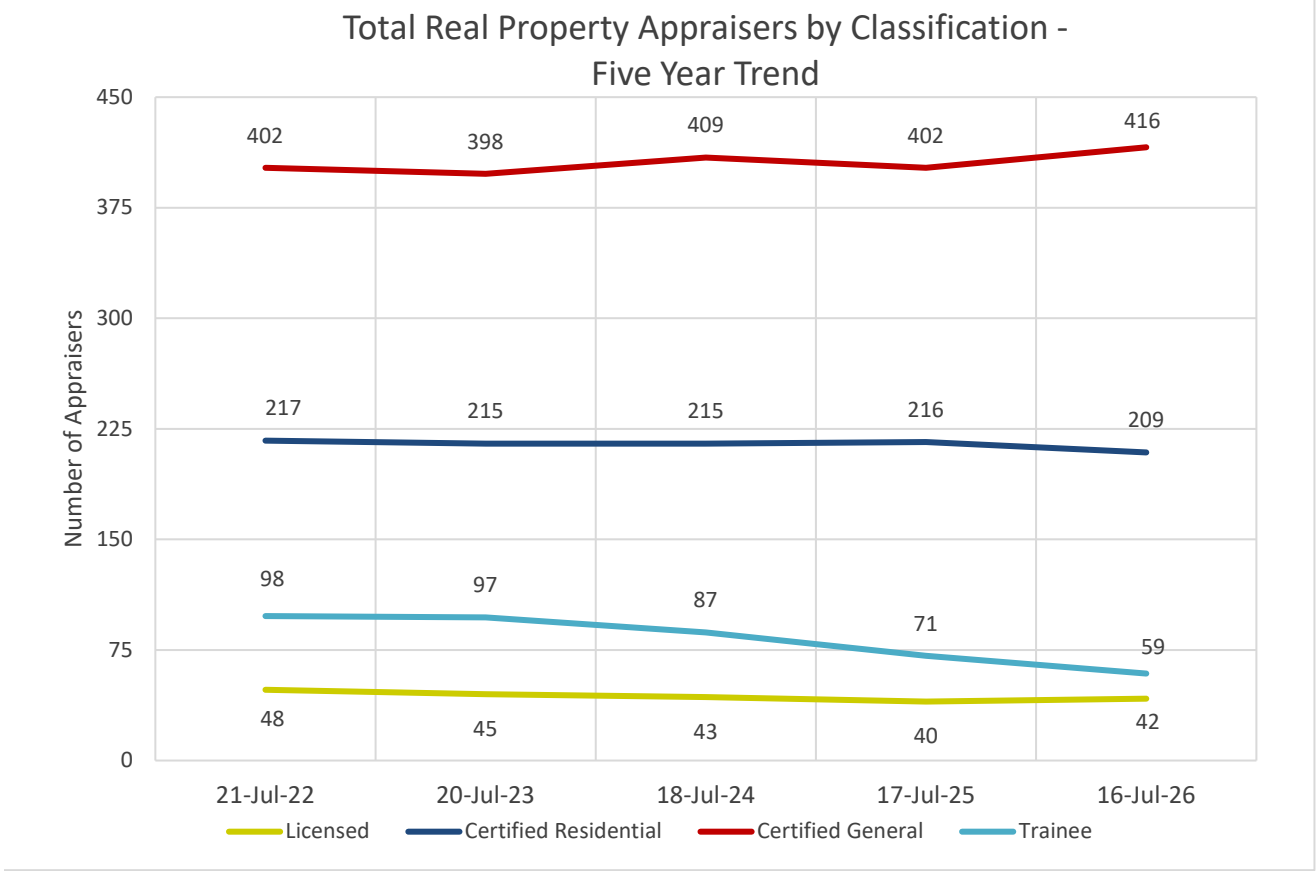

Total Real Property Appraisers - Thirteen Month Trend
Number of Appraisers
780
760
740
720
700
680
660
640
620
600
729 740 752 758 761 763 682 704 712 716 718 722 726
658 666 674 681 685 689 625 646 653 656 659 663 667
Jul-25 Aug-25 Sep-25 Oct-25 Nov-25 Dec-25 Jan-26 Feb-26 Mar-26 Apr-26 May-26 Jun-26 Jul-26
Certified & Licensed
Certified, Licensed, & Trainee


Total Real Property Appraisers - Five Year Trend
Number of Appraisers
800
750
700
650
600
550
765
755
754
729
726
667
658
667
658
667
21-Jul-22
20-Jul-23
18-Jul-24
17-Jul-25
16-Jul-26
Certified & Licensed Appraisers
Certified, Licensed, & Trainee Appraisers

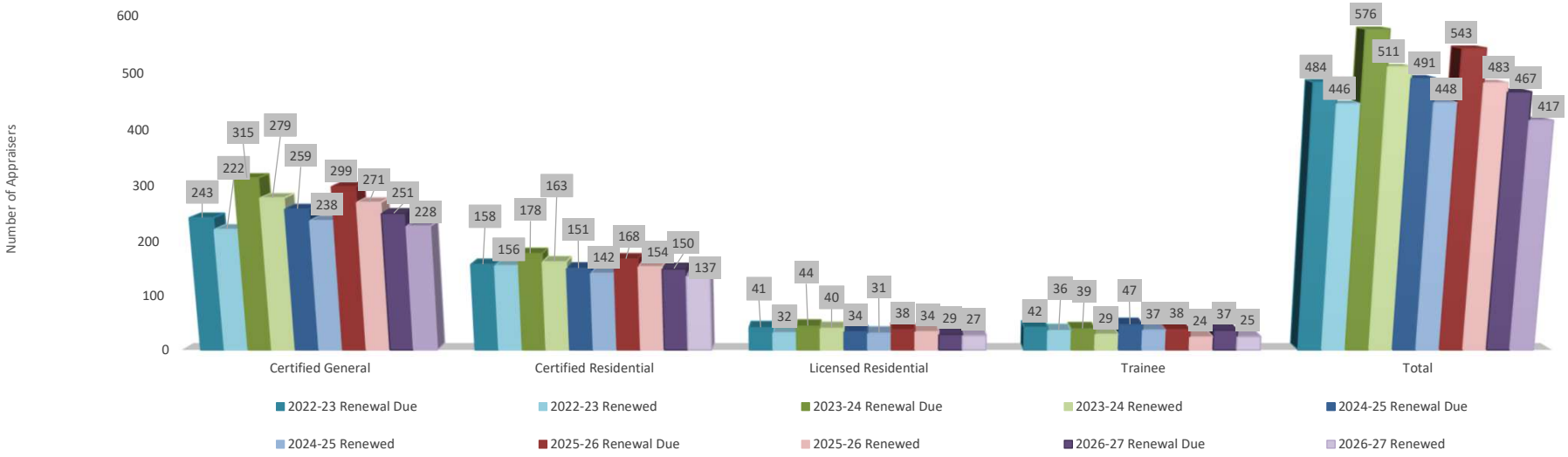

Real Property Appraisers Credentialed through Education, Experience, and Examination (not including Trainee) - Five Year Trend
Number of Appraisers
275
250
225
200
175
150
125
100
75
50
25
0
209
194
195
185
186
168
170
173
170
166
43
39
38
36
37
21-Jul-22
20-Jul-23
18-Jul-24
17-Jul-25
16-Jul-26
Licensed
Certified Residential
Certified General


Real Property Appraisers by Classification Credentialed through Reciprocity - Five Year Trend
Number of Appraisers
250
200
150
100
50
0
193
204
214
217
230
49
45
42
46
43
5
6
5
4
5
21-Jul-22
20-Jul-23
18-Jul-24
17-Jul-25
16-Jul-26
Licensed
Certified Residential
Certified General

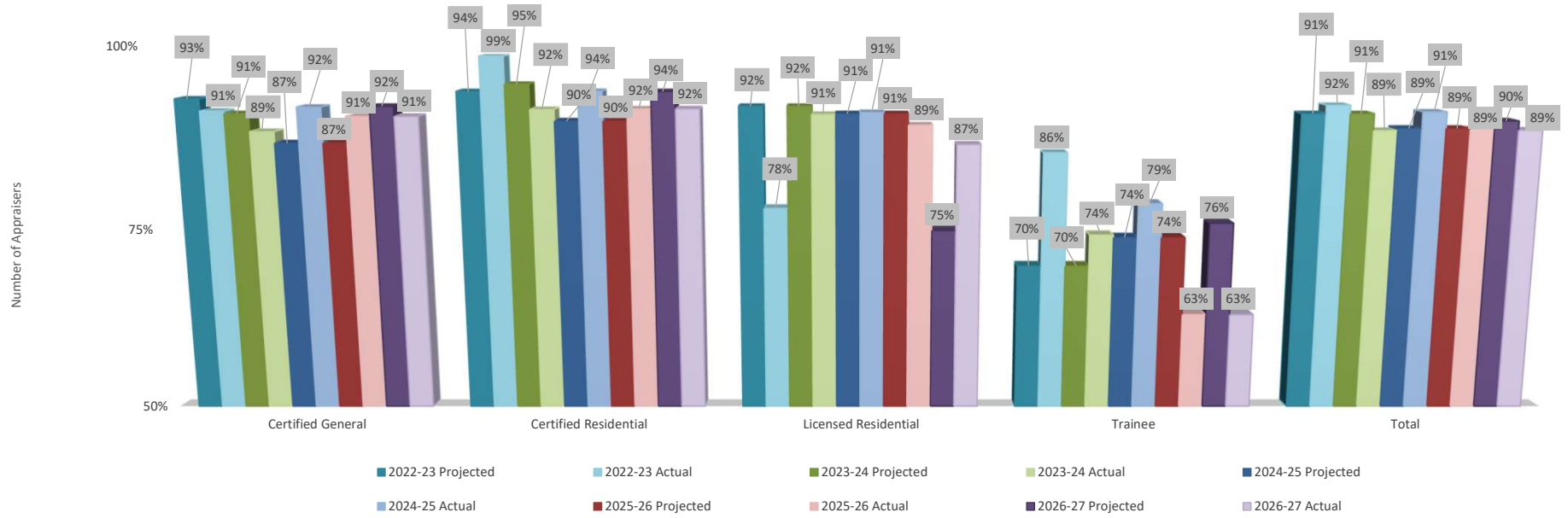

Total Real Property Appraisers (not including Trainee) - Five Year Trend
Number of Appraisers
800
750
700
650
600
550
500
450
400
350
300
250
200
150
100
667
658
667
658
667
420
403
406
391
389
247
255
261
267
278
21-Jul-22
20-Jul-23
18-Jul-24
17-Jul-25
16-Jul-26
Credentialed through Education, Experience, and Examination
Credentialed through Reciprocity
Credentialed Real Property Appraisers (E,E,&E and Reciprocity)


Total Real Property Appraisers by Classification - Five Year Trend
Number of Appraisers
450
375
300
225
150
75
0
402
398
409
402
416
217
215
215
216
209
98
97
87
71
59
48
45
43
40
42
21-Jul-22
20-Jul-23
18-Jul-24
17-Jul-25
16-Jul-26
Licensed
Certified Residential
Certified General
Trainee

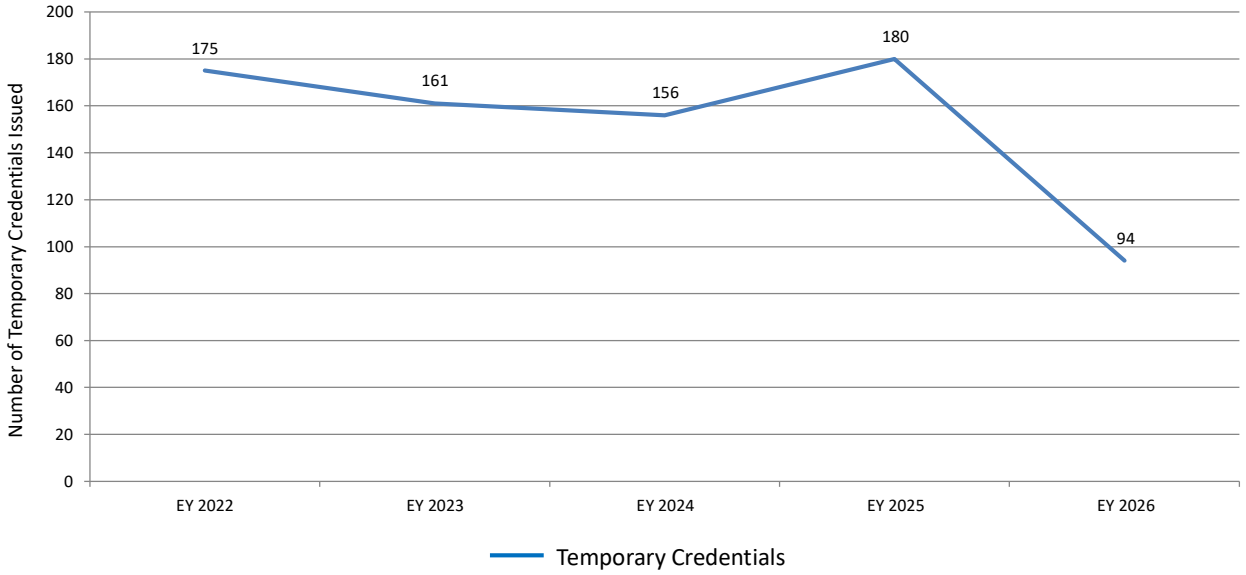
2026-27 REAL PROPERTY APPRAISER RENEWAL PROGRESS REPORT - 7/1/2026



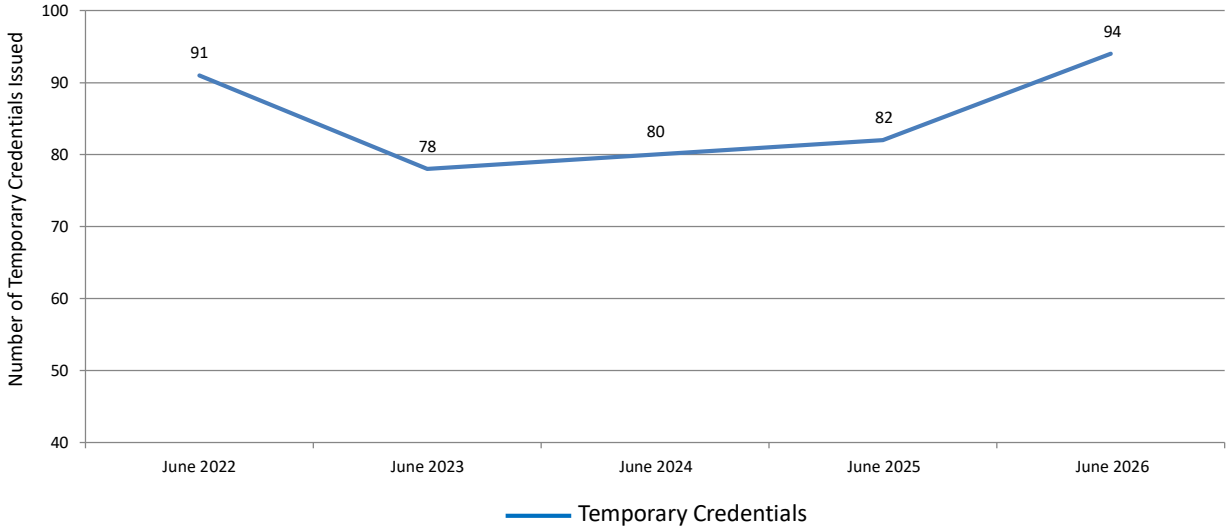
2026-27 PERCENTAGE PROJECTIONS/ACTUALS RENEWAL PROGRESS REPORT - 7/1/2026



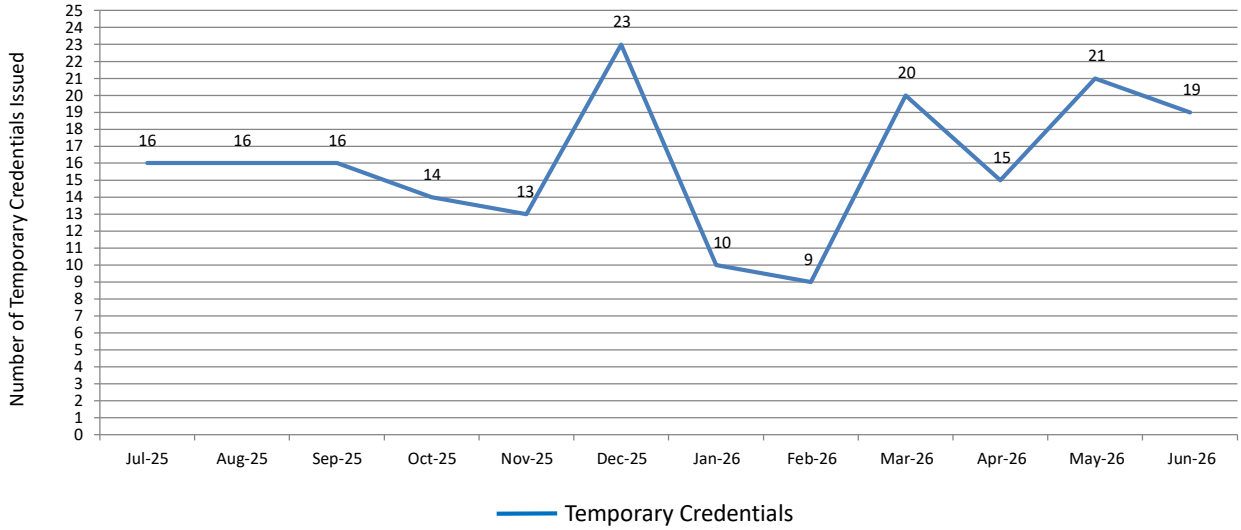
Temporary Real Property Appraiser Credentials Issued by Calendar Year - Five Year Trend



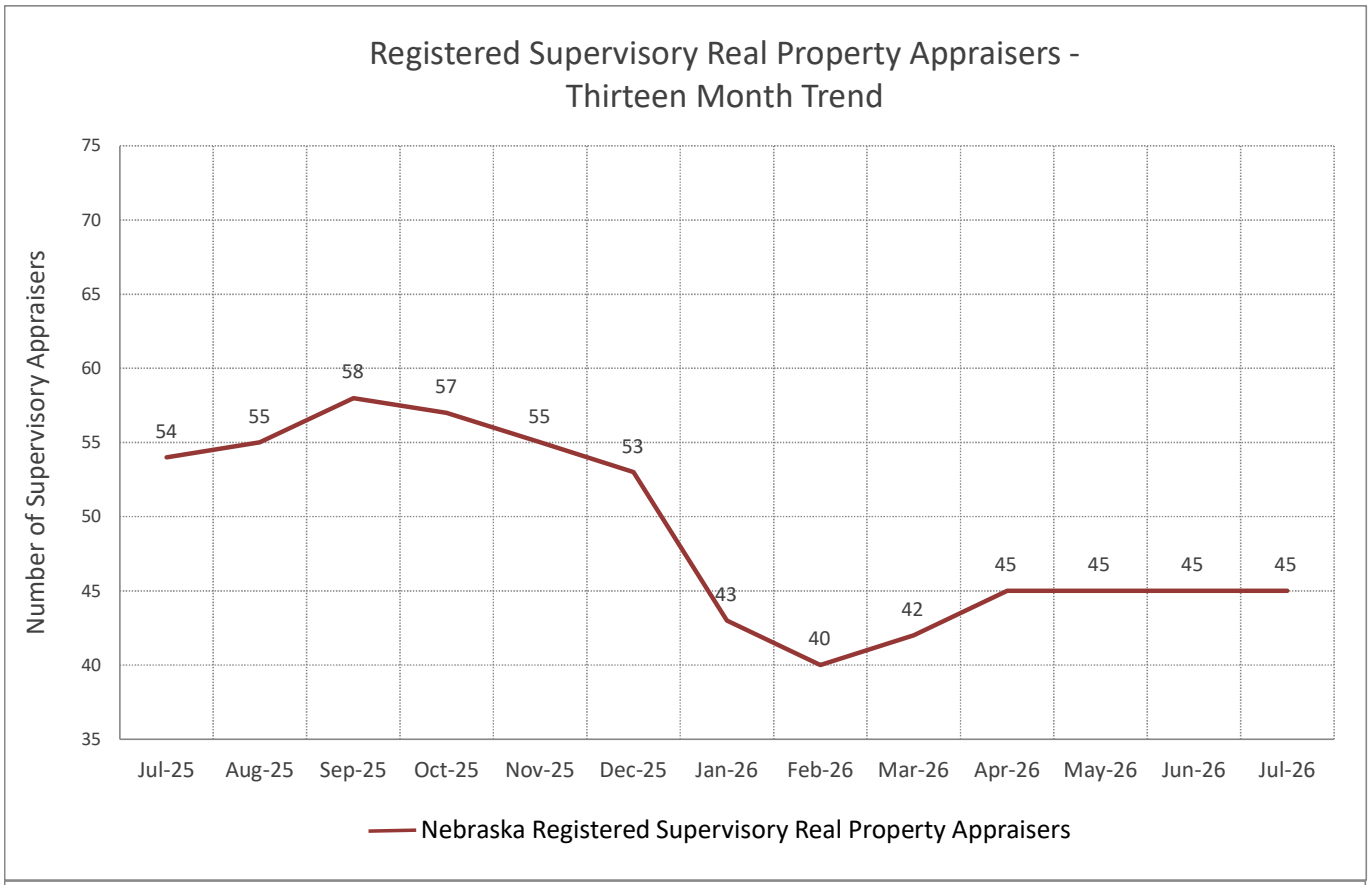
Year-to-date Temporary Real Property Appraiser Credentials Issued - Five Year Trend

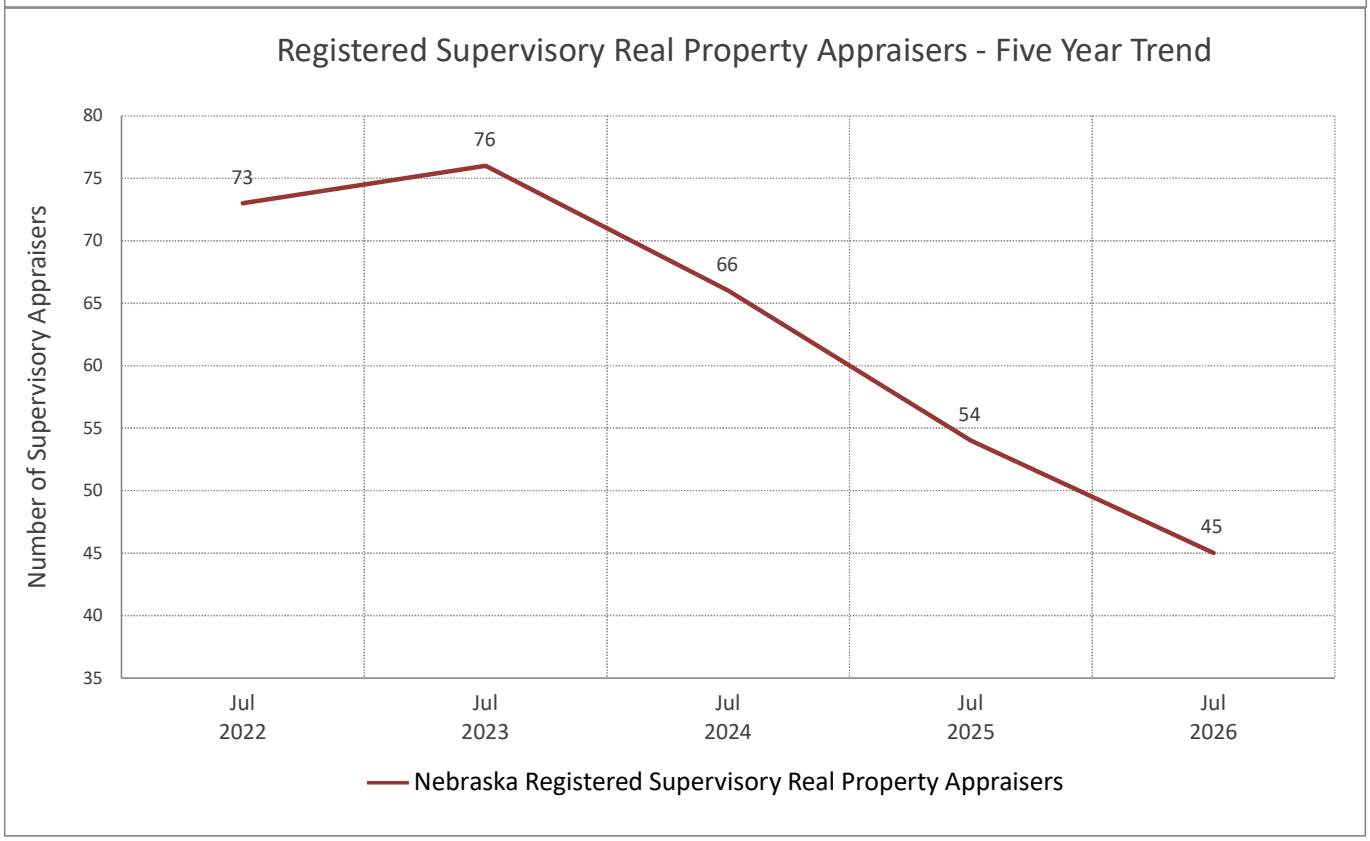


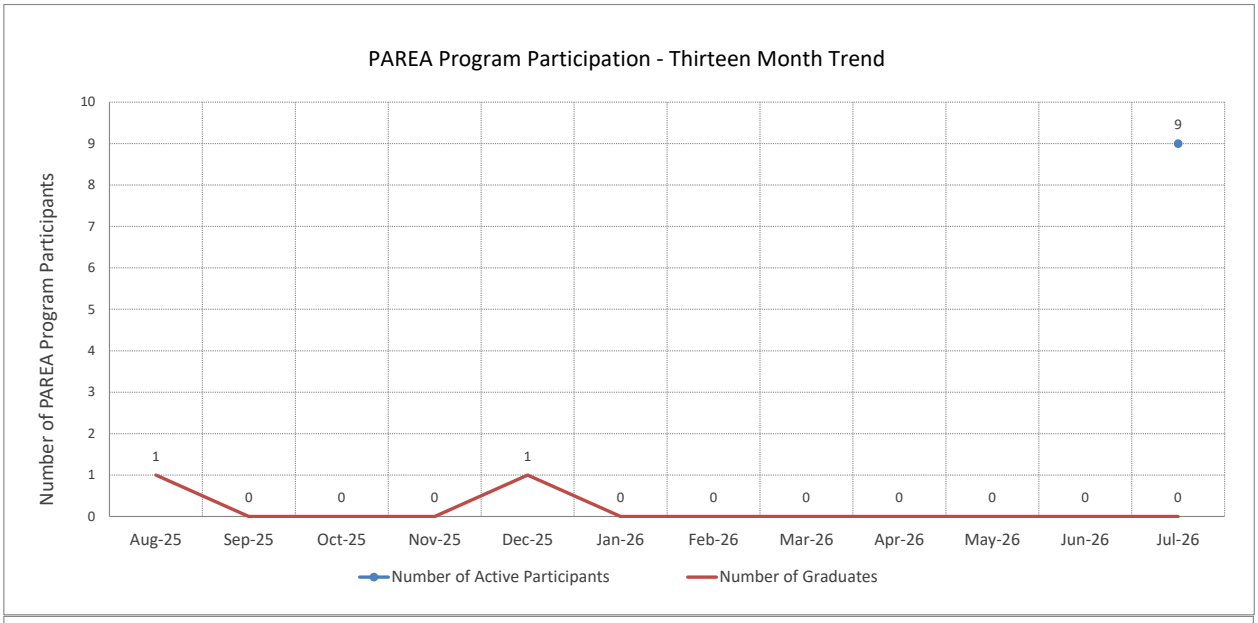
Temporary Real Property Appraiser Credentials Issued by Month - Twelve Month Trend

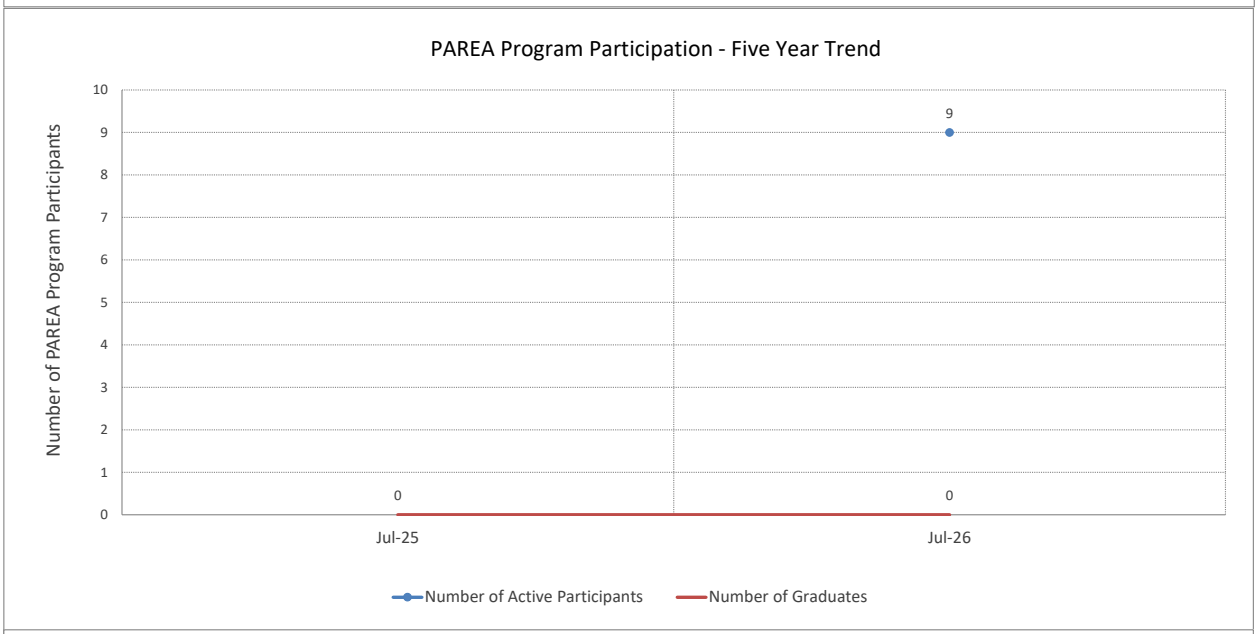


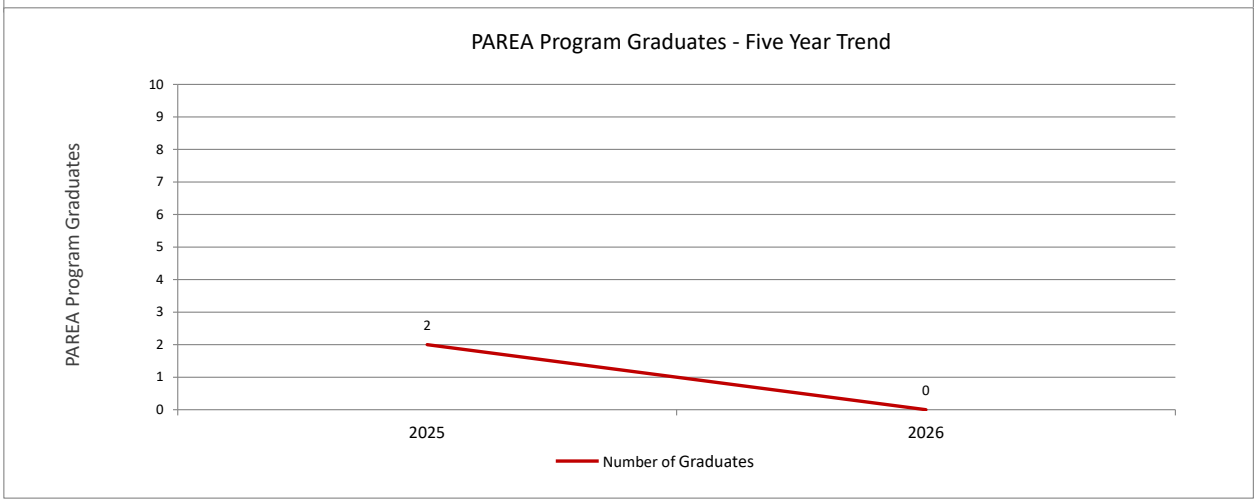
Supervisory Real Property Appraiser Report

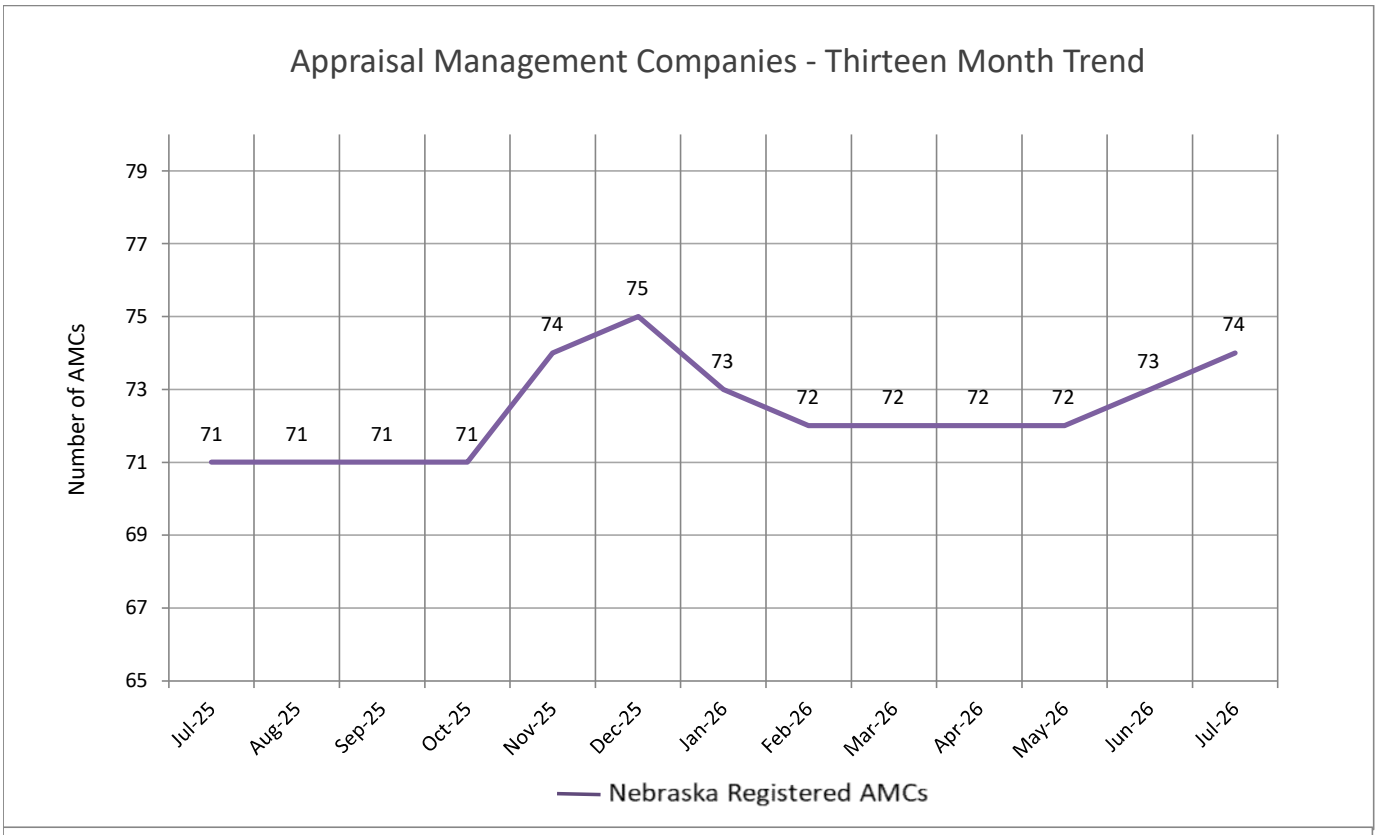


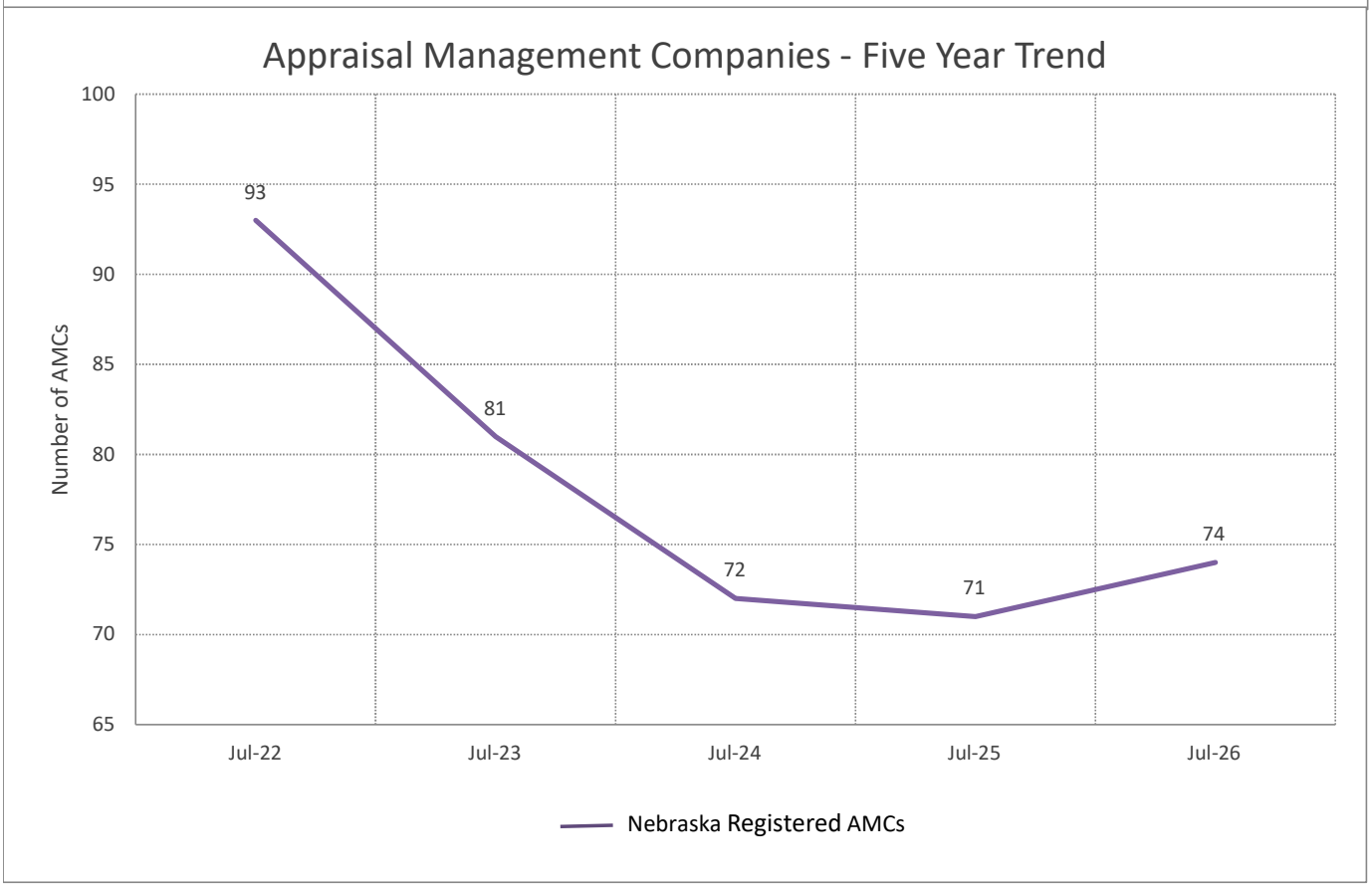



PAREA Program Participation - Thirteen Month Trend
Number of PAREA Program Participants
10
9
8
7
6
5
4
3
2
1
0
1
0
0
0
1
0
0
0
0
0
0
9
0
Aug-25
Sep-25
Oct-25
Nov-25
Dec-25
Jan-26
Feb-26
Mar-26
Apr-26
May-26
Jun-26
Jul-26
Number of Active Participants
Number of Graduates


PAREA Program Participation - Five Year Trend
Number of PAREA Program Participants
10
9
8
7
6
5
4
3
2
1
0
0
0
9
Jul-25
Jul-26
Number of Active Participants
Number of Graduates


PAREA Program Graduates - Five Year Trend
PAREA Program Graduates
10
9
8
7
6
5
4
3
2
1
0
2
0
2025
2026
Number of Graduates


Appraisal Management Companies - Thirteen Month Trend
Number of AMCs
79
77
75
73
71
69
67
65
71
71
71
71
74
75
73
72
72
72
72
73
74
Jul-25
Aug-25
Sep-25
Oct-25
Nov-25
Dec-25
Jan-26
Feb-26
Mar-26
Apr-26
May-26
Jun-26
Jul-26
Nebraska Registered AMCs


Appraisal Management Companies - Five Year Trend
Number of AMCs
100
95
90
85
80
75
70
65
93
81
72
71
74
Jul-22
Jul-23
Jul-24
Jul-25
Jul-26
Nebraska Registered AMCs

NEBRASKA REAL PROPERTY APPRAISER BOARD

DIRECTOR APPROVAL OF REAL PROPERTY APPRAISER APPLICANTS

June 10, 2026 – July 7, 2026

New Certified General Real Property Appraisers through Reciprocity		
CGRA260007	Hays, Craig	Approved July 3, 2026

NEBRASKA REAL PROPERTY APPRAISER BOARD

DIRECTOR APPROVAL OF AMC APPLICANTS

June 10, 2026 – July 7, 2026

New AMCs		
NE2026005	Appraisal Scout Corp.	Approved June 10, 2026
NE2026003	Caliber Appraisal Management Company LLC	Approved June 23, 2026

NEBRASKA REAL PROPERTY APPRAISER BOARD

DIRECTOR APPROVAL OF EDUCATION ACTIVITY AND INSTRUCTOR(S) APPLICANTS

June 10, 2026 – July 7, 2026

Provider	Activity Number	Hours	Title	Instructor(s)	Approval Date
New Continuing Education Activities and Instructors					
The CE Shop, LLC	2262438.77	3.00	Barndos to Domes: Appraising Unconventional Homes	Justin Merrill	06/17/2026
Appraisal Institute	2263436.02	28.00	Valuation of Conservation Easements	Rick Carlile	06/17/2026
Appraisal Institute	2263437.02	30.00	Valuation of Conversation Easements	Rick Carlile	06/29/2026

2026-27 Nebraska Real Property Appraiser Board Goals and Objectives
June 16, 2026 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 increased CHRC fee to "as established by the Nebraska State Patrol," and change the ASC Appraiser Registry Fee and AMC Registry Fee language to "as established by the Appraisal Subcommittee of the Federal Financial Institutions Examination Council."	6/30/2027		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.	
	Amend Neb. Rev. Stat. § 76-2221(7) to clarify that any person appointed by a County Board of Equalization to act as a Referee or Coordinator is exempt from the Real Property Appraiser Act.	12/31/2026		Harmonize Title 298 with the changes made to the Nebraska Real Property Appraiser Act and Appraisal Management Company Registration Act as needed.	Ongoing.	
	Amend Neb. Rev. Stat. § 76-2236 to allow for continuing education credit to be awarded for attendance of one NRPAB meeting. The meeting must be open to the public and must be a minimum of two hours in length but cannot exceed seven hours.	12/31/2026		Address changes to USPAP, Real Property Appraiser Qualifications Criteria, ASC Policy Statements, AQB CAP Program Guidelines, and Title XI as required.	Ongoing.	
	Amend Neb. Rev. Stat. §§ 76-2241 and 76-3206 to include a paper application processing fee of no more than fifty dollars for any form available electronically.	12/31/2026		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	Explore processing fee/surcharge for administrative violations.	12/31/2026		None.		
CREDENTIALING AND REGISTRATION	Add PAREA participants to monthly real property appraiser charts and graphs.	12/31/2026		Monitor real property appraiser credential renewal dates.	Ongoing.	
EDUCATION	None.			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	None.			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 education applications and NRPAB Database interface, and development and implementation of NRPAB Website-NRPAB Database Translator for Credit/Debit Card Processing System.	6/30/2027		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.	
FINANCIALS	Complete 2027-29 Biennial Budget Request addressing agency issues discussed at strategic planning (CHRC Fees, DAS State Projected Rate, Possible Director travel/conference attendance funding).	10/1/2026		None.		

2026-27 NRPAB SWOT Analysis			
STRENGTHS: -	**WEAKNESSES:**	**OPPORTUNITIES:**	**THREATS:**
* Customer service	* Industry's inability to grow	* Growth in real property appraiser field	* Agency turnover
* Organization	* Efficiency loss due to database not meeting potential	* Continued evaluation of Board and Agency operations	* Federal agency oversight
* Board member knowledge	* Regulatory and statutory barriers	* Embrace of available technology	* Economic climate
* Staff knowledge		* Agency staff size and cross-training of Agency duties	* Aging appraiser population
* Adaptability		* Board member with residential appraisal expertise	* Inadequate supervisory appraiser knowledge
* Professional diversity of Board		* Utilization of ASC grant funding for technology projects	* Deemphasis on appraisals at the Federal level
* Modernization of accessibility		* Education of users of appraisal reports	* Commodification of appraisal reports
* Authority to enter into contingent dismissal agreements			* Business consolidation
* Embrace of available technology			* Government consolidation
			* Fannie Mae UAD 3.6 Form upgrade

STATE OF NEBRASKA
Department of Administrative Services
Accounting Division
Budget Status Report
As of 06/30/26

Agency 053 REAL PROPERTY APPRAISER BD
Division
Program 079 APPRAISER LICENSING

Percent of Time Elapsed = 100.00

	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	17,422.27	215,644.10	97.42		5,701.81
511600	PER DIEM PAYMENTS	8,500.00	500.00	6,100.00	71.76		2,400.00
511700	EMPLOYEE BONUSES	2,000.00		2,000.00	100.00		
511800	COMPENSATORY TIME PAID			105.73			105.73-
512100	VACATION LEAVE EXPENSE	17,312.93	370.43	10,728.49	61.97		6,584.44
512200	SICK LEAVE EXPENSE	1,964.37		2,206.26	112.31		241.89-
512300	HOLIDAY LEAVE EXPENSE	12,227.25	936.46	13,987.01	114.39		1,759.76-
512500	FUNERAL LEAVE EXPENSE			143.65			143.65-
Personal Services Subtotal		263,350.46	19,229.16	250,915.24	95.28	0.00	12,435.22
515100	RETIREMENT PLANS EXPENSE	19,137.02	1,402.42	18,181.75	95.01		955.27
515200	FICA EXPENSE	20,071.09	1,286.65	17,000.70	84.70		3,070.39
515500	HEALTH INSURANCE EXPENSE	78,425.00	6,533.44	78,401.28	99.97		23.72
516500	WORKERS COMP PREMIUMS	1,366.00		1,366.00	100.00		
Major Account 510000 Total		382,349.57	28,451.67	365,864.97	95.69	0.00	16,484.60
520000 OPERATING EXPENSES							
521100	POSTAGE EXPENSE	2,654.22	74.69	2,510.87	94.60		143.35
521400	CIO CHARGES	37,636.61		27,099.45	72.00		10,537.16
521500	PUBLICATION & PRINT EXP	3,378.08		2,640.68	78.17		737.40
521900	AWARDS EXPENSE	50.00		28.00	56.00		22.00
522100	DUES & SUBSCRIPTION EXP	600.00		600.00	100.00		
524600	RENT EXPENSE-BUILDINGS	13,767.10	1,112.53	13,679.81	99.37		87.29
524900	RENT EXP-DEPR SURCHARGE	4,664.00	388.64	4,663.68	99.99		.32
531100	OFFICE SUPPLIES EXPENSE	1,792.47		1,828.74	102.02		36.27-
532100	NON-CAPITALIZED EQUIP PU	150.00		159.98	106.65		9.98-
532200	PERSONAL COMPUTING EQUIPMENT	219.89		219.89	100.00		
532280	VIDEO EQUIP			229.98			229.98-
541100	ACCTG & AUDITING SERVICES	2,986.00		2,986.00	100.00		
541200	PURCHASING ASSESSMENT	41.00		9.00-	21.95-		50.00
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
542100	SOS TEMP SERV - PERSONNEL			787.90-			787.90

Agency 053 REAL PROPERTY APPRAISER BD
Division
Program 079 APPRAISER LICENSING

Percent of Time Elapsed = 100.00

	ACCOUNT CODE DESCRIPTION	BUDGETED AMOUNT	CURRENT MONTH ACTIVITY	YEAR-TO-DATE ACTUALS	PERCENT OF BUDGET	ENCUMBERANCES	VARIANCE
547100	EDUCATIONAL SERVICES	51.00		51.00	100.00		
554900	OTHER CONTRACTUAL SERVICES	31,294.50	605.00	14,460.27	46.21	1,625.00	15,209.23
556100	INSURANCE EXPENSE	93.00		86.69	93.22		6.31
559100	OTHER OPERATING EXP	449.44		459.44	102.22		10.00-
Major Account 520000 Total		122,878.31	2,180.86	71,102.08	57.86	1,625.00	50,151.23
570000 TRAVEL EXPENSES							
571100	LODGING	2,750.11	330.00	2,640.00	96.00		110.11
571800	MEALS - TRAVEL STATUS	2,142.20	214.20	1,499.40	69.99		642.80
573100	STATE-OWNED TRANSPORT	200.00					200.00
574500	PERSONAL VEHICLE MILEAGE	7,282.40	758.36	5,574.04	76.54		1,708.36
575100	MISC TRAVEL EXPENSE	475.95	45.60	335.63	70.52		140.32
Major Account 570000 Total		12,850.66	1,348.16	10,049.07	78.20	0.00	2,801.59
BUDGETED EXPENDITURES TOTAL		518,078.54	31,980.69	447,016.12	86.28	1,625.00	69,437.42
SUMMARY BY FUND TYPE - EXPENDITURES							
2	CASH FUNDS	518,078.54	31,980.69	447,016.12	86.28	1,625.00	69,437.42
BUDGETED EXPENDITURES TOTAL		518,078.54	31,980.69	447,016.12	86.28	1,625.00	69,437.42
BUDGETED FUND TYPES - REVENUES							
470000 REVENUE - SALES AND CHARGES							
471100	SALE OF SERVICES	450.00-	75.00-	375.00-	83.33		75.00-
471120	QUALIFYING ED COURSE FEES	2,010.00-		840.00-	41.79		1,170.00-
471121	CONTINUING ED NEW FEES	6,075.00-	340.00-	4,415.00-	72.67		1,660.00-
471122	CONTINUING ED RENEWAL FEES	225.00-		150.00-	66.67		75.00-
475150	CERTIFIED GENERAL NEW FEES	9,600.00-	960.00-	11,620.00-	121.04		2,020.00
475151	LICENSED NEW FEES	640.00-		1,260.00-	196.88		620.00
475152	FINGERPRINT FEES	2,262.50-	55.00-	2,317.50-	102.43		55.00
475153	CERTIFIED RESIDENTIAL NEW	2,560.00-	320.00-	1,560.00-	60.94		1,000.00-
475154	CERTIFIED GENERAL RENEWAL	103,200.00-		110,350.00-	106.93		7,150.00
475155	LICENSED RENEWAL	8,100.00-		10,150.00-	125.31		2,050.00
475157	CERTIFIED RESIDENTIAL RENEWAL	62,100.00-		57,000.00-	91.79		5,100.00-
475161	TEMPORARY CERTIFIED GENERAL	11,200.00-	1,260.00-	13,490.00-	120.45		2,290.00

Agency 053 REAL PROPERTY APPRAISER BD
Division
Program 079 APPRAISER LICENSING

Percent of Time Elapsed = 100.00

	ACCOUNT CODE DESCRIPTION	BUDGETED AMOUNT	CURRENT MONTH ACTIVITY	YEAR-TO-DATE ACTUALS	PERCENT OF BUDGET	ENCUMBERANCES	VARIANCE
475163	AMC REGISTERED NEW FEES	6,000.00-	2,000.00-	16,000.00-	266.67		10,000.00
475164	AMC APPLICATION FEES	1,050.00-	350.00-	3,150.00-	300.00		2,100.00
475165	AMC REGISTERED RENEWAL	110,500.00-	5,100.00-	113,700.00-	102.90		3,200.00
475166	FED REG AMC RPT FORM PROC FEES	700.00-		700.00-	100.00		
475169	LICENSED INACTIVE			300.00-			300.00
475234	APPLICATION FEES	27,700.00-	2,330.00-	31,950.00-	115.34		4,250.00
476101	LATE PROCESSING FEES	4,025.00-	375.00-	5,550.00-	137.89		1,525.00
Major Account 470000 Total		358,397.50-	13,165.00-	384,877.50-	107.39	0.00	26,480.00
480000 REVENUE - MISCELLANEOUS							
481100	INVESTMENT INCOME	21,000.00-	1,011.94-	16,802.80-	80.01		4,197.20-
484500	REIMB NON-GOVT SOURCES	6,000.00-	20.00-	9,346.74-	155.78		3,346.74
Major Account 480000 Total		27,000.00-	1,031.94-	26,149.54-	96.85	0.00	850.46-
490000 REVENUE - OTHER FINANCIAL SOURCES/U							
491300	SALE - SURP PROP/FIXED ASSET		95.68-	95.68-			95.68
493200	OPERATING TRANSFERS OUT			250,000.00			250,000.00-
Major Account 490000 Total		0.00	95.68-	249,904.32	0.00	0.00	249,904.32-
BUDGETED REVENUE TOTAL		385,397.50-	14,292.62-	161,122.72-	41.81	0.00	224,274.78-

SUMMARY BY FUND TYPE - REVENUE

2	CASH FUNDS	385,397.50-	14,292.62-	161,122.72-	41.81		224,274.78-
BUDGETED REVENUE TOTAL		385,397.50-	14,292.62-	161,122.72-	41.81	0.00	224,274.78-

Agency 053 REAL PROPERTY APPRAISER BD
Division
Program 079 APPRAISER LICENSING

Percent of Time Elapsed = 100.00

	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	11,324.53	140,166.69	97.42		3,708.16
511600	PER DIEM PAYMENTS	5,525.00	325.00	3,965.00	71.76		1,560.00
511700	EMPLOYEE BONUSES	1,300.00		1,300.00	100.00		
511800	COMPENSATORY TIME PAID			68.67			68.67-
512100	VACATION LEAVE EXPENSE	11,253.40	240.53	6,972.40	61.96		4,281.00
512200	SICK LEAVE EXPENSE	1,276.84		1,433.31	112.25		156.47-
512300	HOLIDAY LEAVE EXPENSE	7,947.71	608.69	9,091.48	114.39		1,143.77-
512500	FUNERAL LEAVE EXPENSE			93.37			93.37-
Personal Services Subtotal		171,177.80	12,498.75	163,090.92	95.28	0.00	8,086.88
515100	RETIREMENT PLANS EXPENSE	12,439.09	911.54	11,817.74	95.00		621.35
515200	FICA EXPENSE	13,046.20	836.27	11,049.89	84.70		1,996.31
515500	HEALTH INSURANCE EXPENSE	50,976.25	4,246.68	50,959.81	99.97		16.44
516500	WORKERS COMP PREMIUMS	887.90		887.90	100.00		
Major Account 510000 Total		248,527.24	18,493.24	237,806.26	95.69	0.00	10,720.98
520000 OPERATING EXPENSES							
521100	POSTAGE EXPENSE	2,349.13	71.81	2,283.99	97.23		65.14
521400	CIO CHARGES	24,563.02		15,361.56	62.54		9,201.46
521500	PUBLICATION & PRINT EXP	2,195.75	193.93-	1,936.26	88.18		259.49
521900	AWARDS EXPENSE	32.50		18.20	56.00		14.30
522100	DUES & SUBSCRIPTION EXP	390.00		390.00	100.00		
524600	RENT EXPENSE-BUILDINGS	8,948.61	723.14	8,891.81	99.37		56.80
524900	RENT EXP-DEPR SURCHARGE	3,031.60	252.62	3,031.44	99.99		.16
531100	OFFICE SUPPLIES EXPENSE	1,173.97		1,590.77	135.50		416.80-
532100	NON-CAPITALIZED EQUIP PU	97.50		103.99	106.66		6.49-
532200	PERSONAL COMPUTING EQUIPMENT	142.93		142.93	100.00		
532280	VIDEO EQUIP			149.49			149.49-
541100	ACCTG & AUDITING SERVICES	1,940.90		1,940.90	100.00		
541200	PURCHASING ASSESSMENT	26.65		5.85-	21.95-		32.50
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
542100	SOS TEMP SERV - PERSONNEL			512.14-			512.14

Agency 053 REAL PROPERTY APPRAISER BD
Division
Program 079 APPRAISER LICENSING

Percent of Time Elapsed = 100.00

	ACCOUNT CODE DESCRIPTION	BUDGETED AMOUNT	CURRENT MONTH ACTIVITY	YEAR-TO-DATE ACTUALS	PERCENT OF BUDGET	ENCUMBERANCES	VARIANCE
547100	EDUCATIONAL SERVICES	33.15		33.15	100.00		
554900	OTHER CONTRACTUAL SERVICES	30,644.50	275.00	13,688.20	44.67	1,625.00	15,331.30
556100	INSURANCE EXPENSE	60.45		56.35	93.22		4.10
559100	OTHER OPERATING EXP	279.14		379.44	135.93		100.30-
Major Account 520000 Total		96,640.80	1,128.64	49,654.99	51.38	1,625.00	45,360.81
570000 TRAVEL EXPENSES							
571100	LODGING	1,787.57	214.50	1,716.00	96.00		71.57
571800	MEALS - TRAVEL STATUS	1,392.43	139.23	974.61	69.99		417.82
573100	STATE-OWNED TRANSPORT	130.00					130.00
574500	PERSONAL VEHICLE MILEAGE	4,733.56	492.92	3,623.09	76.54		1,110.47
575100	MISC TRAVEL EXPENSE	309.37	29.63	218.19	70.53		91.18
Major Account 570000 Total		8,352.93	876.28	6,531.89	78.20	0.00	1,821.04
BUDGETED EXPENDITURES TOTAL		353,520.97	20,498.16	293,993.14	83.16	1,625.00	57,902.83
SUMMARY BY FUND TYPE - EXPENDITURES							
2	CASH FUNDS	353,520.97	20,498.16	293,993.14	83.16	1,625.00	57,902.83
BUDGETED EXPENDITURES TOTAL		353,520.97	20,498.16	293,993.14	83.16	1,625.00	57,902.83
BUDGETED FUND TYPES - REVENUES							
470000 REVENUE - SALES AND CHARGES							
471100	SALE OF SERVICES	450.00-	75.00-	375.00-	83.33		75.00-
471120	QUALIFYING ED COURSE FEES	2,010.00-		840.00-	41.79		1,170.00-
471121	CONTINUING ED NEW FEES	6,075.00-	340.00-	4,415.00-	72.67		1,660.00-
471122	CONTINUING ED RENEWAL FEES	225.00-		150.00-	66.67		75.00-
475150	CERTIFIED GENERAL NEW FEES	9,600.00-	960.00-	11,620.00-	121.04		2,020.00
475151	LICENSED NEW FEES	640.00-		1,260.00-	196.88		620.00
475152	FINGERPRINT FEES	2,262.50-	55.00-	2,317.50-	102.43		55.00
475153	CERTIFIED RESIDENTIAL NEW	2,560.00-	320.00-	1,560.00-	60.94		1,000.00-
475154	CERTIFIED GENERAL RENEWAL	103,200.00-		110,350.00-	106.93		7,150.00
475155	LICENSED RENEWAL	8,100.00-		10,150.00-	125.31		2,050.00
475157	CERTIFIED RESIDENTIAL RENEWAL	62,100.00-		57,000.00-	91.79		5,100.00-
475161	TEMPORARY CERTIFIED GENERAL	11,200.00-	1,260.00-	13,490.00-	120.45		2,290.00

Agency 053 REAL PROPERTY APPRAISER BD
Division
Program 079 APPRAISER LICENSING

Percent of Time Elapsed = 100.00

	ACCOUNT CODE DESCRIPTION	BUDGETED AMOUNT	CURRENT MONTH ACTIVITY	YEAR-TO-DATE ACTUALS	PERCENT OF BUDGET	ENCUMBERANCES	VARIANCE
475169	LICENSED INACTIVE			300.00-			300.00
475234	APPLICATION FEES	27,700.00-	2,330.00-	31,950.00-	115.34		4,250.00
476101	LATE PROCESSING FEES	3,750.00-	350.00-	4,950.00-	132.00		1,200.00
Major Account 470000 Total		239,872.50-	5,690.00-	250,727.50-	104.53	0.00	10,855.00
480000 REVENUE - MISCELLANEOUS							
481100	INVESTMENT INCOME	12,000.00-	528.17-	9,274.39-	77.29		2,725.61-
484500	REIMB NON-GOVT SOURCES	5,000.00-	20.00-	8,283.38-	165.67		3,283.38
Major Account 480000 Total		17,000.00-	548.17-	17,557.77-	103.28	0.00	557.77
490000 REVENUE - OTHER FINANCIAL SOURCES/U							
491300	SALE - SURP PROP/FIXED ASSET		95.68-	95.68-			95.68
493200	OPERATING TRANSFERS OUT			150,000.00			150,000.00-
Major Account 490000 Total		0.00	95.68-	149,904.32	0.00	0.00	149,904.32-
BUDGETED REVENUE TOTAL		256,872.50-	6,333.85-	118,380.95-	46.09	0.00	138,491.55-

SUMMARY BY FUND TYPE - REVENUE

2	CASH FUNDS	256,872.50-	6,333.85-	118,380.95-	46.09		138,491.55-
BUDGETED REVENUE TOTAL		256,872.50-	6,333.85-	118,380.95-	46.09	0.00	138,491.55-

Agency 053 REAL PROPERTY APPRAISER BD
Division
Program 079 APPRAISER LICENSING

Percent of Time Elapsed = 100.00

	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	6,097.74	75,477.41	97.43		1,993.65
511600	PER DIEM PAYMENTS	2,975.00	175.00	2,135.00	71.76		840.00
511700	EMPLOYEE BONUSES	700.00		700.00	100.00		
511800	COMPENSATORY TIME PAID			37.06			37.06-
512100	VACATION LEAVE EXPENSE	6,059.53	129.90	3,756.09	61.99		2,303.44
512200	SICK LEAVE EXPENSE	687.53		772.95	112.42		85.42-
512300	HOLIDAY LEAVE EXPENSE	4,279.54	327.77	4,895.53	114.39		615.99-
512500	FUNERAL LEAVE EXPENSE			50.28			50.28-
Personal Services Subtotal		92,172.66	6,730.41	87,824.32	95.28	0.00	4,348.34
515100	RETIREMENT PLANS EXPENSE	6,697.93	490.88	6,364.01	95.01		333.92
515200	FICA EXPENSE	7,024.89	450.38	5,950.81	84.71		1,074.08
515500	HEALTH INSURANCE EXPENSE	27,448.75	2,286.76	27,441.47	99.97		7.28
516500	WORKERS COMP PREMIUMS	478.10		478.10	100.00		
Major Account 510000 Total		133,822.33	9,958.43	128,058.71	95.69	0.00	5,763.62
520000 OPERATING EXPENSES							
521100	POSTAGE EXPENSE	305.09	2.88	226.88	74.36		78.21
521400	CIO CHARGES	13,073.59		11,737.89	89.78		1,335.70
521500	PUBLICATION & PRINT EXP	1,182.33	193.93	704.42	59.58		477.91
521900	AWARDS EXPENSE	17.50		9.80	56.00		7.70
522100	DUES & SUBSCRIPTION EXP	210.00		210.00	100.00		
524600	RENT EXPENSE-BUILDINGS	4,818.49	389.39	4,788.00	99.37		30.49
524900	RENT EXP-DEPR SURCHARGE	1,632.40	136.02	1,632.24	99.99		.16
531100	OFFICE SUPPLIES EXPENSE	618.50		237.97	38.48		380.53
532100	NON-CAPITALIZED EQUIP PU	52.50		55.99	106.65		3.49-
532200	PERSONAL COMPUTING EQUIPMENT	76.96		76.96	100.00		
532280	VIDEO EQUIP			80.49			80.49-
541100	ACCTG & AUDITING SERVICES	1,045.10		1,045.10	100.00		
541200	PURCHASING ASSESSMENT	14.35		3.15-	21.95-		17.50
541500	LEGAL SERVICES EXPENSE	2,020.00		20.00	.99		2,000.00
541700	LEGAL RELATED EXPENSE	300.00					300.00
542100	SOS TEMP SERV - PERSONNEL			275.76-			275.76

Agency 053 REAL PROPERTY APPRAISER BD
Division
Program 079 APPRAISER LICENSING

Percent of Time Elapsed = 100.00

	ACCOUNT CODE DESCRIPTION	BUDGETED AMOUNT	CURRENT MONTH ACTIVITY	YEAR-TO-DATE ACTUALS	PERCENT OF BUDGET	ENCUMBERANCES	VARIANCE
547100	EDUCATIONAL SERVICES	17.85		17.85	100.00		
554900	OTHER CONTRACTUAL SERVICES	650.00	330.00	772.07	118.78		122.07-
556100	INSURANCE EXPENSE	32.55		30.34	93.21		2.21
559100	OTHER OPERATING EXP	170.30		80.00	46.98		90.30
Major Account 520000 Total		26,237.51	1,052.22	21,447.09	81.74	0.00	4,790.42
570000 TRAVEL EXPENSES							
571100	LODGING	962.54	115.50	924.00	96.00		38.54
571800	MEALS - TRAVEL STATUS	749.77	74.97	524.79	69.99		224.98
573100	STATE-OWNED TRANSPORT	70.00					70.00
574500	PERSONAL VEHICLE MILEAGE	2,548.84	265.44	1,950.95	76.54		597.89
575100	MISC TRAVEL EXPENSE	166.58	15.97	117.44	70.50		49.14
Major Account 570000 Total		4,497.73	471.88	3,517.18	78.20	0.00	980.55
BUDGETED EXPENDITURES TOTAL		164,557.57	11,482.53	153,022.98	92.99	0.00	11,534.59
SUMMARY BY FUND TYPE - EXPENDITURES							
2	CASH FUNDS	164,557.57	11,482.53	153,022.98	92.99		11,534.59
BUDGETED EXPENDITURES TOTAL		164,557.57	11,482.53	153,022.98	92.99	0.00	11,534.59
BUDGETED FUND TYPES - REVENUES							
470000 REVENUE - SALES AND CHARGES							
475163	AMC REGISTERED NEW FEES	6,000.00-	2,000.00-	16,000.00-	266.67		10,000.00
475164	AMC APPLICATION FEES	1,050.00-	350.00-	3,150.00-	300.00		2,100.00
475165	AMC REGISTERED RENEWAL	110,500.00-	5,100.00-	113,700.00-	102.90		3,200.00
475166	FED REG AMC RPT FORM PROC FEES	700.00-		700.00-	100.00		
476101	LATE PROCESSING FEES	275.00-	25.00-	600.00-	218.18		325.00
Major Account 470000 Total		118,525.00-	7,475.00-	134,150.00-	113.18	0.00	15,625.00
480000 REVENUE - MISCELLANEOUS							
481100	INVESTMENT INCOME	9,000.00-	483.77-	7,528.41-	83.65		1,471.59-
484500	REIMB NON-GOVT SOURCES	1,000.00-		1,063.36-	106.34		63.36

Agency 053 REAL PROPERTY APPRAISER BD
Division
Program 079 APPRAISER LICENSING

Percent of Time Elapsed = 100.00

ACCOUNT CODE DESCRIPTION	BUDGETED AMOUNT	CURRENT MONTH ACTIVITY	YEAR-TO-DATE ACTUALS	PERCENT OF BUDGET	ENCUMBERANCES	VARIANCE
Major Account 480000 Total	10,000.00-	483.77-	8,591.77-	85.92	0.00	1,408.23-
490000 REVENUE - OTHER FINANCIAL SOURCES/U						
493200 OPERATING TRANSFERS OUT			100,000.00			100,000.00-
Major Account 490000 Total	0.00	0.00	100,000.00	0.00	0.00	100,000.00-
BUDGETED REVENUE TOTAL	128,525.00-	7,958.77-	42,741.77-	33.26	0.00	85,783.23-
SUMMARY BY FUND TYPE - REVENUE						
2 CASH FUNDS	128,525.00-	7,958.77-	42,741.77-	33.26		85,783.23-
BUDGETED REVENUE TOTAL	128,525.00-	7,958.77-	42,741.77-	33.26	0.00	85,783.23-

Agency 053 REAL PROPERTY APPRAISER BD
Division 000 AGENCY DEFINED DIVISION
Grant

All Objects
As of 06/30/26

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.		678712	06/10/26	RC	RB	NRPAB DEPOSIT 260610	8274751		50.00-
25310	079	000	53105018.471100.		679930	06/18/26	RC	RB	NRPAB DEPOSIT 260618	8285775		25.00-
Total for Object			471100 SALE OF SERVICES									75.00-
25310	079	000	53105018.471121.		678009	06/05/26	RC	RB	NRPAB DEPOSIT 260605	8269677		35.00-
25310	079	000	53105018.471121.		679051	06/12/26	RC	RB	NRPAB DEPOSIT 260612	8278721		70.00-
25310	079	000	53105018.471121.		679930	06/18/26	RC	RB	NRPAB DEPOSIT 260618	8285775		135.00-
25310	079	000	53105018.471121.		682113	06/30/26	RC	RB	NRPAB DEPOSIT 260630	8296814		100.00-
Total for Object			471121 CONTINUING ED NEW FEES									340.00-
25310	079	000	53105018.475150.		678034	06/04/26	RC	RB	NRPAB APP EFW DEPOSIT 260604	8269656		640.00-
25310	079	000	53105018.475150.		679489	06/17/26	RC	RB	NRPAB DEPOSIT 260617	8283676		320.00-
Total for Object			475150 CERTIFIED GENERAL NEW FEES									960.00-
25310	079	000	53105018.475152.		680942	06/23/26	RC	RB	NRPAB APP EFW DEPOSIT 260623	8291821		55.00-
Total for Object			475152 FINGERPRINT FEES									55.00-
25310	079	000	53105018.475153.		678363	06/08/26	RC	RB	NRPAB APP EFW DEPOSIT 260608	8274288		320.00-
Total for Object			475153 CERTIFIED RESIDENTIAL NEW									320.00-
25310	079	000	53105018.475161.		678034	06/04/26	RC	RB	NRPAB APP EFW DEPOSIT 260604	8269656		140.00-
25310	079	000	53105018.475161.		678363	06/08/26	RC	RB	NRPAB APP EFW DEPOSIT 260608	8274288		140.00-
25310	079	000	53105018.475161.		679021	06/11/26	RC	RB	NRPAB APP EFW DEPOSIT 260611	8278642		70.00-
25310	079	000	53105018.475161.		680055	06/17/26	RC	RB	NRPAB APP EFW DEPOSIT 260617	8285792		210.00-
25310	079	000	53105018.475161.		680942	06/23/26	RC	RB	NRPAB APP EFW DEPOSIT 260623	8291821		420.00-
25310	079	000	53105018.475161.		682073	06/29/26	RC	RB	NRPAB APP EFW DEPOSIT 260629	8296797		280.00-
Total for Object			475161 TEMPORARY CERTIFIED GENERAL									1,260.00-
25310	079	000	53105018.475234.		678034	06/04/26	RC	RB	NRPAB APP EFW DEPOSIT 260604	8269656		240.00-
25310	079	000	53105018.475234.		678363	06/08/26	RC	RB	NRPAB APP EFW DEPOSIT 260608	8274288		240.00-
25310	079	000	53105018.475234.		679021	06/11/26	RC	RB	NRPAB APP EFW DEPOSIT 260611	8278642		120.00-
25310	079	000	53105018.475234.		680055	06/17/26	RC	RB	NRPAB APP EFW DEPOSIT 260617	8285792		360.00-
25310	079	000	53105018.475234.		680942	06/23/26	RC	RB	NRPAB APP EFW DEPOSIT 260623	8291821		890.00-
25310	079	000	53105018.475234.		682073	06/29/26	RC	RB	NRPAB APP EFW DEPOSIT 260629	8296797		480.00-
Total for Object			475234 APPLICATION FEES									2,330.00-
25310	079	000	53105018.476101.		678363	06/08/26	RC	RB	NRPAB APP EFW DEPOSIT 260608	8274288		175.00-
25310	079	000	53105018.476101.		679930	06/18/26	RC	RB	NRPAB DEPOSIT 260618	8285775		175.00-
Total for Object			476101 LATE PROCESSING FEES									350.00-

Fund	Program	Sub-Program	Account Number	Sub-ledger	Doc Number	Tran Date	Tran Type	Batch Type	Payee/Explanation	Batch Number	Posted Code	Month to Date
25310	079	000	53105018.481100.		28224688	06/11/26	JE	G	OIP MAY 26 2.92693%	8278924		528.17-
Total for Object			481100 INVESTMENT INCOME									528.17-
25310	079	000	53105018.484500.		679930	06/18/26	RC	RB	NRPAB DEPOSIT 260618	8285775		20.00-
Total for Object			484500 REIMB NON-GOVT SOURCES									20.00-
25310	079	000	53105018.491300.		28262871	06/17/26	JE	G	ONLINE AUCTION MAY 2026	8286223		9.20-
25310	079	000	53105018.491300.		28262908	06/17/26	JE	G	ONLINE AUCTION MAY 2026	8286427		86.48-
Total for Object			491300 SALE - SURP PROP/FIXED ASSET									95.68-
25310	079	000	53105018.511100.		3197929	06/10/26	T2	7	PAYROLL LABOR DISTRIBUTION	8265610		5,337.75
25310	079	000	53105018.511100.		3198051	06/24/26	T2	7	PAYROLL LABOR DISTRIBUTION	8285188		5,986.78
Total for Object			511100 PERMANENT SALARIES-WAGES									11,324.53
25310	079	000	53105018.511600.		3197929	06/10/26	T2	7	PAYROLL LABOR DISTRIBUTION	8265610		325.00
Total for Object			511600 PER DIEM PAYMENTS									325.00
25310	079	000	53105018.512100.		3197929	06/10/26	T2	7	PAYROLL LABOR DISTRIBUTION	8265610		140.52
25310	079	000	53105018.512100.		3198051	06/24/26	T2	7	PAYROLL LABOR DISTRIBUTION	8285188		100.01
Total for Object			512100 VACATION LEAVE EXPENSE									240.53
25310	079	000	53105018.512300.		3197929	06/10/26	T2	7	PAYROLL LABOR DISTRIBUTION	8265610		608.69
Total for Object			512300 HOLIDAY LEAVE EXPENSE									608.69
25310	079	000	53105018.515100.		3197930	06/10/26	T3	7	ACTUAL BURDEN JOURNAL ENTRIES	8265610		455.77
25310	079	000	53105018.515100.		3198052	06/24/26	T3	7	ACTUAL BURDEN JOURNAL ENTRIES	8285188		455.77
Total for Object			515100 RETIREMENT PLANS EXPENSE									911.54
25310	079	000	53105018.515200.		3197930	06/10/26	T3	7	ACTUAL BURDEN JOURNAL ENTRIES	8265610		430.56
25310	079	000	53105018.515200.		3198052	06/24/26	T3	7	ACTUAL BURDEN JOURNAL ENTRIES	8285188		405.71
Total for Object			515200 FICA EXPENSE									836.27
25310	079	000	53105018.515500.		3197930	06/10/26	T3	7	ACTUAL BURDEN JOURNAL ENTRIES	8265610		2,123.35
25310	079	000	53105018.515500.		3198052	06/24/26	T3	7	ACTUAL BURDEN JOURNAL ENTRIES	8285188		2,123.33
Total for Object			515500 HEALTH INSURANCE EXPENSE									4,246.68
25310	079	000	53105018.521100.		28113697	06/01/26	JE	G	NRPAB POSTAGE APR 2026	8259326		2.88-
25310	079	000	53105018.521100.		28255423	06/16/26	JE	G	POSTAGE DUE MAY 2026	8284809		74.69

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			521100 POSTAGE EXPENSE									71.81
25310	079	000	53105018.521500.		28113696	06/01/26	JE	G	NRPAB COPY SERV JAN-MAR 2026	8259320		193.93-
Total for Object			521500 PUBLICATION & PRINT EXP									193.93-
25310	079	000	53105018.524600.		28098070	06/05/26	JE	G	RENT & LB530 JUNE 2026 - OTHER	8256695		1,112.53
25310	079	000	53105018.524600.		28194949	06/08/26	JE	G	NRPAB RENT JUN 2026	8274295		389.39-
Total for Object			524600 RENT EXPENSE-BUILDINGS									723.14
25310	079	000	53105018.524900.		28098070	06/05/26	JE	G	RENT & LB530 JUNE 2026 - OTHER	8256695		388.64
25310	079	000	53105018.524900.		28194949	06/08/26	JE	G	NRPAB RENT JUN 2026	8274295		136.02-
Total for Object			524900 RENT EXP-DEPR SURCHARGE									252.62
25310	079	000	53105018.554900.		60860731	06/09/26	PV	V	NEBRASKA STATE PATROL	8276092		275.00
Total for Object			554900 OTHER CONTRACTUAL SERVICES									275.00
25310	079	000	53105018.571100.		60836013	06/03/26	PV	V	MINSHULL, DEREK	8267801		71.50
25310	079	000	53105018.571100.		60836024	06/03/26	PV	V	HAMPTON INN LINCOLN	8267822		143.00
Total for Object			571100 LODGING									214.50
25310	079	000	53105018.571800.		60803431	06/01/26	PV	V	BATIE, ADAM	8260574		46.41
25310	079	000	53105018.571800.		60804872	06/01/26	PV	V	JOHNSON, RODNEY D	8261665		46.41
25310	079	000	53105018.571800.		60836013	06/03/26	PV	V	MINSHULL, DEREK	8267801		46.41
Total for Object			571800 MEALS - TRAVEL STATUS									139.23
25310	079	000	53105018.574500.		60803431	06/01/26	PV	V	BATIE, ADAM	8260574		122.52
25310	079	000	53105018.574500.		60804872	06/01/26	PV	V	JOHNSON, RODNEY D	8261665		116.87
25310	079	000	53105018.574500.		60818779	06/01/26	PV	V	HERMSEN, KEVIN P	8264971		40.53
25310	079	000	53105018.574500.		60836013	06/03/26	PV	V	MINSHULL, DEREK	8267801		213.00
Total for Object			574500 PERSONAL VEHICLE MILEAGE									492.92
25310	079	000	53105018.575100.		60803431	06/01/26	PV	V	BATIE, ADAM	8260574		8.77
25310	079	000	53105018.575100.		60804872	06/01/26	PV	V	JOHNSON, RODNEY D	8261665		8.77
25310	079	000	53105018.575100.		60818779	06/01/26	PV	V	HERMSEN, KEVIN P	8264971		3.32
25310	079	000	53105018.575100.		60836013	06/03/26	PV	V	MINSHULL, DEREK	8267801		8.77
Total for Object			575100 MISC TRAVEL EXPENSE									29.63
Total for Business Unit		53105018	NE REAL PROPERTY APPRAISER									14,164.31

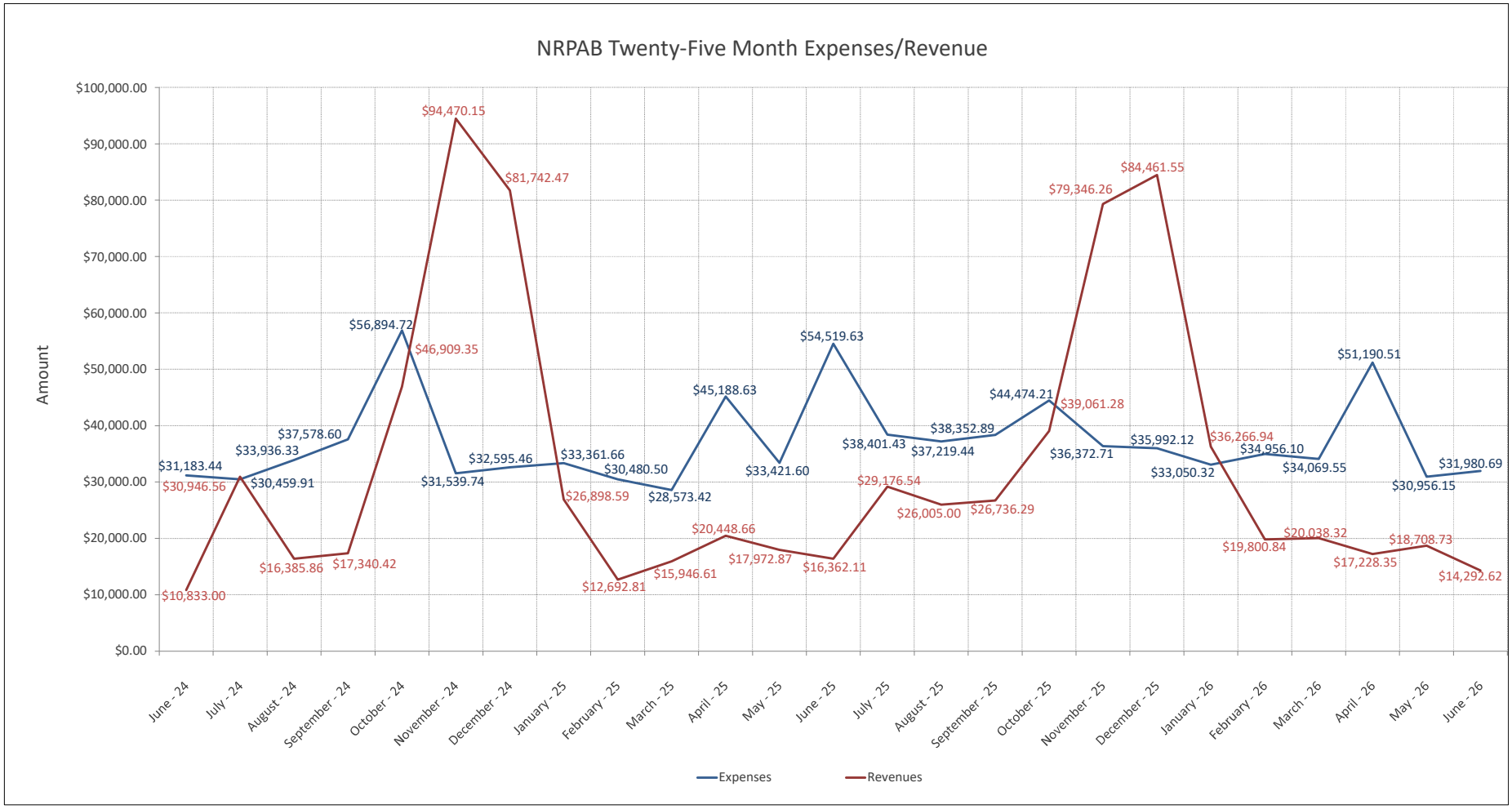
Fund	Program	Sub-Program	Account Number	Sub-ledger	Doc Number	Tran Date	Tran Type	Batch Type	Payee/Explanation	Batch Number	Posted Code	Month to Date
25320	079	000	53105200.475163.		680826	06/24/26	RC	RB	NRPAB AMC DEPOSIT 260624	8291850		2,000.00-
Total for Object			475163 AMC REGISTERED NEW FEES									2,000.00-
25320	079	000	53105200.475164.		677364	06/02/26	RC	RB	NRPAB AMC DEPOSIT 260601	8263426		350.00-
Total for Object			475164 AMC APPLICATION FEES									350.00-
25320	079	000	53105200.475165.		60860734	06/09/26	PV	V	AMERIMAC APPRAISAL MANAGEMENT	8276098		1,700.00
25320	079	000	53105200.475165.		679023	06/11/26	RC	RB	NRPAB AMC REN EFW DEP 260611	8278688		1,700.00-
25320	079	000	53105200.475165.		680056	06/17/26	RC	RB	NRPAB AMC REN EFW DEP 260617	8285812		1,700.00-
25320	079	000	53105200.475165.		682074	06/29/26	RC	RB	NRPAB AMC REN EFW DEP 260629	8296801		1,700.00-
25320	079	000	53105200.475165.		682114	06/30/26	RC	RB	NRPAB AMC DEPOSIT 260630	8296810		1,700.00-
Total for Object			475165 AMC REGISTERED RENEWAL									5,100.00-
25320	079	000	53105200.476101.		682074	06/29/26	RC	RB	NRPAB AMC REN EFW DEP 260629	8296801		25.00-
Total for Object			476101 LATE PROCESSING FEES									25.00-
25320	079	000	53105200.481100.		28224688	06/11/26	JE	G	OIP MAY 26 2.92693%	8278924		483.77-
Total for Object			481100 INVESTMENT INCOME									483.77-
25320	079	000	53105200.511100.		3197929	06/10/26	T2	7	PAYROLL LABOR DISTRIBUTION	8265610		2,873.96
25320	079	000	53105200.511100.		3198051	06/24/26	T2	7	PAYROLL LABOR DISTRIBUTION	8285188		3,223.78
Total for Object			511100 PERMANENT SALARIES-WAGES									6,097.74
25320	079	000	53105200.511600.		3197929	06/10/26	T2	7	PAYROLL LABOR DISTRIBUTION	8265610		175.00
Total for Object			511600 PER DIEM PAYMENTS									175.00
25320	079	000	53105200.512100.		3197929	06/10/26	T2	7	PAYROLL LABOR DISTRIBUTION	8265610		75.89
25320	079	000	53105200.512100.		3198051	06/24/26	T2	7	PAYROLL LABOR DISTRIBUTION	8285188		54.01
Total for Object			512100 VACATION LEAVE EXPENSE									129.90
25320	079	000	53105200.512300.		3197929	06/10/26	T2	7	PAYROLL LABOR DISTRIBUTION	8265610		327.77
Total for Object			512300 HOLIDAY LEAVE EXPENSE									327.77
25320	079	000	53105200.515100.		3197930	06/10/26	T3	7	ACTUAL BURDEN JOURNAL ENTRIES	8265610		245.44
25320	079	000	53105200.515100.		3198052	06/24/26	T3	7	ACTUAL BURDEN JOURNAL ENTRIES	8285188		245.44
Total for Object			515100 RETIREMENT PLANS EXPENSE									490.88
25320	079	000	53105200.515200.		3197930	06/10/26	T3	7	ACTUAL BURDEN JOURNAL ENTRIES	8265610		231.88
25320	079	000	53105200.515200.		3198052	06/24/26	T3	7	ACTUAL BURDEN JOURNAL ENTRIES	8285188		248.30

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			515200 FICA EXPENSE									450.38
25320	079	000	53105200.515500.		3197930	06/10/26	T3	7	ACTUAL BURDEN JOURNAL ENTRIES	8265610		1,143.37
25320	079	000	53105200.515500.		3198052	06/24/26	T3	7	ACTUAL BURDEN JOURNAL ENTRIES	8285188		1,143.39
Total for Object			515500 HEALTH INSURANCE EXPENSE									2,286.76
25320	079	000	53105200.521100.		28113697	06/01/26	JE	G	NRPAB POSTAGE APR 2026	8259326		2.88
Total for Object			521100 POSTAGE EXPENSE									2.88
25320	079	000	53105200.521500.		28113696	06/01/26	JE	G	NRPAB COPY SERV JAN-MAR 2026	8259320		193.93
Total for Object			521500 PUBLICATION & PRINT EXP									193.93
25320	079	000	53105200.524600.		28194949	06/08/26	JE	G	NRPAB RENT JUN 2026	8274295		389.39
Total for Object			524600 RENT EXPENSE-BUILDINGS									389.39
25320	079	000	53105200.524900.		28194949	06/08/26	JE	G	NRPAB RENT JUN 2026	8274295		136.02
Total for Object			524900 RENT EXP-DEPR SURCHARGE									136.02
25320	079	000	53105200.554900.		60860731	06/09/26	PV	V	NEBRASKA STATE PATROL	8276092		330.00
Total for Object			554900 OTHER CONTRACTUAL SERVICES									330.00
25320	079	000	53105200.571100.		60836013	06/03/26	PV	V	MINSHULL, DEREK	8267801		38.50
25320	079	000	53105200.571100.		60836024	06/03/26	PV	V	HAMPTON INN LINCOLN	8267822		77.00
Total for Object			571100 LODGING									115.50
25320	079	000	53105200.571800.		60803431	06/01/26	PV	V	BATIE, ADAM	8260574		24.99
25320	079	000	53105200.571800.		60804872	06/01/26	PV	V	JOHNSON, RODNEY D	8261665		24.99
25320	079	000	53105200.571800.		60836013	06/03/26	PV	V	MINSHULL, DEREK	8267801		24.99
Total for Object			571800 MEALS - TRAVEL STATUS									74.97
25320	079	000	53105200.574500.		60803431	06/01/26	PV	V	BATIE, ADAM	8260574		65.98
25320	079	000	53105200.574500.		60804872	06/01/26	PV	V	JOHNSON, RODNEY D	8261665		62.93
25320	079	000	53105200.574500.		60818779	06/01/26	PV	V	HERMSEN, KEVIN P	8264971		21.83
25320	079	000	53105200.574500.		60836013	06/03/26	PV	V	MINSHULL, DEREK	8267801		114.70
Total for Object			574500 PERSONAL VEHICLE MILEAGE									265.44
25320	079	000	53105200.575100.		60803431	06/01/26	PV	V	BATIE, ADAM	8260574		4.73
25320	079	000	53105200.575100.		60804872	06/01/26	PV	V	JOHNSON, RODNEY D	8261665		4.73
25320	079	000	53105200.575100.		60818779	06/01/26	PV	V	HERMSEN, KEVIN P	8264971		1.68

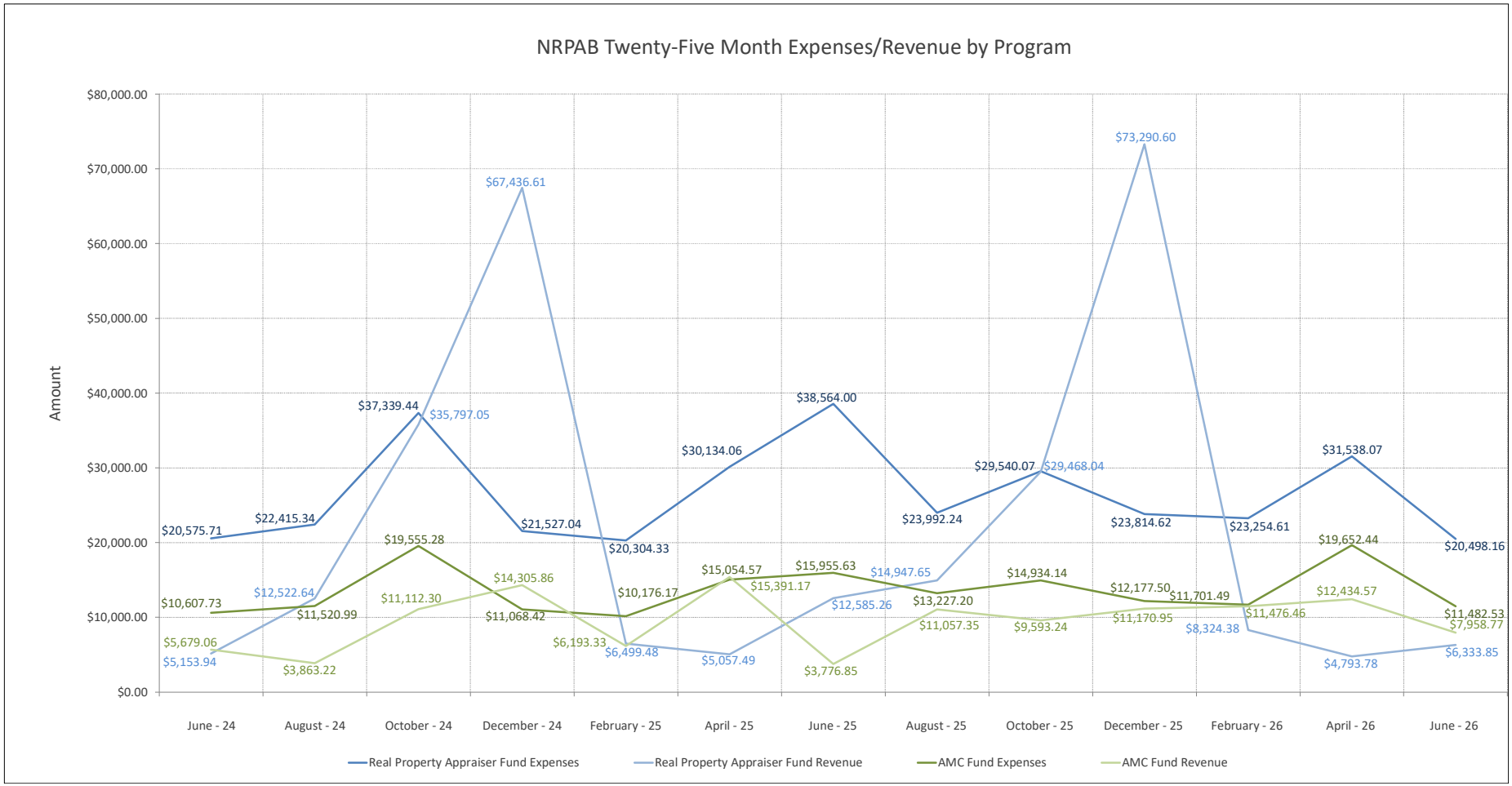
Agency 053 REAL PROPERTY APPRAISER BD
Division 000 AGENCY DEFINED DIVISION
Grant
All Objects
As of 06/30/26

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.		60836013	06/03/26	PV	V	MINSHULL, DEREK	8267801		4.73
Total for Object			575100 MISC TRAVEL EXPENSE									15.97
Total for Business Unit			53105200 AMC LICENSING									3,523.76
Total for Division			000									17,688.07
Total for Agency			053 REAL PROPERTY APPRAISER BD									17,688.07

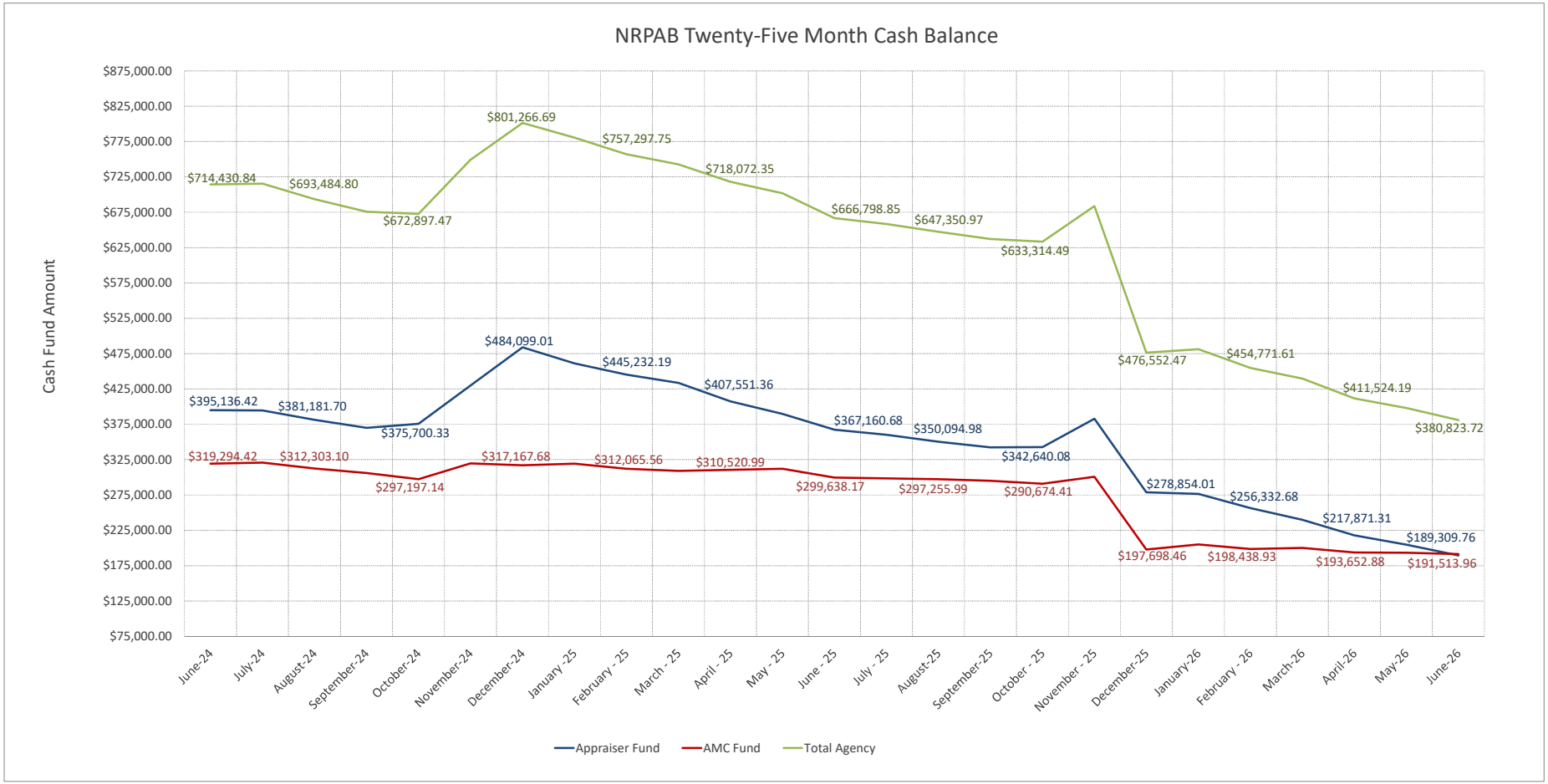
Financial Report and Considerations - Financial Charts



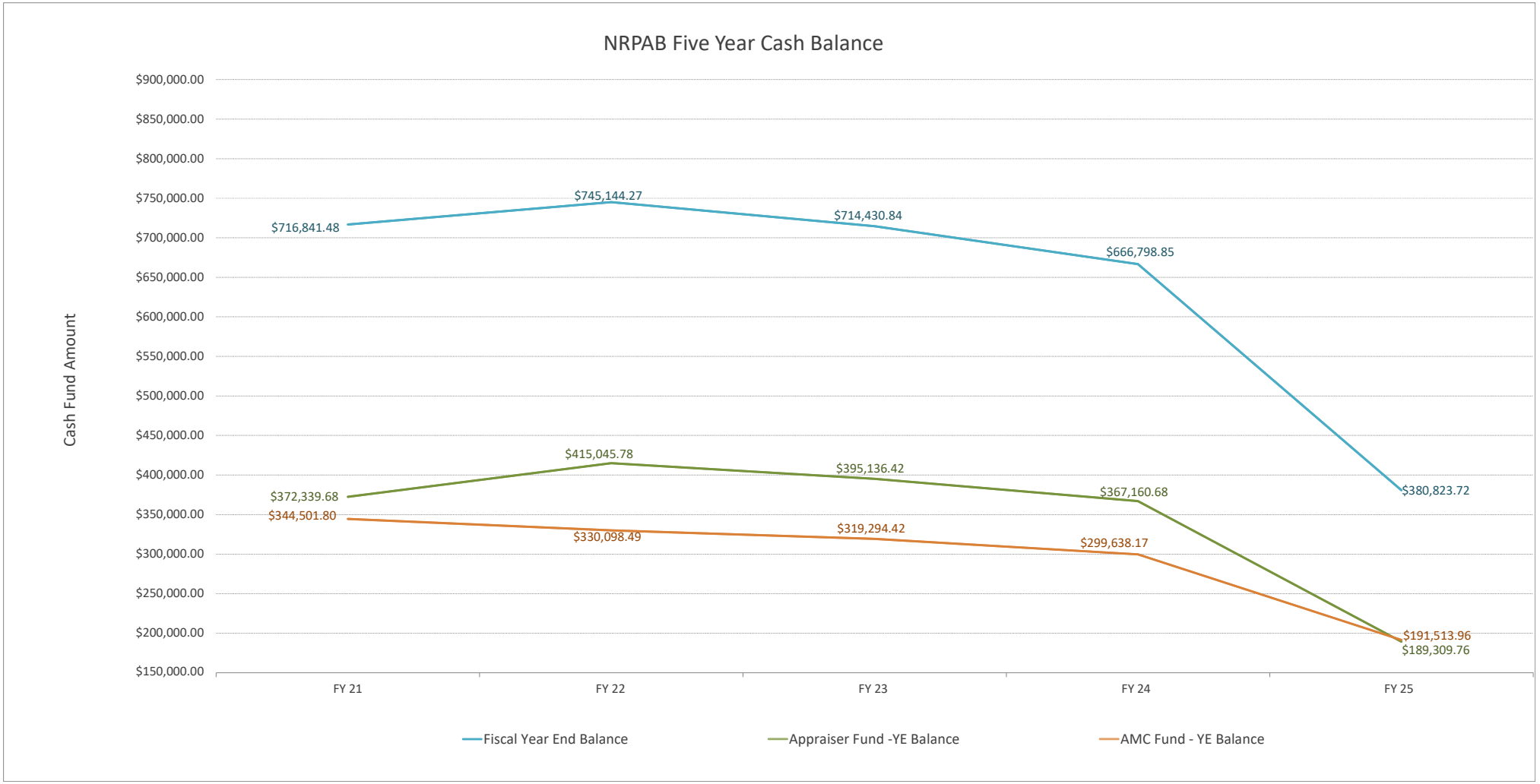
Financial Report and Considerations - Financial Charts



Financial Report and Considerations - Financial Charts



Financial Report and Considerations - Financial Charts



STATE OF NEBRASKA
Department of Administrative Services
Accounting Division
Budget Status Report
As of 06/30/26

Agency 053 REAL PROPERTY APPRAISER BD
Division
Program 079 APPRAISER LICENSING

Percent of Time Elapsed = 100.00

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		61,450.25	52.62		55,327.00
522200	CONFERENCE REGISTRATION	1,300.00		1,350.00	103.85		50.00-
Major Account 520000 Total		118,077.25	0.00	62,800.25	53.19	0.00	55,277.00
570000	**TRAVEL EXPENSES**						
571100	LODGING	2,538.00		2,044.01	80.54		493.99
571800	MEALS - TRAVEL STATUS	510.00		410.20	80.43		99.80
574500	PERSONAL VEHICLE MILEAGE	1,377.00		1,821.88	132.31		444.88-
Major Account 570000 Total		4,425.00	0.00	4,276.09	96.63	0.00	148.91
BUDGETED EXPENDITURES TOTAL		122,502.25	0.00	67,076.34	54.76	0.00	55,425.91
SUMMARY BY FUND TYPE - EXPENDITURES							
4	FEDERAL FUNDS	122,502.25		67,076.34	54.76		55,425.91
BUDGETED EXPENDITURES TOTAL		122,502.25	0.00	67,076.34	54.76	0.00	55,425.91

ASC SARAS Grant

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

NRPAB
Nebraska Real Property Appraiser Board

FY2026-27 Budget Highlights

Appropriations

	FY2025-26	FY2026-27
CASH FUND	486,797	502,236
LB1071 APPROPRIATION	12,263	4,282
PROGRAM TOTAL	499,060	506,518
SALARY LIMIT	254,355	262,040
EST. ENCUMBRANCES	19,019	25,000
EST. CARRYOVER ALLOCATION	-	46,063
TOTAL APPROPRIATION	518,079	577,581

Projected Expenditures and Revenues

- Appraiser and AMC Fund Expenditures: $457,365.00
  Appraiser and AMC Fund Revenues: $475,925.00

- Appraiser Fund Expenditures: $311,658.00
- Appraiser Fund Revenues: $315,225.00

- AMC Fund Expenditures: $145,707.00
  AMC Fund Revenues: $160,700.00

Projected Deficit Budget Request

- None.

Projected Carryover Allocation Use

- $1,665.00 allocated for CHRC cost increase.

Proposed Budget Bullet Points

- Proposed Budget includes general expenditure allocation of 65% to Appraiser Fund and 35% to AMC Fund.
- Employee Salaries and Benefits ($383,263.00).
- Board Member Per Diem Payments ($7,500.00)
- NRPAB Employee Recognition Program ($1,500.00)
- Rent ($14,334.00)
- Board Member Meeting Travel ($12,465.00)
- Legal Services ($20,000.00); Legal Related ($3,000.00)
- Other Contractual Services - CHRC and Appraisal Review Services ($32,665.00)
- CIO – IM Services expenditures, Network Services expenditures, and software ($31,727.00)
- Other Operating Expenses (overage coverage of $211.00)

Proposed Budget Changes

- Budget includes the following changes from the FY 2025-26 base:
  - Salary and Benefits ($24,988.00)
    - Permanent Salaries ($9,455.00), Employee Bonuses (-$500.00), Retirement Plan ($672.00), FICA ($685.00), Health Insurance ($14,676.00)
  - Operating Expenses (-$4,029.00)
    - CIO Charges (-$1,537.00), Publication and Print Expense (-$50.00), Awards Expense (-$20.00), Rent Expense ($623.00), Rent Depreciation (-$4,664.00), Educational Services ($17.00), Other Contractual Services ($1,642.00), Other Operating Expenses (-$40.00).
  - Travel Expenses ($427.00)

Applicant Standard 3 Reviewer Fees/SME Fees

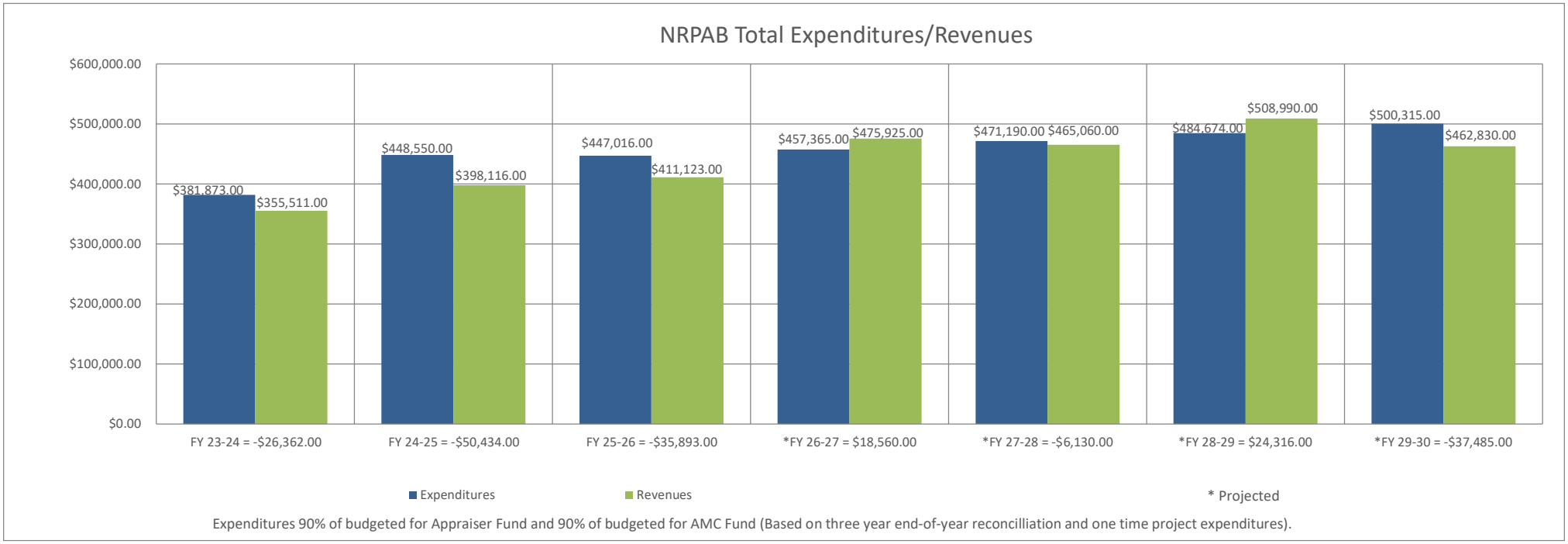
Applicant Reviews	SME
Residential: 4 Hours x $125.00 = $500.00	Residential: 5 Hours x $125.00 = $625.00
2-4 Family: 5 Hours x $125.00 = $625.00	2-4 Family: 5 Hours x $125.00 = $625.00
Agricultural: 10 Hours x $125.00 = $1,250.00	Agricultural: 12 Hours x $125.00 = $1500.00
Commercial: 10 Hours X $125.00 = $1,250.00	Commercial: 12 Hours X $125.00 = $1500.00

Account	Object Code	Budgeted Fund Types	Budgeted Amount	65.00%	35.00%		*Split based on time staff allocates to each act for combined expenses. All expenses specific to one fund or another will be applied only to that fund.
		Personal Service Expenditures	FY 26-27 Budgeted Amount	Appraiser	AMC	Verification	Notes
25310	511100	Permanent Salaries - Wages	$221,196.00	$143,777.40	$77,418.60	$221,196.00	60.833 x 2080 hours = 126,532.64 (5,447.52) + LPM - 20.799 x 2080 hours = 43,261.92 (A01014 - 2.25% + 1 step) + EPM - 21.429 x 2080 = 44,572.32 (A01014 - 2.25% + 1 step) + BPM - 18.544 x 2080 = 38,571.52 (A19011 - 2.25% + 1 step)== 252,938.40 (- vacation, sick, and holiday leave = 221,196.40)
25310	511200	Temporary Salaries - Wages	$0.00	$0.00	$0.00	$0.00	
25310	511300	Overtime Payments	$0.00	$0.00	$0.00	$0.00	
25310	511600	Per Diem Payments	$7,500.00	$4,875.00	$2,625.00	$7,500.00	13 meetings x 100 per meeting = 1,300.00 x 5 =6,500.00 + 1,000.00 for other per diems requests == 7,500.00
25310	511700	Employee Bonuses	$1,500.00	$975.00	$525.00	$1,500.00	Contract Employee Recognition Awards
25310	511800	Comp Time Payments	$0.00	$0.00	$0.00	$0.00	
25310	512100	Vacation Leave Expenses	$18,001.00	$11,700.65	$6,300.35	$18,001.00	60.833 x 200 hours= 12,166.60 + LPM - 20.799 x 96 hours = 1,996.70 + EPM - 21.429 x 96 = 2,057.18 + BPM - 18.544 x 96 = 1,780.22 == 18,000.70
25310	512200	Sick Leave Expenses	$2,067.00	$1,343.55	$723.45	$2,067.00	60.833 x 10 hours= 608.33 + LPM - 20.799 x 24 hours = 499.18 + EPM - 21.429 x 24 = 514.30 + BPM - 18.544 x 24 = 445.06 == 2,066.87
25310	512300	Holiday Leave Expenses	$11,674.00	$7,588.10	$4,085.90	$11,674.00	60.833 x 96 hours= 5,839.97 + LPM - 20.799 x 96 hours = 1,996.70 + EPM - 21.429 x 96 = 2,057.18 + BPM - 18.544 x 96 = 1,780.22 == 11,674.07
25310	512500	Funeral Leave Expenses	$0.00	$0.00	$0.00	$0.00	
		Personal Service Subtotals	**$261,938.00**	**$170,259.70**	**$91,678.30**	**$261,938.00**	
		Employee Benefit Expenditures					
25310	515100	Retirement Plan Expenses	$19,083.00	$12,403.95	$6,679.05	$19,083.00	State projected rate (7.5%) PSL total - Temporary Salaries - Per Diem Payments = 19,082.85
25310	515200	FICA Expenses	$20,038.00	$13,024.70	$7,013.30	$20,038.00	State projected rate (7.65%) for salaries under 142,200 PSL total - Temporary Salaries = 20,038.26
25310	515400	Life & Accident Ins Expenses	$0.00	$0.00	$0.00	$0.00	
25310	515500	Health Insurance Expenses	$80,838.00	$52,544.70	$28,293.30	$80,838.00	FY25 = TK - 3,018.02 x 12 = 36,216.24 + BPM - 723.42 x 12 = 8,681.04 + EPM - 426.96 x 12 = 5,123.52 + LPM - 2,568.12 x 12 = 30,817.44 = 80,838.24 for FY26
25310	516300	Employee Assistance Pro	*$0.00*	$0.00	$0.00	$0.00	
25310	516400	Unemployment Comp Ins Exp	*$0.00*	$0.00	$0.00	$0.00	
25310	516500	Workers Comp Premiums	$1,366.00	$887.90	$478.10	$1,366.00	State projected rate.
		Employee Benefit Subtotals	**$121,325.00**	**$78,861.25**	**$42,463.75**	**$121,325.00**	
		Operating Expenses					
25310	521100	Postage Expenses	$2,500.00	$2,250.00	$250.00	$2,500.00	Based on previous expenditures - 90 App /10 AMC allocation.
25310	521200	Comm Exp-Voice/Data	$0.00	$0.00	$0.00	$0.00	
25310	521300	Freight	$0.00	$0.00	$0.00	$0.00	
25320	521400	CIO Charges	$31,727.00	$20,622.55	$11,104.45	$31,727.00	IM Services Monthy Base Expenditures projections (1,262.55) + 1,000.00 per month for database maintanence and small projects - Special Board approved project expenses: 2,262.55 x 12 = 27,150.60 + Network Services (based average per month for FY23-24) 223 x 12 = 2,676.00 + 400.00 for new software + 500.00 for Dreamweaver renewal + 500.00 for InDesign + 500.00 for Acrobat = 1,500.00 == 31,726.60
25310	521500	Publication & Print Expense	$2,700.00	$1,755.00	$945.00	$2,700.00	Based on previous expenditures.
25310	521900	Awards Expense	$30.00	$19.50	$10.50	$30.00	Based on previous expenditures.
25310	522100	Dues & Subscription Expense	$600.00	$390.00	$210.00	$600.00	Based on previous expenditures.
25310	522200	Conference Registration	$0.00	$0.00	$0.00	$0.00	
25310	539500	Purchasing Card Suspense	$0.00	$0.00	$0.00	$0.00	
25320	524600	Rent Expense - Buildings	$14,334.00	$9,317.10	$5,016.90	$14,334.00	1133 Sq ft. x state projected rate of 12.44 per square ft at 500 Building = 14,094.52 + recoreds storage (20 x12 = 240.00) == 14,334.52
25310	532200	Personal Computing Equip	$0.00	$0.00	$0.00	$0.00	
25320	524900	Rent Exp - Dupr Surcharge	$0.00	$0.00	$0.00	$0.00	No Depriciation Surcharge at 500 Building
25310	527900	Personal Comput Equip R & M	$0.00	$0.00	$0.00	$0.00	
25320	527100	Rep & Maint - Office Equip	$0.00	$0.00	$0.00	$0.00	
25310	532260	Voice Equip	$0.00	$0.00	$0.00	$0.00	
25310	532280	Video Equip	$0.00	$0.00	$0.00	$0.00	
25310	531100	Office Supplies Expense	$1,500.00	$975.00	$525.00	$1,500.00	Based on previous expenditures.
25310	532100	Non-Capitalized Equip PU	$0.00	$0.00	$0.00	$0.00	
25310	533100	Household & Instit Expense	$0.00	$0.00	$0.00	$0.00	
25310	534900	Misc Supplies Expense	$0.00	$0.00	$0.00	$0.00	
25310	527960	Voice Equip Repair & Maint	$0.00	$0.00	$0.00	$0.00	
25310	541100	Acctg & Auditing Services	$2,986.00	$1,940.90	$1,045.10	$2,986.00	State projected rate.
25310	541200	Purchasing Assessment	$41.00	$26.65	$14.35	$41.00	State projected rate.
25310	541400	HRMS Assessment	$0.00	$0.00	$0.00	$0.00	
25310	541500	Legal Services Expense	$20,000.00	$18,000.00	$2,000.00	$20,000.00	Base on standard allocation - 90 App/10 AMC allocation.
25310	541700	Legal Related Expense	$3,000.00	$2,700.00	$300.00	$3,000.00	Base on standard allocation - 90 App/10 AMC allocation.
25310	541900	Settlements	$0.00	$0.00	$0.00	$0.00	
25310	542100	SOS Temp Serv - Personnel	$0.00	$0.00	$0.00	$0.00	
25310	547100	Educational Services	$68.00	$44.20	$23.80	$68.00	
25310	554900	Other Contractual Service	$32,665.00	$30,825.00	$1,840.00	$32,665.00	New Appriaser CHRC - total number of projected applications - 49 x 80.00 = 3,920.00; AMC new CHRC (6 sumission @ 3 per application) x 80 = $1,440; AMC Owner Change CHRC - 5 x 80.00 = 400.00 = 5,760.00 ------ 22,375.00 for applicant reviews --- 5 Grievances (1 Commercial; 1 Ag; 3 Residential) for SME = 4,875.00 == 33,010.00. $1,665.00 in carryover funds allocated for CHRC cost increase.
25310	555200	Non-Capitalized Software	$0.00	$0.00	$0.00	$0.00	
25310	556100	Insurance Expense	$93.00	$60.45	$32.55	$93.00	
25310	556300	Surety & Notary Bonds	$0.00	$0.00	$0.00	$0.00	
25310	559100	Other Operating Expenses	$211.00	$137.15	$73.85	$211.00	
		Operating Expenses Subtotals	**$112,455.00**	**$89,063.50**	**$23,391.50**	**$112,455.00**	
		Travel Expenses					
25310	571100	Lodging	$2,970.00	$1,930.50	$1,039.50	$2,970.00	Batie: 110.00 per night for 9 occurances = 990.00 + Johnson: 990.00 per night for 9 occurances = 990.00 + Minshull: 110.00 per night for 9 occurances= 990.00 == 2,970.00
25310	571600	Meals - Not Travel Status	$0.00	$0.00	$0.00	$0.00	
25310	571800	Meals - Travel Status	$1,928.00	$1,253.20	$674.80	$1,928.00	Batie: State First and Last Day Travel Per Diem 35.70 x 2 = 71.40 x 9 = 642.60 + Johnson: State First and Last Day Travel Per Diem 35.70 x 2 = 71.40 x 9 = 642.60 + Minshull: State First and Last Day Travel Per Diem 35.70 x 2 = 71.40 x 9 = 642.60 == 1,927.80
25310	572100	Commercial Transportation	$0.00	$0.00	$0.00	$0.00	
25310	573100	State-Owned Transportation	$200.00	$130.00	$70.00	$200.00	
25310	574500	Personal Vehicle Mileage	$6,917.00	$4,496.05	$2,420.95	$6,917.00	Batie: 260 miles x .725 = 188.50 per round trip x 9 = 1,696.50; Johnson: 250 miles x .725 = 181.25 per round trip x 9 = 1,631.25; Minshull: 460 miles x .725 = 333.50 per round trip x 9 = 3,001.50; Hermsen: 90 miles x .725 = 65.25 per round trip x 9 = 587.25 == 6,916.50
25310	574600	Contractual Serv - Travel Exp	$0.00	$0.00	$0.00	$0.00	
25310	575100	Misc Travel Expenses	$450.00	$292.50	$157.50	$450.00	Board meeting parking: 10 x 5 = 50 x 9 occurances = 450
		Travel Expenses Subtotals	**$12,465.00**	**$8,102.25**	**$4,362.75**	**$12,465.00**	
		Capital Outlay					
25310	583000	Furniture & Office Equipment	$0.00	$0.00	$0.00	$0.00	
25310	583300	Computer Equip & Software	$0.00	$0.00	$0.00	$0.00	
		Capital Outlay Subtotals	**$0.00**	$0.00	$0.00	$0.00	
		Operating Expenditures Subtotals	**$246,245.00**				
		Expenditures Subtotals	**$508,183.00**	**$346,286.70**	**$161,896.30**	**$508,183.00**	

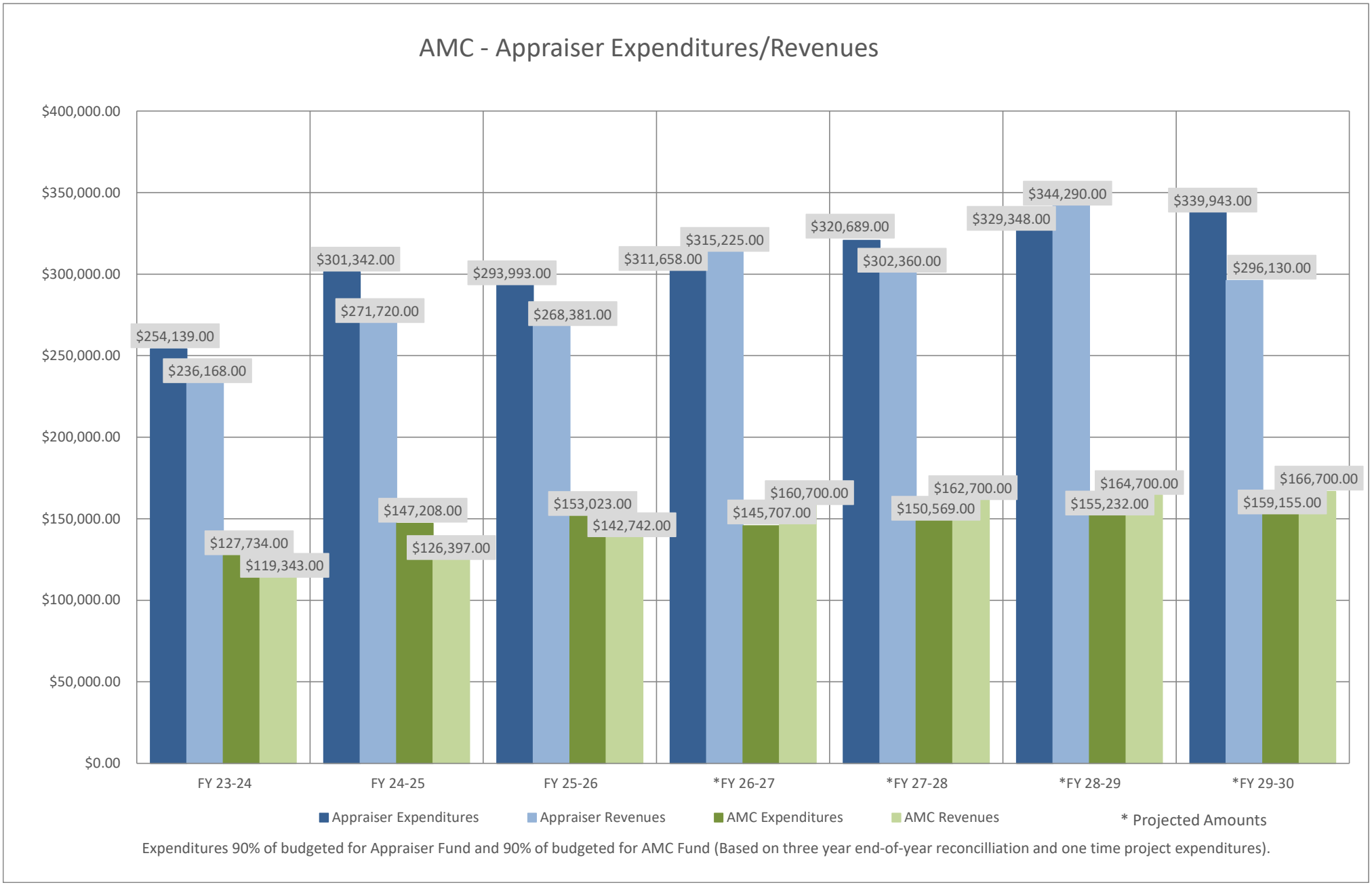
		Budget Funds Revenues					
25310	471100	Sale of Services	$350.00	$350.00			Estimated revenue based on three year revenue history.
25310	472200	Reproduction & Publications	$0.00	$0.00			
25310	471120	Qualifying Ed Course Fees	$1,340.00	$1,340.00			Estimated 12 education activities - 350.00 x 1 (non-AQB Approved) + 90.00 x 11 (AQB Approved) = 1,340.00
25310	471121	Continuing Ed New Fees	$5,880.00	$5,880.00			Estimated 70 education activities (70% AQB/30%-Non-AQB) 175.00 x 21 (non-AQB Approved) + 45.00 x 49 (AQB Approved) = 5,880.00
25310	471122	Continuing Ed Renewal Fees	$240.00	$240.00			Estimated 12 education activities x 20.00 = 240.00
25310	475150	Certified General New Fees	$10,050.00	$10,050.00			24 new Reciprocal; 6 new E,E,&E x 335.00 = 10,050.00
25310	475151	Licensed New Fees	$1,005.00	$1,005.00			1 new Reciprocal; 2 new E,E,&E x 335.00 = 1,005.00
25310	475152	Fingerprint Fees	$2,695.00	$2,695.00			49 CHRC Fees for new appraiser applications x 55.00 = 2,695.00
25310	475153	Certified Residential New	$3,350.00	$3,350.00			5 new Reciprocal; 5 new E,E,&E x 335.00 = 3,350.00
25310	475154	Certified General Renewal	$142,025.00	$142,025.00			93 One Year CG renewals x 325.00 = 30,225.00; 172 Two Year CG Renewals x 650.00 = 111,800.00 == 142,025.00
25310	475155	Licensed Renewal	$14,625.00	$14,625.00			23 One Year LR renewals x 325.00 = 7,475.00; 11 Two Year LR Renewals x 650.00 = 7,150.00 == 14,625.00
25310	475156	Fingerprint Audit Program Fees	$0.00	$0.00			
25310	475157	Certified Residential Renewal	$70,200.00	$70,200.00			78 One Year CR renewals x 325.00 = 25,350.00; 69 Two Year CR Renewals x 650.00 = 44,850.00 == 70,200.00
25310	475159	Temporary Licensed Fees	$0.00	$0.00			
25310	475160	Temporary Cert Residential	$0.00	$0.00			
25310	475161	Temporary Certified General	$14,450.00	$14,450.00			170 new temporary credentials x 85.00 = 14,450.00
25310	475162	Appraiser Trainee	$0.00	$0.00			
25310	475234	Application Fees	$32,015.00	$32,015.00			170 Tempoary credential applications x 135.00 = 22,950.00; 49 Appraiser credential applications x 185.00= 9,065.00 == 32,015.00
25310	475169	Licensed Inactive	$0.00	$0.00			
25310	475167	Certified Residential Inactive	$0.00	$0.00			
25310	475168	Certified General Inactive	$0.00	$0.00			
25310	476101	App Late Processing Fees	$4,000.00	$4,000.00			Estimated revenue based on three year revenue history.
25320	475163	AMC Registered New Fees	$12,000.00		$12,000.00		6 new AMC registrations x 2,000.00 = 12,000.00
25320	475164	AMC Application Fees	$2,100.00		$2,100.00		6 new AMC applications x 350.00 = 2,100.00
25320	475165	AMC Registered Renewal Fees	$138,000.00		$138,000.00		69/74 AMC renewals x 2,000.00 = 138,000.00
25320	475166	Fed Reg AMC Rpt Form Proc Fees	$700.00		$700.00		2 Federal AMC Report
25320	476101	AMC Late Processing Fees	$400.00		$400.00		Estimated revenue based on three year revenue history.
		Budget Fund Revenues Subtotals	**$455,425.00**	**$302,225.00**	**$153,200.00**	**$455,425.00**	
		Miscellaneous Revenues					
25310	481100	Appraiser Investment Income	$9,000.00	$9,000.00			Estimated revenue based on three year revenue history. Fund tranfer to redue investment income amounts.
25320	481100	AMC Investment Income	$7,000.00	$0.00	$7,000.00		Estimated revenue based on three year revenue history. Fund tranfer to redue investment income amounts.
25310	485100	Appraiser Fines Forfeits & Penalties	$0.00	$0.00	$0.00		
25320	485101	AMC Fines Forfeits & Penalties	$0.00	$0.00	$0.00		
25310	484500	App Reimbursement Non-Govt Sources	$4,000.00	$4,000.00	$0.00		Estimated revenue based on three year revenue history.
25320	484500	AMC Reimbursement Non-Govt Sources	$500.00	$0.00	$500.00		Estimated revenue based on projections (two Cas include cost of investigation at $500.00 each).
25310	486500	Miscellaneous Adjustments	$0.00	$0.00	$0.00		
		Miscellaneous Revenues Subtotals	**$20,500.00**	**$13,000.00**	**$7,500.00**	**$20,500.00**	
		Other Financial Sources					
25310	491300	Appraiser Sale of Surplus Property	$0.00				
25320	491300	AMC Sale of Surplus Property	$0.00				
25310	493200	Operating Transfers Out	$0.00				
		Other Financial Sources Subtotals	**$0.00**	**$0.00**	**$0.00**	**$0.00**	
		Revenue Subtotals	**$475,925.00**	**$315,225.00**	**$160,700.00**	**$475,925.00**	
		Operation Line Report	**$0.00**	-$31,061.70	-$1,196.30	-$32,258.00	

App FY Expenditures/Revenue w/ Expenditures at 90% of Budgeted ($311,658.00):	$3,567.00		
AMC FY Expenditures/Revenue w/ Expenditures at 90% of Budgeted ($145,707.00):		$14,993.00	
Total FY Expenditures/Revenue w/ Expenditures (base expenditures only ($457,365.00):			$18,560.00

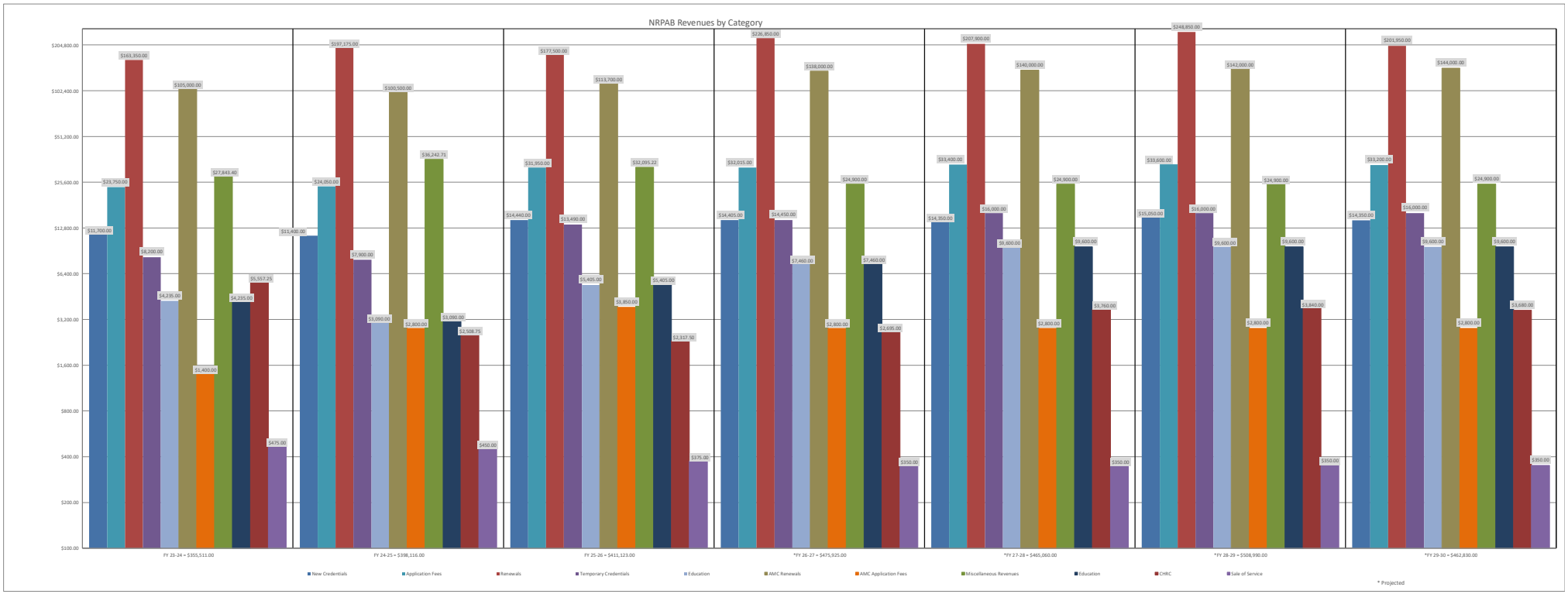
Appraiser/AMC Revenues

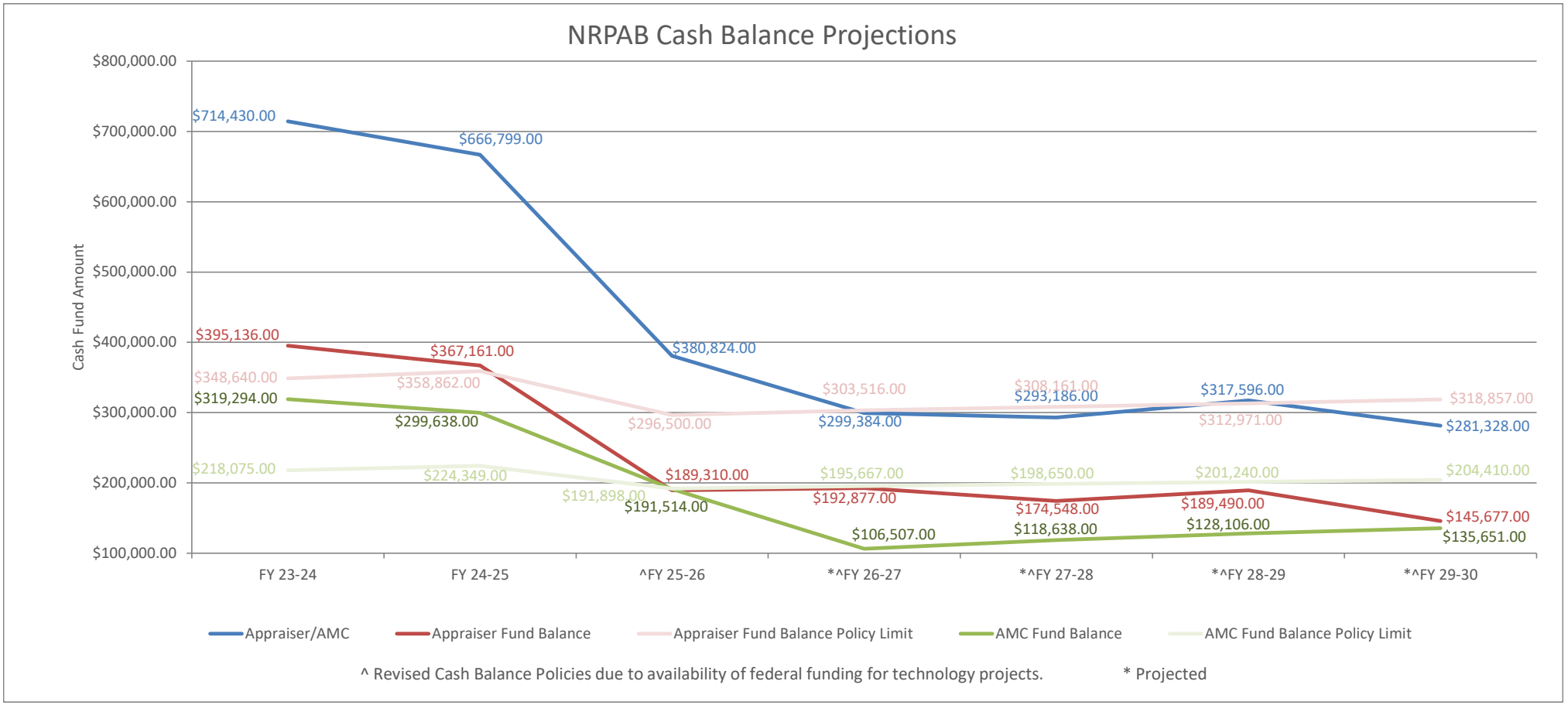


Expenditures 90% of budgeted for Appraiser Fund and 90% of budgeted for AMC Fund (Based on three year end-of-year reconcilliation and one time project expenditures).


AMC - Appraiser Expenditures/Revenues
$400,000.00
$350,000.00
$300,000.00
$250,000.00
$200,000.00
$150,000.00
$100,000.00
$50,000.00
$0.00
$254,139.00
$236,168.00
$127,734.00
$119,343.00
$301,342.00
$271,720.00
$147,208.00
$126,397.00
$293,993.00
$268,381.00
$153,023.00
$142,742.00
$311,658.00
$315,225.00
$145,707.00
$160,700.00
$320,689.00
$302,360.00
$150,569.00
$162,700.00
$329,348.00
$344,290.00
$155,232.00
$164,700.00
$339,943.00
$296,130.00
$159,155.00
$166,700.00
FY 23-24
FY 24-25
FY 25-26
*FY 26-27
*FY 27-28
*FY 28-29
*FY 29-30
Appraiser Expenditures
Appraiser Revenues
AMC Expenditures
AMC Revenues
* Projected Amounts
Expenditures 90% of budgeted for Appraiser Fund and 90% of budgeted for AMC Fund (Based on three year end-of-year reconcilliation and one time project expenditures).

NRPAB Financial History/Projections




NRPAB Cash Balance Projections
Cash Fund Amount
$800,000.00
$700,000.00
$600,000.00
$500,000.00
$400,000.00
$300,000.00
$200,000.00
$100,000.00
$714,430.00
$666,799.00
$380,824.00
$299,384.00
$293,186.00
$317,596.00
$281,328.00
$395,136.00
$367,161.00
$189,310.00
$192,877.00
$174,548.00
$189,490.00
$145,677.00
$348,640.00
$358,862.00
$296,500.00
$303,516.00
$308,161.00
$312,971.00
$318,857.00
$319,294.00
$299,638.00
$191,514.00
$106,507.00
$118,638.00
$128,106.00
$135,651.00
$218,075.00
$224,349.00
$191,898.00
$195,667.00
$198,650.00
$201,240.00
$204,410.00
FY 23-24
FY 24-25
^FY 25-26
*^FY 26-27
*^FY 27-28
*^FY 28-29
*^FY 29-30
Appraiser/AMC
Appraiser Fund Balance
Appraiser Fund Balance Policy Limit
AMC Fund Balance
AMC Fund Balance Policy Limit
^ Revised Cash Balance Policies due to availability of federal funding for technology projects.
* Projected

STATE *of* NEBRASKA
OFFICE OF THE GOVERNOR
LINCOLN

MEMORANDUM FOR THE CABINET AND HEADS OF ALL AGENCIES, BOARDS, AND COMMISSIONS

FROM: GOVERNOR JIM PILLEN

SUBJECT: Restraining Spending in State Government

In FY 2026, the State paid out $307 million more in refunds than anticipated by the consensus cash flow developed in collaboration with the Legislature and in accordance with the Nebraska Economic Forecasting Advisory Board's certified projections. Higher refunds are great news for Nebraskans who have received money back in their pockets, but it also means we must double our efforts to reduce government spending to balance the budget and to protect the progress we've made in reducing income tax rates from 6.44% down to 3.99% and building property tax relief up to $1.8 billion per year.

I am pleased with the progress we've made, but I am not satisfied. We must do better. We must run government like a business and embrace the innovation and change that is necessary to shrink the size of government. Bloated businesses don't survive for long, and it's our duty to make sure our State adapts and changes to stay competitive and resilient. It is more important than ever that we exercise fiscal discipline and deliver a balanced budget that shrinks government spending. It's what Nebraskans expect of us.

To accomplish this, I am ordering all agencies, boards, and commissions to exercise additional fiscal restraint. This includes restraint in travel, hiring, membership dues, implementing technology upgrades, and purchasing equipment. Furthermore, I am directing the following:

1. Effective immediately, ***no position shall be created or re-filled*** without an exception approval from the State Budget Division following a review of the business case and justification. Sworn law enforcement officers and correctional officers are exempted.

2. The State Budget Division is directed to provide ***monthly allotment in amounts reduced by not less than five percent*** in aggregate in FY 2026-27 pending further consideration and determination of deficit budget adjustments by the Legislature during its upcoming 2027 legislative session.

3. All agencies, boards, and commissions are expected to submit ***monthly cash flow projections*** to the State Budget Division consistent with the current process for cabinet agencies. These projections should also identify appropriation that is anticipated to lapse as a result of your fiscal restraint initiatives. The State Budget Division will provide additional guidance for this process.

4. All agencies, boards, and commissions are expected to ***submit your plans and proposals for fiscal restraint and spending reduction initiatives*** to the State Budget Division by July 31st to collaborate and discuss viable ideas and approaches for reducing state spending.

As you contemplate the best pathway forward for implementing sustained budget reductions, please concentrate on approaches that accomplish the following:

- increase throughput and quality by focusing on what matters the most, reducing and eliminating peripheral duties and services with the least alignment to your agency's primary priorities;
- propose statutory changes that reduce regulatory burdens, non-critical agency duties, and programs with underperforming outcomes;
- set rates and assessments at regionally competitive levels that are sufficient to cover the cost of services provided;
- eliminate redundant processes, services, regulation, and aid programs; and

- reduce your physical footprint and consolidate teams and services.

While the projected budget reserve requirements relate directly to the General Fund budget it is important that fiscal discipline also be exercised by state agencies financed from fees, assessments, or other tax revenues.

Please prepare for downward adjustments to appropriations for FY 2026-27 and also for the upcoming biennium years of FY 2027-28 and FY 2028-29. Your continued fiscal discipline and your assistance in making budget adjustments are important and necessary to protect tax relief while maintaining fiscal solvency.

State agencies are expected to cooperate in the implementation of these directives to the fullest extent possible under Nebraska law.

Questions should be addressed to your assigned budget management analyst in the Department of Administrative Services State Budget Division.

Dated: July 8, 2026

From: Tom Lewis
To: Kohtz, Tyler
Subject: Re: Supervisor/Trainee Real Property Appraiser Requirements Concerning Practicum Courses
Date: Tuesday, June 16, 2026 4:44:29 PM
Attachments: Outlook-signature .png
Outlook-A picture .png
Outlook-Logo Desc.png
Outlook-Icon Desc.png
Outlook-Icon Desc.png
Outlook-signature .png
Outlook-A picture .png
Outlook-Logo Desc.png
Outlook-Icon Desc.png
Outlook-Icon Desc.png
Outlook-facebook 1.png

Tyler,

I realize that this was not as easy an answer as I thought when I first read your email.

In all honesty, my initial thoughts after I went back through the 2026 AQB Real Property Appraiser Qualification Criteria (RPAQC) was that there was no language present in the RPAQC that would allow States to waive the requirement that **Practicum** participants be trainees working under a supervisory appraiser.

However, after the discussion with our staff I had to admit I was mistaken. I was the lone dissenter, and my feelings are still pretty hurt over this, just so you know. However, I did get everyone to admit that the way the RPAQC is written does give some credence to my original answer above and does create confusion.

My understanding based on your question/comments predominantly accepts and acknowledges that **PAREA** is without doubt treated as a separate animal in the current RPAQC and it is easily understood as to why when compared to the traditional supervisor/trainee experience process.

I too, however, had trouble understanding that there was no requirement that a **Practicum** student had to be a trainee real property appraiser in states that have trainee programs, or that a supervisory real property appraiser must oversee the experience if the state has a trainee program and especially when I posed that question against the current RPAQC.

Regrettably, I feel the structure of the RPAQC presently confuses this by the placement of the **Practicum** description and requirements under Section V and requirements that note the following:

- documentation of supervision,
- review,
- supervisory signatures, and
- Experience logs that must include scope of supervision and the supervising appraiser's certification/signature.

I think that the AQB recognizes the confusion as well and appears to be taking steps to clarify this in the 2nd Exposure Draft. Understanding, of course, that this is just an exposure draft and subject to change, itis relevant to consider the exposure draft as it does give additional insight into what the AQB might be thinking.

What I can find is that there is a link between **Practicum** and **PAREA** that would place them outside of the traditional supervisor/trainee structure. That link in my mind would be the fact that we are talking about two programs that while not considered education, are delivered and structured as courses. In addition, I would note that both **Practicum** and **PAREA** would fall under a program-based experience pathway as opposed to a log-based (supervisor/trainee) pathway to gain experience.

These are courses that are specifically designed to eliminate the necessity for the applicant to secure a supervisor and provide the applicant with the ability to achieve experience credit through designed, approved training plans. In addition, both courses eliminate the necessity for the applicant to obtain and maintain a trainee/apprentice credential as a prerequisite for enrollment.

I do think in many respects the exposure draft does better to address this question. That 2nd Exposure Draft should be available soon, and regrettably, I cannot share it yet as it has yet to be released.

In the exposure draft, the AQB has conspicuously opted to move **Practicum** and **PAREA** both under the same section (Section VI). This action provides support for a clearer answer to your question regarding whether there is language that allows states with trainee programs to not require **Practicum** Course participants to be trainees working under a supervisory appraiser. The exposure draft seems clear that **Practicum** participants do not have to be trainee appraisers working under a supervisory appraiser, even in States that have trainee programs.

I think it much easier understood that a **PAREA** or **Practicum** applicant does not need a trainee Appraiser credential because the RPAQC separates these programs from the traditional trainee–supervisory appraiser licensing structure. This was an omission in the current RPAQC, which personally confused me.

Again, the possibility of this 2nd Exposure Draft being adopted is unknown at this point. I do believe, however, that adoption, notwithstanding, there is sufficient information present to confirm that while **Practicum** is not currently carved out of the current RPAQC to the same degree as **PAREA**, it is nonetheless separated from the traditional supervisor/trainee model and outside of the requirements that would demand an

applicant be registered as a trainee/apprentice and under the supervision of a certified appraiser.

Of course, as you weigh all this, I know I do not have to tell you that NE can always exceed the RPAQC if it considers it necessary. Let me know if you want to discuss further. I appreciate your patience and apologize for taking so long.

Tom Lewis
Program Manager
O 202.792.1216
C 202.430.1849

1717 K ST NW
Suite 900
Washington, DC , 20006

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From: Kohtz, Tyler <tyler.kohtz@nebraska.gov>
Sent: Monday, June 15, 2026 4:18 PM
To: Tom Lewis <Tom@asc.gov>
Subject: FW: Supervisor/Trainee Real Property Appraiser Requirements Concerning Practicum

Courses

Hi Tom,

I was wondering if you have had a chance to look more into my question below?

Thanks,

Tyler Kohtz

Executive Director

Nebraska Real Property Appraiser Board

From: Kohtz, Tyler
Sent: Thursday, April 30, 2026 10:19 AM
To: 'Tom Lewis' <Tom@asc.gov>
Subject: RE: Supervisor/Trainee Real Property Appraiser Requirements Concerning Practicum Courses

No problem on the turn-around-time as this is more of a fresh issue than a critical issue. Also, Melissa and I have had some great conversations, so I'm not surprised.

You are completely right about the use of practicum programs; I have always looked at them as a mythical beast that exists but will never be seen in person.

I have not discussed this with anyone at the AQB. When asking technical language questions, I have become accustomed to receiving a response that spins the criteria to support what the AQB wants to do with no support rooted in the actual language. In layman's terms – it is because we say it is. I feel that this approach creates as much liability as it does resolution.

Regards,

Tyler Kohtz

Executive Director

Nebraska Real Property Appraiser Board

From: Tom Lewis <Tom@asc.gov>
Sent: Thursday, April 30, 2026 9:58 AM
To: Kohtz, Tyler <tyler.kohtz@nebraska.gov>
Cc: John Brenan <John@asc.gov>
Subject: Re: Supervisor/Trainee Real Property Appraiser Requirements Concerning Practicum Courses

Tyler,

You and Texas give me the best questions.

Let me do some research and, of course, confer with John. I'm prepping for a Review next week in Iowa so it might take me a bit to get back with you.

Yes, regardless of the fact that Practicums have been around for a while now, the elimination of the traditional supervisor and requirement for Trainee registration represent a significant departure from what we have all become accustomed to. This is an interesting situation that I'm not sure most have contemplated as the Practicum programs have never really gained much of a foothold in generating newly minted appraisers or garnered much interest until recently.

By the way, have you spoken to anyone at the AQB about this? If so, let me know as we may

want to reach out to them as well as it is possible this could be something they want to look at while considering the possible restructure, reorganization of the RPAQC.

Tom Lewis

Program Manager

O 202.792.1216

C 202.430.1849

1717 K ST NW

Suite 900

Washington, DC , 20006

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From: Kohtz, Tyler <tyler.kohtz@nebraska.gov>
Sent: Thursday, April 30, 2026 10:32 AM
To: Tom Lewis <Tom@asc.gov>
Cc: John Brenan <John@asc.gov>

Subject: Supervisor/Trainee Real Property Appraiser Requirements Concerning Practicum Courses

Hi Tom,

Yesterday at the AARO Conference there was a presentation on the development and implementation of Practicum Courses in the State of California. I understand that the language pertaining to Practicum Courses changed in the Real Property Appraiser Qualifications Criteria effective on January 1, 2026. However, when reviewing this language, it didn't present any needed changes to the Real Property Appraiser Act or Title 298 as the Board will accept non-traditional experience earned through an AQB-Approved Practicum Course Program (same as demonstrative reports). I was thrown for a loop yesterday when I realized that there was not requirement the student to be a trainee real property appraiser in states that have trainee programs, or that a supervisory real property appraiser must oversee the experience if the state has a trainee program. I briefly discussed this yesterday with John after the presentation, and he confirmed that a supervisor is not required for Practicum Course Programs. Last night I reviewed the Criteria language, and I understand the intent by the AQB, but once again, I am having trouble getting from Point A to Point B. In the Criteria under "Criteria Applicable to All Appraiser Classifications," Section VI pertains to the requirements for a PAREA Program. This program is considered to be separate from the traditional supervisory appraiser/trainee model. Supported by the criteria language, "Practical Applications of Real Estate Appraisal (PAREA) programs approved by the AQB utilize simulated experience training, and serve as an alternative to the traditional Supervisor/Trainee experience model, under Section V." It was my understanding that any other experience obtained must be obtained as a trainee real property appraiser with a supervisory real property appraiser if that state has a trainee program. The Practicum Course Program language is still under Section V and is not given its own carveout like PAREA Programs. Is there other language in the Criteria that relieves a state with a trainee program from enforcing this requirement on Practicum Course Program participants? The Board can implement a Guidance Document to get by before amending Title 298 to add Practicum Course Program participants to the experience requirement exemptions for PAREA Participants, but I want be absolutely clear that this supported before recommending the changes to the Board.

Regards,

Tyler N. Kohtz

Executive Director

Nebraska Real Property Appraiser Board

301 Centennial Mall South, First Floor

Lincoln, NE 68509-4963

Phone: (402) 471-9015

Email: tyler.kohtz@nebraska.gov

Website: appraiser.ne.gov

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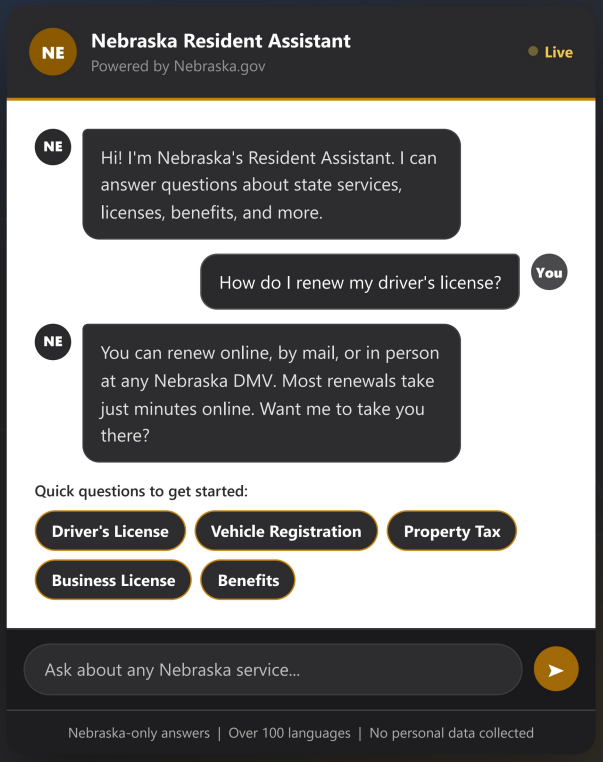

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Director, Nebraska Liquor Control Commission

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NE — **NSRB Presentation**
Q1 2026 Board Meeting — Nebraska

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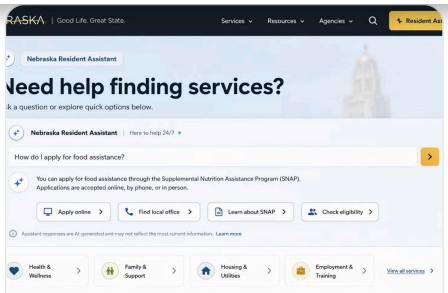
The Resident Assistant meets residents where they already are — on any agency page, embedded directly in content, or as a dedicated portal. And it speaks to every Nebraskan, from Scottsbluff to Omaha.

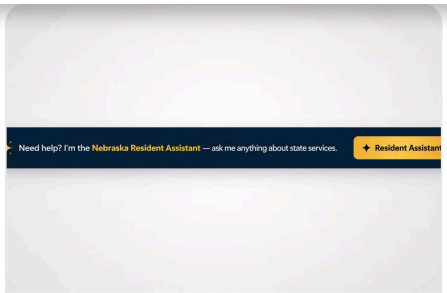
Need help? I'm the **Nebraska Resident Assistant** — ask me anything about state services.



1

Embedded Assistance

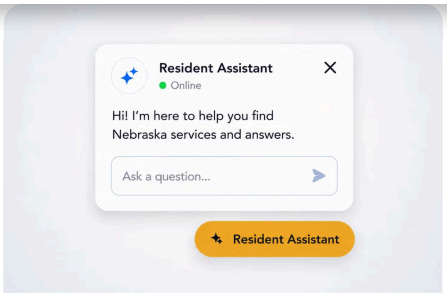
When a resident clicks for help, the assistant slides open inline — no popup, no redirect. They stay in context and get answers right where they are.



2

Persistent Resident Assistant Button

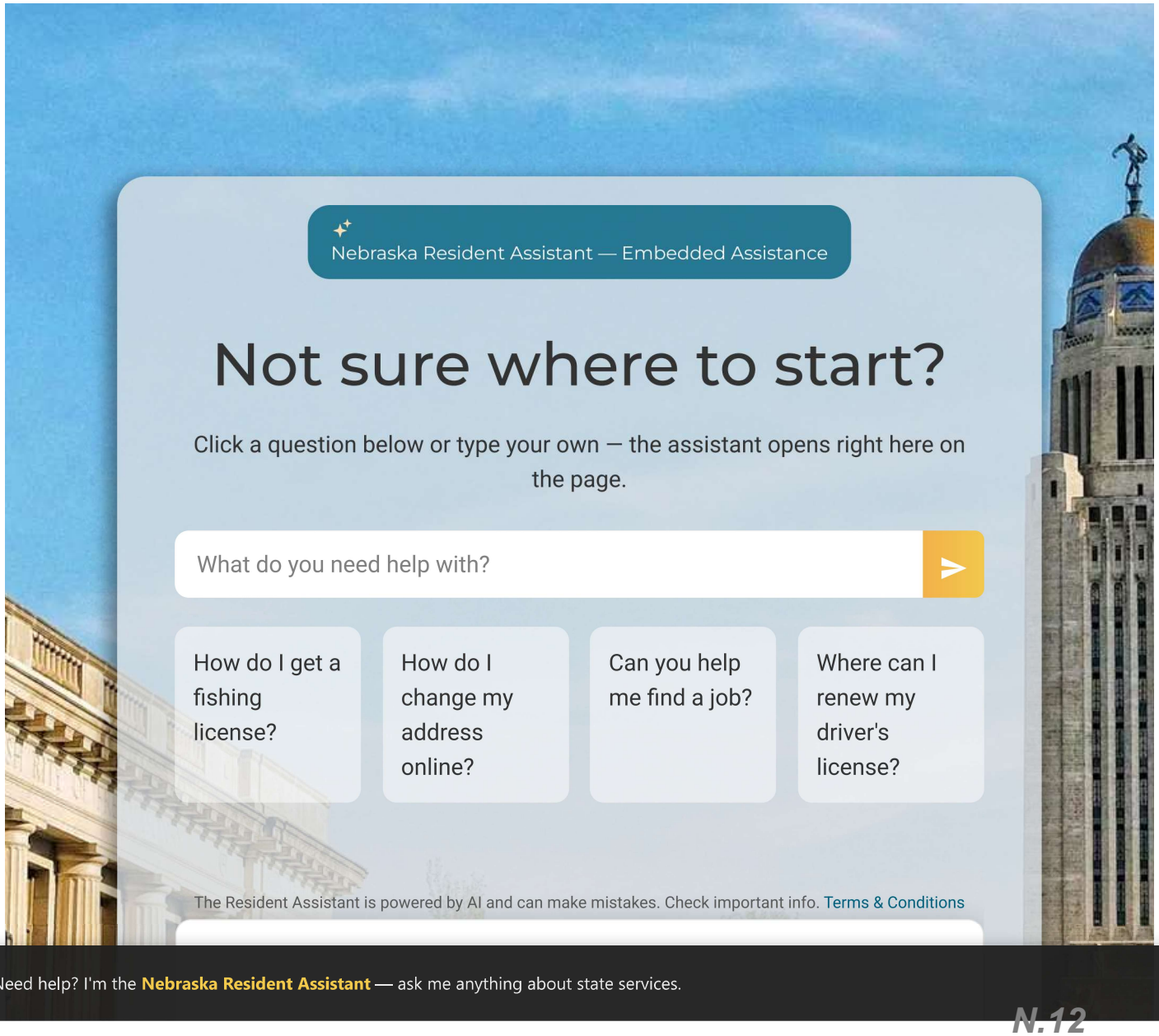
A persistent "Resident Assistant" bar anchors to the top of any agency page. Always visible when residents need it — one click opens the full assistant experience.

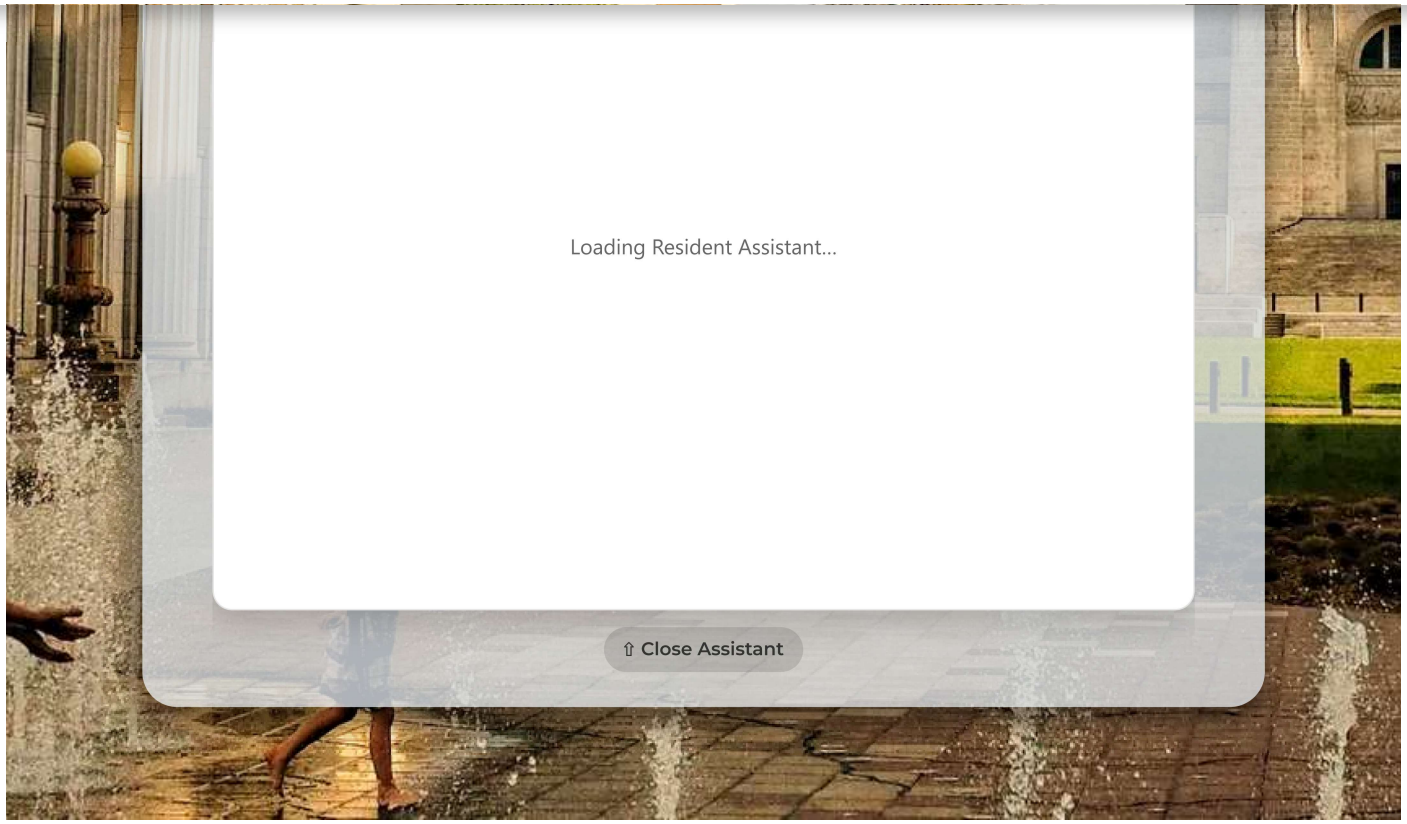


3

Floating Chat Widget

A chat bubble appears in the corner of any agency page. Residents tap it whenever they need help — it's always there, never in the way. One snippet of code embeds it sitewide.





⇧ Close Assistant

Testing Opens July 1, 2026

Help shape the future of Nebraska government

Public testing runs all of July. Your feedback directly improves the Resident Assistant before it reaches every Nebraska agency.

Try It Out! See Rollout Plan ↓

WHERE WE ARE NOW

Need help? I'm the **Nebraska Resident Assistant** — ask me anything about state services.

Three phases across 18 months. Phase 1 is underway — public testing begins July 1.

1 — IN PROGRESS

Governance & Model Creation

The statewide AI model is built and in testing. Public testing launches July 1 — feedback shapes the final product before launch.

Q1–Q2 2026 — ACTIVE NOW

2 — UPCOMING

Nebraska.gov Launch

Deploy on Nebraska.gov (2.3M+ annual visits). A beta period optimizes accuracy through real public feedback before agencies go live.

Q3 2026

3 — UPCOMING

Agency Implementation

Embed the optimized model across eligible agency websites. Included for the life of the statewide contract — no per-agency charge.

Q4 2026–Q2 2027

— FOR NEBRASKA AGENCIES

Ready to deploy the Resident Assistant on your site?

This sign-up is for Nebraska state agencies interested in embedding the Resident Assistant directly on their own websites — not for public testing. When agency implementation begins in Phase 3, registered agencies will be first in line.

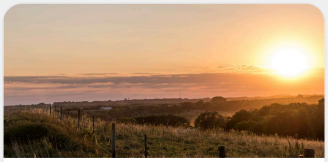
Future Participating Agency Sign-Up →

Agency deployment begins Q4 2026 — included at no per-agency charge for the life of the statewide contract.

— WHAT'S IN IT FOR ME?

Every Nebraskan gets better government service.

No matter who you are, the Resident Assistant is here to make interacting with Nebraska government faster, easier, and available at any hour.



NEW RESIDENT

Moving to Nebraska?

Get instant answers about transferring your license

FAMILY

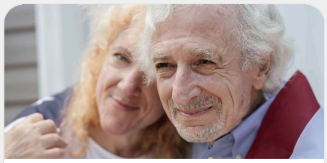
Raising a family in Nebraska?

Ask about childcare assistance

BUSINESS OWNER

Running a Nebraska business?

Navigate licensing, tax filings, [illegible] questions, and



SENIOR

Need Nebraska state support?

Ask about senior benefits, property tax relief, Medicare

Need help? I'm the **Nebraska Resident Assistant** — ask me anything about state services.

registration, and finding local services — without hours on hold.

✓ Answers available 24/7

benefits, and family support programs — any time, even when offices are closed.

✓ Available nights & weekends

permits without getting bounced between agencies and departments.

✓ No more department runaround

assistance, and social services in plain language — with Nebraska-specific answers.

✓ Plain language, over 100 languages

— FEEDBACK

Help us improve the Resident Assistant

We're actively collecting feedback during agency testing. The best feedback comes from using the tool directly — use the thumbs up/down buttons and comment fields inside the Resident Assistant whenever something works well or needs improvement. If you have broader questions or suggestions, you can also reach us by email.

Email Feedback

NEBRASKA.GOV

The Resident Assistant is Nebraska's statewide AI program, designed and built by Tyler Technologies. Reinventing the way residents interact with their government — 24/7, in over 100 languages, across all eligible agencies statewide.

ABOUT

- DMV Results
- What Is It
- How It Works
- Rollout Progress

GET INVOLVED

- Join Testing
- Agency Onboarding
- Contact Us
- Send Feedback

NEBRASKA

- Nebraska.gov
- Accessibility
- Privacy Policy
- Tyler Technologies

NRPAB
Nebraska Real Property Appraiser Board

INTERNAL PROCEDURE 202601

Proposed July 16, 2026

Mail Received with No Postmark Date

Postmark is used to determine the date on which requirements or fees are applicable for items received by mail. Subject to any other evidence of mailing date, items that have no postmark, have an illegible postmark, or the postmark is cancelled with pen, will be received as mailed on the latest date any document is signed (e.g., application, supporting documentation, or check).

AARO SPRING 2026 CONFERENCE AGENDA
Sheraton Sand Key Resort, Clearwater, FL
September 28-30, 2026

CONFERENCE DAY 1
SEPTEMBER 28, 2026

SEPTEMBER 28, 2026							
START		END		EVENT		LOCATION
7:00 A		2:30 P		Registration For Conference Attendees & Speakers		Pacific Ballroom Foyer
7:00 A		8:00 A		**Breakfast**		Foyer
8:00 A		8:30 A		**Opening Remarks** Speaker: Dennis Badger		Ballroom
8:30 A		9:15 A		**TAF Update** Speaker: Kelly Davids, TBD, TBD		Ballroom
9:15 A		9:30 A		**Stretch Break**		N/A
9:30 A		10:45 A		**Building a Defensible Enforcement Case: Technology and Other Evidence in the Workfile** Speaker: Josh Walitt		Ballroom
10:45 A		11:00 A		**Snack Break**		Foyer
11:00 A		12:00 P		**TAF Combined Session 1** Speaker(s): TBD		Ballroom
12:00 P		1:00 P		**Lunch**		N/A
1:00 P		2:00 P		**AI, Computer Vision, and the Future of Real Estate Appraisal Regulation** Speaker: Tony Pistilli		Ballroom
2:00 P		2:15 P		**Stretch Break**		N/A
2:15 P		3:15 P		**ASC Update** Speaker(s): TBD		Ballroom
3:15 P		3:30 P		**Snack Break**		Foyer
3:30 P		4:30 P		**AARO Business Meeting** President, Dennis Badger; Secretary, MiChell Bird Open – **Member Jurisdiction Voting Delegate Attendance Requested**		Ballroom
6:00 P		8:00 P		**President's Reception** Open to All Conference Attendees		TBD

CONFERENCE DAY 2

SEPTEMBER 29, 2026

AARO reserves the right to limit access to certain conference sessions due to confidential information being discussed or brought up during a specific session. Restricted sessions are marked with an asterisk (*). Refer to the last page of the agenda for additional information.

SEPTEMBER 29, 2026			
START	END	EVENT	LOCATION
7:00 A	2:00 P	Registration For Conference Attendees & Speakers	Foyer
7:00 A	8:00 A	Breakfast	Foyer
8:00 A	9:00 A	**Hot Topic: Breakout: Grant Writing Workshop** Facilitator(s): Bryn Kaelin **OPEN**	Room A
8:00 A	9:00 A	**ASC Advisory Council** Facilitator: TBD **OPEN**	Room B
8:00 A	9:00 A	**Affiliate Member Advisory Council** Facilitator: TBD **OPEN**	Room C
9:00 A	9:15 A	**Stretch Break**	N/A
9:15 A	10:15 A	**USPAP Advisory Council** Facilitator: TBD **OPEN**	Room A
9:15 A	10:15 A	**AQB Advisory Council** Facilitator: TBD **OPEN**	Room B
9:15 A	10:15 A	**Hot Topic: Breakout: Is There Racial Bias in Multifamily Appraisals** Facilitator: Marty Skolnik **OPEN**	Room C
10:15 A	10:30 A	**Snack Break**	Pacific Ballroom Foyer
10:30 A	12:00 P	**Administrator/Director Breakout Session*** Facilitator: TBD **RESTRICTED**	Room A
10:30 A	12:00 P	**Affiliate Member Breakout Session** Facilitator: TBD **OPEN**	Room B
10:30 A	12:00 P	**Attorney Breakout Session*** Facilitator: TBD **RESTRICTED**	Room C
12:00 P	1:30 P	**Lunch**	N/A
1:30 P	3:00 P	**Investigator Breakout Session*** Facilitator: TBD **RESTRICTED**	Room A
1:30 P	3:00 P	**Hot Topic Breakout: Three Roads In: Supervision, PAREA, and Practicum - Pathways for Residential and General Experience** Facilitators: Paul Ryll **OPEN**	Room B
1:30 P	3:00 P	**Board Member Breakout Session*** Facilitator: TBD **RESTRICTED**	Room C
3:00 P	3:15 P	Snack Break	N/A
3:15 P	**5:00 P**	**BOD Meeting**	TBD

AARO Association of Appraiser Regulatory Officials

CONFERENCE DAY 3

SEPTEMBER 30, 2026

General Sessions

APRIL 29, 2026						
START		END		EVENT		LOCATION
7:00 A		11:00 A		Registration For Conference Attendees & Speakers		Pacific Ballroom Foyer
8:00 A		9:00 A		**TAF Combined Session 2** Speaker(s): TBD		Ballroom
9:00 A		9:15 A		**Snack Break**		Pacific Ballroom Foyer
9:15 A		10:15 A		**CAMC Framework: Certification, Compliance, and Consumer Protection** Speaker(s): TBD		Ballroom
10:15 A		10:30 A		**Stretch Break**		N/A
10:30 A		11:45 A		**Fannie Mae / Freddie Mac Update** Speaker(s): Scott Reuter, Lyle Radke, Kevin Smith		Ballroom
11:45 A		12:00 P		**Snack Break**		N/A
12:00 P		1:15 P		**Utilizing AI Technology for Regulators** Speaker(s): Mark Cassidy, John Brenan; James Isbell; Dennis Badger, TBD		Ballroom
1:15 P		1:30 P		**Closing Remarks** **President Dennis Badger**		Ballroom

***Restricted Breakout Sessions:**

Administrator/Director: Open to any person who manages or assists with managing an appraiser or AMC regulatory body within a member jurisdiction. Includes licensing specialists, office managers, executive officers, program managers, and other clerical staff.

Attorney: Open to any person who administers legal advice or provides counsel to staff and/or Board members to ensure regulatory compliance within a member jurisdiction's appraiser or AMC regulatory body.

Board Member: Open to any person who is an active Board Member of an appraiser or AMC regulatory body within a member jurisdiction regardless of if it's an advisory board or decision-making board.

Investigator: Open to any person who performs complaint investigations or appraisal compliance reviews within a member jurisdiction's appraiser or AMC regulatory body as part of the USPAP compliance process AND who holds an active contract or is actively employed by the jurisdiction. Includes contract reviewers, peer reviewers, investigators, investigator managers, discipline committee members of the Board, etc.

If you are unsure if you qualify to attend a restricted session, please reach out to the Managing Director, the session facilitator, or AARO leadership in advance of the session.

Thank You for Attending!!!

APPRAISAL SUBCOMMITTEE
FFIEC

1717 K Street, NW, Suite 900
Washington, DC 20006
www.asc.gov

IMPORTANT NOTICE

Dear State Appraiser Regulators,

We are reaching out to make sure you are all aware of the "2nd Exposure Draft of Proposed Changes to the *Real Property Appraiser Qualification Criteria*" that was published by the Appraiser Qualifications Board (AQB) on June 22, 2026. We are taking this step because **the deadline for submitting written comments is July 27, 2026**, and the 2nd Exposure Draft contains proposals that, if adopted, could have a significant impact on your State Appraiser Regulatory Agencies. We also understand that some States must obtain Board approval to submit written comments, so ***time is of the essence***.

The ASC strongly recommends that each State takes the following three actions:

1) Thoroughly review the 2nd Exposure Draft, which can be downloaded by clicking on the following link to The Appraisal Foundation's website: https://appraisalfoundation.sharefile.com/public/share/web-s39712a2b1f42469b91333e7714dcf860).
2) Sign up to attend the free AQB webinar discussing the 2nd Exposure Draft, which is scheduled for Thursday, July 9th, at 2:00pm Eastern. Registration for the webinar is available by clicking on the following link to The Appraisal Foundation's website: https://us02web.zoom.us/webinar/register/WN_TIVxy2vPS_Oo2OdzruywOg#/registration.
3) Submit a written comment letter to the AQB in advance of the July 27th deadline, conveying your State's thoughts and opinions on some or all of the various proposals contained in the 2nd Exposure Draft, including the rationale for those opinions. Written comments on the 2nd Exposure Draft may be submitted by clicking on the following link to The Appraisal Foundation's website: https://www.surveymonkey.com/r/AQBComments.

As your Title XI compliance partner, the ASC is providing this notice in the hope of making certain each State is fully aware of the changes to the *Real Property Appraiser Qualification Criteria* that are being proposed, and that each State truly has an opportunity for its voice to be heard prior to the comment deadline.

2025 ANNUAL REPORT

APPRAISAL SUBCOMMITTEE

APPRAISAL SUBCOMMITTEE
FFIEC

FEDERAL FINANCIAL INSTITUTIONS
EXAMINATION COUNCIL

Q.5

Table of Contents

Introduction . . . 2
Message from the Chairperson . . . 4
Appraisal Subcommittee Representatives . . . 6
Staffing and Meetings of the Appraisal Subcommittee . . . 7
Strategic Plan . . . 8
State Appraiser and AMC Program Oversight . . . 9
Monitoring and Review of The Appraisal Foundation . . . 11
ASC Grants . . . 12
Appraiser Registry . . . 13
AMC Registry . . . 14
Appraisal Complaint National Hotline . . . 15
Activities of the ASC Member Agencies . . . 16
Interagency Activity . . . 17
Member Agency Activity . . . 18
Financial Status of the ASC . . . 20
Appendix A Financial Statement Audit . . . 23
Appendix B Compliance Review Findings . . . 58
Appendix C National Registry Statistics . . . 66
Appendix D Tools for Monitoring State Compliance with Title XI . . . 71
Appendix E Disciplinary Actions Reported by States . . . 72
Appendix F Appraisal Complaint National Hotline . . . 76
Appendix G Agency Complaint Data . . . 81
Appendix H Reference Materials . . . 82

Letter of Transmittal

June 15, 2026

The President of the Senate

The Speaker of the House of Representatives

Pursuant to Section 1103 of Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended (12 U.S.C. § 3332), I am pleased to submit the 2025 Annual Report of the Appraisal Subcommittee of the Federal Financial Institutions Examination Council.

Sincerely,

Luke H. Brown

Chair

Introduction

The Appraisal Subcommittee

The Appraisal Subcommittee (ASC) of the Federal Financial Institutions Examination Council (FFIEC)[1] was created on August 9, 1989, pursuant to Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (Title XI of FIRREA or Title XI). Title XI's purpose is to "provide that Federal financial and public policy interests in real estate related transactions will be protected by requiring that real estate appraisals utilized in connection with federally related transactions are performed in writing, in accordance with uniform standards, and by individuals whose competency has been demonstrated and whose professional conduct will be subject to effective supervision."[2] In general, the ASC oversees the real estate appraisal regulatory framework as it relates to federally related transactions as defined in Title XI.[3]

Title XI requires the ASC to:

- Monitor the requirements established by States:[4]
  - for the certification and licensing of individuals who are qualified to perform appraisals in connection with federally related transactions, including a code of professional responsibility; and
  - for the registration and supervision of the operations and activities of appraisal management companies (AMCs).
- Monitor the requirements established by the Federal financial institutions regulatory agencies with respect to:
  - appraisal standards for federally related transactions under their jurisdiction; and
  - determinations as to which federally related transactions under their jurisdiction require the services of a State certified appraiser and which require the services of a State licensed appraiser.
- Maintain a National Registry of State certified and licensed appraisers (Appraiser Registry) who are eligible to perform appraisals in federally related transactions.
- Maintain a National Registry of AMCs (AMC Registry) that either are registered with and subject to supervision of a State[5] appraiser certifying and licensing agency or are operating subsidiaries of a federally regulated financial institution.[6]
- Establish and operate an appraisal complaint national hotline, including a toll-free telephone number and email address, for the referral of complaints concerning alleged violations of appraisal independence standards and/or Uniform Standards of Professional Appraisal Practice (USPAP).
- Monitor and review the practices, procedures, activities and organizational structure of the Appraisal Foundation (TAF or Foundation).
- Transmit an annual report to Congress not later than June 15 of each year that describes the way each function assigned to the ASC has been carried out during the preceding year.

Title XI also requires the ASC to:

- Make grants in such amounts as it deems appropriate to the Foundation to help defray costs relating to the activities of the Appraisal Standards Board (ASB) and Appraiser Qualifications Board (AQB).

[1] The FFIEC was established pursuant to Title X of the Financial Institutions Regulatory and Interest Rate Control Act of 1978. It is an interagency body empowered, among other things, to set uniform principles for the examination of federally regulated financial institutions.

[2] Title XI § 1101, 12 U.S.C. § 3331.

[3] A federally related transaction includes any real estate-related financial transaction which: (a) a Federal financial institutions regulatory agency or any regulated institution engages in, contracts for, or regulates; and (b) requires the services of an appraiser under the interagency appraisal rules. (Title XI § 1121 (4), 12 U.S.C. § 3350(4)), implemented by the Office of the Comptroller of the Currency: 12 CFR 34.42(g) and 34.43(a); Federal Reserve Board: 12 CFR 225.62(g) and 225.63(a); Federal Deposit Insurance Corporation: 12 CFR 323.2(g) and 323.3(a); and National Credit Union Administration: 12 CFR 722.2 and 722.3(b),(c).

[4] Title XI also covers U.S. territories. See 12 U.S.C. § 3345. Currently, all U.S. States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, Guam and the United States Virgin Islands have State appraiser regulatory Programs. (American Samoa does not have such a program.)

[5] States are not required to have an AMC Program; 50 States and the District of Columbia have AMC Programs. American Samoa, Guam, the Northern Mariana Islands, Puerto Rico and the American Virgin Islands do not have AMC Programs.

[6] 12 CFR 1102.400 - 1102.403.

- Make grants to State appraiser certifying and licensing agencies in accordance with policies developed by the ASC[7] to support the efforts of such agencies to comply with Title XI, including—
  - the complaint process, complaint investigations, and appraiser enforcement activities of such agencies;
  - the submission of data on State licensed and certified appraisers and AMCs to the Appraiser Registry and the AMC Registry, including information affirming that appraisers or AMCs meet required qualification criteria, and information on formal and informal disciplinary actions; and
  - reporting to all State appraiser certifying and licensing agencies when a license or certification is surrendered, revoked or suspended.

An unofficial ASC staff version of Title XI is in Appendix H.

The ASC Board has seven members, each designated respectively by the head of their agency, including the Board of Governors of the Federal Reserve System (Federal Reserve), Consumer Financial Protection Bureau (CFPB), Federal Deposit Insurance Corporation (FDIC), Federal Housing Finance Agency (FHFA), National Credit Union Administration (NCUA), Office of the Comptroller of the Currency (OCC), and U.S. Department of Housing and Urban Development (HUD). Title XI requires one member of the ASC to be a licensed, certified, or professionally designated appraiser. In 2025, this role was filled by Julie Giesbrecht, the FHFA alternate member, and Brian Barnes, the HUD alternate member. Title XI also requires the FFIEC to appoint a Chairperson from the member representatives to serve a two-year term. In 2025, Luke H. Brown, the FDIC member and then ASC Vice Chairperson, served as ASC Acting Chairperson. On March 26, 2026, the FFIEC appointed Luke H. Brown ASC Chairperson for the term of April 1, 2026 to March 31, 2028.

[7] The ASC adopted a revised grants handbook on January 17, 2024.

Message from the Chairperson

I am pleased to share the ASC's 2025 accomplishments and look forward to continuing our work with the Board and the ASC staff to advance ASC's statutory responsibilities.

In 2025, the ASC continued to prioritize its core mission responsibilities: performing Compliance Reviews of State appraiser and AMC regulatory programs (State Programs), maintaining the National Registry and the Appraisal Complaint National Hotline (Hotline), and monitoring and reviewing the Foundation.

ASC staff conducted periodic in-person Compliance Reviews to determine whether State appraiser certifying and licensing regulatory agencies maintained effective oversight programs. In 2025, ASC staff completed a total of 37 State Appraiser Program and 36 State AMC Program Compliance Reviews, visiting 28 states in conjunction with conducting reviews. Following a general decline in State Programs' performance subsequent to the global pandemic, the ASC has begun to observe signs of performance leveling off and modest improvement. Information regarding the 2025 Compliance Reviews can be found later in this report and in Appendix B.

In an effort to provide State Program officials with opportunities to interact with ASC staff outside the compliance review environment and enhance State Program compliance, the ASC implemented Appraiser Regulatory Chat Session webinars. The webinars provide an informal forum for State Program officials to engage with the ASC Compliance Review staff. During these sessions, ASC staff highlight some of the most common issues identified during Compliance Reviews, discuss upcoming changes to any criteria requirements for State Programs, and encourage grant applications. This informal setting creates an opportunity for State Program officials to ask questions, allows participants to learn from the answers, and promotes open dialogue between State Program officials and the ASC staff. The ASC views these sessions as an important form of outreach and education.

The ASC also continued to maintain its Hotline, which provides the public with a channel for submitting complaints of potential non-compliance with appraisal independence and USPAP standards. The ASC refers complaints to State or Federal agencies for review. In 2025, the ASC received 411 call-center calls and 48 email inquiries for a total of 459 interactions. Additional Hotline statistics for 2025 are in Appendix F.

As required by statute, the ASC continued to monitor and review the Foundation. ASC staff provided updates and shared information during the Foundation's Board of Trustees meetings, monitored meetings of the Foundation's independent boards (the Appraisal Standards Board and Appraiser Qualifications Board), reviewed Foundation issuances and communications, and met regularly with Foundation staff.

The ASC conducted three public meetings in 2025. During the September 16 public meeting, the ASC Board approved the Fiscal Year 2026 Budget, including $9,829,804 in projected revenue and $8,442,240 in projected expenses.

In 2025, the ASC also welcomed new Board members from the Federal Reserve, FHFA, and NCUA. In addition to focusing on ASC's core mission, the Board continued its oversight of ASC operations and workforce management. For example, recognizing the ASC's short- and long-term Information Technology (IT) needs, the Board approved a new contractor to support the day-to-day IT operations while ASC staff explored options for upgrading ASC's technology systems.

The ASC Board selected an Acting Executive Director, Frederick Griefer, to oversee day-to-day operations of the ASC until the hiring process for a permanent Executive Director concludes. Since he joined ASC last August, Acting Executive Director Griefer has provided strong leadership and renewed energy to ASC's mission, priorities, and staff.

The ASC also established a Strategic Hiring Committee and developed a Staffing Plan to fill critical positions needed to meet statutory responsibilities, including the vacant Executive Director position. During the year, a number of ASC staff members retired or left the agency to pursue other opportunities. Lori Schuster, longtime ASC Management and Program Analyst, retired in 2025 after more than 30 years of service to the ASC. Her expansive knowledge of the ASC has always been valued and she is greatly missed. Program Manager Kristi Klamet retired in 2025 and Program Manager

Johnny Stewart also left the agency. We appreciated the wealth of experience and knowledge of State programs they provided during their time with ASC. L. Girard Hull also left the ASC after serving as the Financial Manager for 12 years.

Finally, the ASC Board would like to express its appreciation for the ASC staff's dedication and their continuing efforts to advance ASC's mission.

The ASC strives to fulfill its responsibilities under Title XI effectively, efficiently, and transparently, and welcomes the opportunity to provide its 2025 Annual Report to Congress.

Appraisal Subcommittee Representatives

(as of December 31, 2025)

Member Representatives

Consumer Financial Protection Bureau

Vacant

Federal Deposit Insurance Corporation

Acting Chair: Luke H. Brown, Member since May 2022

Brown is the Associate Director for Supervisory Policy, Division of Depositor and Consumer Protection.

Board of Governors of the Federal Reserve System

Member: Todd Vermilyea since September 2025

Vermilyea is a Senior Advisor, Division of Supervision and Regulation.

Alternate Member: Keshia King since May 2022

U.S. Department of Housing and Urban Development

Member: Elizabeth Davis since October 2023

Davis is a Housing Program Officer, Office of Deputy Assistant Secretary for Single-Family Housing.

Alternate Member: Brian Barnes since February 2020

Federal Housing Finance Agency

Member: Siobhan Kelly since June 2025

Kelly is Senior Associate Director, Division of Housing Mission & Goals.

Alternate Member: Julie Giesbrecht since January 2022

National Credit Union Administration

Member: Michael Dondarski since August 2025

Dondarski is an Associate Director in the Office of Examination and Insurance.

Alternate Member: Kevin Johnson since August 2025

Office of the Comptroller of the Currency

Member: Enice Thomas since January 2021

Thomas is the Deputy Comptroller for Credit Risk, Office of the Chief National Bank Examiner.

Alternate Member: Jim Rives since December 2019

Staffing and Meetings of the Appraisal Subcommittee

Staff Listing

(as of December 31, 2025)

Frederick Griefer, Acting Executive Director

Regeane Frederique, Acting Deputy Executive Director & Grants Director

Matt Ponzar, General Counsel

Hattie DuBois, Deputy General Counsel

Natalia Mandrus, Attorney-Advisor

Ada L. Bohorfoush, Attorney-Advisor

Natalie Lutz, Attorney-Advisor

John Brenan, Compliance Manager

Maria Brown, Program Manager

Neal Fenochietti, Program Manager

Tom Lewis, Program Manager

Allison Nespor, Program Manager

Vacant, Program Manager

Vacant, Program Manager

Brian Kelly, IT Project Manager

Kelly Luteijn, Regulatory Affairs Specialist

Vacant, Financial Manager

Karla Cisneros, Grants Management Specialist

Vacant, Management and Program Analyst

Vacant, Human Resources Manager

Vacant, Administrative Assistant

ASC Meetings

The ASC held regular public virtual meetings in June, September, and December of 2025.

The ASC held special closed virtual meetings in January, April, July, October, November and two special closed meetings in May of 2025.

Strategic Plan

The ASC made progress toward its goals in the 2024-2028 Strategic Plan.

Charged with oversight of the appraisal regulatory framework as it relates to federally related transactions, the ASC's vision includes ensuring that the public can trust in the accuracy and integrity of real estate appraisals and that the appraisal profession is valued for its critical role in supporting the financial services industry and consumers. As we plan for the future, we remain committed to delivering on our mission, upholding our values of integrity, excellence, collaboration, service, and fairness. In the face of rapid technological advancements, changing economic conditions, and other external factors, the strategic plan enables ASC to be proactive and innovative.

Mission

The mission of the ASC is to ensure that the appraisal regulatory system promotes real estate appraisals that are conducted with accuracy, independence, and impartiality, in compliance with Federal and State regulations. We work to promote excellence in appraisal regulation, support State appraiser regulatory programs, and protect consumers by enforcing the Federal requirements State appraisal regulatory programs must follow as well as monitoring and reviewing the work of the Appraisal Foundation. Our goal is to maintain public trust in the appraisal profession by ensuring that appraisers are effectively regulated.

Vision

At the ASC, we envision a future where every State appraiser program is compliant with Title XI, every appraiser is highly skilled and ethical, and appraisals promote confidence in the nation's economy and financial services industry. We strive to lead in promoting excellence in real estate appraisal regulation and fostering collaboration between industry stakeholders. Our vision is to ensure that the public can trust in the accuracy and integrity of real estate appraisals and that the appraisal profession is valued for its competence, independence, and objectivity.

Values

The ASC is guided by the following core values:

- **Integrity:** We hold ourselves to the highest ethical standards and act with honesty, transparency, and accountability in all our interactions.
- **Excellence:** We strive for excellence in all aspects of our work, continually improving our processes and programs to achieve the best possible outcomes.
- **Collaboration:** We believe that collaboration is essential to achieving our mission, and we work to foster strong relationships with our stakeholders to promote mutual understanding, respect, and partnership.
- **Fairness:** We are committed to treating all individuals and organizations with fairness and respect, regardless of their background, identity, or beliefs.
- **Service:** We are dedicated to serving the public by promoting an effective appraisal regulatory system.

These values guide our decisions and actions, and we are committed to upholding them in all our work.

Goals

The strategic plan outlines three broad goals:

1. Innovate and modernize our processes, technology, and operations;
2. Support States' ability to maintain compliance with Title XI and strengthen Foundation oversight; and
3. Increase the agency's competency and skills.

In order to be effective in Goals 1 and 2 the agency must have the proper staff resources. In accordance with Executive Order 14356, *Ensuring Continued Accountability in Federal Hiring*, ASC established a Strategic Hiring Committee (SHC). The SHC helps to ensure that ASC hiring decisions align with the national interest, agency needs, and Administration priorities, as well as ASC's Merit Hiring Plan and annual Staffing Plan.

State Appraiser and AMC Program Oversight

The ASC issues Policy Statements to provide States with the information necessary to maintain their Appraiser Programs and AMC Programs in compliance with Title XI. Current Policy Statements are set forth in Appendix H, which follows this Annual Report.

The ASC monitors State Appraiser and AMC Programs through virtual and on-site visits to the States. This includes performing an on-site Compliance Review of each State at least once every two years. (*See* Appendix D, *Tools for Monitoring State Compliance with Title XI*.) Programs that evidence noncompliance in one or more areas may be subject to additional oversight, including Follow-up Reviews, an accelerated Review Cycle, or off-site monitoring.

The ASC's Compliance Review process is risk-based, focusing on areas of State Appraiser or AMC Programs that are not in compliance with Title XI or that exhibit characteristics that could lead to non-compliance. The ASC's rating criteria for Compliance Review Reports focus on three key components: (1) complying with Title XI mandates; (2) maintaining a strong regulatory program; and (3) limiting overall risk of Program failure.

Compliance Reviews are scheduled over a three to four-day period to coincide with a meeting of the State Program's decision-making body whenever possible. Preliminary Findings are communicated to the State in an ASC staff report, and the State is given 60 days to respond. ASC staff then considers the State's response and makes formal recommendations for final disposition. The ASC Board, or its designated representative acting under delegated authority, considers the ASC staff report and recommendations along with responses from the State Program before rendering a decision. A final Compliance Review Report and letter to the State with a determination regarding the State's compliance with Title XI is then issued. (*See* Appendix B, *2025 Compliance Review Findings*.) Actions taken under delegated authority are presented to the ASC Board at its next regularly scheduled meeting.

State Programs are issued one of the following Findings:

- Excellent
- Good
- Needs Improvement
- Not Satisfactory
- Poor

Appraiser Programs

In 2025, for Appraiser Programs, ASC Program Managers completed 37 Reviews and 5 Priority Contacts. (*See* Appendix B, *2025 Compliance Review Findings*.) Of the 37 Appraiser Program Compliance Reviews completed in 2025, 7 States (19%) received a Finding of Excellent; 20 States (54%) received a Finding of Good; 8 States (22%) received a Finding of Needs Improvement; 2 States (5%) received a finding of Not Satisfactory; and no State received a finding of Poor. The general areas of non-compliance with Title XI and the number of States experiencing those problems are presented in the *2025 Compliance Review Findings* (Appendix B).

The ASC designates Appraiser Programs that may have a significant impact on the nation's appraiser regulatory system as Priority Contacts for mid Review cycle check ins. The following 12 States, listed alphabetically, are Priority Contacts and collectively represent over 50% of the credentialed appraisers on the Appraiser Registry: California, Colorado, Florida, Georgia, Illinois, New York, North Carolina, Ohio, Pennsylvania, Texas, Virginia, and Washington. The ASC conducted 5 Priority Contact check ins in 2025; all were virtual. The primary purpose of a Priority Contact check in is to review topical issues, evaluate regulatory compliance issues, and maintain a close working relationship with the State. The ASC may also conduct a Priority Contact visit for individual States when a specific concern warrants special attention by the ASC.[8] No Priority Contacts due to specific concerns were conducted in 2025.

[8] Priority Contact visits may be performed onsite or virtually.

AMC Programs

In 2025, ASC Program Managers completed 36 Compliance Reviews of AMC Programs. The AMC Compliance Reviews revealed at least one deficiency in compliance with statutes, regulations, or policies and procedures in 78% of the States reviewed. Nevertheless, of the 36 AMC Program Compliance Reviews completed in 2025, 6 States (17%) received a Finding of Excellent; 26 States (73%) received a Finding of Good; 3 States (8%) received a Finding of Needs Improvement; 1 State (2%) received a Finding of Not Satisfactory; and no States received a Finding of Poor. The general areas of non-compliance with Title XI and the number of States experiencing those problems are presented in the *2025 Compliance Review Findings* (Appendix B).

The ASC applies greater scrutiny to States that were rated "Not Satisfactory" by shortening the Review Cycle and conducting Follow-up Reviews. The ASC enhances monitoring of States that were rated "Needs Improvement" by increasing communication and requiring the State to provide logs or other documentation intermittently between review cycles.

Monitoring and Review of The Appraisal Foundation

ASC Oversight of the Appraisal Foundation

Title XI requires the ASC to "monitor and review the practices, procedures, activities and organizational structure" of the Foundation.[9] Historically, the ASC has carried out this responsibility in several ways, including:

- attending all relevant public ASB, AQB, and Board of Trustees (BOT) meetings;
- providing informal and formal comments and input on proposed changes to USPAP and the AQB's *Real Property Appraiser Qualification* Criteria; and
- providing informal and formal comments and input on activities of the BOT that impact the Foundation's Title XI-related activities.

In addition to attending Foundation meetings, the ASC Acting Executive Director(s) and Acting Chair held informal discussions with representatives of the Foundation.

The ASC Leadership also maintained an ongoing dialogue with the Foundation's BOT in 2025 in accordance with past practices.

[9] Title XI § 1103(b), 12 U.S.C. § 3332 (b).

ASC Grants

The ASC is authorized to make grants to the Foundation to help defray the costs related to the activities of the ASB and AQB, and to States to support their efforts to comply with Title XI.

The Grants Management Office (GMO) published two Notice of Funding Availability (NOFA) announcements about the acceptance of new grant applications seeking ASC grant funding. The first NOFA opportunity was for the State Appraiser Regulatory Agencies Support (SARAS) Grant, which resulted in the submission of seven grant applications. Of the seven applications submitted from the States, four were first-time applicants. The second NOFA opportunity was the Appraisal Foundation Support Grant, for which TAF submitted an application and was subsequently awarded the grant. The ASC also completed the implementation of the updated Uniform Guidance for all Federal grant agreements and other guidance issued by the Office of Management and Budget (OMB) to all Federal agencies that issue Federal financial assistance.

The ASC grantmaking-related activities in 2025 included:

State Appraiser Regulatory Agencies Support (SARAS) Grants

Title XI authorizes the ASC to make grants directly to the 55 eligible States and U.S. Territories in accordance with policies developed by the ASC in support of States' Title XI activities. Funds can be used to improve State appraiser and AMC regulatory processes.

Grants are awarded on a three-year cycle with the funding provided annually. Since 2020, the ASC has awarded over $3,000,000 in funds to support activities that included hiring additional investigator staff, training for staff and board members, technology upgrades, and the creation of a new training experience program to support and accelerate the credentialing of new appraisers. During the reporting period, new awards totaling $731,292 were issued to California, Michigan, Texas, Vermont, and Virginia to support the first year of approved project activities. Continuation awards totaling $734,696 were also provided to Arizona, Arkansas, California, Kentucky, Louisiana, Minnesota, Nebraska, Oregon, Texas, Utah, Vermont, and Wisconsin. Combined, new and continuation awards amounted to $1,465,988.

The Appraisal Foundation Support (TAFS) Grant

Title XI authorizes the ASC to make grants to the Foundation, whose ASB and AQB are authorized by Congress to set uniform standards and minimum qualifications for real estate appraisers. Funds are to be used to help defray the costs of these Boards. During 2025, The ASC awarded a grant in the amount of $300,000 to help defray the costs of the Foundation relating to the activities of its AQB, with a focus on an Occupational Analysis to determine the knowledge, skills, and abilities necessary to establish the minimum qualifications for licensure as a real estate appraiser.

Appraiser Registry

Title XI requires the ASC to maintain an appraiser registry of State certified and licensed appraisers who are eligible to perform appraisals in federally related transactions (Appraiser Registry).[10] As of December 31, 2025, the Appraiser Registry contained 89,618[11] appraiser credentials, down from 91,036 entries at the end of 2024 (*See* Appendix C, *National Appraiser Credential Statistics*.)

The Appraiser Registry is accessible at the ASC's website (www.asc.gov) and is used by appraisers, Federal and State agencies, financial institutions, users of appraisal services, law enforcement, and consumers. Use of the Appraiser Registry is free. The Appraiser Registry allows users to determine whether an appraiser is State certified or licensed to perform appraisals in connection with federally related transactions. Users can also access an appraiser's credential status and determine whether the appraiser's credential is currently suspended, revoked, or surrendered in lieu of State disciplinary action.

The Appraiser Registry facilitates information sharing that assists State Programs in enforcing their appraiser-related statutes and regulations, including temporary practice and reciprocity. Financial institutions and other users also can access the Appraiser Registry to:

- receive automatic notifications about new revocations, suspensions, surrenders, and certification and license expirations;
- download publicly available information or parts of the Appraiser Registry into predefined queries and user-customized queries;
- verify appraiser credentials; and
- set up automatic queries of Appraiser Registry information using a web service that allows computer systems used by lenders, regulatory agencies, and other authorized parties to integrate directly with the Appraiser Registry.

States reported 755 disciplinary actions taken against appraisers in 2025. This compares to 791 disciplinary actions taken against appraisers in 2024 and an average of 854 per year for the last 10 years. (*See* Appendix E, *Disciplinary Actions Reported by States*.)

[10] Title XI § 1103(a)(3), 12 U.S.C. § 3332(a)(3).

[11] This number does not represent the number of individual appraisers as some appraisers have credentials from multiple States.

AMC Registry

Title XI requires the ASC to maintain a Registry of AMCs that are either registered with and subject to supervision of a State AMC Program or are federally regulated.[12] The AMC Registry became available for States to populate on July 16, 2018. As of December 31, 2025, 50 States registered AMCs (the same number as in 2024).

The AMC Registry is accessible at the ASC's website (www.asc.gov) and is used by appraisers, Federal and State agencies, financial institutions, users of appraisal services, law enforcement, and consumers. Use of the AMC Registry is free. The AMC Registry allows users to determine whether an AMC meets the Federal definition of an AMC and is registered in a particular State. Users can also access an AMC's registration status and determine whether the AMC is currently suspended, revoked, or surrendered in lieu of State disciplinary action.

The AMC Registry facilitates information sharing that assists State Programs in enforcing their AMC-related statutes and regulations. Financial institutions and other users also can access the AMC Registry to:

- receive automatic notifications about new revocations, suspensions, surrenders, and registration expirations;
- download publicly available information or parts of the AMC Registry into predefined queries and user-customized queries; and
- set up automatic queries of AMC Registry information using a web service that allows computer systems used by lenders, regulatory agencies, and other authorized parties to integrate directly with the AMC Registry.

States reported 87 disciplinary actions taken against AMCs in 2025. This compares to 68 disciplinary actions taken against AMCs in 2024 and an average of 51 per year over the past 6 years (the AMC Registry opened in 2018). (*See* Appendix E, *Disciplinary Actions Reported by States*.)

[12] Title XI § 1103(a)(6), 12 U.S.C. § 3332(a)(6).

Appraisal Complaint National Hotline

Title XI requires the ASC to maintain a national hotline to receive complaints of non-compliance with the appraisal independence standards and USPAP, including complaints from appraisers, individuals, or other entities concerning the improper influencing or attempted improper influencing of appraisers or the appraisal process.[13] The ASC began operation of the Appraisal Complaint National Hotline (Hotline) on March 15, 2013. The Hotline refers complainants to the appropriate State and Federal agencies to handle complaints of alleged non-compliance with USPAP, appraisal independence standards, and applicable laws. The Hotline consists of three components: a website (ReferMyAppraisalComplaint.asc.gov), an online contact form, and a call center with a toll-free telephone number (877-739-0096).

The Hotline website received 8,056 visits in calendar year 2025. Additionally, the toll-free telephone number received 411 calls and the email portal received 48 contacts. These contacts resulted in 315 referrals to State and Federal agencies. Appendix F, *Appraisal Complaint National Hotline*, contains more detailed information on the source of contacts, specific agency referrals and whether the contact concerned issues of potential non-compliance with appraisal independence standards or violations of USPAP. Since the Hotline was designed as a referral system, it does not collect data on the resolution of complaints referred to the State or Federal agencies. Appendix G, *Agency Complaint Data*, also contains data reported by the Federal financial institutions regulatory agencies and the CFPB concerning complaints received by them during calendar year 2025. The numbers reported in this table differ from those reported in the ASC's table for several reasons. The Hotline is a referral tool available to a wide range of users; consequently, not all complainants who access the Hotline will proceed to filing a complaint with one of the agencies, or they may choose to file a complaint with their State appraiser regulatory agency. Additionally, the reported data includes all appraisal-related complaints received by the Federal agency without identifying whether the complainant used the Hotline to obtain the referral information. States do not report data on appraisal-related complaints to the ASC, although a State's processing and disposition of complaints are part of the Compliance Review process.

[13] Title XI § 1122(i), 12 U.S.C. § 3351(i).

Activities of the ASC Member Agencies

Following Title XI's adoption in 1989, each of the Federal financial institutions regulatory agencies, FHFA and HUD adopted appraisal-related rules and policies. The FDIC, Federal Reserve, NCUA, and OCC also jointly issued *Interagency Appraisal and Evaluation Guidelines* (Guidelines) for federally regulated institutions' appraisal and evaluation programs.[14] The Guidelines address an institution's collateral valuation function, including appraisal independence, minimum appraisal standards for federally related transactions, the development and content of evaluations, appraisals for residential tract development lending and background on USPAP. The appraisal regulations require institutions regulated by the applicable agencies to ensure that appraisals supporting federally related transactions, among other things, comply with USPAP and are performed by a State certified or State licensed appraiser.[15]

[14] *See* 75 *Fed. Reg.* 77450 (December 10, 2010).

[15] FDIC: 12 CFR 323.1-323.7.; Federal Reserve: 12 CFR 225.61(b); 12 CFR 208.50- 208.51; OCC: 12 CFR 34.41-34.47; NCUA: 12 CFR 722.1-7.

Interagency Activity

Interagency Statement on Supervisory Practices Regarding Financial Institutions Affected by the California Wildfires and Straight-line Wind

On January 14, 2025, the FDIC, Federal Reserve, NCUA, OCC, and California Department of Financial Protection and Innovation jointly issued a statement on the impact of the California wildfires and straight-line winds on financial institution customers and operations and encouraged institutions operating in affected areas to meet the financial services needs of their communities. The statement provided information related to lending, temporary facilities, publishing requirements, regulatory reporting requirements, Community Reinvestment Act considerations, and investments in municipal securities and loans and linked to interagency guidance regarding supervisory flexibility for appraisal requirements among other items.

Temporary Exceptions to FIRREA Appraisal Requirements in Los Angeles County Affected by California Wildfires and Straight-line Winds

On April 18, 2025, the FDIC, Federal Reserve, NCUA, and OCC issued an action to temporarily pause certain appraisal requirements for real estate related transactions in Los Angeles County to allow banks and credit unions to work with families and businesses without obtaining appraisals. The agencies noted that banks and credit unions are still required to determine that the value of the real estate supports the institution's decision to enter into the transaction.

As a result of this temporary action, financial institutions were better able to lend or modify loans in areas where wildfire damage has made obtaining appraisals challenging and reduce loan processing times, helping to facilitate recovery from the disaster. This action will expire on January 8, 2028. The agencies stated that they will monitor institutions' real estate lending practices to help ensure the transactions are being originated in a safe and sound manner.

Appraisals for Higher-Priced Mortgage Loans Exemption Threshold

On December 15, 2025, the CFPB, Federal Reserve, and OCC announced that the 2026 threshold for higher-priced mortgage loans that are subject to special appraisal requirements will increase from $33,500 to $34,200. The threshold amount, effective January 1, 2026, is based on the 2.1 percent annual percentage increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) as of June 1, 2025. The Dodd-Frank Act added special appraisal requirements for higher-priced mortgage loans to the Truth in Lending Act, including that creditors obtain a written appraisal based on a physical visit to the interior of the home before making a higher-priced mortgage loan. The rules implementing these requirements contain an exemption for loans of $25,000 or less, adjusted annually to reflect CPI-W increases.

Member Agency Activity

Several ASC member agencies issued appraisal-related rules, guidance, and training in addition to the interagency projects noted above.

Board of Governors of the Federal Reserve System

Federal Reserve staff continued to engage with stakeholders in the appraisal industry, including panel discussions to explain the Federal banking agencies' appraisal regulations and guidance to financial institutions, appraisal professionals, users of appraisal services, and state appraiser regulators. Federal Reserve staff continued to publish Community Banking Connections,[16] a web-based publication that provides information to community bankers and has covered topics related to appraisal regulations.

Office of the Comptroller of the Currency

OCC leadership and staff participated in outreach, policy development, and other activities with various constituents involved in or impacted by the appraisal profession. Constituents included appraisers, industry associations, users of appraisal services, community development organizations, inter-governmental task forces, bankers, and other regulators. These activities included in-person, virtual, and hybrid meetings, panel discussions, and seminar presentations. The OCC also provided training, information, and guidance on real estate lending, appraisals, and evaluations for internal and external audiences.

Through the affordable homeownership workstream of the OCC's innovative initiative, Project REACh (Roundtable for Economic Access and Change), the OCC regularly convened leaders from banking, business, technology, community groups, and national civil rights organizations to address barriers to homeownership.

Federal Deposit Insurance Corporation

The FDIC provided guidance and outreach to the lending community through several programs, which included training on appraisals and evaluation. Outreach included participation in panel discussions to explain the banking agencies' appraisal regulations and guidance to various members of the appraisal profession as well as users of appraisal services and appraiser regulators. The FDIC also continued to coordinate with the other member agencies on issues related to the appraisal regulations.

National Credit Union Administration

The NCUA issued a press release in January 2025 indicating that the agency was closely monitoring the wildfires across the Greater Los Angeles area, that deposits remained insured, and that resources were available to help affected credit unions.

Federal Housing Finance Agency

Throughout 2025, the FHFA continued to monitor Fannie Mae and Freddie Mac (the Enterprises) products and policies, focused on improving the quality and consistency of appraisal data, creating operational efficiencies, reducing lender and consumer costs, and supporting effective risk management. This work included enhancements to the Enterprises' alternative valuation offerings, the launch of the Limited Production Period for the Uniform Appraisal Dataset (UAD) 3.6 and Forms Redesign project,[17] and ongoing engagement with industry stakeholders including lenders, appraisers, software providers, appraisal management companies, mortgage insurers, and industry trade groups.

Department of Housing and Urban Development

HUD serves an important role in the residential mortgage market through its Federal Housing Administration (FHA) Title II forward mortgage insurance programs. FHA insurance protects qualified lenders against mortgage losses,

[16] For more information on Community Banking Connections please visit https://www.communitybankingconnections.org/.

[17] https://singlefamily.fanniemae.com/delivering/uniform-mortgage-data-program/uniform-appraisal-dataset | https://sf.freddiemac.com/tools-learning/uniform-mortgage-data-program/uad

facilitating the availability of mortgage credit for the purchase of a home or to refinance an existing mortgage, particularly for first-time and low-to-moderate-income homebuyers.

FHA's Office of Single Family Housing focused on rescinding or eliminating cumbersome regulations and policies that negatively impact the cost of FHA-insured lending and loan affordability. FHA rescinded more than a dozen unnecessary or outdated policies policies including certain FHA appraisal requirements. These rescissions included removal of burdensome steps that an appraiser must complete during each assignment. Through these changes, FHA is better aligning its appraisal policies with industry standards and reducing unnecessary costs and delays that are passed through to homebuyers.

Additionally, FHA continued its ongoing technology modernization effort, building on the investment in the FHA Catalyst platform during the first Trump Administration. On August 27, 2025, FHA announced its planned adoption of the modernized UAD 3.6. Building on FHA's collaboration with the industry, implementation of this initiative will align with the industry and strengthen FHA's collateral risk management capabilities. FHA systems, including the Electronic Appraisal Delivery portal, are currently being updated in preparation for the transition.

Financial Status of the ASC

In fiscal year 2025, the ASC's revenue totaled approximately $9.2 million, and expenses (including the State and TAF grants) totaled approximately $6.8 million. ASC revenue slightly decreased from the 2024 total revenue of $9.8 million, while expenses decreased 22.73% from 2024 expenses of $8.8 million. The reduction in expenses is attributable to agency-wide efforts to review expenditures and identify opportunities for cost savings. ASC funds are derived from the Appraiser and AMC Registry fees.[18] The annual Appraiser Registry fee of $40 is paid by licensed and certified appraisers to be listed on the Appraiser Registry as eligible to perform appraisals for federally related transactions. Annual AMC Registry fees are paid by AMCs consistent with the ASC rule on collection and transmission of AMC Registry fees. The AMC fee is $25 per appraiser based on the number of appraisers on an AMC's panel who performed an appraisal for a covered transaction during a defined annual period.

Appendix A contains the ASC audited financial statements for fiscal year 2025, ending September 30, 2025. The ASC realized a net gain and has reserves of $38 million.

[18] *See* 12 U.S.C. 3338.

APPENDICES

Q.28

APPRAISAL SUBCOMMITTEE

INDEPENDENT AUDITOR'S REPORT
AND
FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2025

APPRAISAL SUBCOMMITTEE

FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

TABLE OF CONTENTS

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS 1

FINDINGS AND RECOMMENDATIONS 6

MANAGEMENT'S DISCUSSION AND ANALYSIS FY 2025 18

BALANCE SHEET 24

STATEMENT OF NET COST 25

STATEMENT OF CHANGES IN NET POSITION 26

STATEMENT OF BUDGETARY RESOURCES 27

NOTES TO THE FINANCIAL STATEMENTS 28

BROWN & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS AND MANAGEMENT CONSULTANTS, PLLC

INDEPENDENT AUDITOR'S REPORT

To the Appraisal Subcommittee of the
Federal Financial Institutions Examination Council
Washington, DC 20005

In our audit of the fiscal year 2025 financial statements of the Appraisal Subcommittee of the Federal Financial Institutions Examination Council (ASC), we found:

- the financial statements as of and for the fiscal year ended September 30, 2025 are presented fairly, in all material respects, in accordance with U.S. generally accepted accounting principles; and
- internal control over financial reporting was not effective as of September 30, 2025; and
- no reportable noncompliance with provisions of applicable laws, regulations, contracts, and grant agreements that we tested.

The following sections discuss in more detail (1) our report on the financial statements and on internal control over financial reporting, a section on required supplementary information (RSI) and a section on other information (OI) included with the financial statements, (2) our report on compliance with laws, regulations, contracts, and grant agreements, and (3) agency comments and our evaluation of the comments.

Report on the Financial Statements and on Internal Control over Financial Reporting

Opinion on the Financial Statements

In accordance with the Accountability of Tax Dollars Act of 2002 (ATDA) (Pub. L. No. 107-289), we have audited ASC's financial statements. ASC's financial statements comprise the balance sheet as of September 30, 2025; the related statements of net cost, changes in net position, and budgetary resources for the fiscal year then ended; and the related notes to the financial statements. In our opinion, ASC's financial statements present fairly, in all material respects, ASC's financial position as of September 30, 2025 and its net cost of operations, changes in net position, and budgetary resources for the fiscal year then ended in accordance with U.S. generally accepted accounting principles.

However, misstatements may nevertheless occur in unaudited financial information reported internally or externally by ASC as a result of the internal control deficiencies described in this report.

Basis for Opinion on the Financial Statements

We conducted our audits in accordance with U.S. generally accepted government auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audits of the Financial Statements section of our report. We are required to be independent of the ASC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

6401 GOLDEN TRIANGLE DRIVE, SUITE 310 • GREENBELT, MD 20770
PHONE: (240) 770-4900 • FAX: (301) 773-2090 • mail@browncо-cpas.com • www.browncо-cpas.com

Qualified Opinion on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the ASC's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of ASC's internal control. Accordingly, we do not express an opinion on the effectiveness of ASC's internal control. We limited our internal control testing to those controls necessary to achieve the objectives described in Office of Management and Budget (OMB) Bulletin No. 24-02, *Audit Requirements for Federal Financial Statements.* We did not test all internal controls relevant to operating objectives as broadly defined by the Federal Managers' Financial Integrity Act of 1982 ("FMFIA"), such as those controls relevant to ensuring efficient operations.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audits we identified the following material weaknesses:

- Grants Payable
- Accounts Receivable
- Undelivered Orders
- Operating Expenses and Disbursements

In our opinion, because of the identified material weakness in internal control ASC did not maintain, in all material respects, effective internal control over financial reporting as of September 30, 2025, based on criteria established under FMFIA. These matters are further discussed in Exhibit I of this report.

Responsibility of Management for the Financial Statements

Management is responsible for:

- the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles;
- preparing, measuring, and presenting the RSI in accordance with U.S. generally accepted accounting principles;
- preparing and presenting other information included in ASC's Annual Report, and ensuring the consistency of that information with the audited financial statements and the RSI;
- designing, implementing, and maintaining effective internal control over financial reporting relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error;
- assessing the effectiveness of internal control over financial reporting based on the criteria established under FMFIA; and

- its assessment about the effectiveness of internal control over financial reporting as of September 30, 2025.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to (1) obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether effective internal control over financial reporting was maintained in all material respects, and (2) issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit of the financial statements or an audit of internal control over financial reporting conducted in accordance with U.S. generally accepted government auditing standards will always detect a material misstatement or a material weakness when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered to be material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit of financial statements in accordance with U.S. generally accepted government auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to our audit of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of ASC's internal control over financial reporting. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Perform other procedures we consider necessary in the circumstances.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the financial statement audit.

Required Supplementary Information

U.S. generally accepted accounting principles issued by the Federal Accounting Standards Advisory Board (FASAB) require that the RSI be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the financial statements, is required by FASAB, which considers it to be an essential part of financial reporting for placing the financial statements in appropriate operational, economic, or historical context. We have applied certain limited procedures to the RSI in accordance with U.S. generally accepted government auditing standards. These procedures consisted of (1) inquiring of management about the methods used to prepare the RSI and (2) comparing the RSI for consistency with management's responses to our inquiries, the financial statements, and other knowledge

we obtained during the audit of the financial statements, in order to report omissions or material departures from FASAB guidelines, if any, identified by these limited procedures. We did not audit and we do not express an opinion or provide any assurance on the RSI because the limited procedures we applied do not provide sufficient evidence to express an opinion or provide any assurance.

Other Information

ASC's other information contains a wide range of information, some of which is not directly related to the financial statements. This information is presented for purposes of additional analysis and is not a required part of the financial statements or the RSI. Management is responsible for the other information included in ASC's Annual Report. The other information comprises introductory, background, and statistical sections. Other information does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Report on Compliance with Laws, Regulations, Contracts, and Grant Agreements

In connection with our audits of ASC's financial statements, we tested compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements consistent with our auditor's responsibilities discussed below.

Results of Our Tests for Compliance with Laws, Regulations, Contracts, and Grant Agreements

The results of the tests for ASC's compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements for fiscal year 2025 disclosed no instances of noncompliance that would be reportable under U.S. generally accepted government auditing standards. However, the objective of our tests was not to provide an opinion on compliance with laws, regulations, contracts, and grant agreements applicable to ASC. Accordingly, we do not express such an opinion.

Basis for the Results of Our Tests for Compliance with Laws, Regulations, Contracts, and Grant Agreements

We performed our tests of compliance in accordance with U.S. generally accepted government auditing standards.

Responsibilities of Management for Compliance with Laws, Regulations, Contracts, and Grant Agreements

ASC's management is responsible for complying with laws, regulations, contracts, and grant agreements applicable to ASC.

Auditor's Responsibilities for Tests of Compliance with Laws, Regulations, Contracts, and Grant Agreements

Our responsibility is to test compliance with selected provisions of laws, regulations, contracts, and grant agreements applicable to ASC that have a direct effect on the determination of material amounts and disclosures in ASC's financial statements, and to perform certain other limited procedures. Accordingly, we

did not test compliance with all provisions of laws, regulations, contracts, and grant agreements applicable to ASC. We caution that noncompliance may occur and not be detected by these tests.

Intended Purpose of Report on Compliance with Laws, Regulations, Contracts, and Grant Agreements

The purpose of this report is solely to describe the scope of our testing of compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements, and the results of that testing, and not to provide an opinion on compliance. This report is an integral part of an audit performed in accordance with U.S. generally accepted government auditing standards in considering compliance. Accordingly, this report on compliance with laws, regulations, contracts, and grant agreements is not suitable for any other purpose.

Agency Comments

We provided ASC with a draft of our report on May 4, 2026 and received ASC's response on May 7, 2026. ASC's response to our report was not subject to the auditing procedures that we applied to our audit of the financial statements and, therefore, we express no opinion on the response.

Brown & Company

Greenbelt, Maryland
May 13, 2026

FINDING AND RECOMMENDATIONS

Finding #2025-01 Grants Payable Not Recorded in the Governmentwide Treasury Account Symbol (GTAS) Adjusted Trial Balance and Financial Statements

Condition:

The FY 2025 Grants Payable balance was not recorded in the Governmentwide Treasury Account Symbol (GTAS) adjusted trial balance and, as a result, was not presented in ASC's Balance Sheet as of September 30, 2025, prepared by the General Services Administration's (GSA) External Services Branch.

GSA's External Services Branch, which provides accounting services to ASC, issues guidance to ensure that all relevant financial transactions are submitted and recorded for fiscal year-end closing in the *Fiscal Year End Closing Financial Responsibilities for Client Agencies*. ASC did not submit the Grants Payable account balance to GSA for inclusion in the GTAS adjusted trial balance. Additionally, ASC did not comply with year-end closing requirements outlined in *Treasury Financial Manual (TFM) Bulletin 2025-07.*

This finding is a repeat of prior Finding #2024-01. Although the condition existed during part of the audit period, management corrected the issue prior to issuance of this report, and testing confirmed remediation.

Criteria:

Federal Accounting Standards Advisory Board (FASAB), Statement of Federal Financial Accounting Standards (SFFAS) 5 defines "liability" as a probable future outflow or other sacrifice of resources as a result of past transactions or events. General purpose federal financial reports should recognize probable and measurable future outflows or other sacrifices of resources arising from (1) past exchange transactions, (2) government-related events, (3) government-acknowledged events, or (4) nonexchange transactions that, according to current law and applicable policy, are unpaid amounts due as of the reporting date. The liability for a nonexchange transaction should be recognized for any unpaid amounts due as of the reporting date.

OMB Circular A-136 Revised (July 14, 2025), II.3.2.4 Liabilities states that financial statements must recognize probable and measurable future outflows or other sacrifices of resources arising from: (1) past exchange transactions, (2) government-related events, (3) government-acknowledged events, or (4) non-exchange transactions that, according to current law and applicable policy, are unpaid amounts due as of the reporting date. Liabilities must be recognized when they are incurred regardless of whether they are covered by available budgetary resources, including liabilities related to canceled appropriations. Similarly, liabilities must be recognized when they are incurred regardless of whether (or when) they will result in the recording of budgetary obligations.

Treasury Financial Manual (TFM) Bulletin 2025-07: provides requirements for agencies to accurately record and report year-end account balances.

Fiscal Year End Closing Financial Responsibilities for Client Agencies issued by GSA's External Services Branch, Financial Information & Operations Division (FY 2025) outlines submission responsibilities for client agencies to ensure proper recording of financial data.

Cause:

- ASC did not have personnel with sufficient skills, knowledge, or experience (SKE) to properly identify and report Grants Payables in accordance with federal accounting standards.

- ASC did not implement the required effective year-end closing procedures to ensure completeness and accuracy of liabilities in GTAS and the comprehensive federal financial statements.

Effect:

The *General Fund Financial Statements as of and for the Fiscal Year Ended September 30, 2025,* are materially misstated. Specifically, *Other Than Intragovernmental Liabilities* accounts are understated by $1,537,667 due to the omission of Grants Payable.

Questioned Cost:

There were no questioned costs.

Recommendation:

We recommend that ASC:

- Establish and implement formal year-end closing procedures to ensure all liabilities are identified, recorded, and reported in accordance with federal requirements.
- Implement supervisory review controls procedures to ensure that:
  - financial data submitted to GSA is complete and accurate and agrees with ASC's internal accounting records, and
  - financial statements and disclosures accurately reflect GTAS reported balances.
- Implement procedures to ensure compliance that the year-end guidance provided in *Treasury Financial Manual (TFM) Bulletin No. 2025-07* and *Fiscal Year End Closing Financial Responsibilities for Client Agencies* is followed. This will help to ensure the integrity of the financial statements.
- Obtain qualified financial management and accounting personnel with the expertise necessary to perform year-end obligation reconciliations in accordance with federal accounting standards and GSA requirements.

Implementing these recommendations will strengthen internal control over financial reporting and improve the reliability of ASC's financial statements.

Management's Response:

Thank you for your thorough review and audit of the ASC's financial statements. We appreciate your insights and have carefully considered the findings and recommendations provided.

As a small independent federal agency with 22 approved full-time equivalent employees (FTEs) and only 17 filled positions for most of FY2025, the ASC has historically relied on a single Financial Manager to oversee finance and budget operations. The Financial Manager position remained vacant for approximately seven months during the fiscal year. During that period, management reassigned certain financial responsibilities to other ASC personnel as collateral duties, with support provided by GSA staff through a GSA service-level agreement for accounting services. Although supporting documentation and records were maintained by the responsible personnel, some of those employees have since departed the agency. As a result, ASC management is coordinating with GSA to retrieve and consolidate the necessary source documentation. Once obtained, the ASC will ensure the documentation is centrally maintained.

To help prevent recurrence, the ASC is implementing a centralized financial management filing system to ensure financial records and supporting documentation are consistently maintained in a single, accessible location.

The ASC is in the process of hiring a Financial Manager who will oversee financial operations, including accounting, financial reporting, reconciliation, and audit coordination. Once in place, he or she will review prior transactions and make any necessary adjustments to applicable account balances. In addition, the ASC is evaluating the use of a third-party consultant to assess and recommend improvements to the agency's financial policies, procedures, and internal controls, with the intent to support the implementation of any necessary enhancements identified through that review, and Brown and Company's Financial Statement Audit.

To further strengthen internal controls and reduce key-person dependency, the ASC plans to consider repurposing a portion of a full-time equivalent position to support certain ASC financial management responsibilities. This new hire would have financial management expertise and coordinate and work the Financial Manager to create a redundancy to reduce the potential risk of key-person dependency. The ASC will also implement the procedures recommended by Brown & Company to improve financial oversight and documentation practices.

The ASC remains committed to strengthening its financial management processes, maintaining compliance with applicable standards, and pursuing continuous improvement in accordance with best practices. Please let us know if any additional clarification or supporting documentation is needed.

Auditor's Response to Management's Response:

We acknowledge ASC's response to the finding. We have no further comment.

Finding #2025-02 Accounts Receivable Activity Not Properly Recorded in the Governmentwide Treasury Account Symbol (GTAS) Adjusted Trial Balance and Incorrectly Presented in the Balance Sheet as of September 30, 2025

Condition:

The GTAS adjusted trial balance did not reflect accounts receivable activity for FY 2025. ASC did not perform a reconciliation of accounts receivable to ensure the accuracy and completeness of the year-end balance. As a results, the Accounts Receivable, Net balance presented in the Balance Sheet as of September 30, 2025 - prepared by the General Services Administration's (GSA) External Services Branch – was incorrect. GSA's External Services Branch provides accounting services to ASC. The balance presented represented the prior year adjusting journal entry recorded in FY 2024 and not the FY 2025 activity.

The Audit Team documented $1,136,982 in accounts receivable activity for FY 2025 that was not recorded in the GTAS adjusted trial balance.

This finding is a repeat of prior Finding #2024-02. Although the condition existed during part of the audit period, management corrected the issue prior to issuance of this report, and testing confirmed remediation.

Criteria:

Federal Accounting Standards Advisory Board (FASAB), Statement of Federal Financial Accounting Standards (SFFAS) 1 states that a receivable should be recognized when a federal entity establishes a claim to cash or other assets against other entities, either based on legal provisions, such as a payment due date,

(e.g., taxes not received by the date they are due), or goods or services provided. If the exact amount is unknown, a reasonable estimate should be made.

OMB Circular A-136 Revised (July 14, 2025), II.3.2.3. Assets states that Accounts Receivable, Net represents Federal entity claims for payment from other (Federal or nonfederal) entities and are composed of taxes receivable, net and other receivables, net.

Treasury Financial Manual (TFM) Bulletin No. 2025-07: provides guidance for year-end closing procedures for FY2025.

Fiscal Year End Closing Financial Responsibilities for Client Agencies issued by GSA's External Services Branch, Financial Information & Operations Division (FY 2025) outlines the requirement for agencies related to billing related items for Accounts Receivable or Interagency/Reimbursable agreement billings for inclusion in FY2025 activity.

Cause:

ASC did not have personnel with sufficient skills, knowledge, or experience to perform required year-end reconciliation procedures for accounts receivable. Formal reconciliation procedures were not performed, and supervisory review controls were not implemented to detect discrepancies.

ASC did not implement the necessary year-end closing procedures required by *Fiscal Year End Closing Financial Responsibilities for Client Agencies* FY 2025 issued by GSA's External Services Branch, Financial Information & Operations Division. Additionally, ASC did not adhere to the TFM Bulletin 2025-07 and ensure that all account balances were included in the *General Fund Financial Statements As Of and For The Fiscal Year Ended September 30, 2025*, prepared by GSA.

Effect:

The General Fund Financial Statements as of September 30, 2025, are materially misstated. Specifically, the Accounts Receivable, Net balance is inaccurate and does not reflect FY 2025 activity.

Questioned Cost:

There were no questioned costs.

Recommendation:

- Obtain qualified financial management and accounting personnel with the expertise in federal accounting necessary to perform year-end obligation reconciliations in accordance with federal accounting standards and GSA requirements.
- Implement formal reconciliation procedures for accounts receivable, including periodic and year-end reconciliations.
- Implement supervisory review controls and procedures to ensure that:
    - financial data reported to GSA agrees with ASC's internal accounting records, and
    - financial statement disclosures accurately reflect GTAS reported amounts.

Implementing these recommendations will strengthen internal control over financial reporting and improve the reliability of ASC's financial statements.

Management's Response:

Thank you for your thorough review and audit of the ASC's financial statements. We appreciate your insights and have carefully considered the finding and recommendations provided.

As a small independent federal agency with 22 approved full-time equivalent employees (FTEs) and only 17 filled positions for most of FY2025, the ASC has historically relied on a single Financial Manager to oversee finance and budget operations. The Financial Manager position remained vacant for approximately seven months during the fiscal year. During that period, management reassigned certain financial responsibilities to other ASC personnel as collateral duties, with support provided by GSA staff through a GSA service-level agreement for accounting services. Although supporting documentation and records were maintained by the responsible personnel, some of those employees have since departed the agency. As a result, ASC management is coordinating with GSA to retrieve and consolidate the necessary source documentation. Once obtained, the ASC will ensure the documentation is centrally maintained.

To help prevent recurrence, the ASC is implementing a centralized financial management filing system to ensure financial records and supporting documentation are consistently maintained in a single, accessible location.

The ASC is in the process of hiring a Financial Manager who will oversee financial operations, including accounting, financial reporting, reconciliation, and audit coordination. Once in place, he or she will review prior transactions and make any necessary adjustments to applicable account balances. In addition, the ASC is evaluating the use of a third-party consultant to assess and recommend improvements to the agency's financial policies, procedures, and internal controls, with the intent to support the implementation of any necessary enhancements identified through that review, and Brown and Company's Financial Statement Audit.

To further strengthen internal controls and reduce key-person dependency, the ASC plans to consider repurposing a portion of a full-time equivalent position to support certain ASC financial management responsibilities. This new hire would have financial management expertise and coordinate and work the Financial Manager to create a redundancy to reduce the potential risk of key-person dependency. The ASC will also implement the procedures recommended by Brown & Company to improve financial oversight and documentation practices.

The ASC remains committed to strengthening its financial management processes, maintaining compliance with applicable standards, and pursuing continuous improvement in accordance with best practices. Please let us know if any additional clarification or supporting documentation is needed.

Auditor's Response to Management's Response:

We acknowledge ASC's response to the finding. We have no further comment.

Finding #2025-03 Undelivered Orders were Not Recorded Correctly in the Notes to Financial Statements As of and For the Fiscal Year Ended September 30, 2025

Condition:

The Total Undelivered Orders balance disclosed in the Notes to the Financial Statements did not agree with the undelivered orders balance reported in the Governmentwide Treasury Account Symbol (GTAS) adjusted trial balance as of September 30, 2025. The GTAS adjusted trial balance was prepared by the General Services Administration's (GSA) External Services Branch, which provides accounting services to ASC.

ASC did not perform a reconciliation between the undelivered orders balance in GTAS adjusted trial balance and the amount reported in the financial statement note. As a result, the amounts presented in the Notes were misstated. As stated in this document, the GTAS balances were account 4801 for $4,013,882.36 plus account 4802 for $34,790.52, total $4,048,672.88. The amount disclosed in the Notes did not match these balances.

Undelivered orders note as presented in the Notes to Financial Statements:

Note 11 – Undelivered Orders at the End of the Period

Undelivered orders represent the value of goods and services ordered and obligated that have not been received. This amount includes any orders for which advance payment has been made but for which delivery or performance has not yet occurred.

	Unpaid Undelivered Orders	Paid Undelivered Orders	Total Undelivered Orders
Intragovernmental	$ 851,465.62	$ 34,790.52	$ 886,256.14
Other than Intragovernmental	$ 1,779,702.87	$ -	$ 1,779,702.87
Total Undelivered Orders			$ 2,665,959.01

Undelivered orders account balance as presented in the GTAS adjusted trial balance:

Row Labels	Grand Total	
4801	$4,013,882.36	USSGL Account Title Undelivered Orders - Obligations, Unpaid
4802	$ 34,790.52	USSGL Account Title: Undelivered Orders - Obligations, Prepaid/Advanced
Total	$4,048.672.88	

Although the condition existed during part of the audit period, management corrected the issue prior to issuance of this report, and testing confirmed remediation.

Criteria:

Federal Accounting Standards Advisory Board's (FASAB) Statement of Federal Financial Accounting Standards (SFFAS)7: Accounting for Revenue and Other Financing Sources and Concepts for reconciling

Budgetary and Financial Accounting, paragraph 79(a) states that an agency should disclose "the amount of budgetary resources obligated for undelivered orders at the end of the period."

OMB Circular A-136 Revised (July 2025), Section II.3.8.25 D. states that the entity must disclose "the amount of budgetary resources obligated for undelivered orders at the end of the period," pursuant to SFFAS 7, paragraph 79(a), separately disclosing paid and unpaid amounts for both Federal and non-federal orders.

Treasury Financial Manual (TFM) Bulletin No. 2025-07: provides guidance for yearend closing procedures and reconciling unliquidated obligations before the end of FY 2025.

Fiscal Year End Closing Financial Responsibilities for Client Agencies issued by GSA's External Services Branch, Financial Information & Operations Division (FY 2025) outlines the requirement for agencies to reconcile the Open Obligations Report to internal records and to provide a semi-annual certification as to the accuracy of open obligations.

Cause:

ASC did not have personnel with the skills, knowledge, or experience to execute the required year-end reconciliation procedures for open obligations. Formal reconciliation procedures were not followed, and supervisory review did not detect the discrepancy.

Effect:

The undelivered orders balance disclosed in the Notes to the Financial Statements was misstated, resulting in inaccurate financial reporting and a material weakness in internal control over financial reporting.

Questioned Cost:

There were no questioned costs.

Recommendation:

- Obtain qualified financial management and accounting personnel with the expertise necessary to perform year-end obligation reconciliations in accordance with federal accounting standards and GSA requirements.
- Implement supervisory review procedures to ensure that:
    - financial data reported to GSA agrees with ASC's internal accounting records, and
    - financial statement disclosures accurately reflect GTAS reported amounts.

Implementing these recommendations will strengthen internal control over financial reporting and improve the reliability of ASC's financial statements.

Management's Response:

Thank you for your thorough review and audit of the ASC's financial statements. We appreciate your insights and have carefully considered the finding and recommendations provided.

As a small independent federal agency with 22 approved full-time equivalent employees (FTEs) and only 17 filled positions for most of FY2025, the ASC has historically relied on a single Financial Manager to oversee finance and budget operations. The Financial Manager position remained vacant for approximately

seven months during the fiscal year. During that period, management reassigned certain financial responsibilities to other ASC personnel as collateral duties, with support provided by GSA staff through a GSA service-level agreement for accounting services. Although supporting documentation and records were maintained by the responsible personnel, some of those employees have since departed the agency. As a result, ASC management is coordinating with GSA to retrieve and consolidate the necessary source documentation. Once obtained, the ASC will ensure the documentation is centrally maintained.

To help prevent recurrence, the ASC is implementing a centralized financial management filing system to ensure financial records and supporting documentation are consistently maintained in a single, accessible location.

The ASC is in the process of hiring a Financial Manager who will oversee financial operations, including accounting, financial reporting, reconciliation, and audit coordination. Once in place, he or she will review prior transactions and make any necessary adjustments to applicable account balances. In addition, the ASC is evaluating the use of a third-party consultant to assess and recommend improvements to the agency's financial policies, procedures, and internal controls, with the intent to support the implementation of any necessary enhancements identified through that review, and Brown and Company's Financial Statement Audit.

To further strengthen internal controls and reduce key-person dependency, the ASC plans to consider repurposing a portion of a full-time equivalent position to support certain ASC financial management responsibilities. This new hire would have financial management expertise and coordinate and work the Financial Manager to create a redundancy to reduce the potential risk of key-person dependency. The ASC will also implement the procedures recommended by Brown & Company to improve financial oversight and documentation practices.

The ASC remains committed to strengthening its financial management processes, maintaining compliance with applicable standards, and pursuing continuous improvement in accordance with best practices. Please let us know if any additional clarification or supporting documentation is needed.

Auditor's Response to Management's Response:

We acknowledge ASC's response to the finding. We have no further comment.

Finding #2025-04 Documentation Was Not Provided to Support Undelivered Orders

Condition:

During the testing of undelivered orders, ASC did not provide sufficient support documentation for one of the six samples selected. Requested supporting documentation for the undelivered orders included the purchase order and contracts supporting the original obligation or contract, and any current modification in effect if applicable, and documentation certifying that the recorded balance represents valid and authorized current obligations.

Criteria:

Federal Accounting Standards Advisory Board's (FASAB) Statement of Federal Financial Accounting Standards (SFFAS) 7: Accounting for Revenue and Other Financing Sources and Concepts for reconciling Budgetary and Financial Accounting, paragraph 79(a) states that an agency should disclose "the amount of budgetary resources obligated for undelivered orders at the end of the period."

OMB Circular A-136 Revised (July 2025), Section II.3.8.25 D. states that the entity must disclose "the amount of budgetary resources obligated for undelivered orders at the end of the period," pursuant to SFFAS 7, paragraph 79(a), separately disclosing paid and unpaid amounts for both Federal and non-federal orders.

Treasury Financial Manual (TFM) Bulletin No. 2025-07: provides guidance for yearend closing procedures and reconciling unliquidated obligations before the end of FY 2025.

Fiscal Year End Closing Financial Responsibilities for Client Agencies issued by GSA's External Services Branch, Financial Information & Operations Division (FY 2025) outlines the requirement for agencies to reconcile the Open Obligations Report to internal records and to provide a semi-annual certification as to the accuracy of open obligations.

Cause:

- ASC did not have personnel with sufficient skills, knowledge and experience to perform periodic reviews of open obligations.
- ASC did not maintain adequate documentation to support recorded substantiated obligations.

Effect:

- Without the supporting documentation, the validity of undelivered orders could not be determined.
- The GTAS trial balance account for undelivered orders may be overstated.

Questioned Cost:

We questioned $249,996.00 in costs related to unsupported undelivered orders.

Recommendation:

We recommend that ASC:

- Determined the validity of the unsupported undelivered orders.
- Adjust applicable account balances as necessary, including de-obligating invalid fund amounts.
- Obtain qualified personnel with appropriate financial management and accounting expertise.
- Implement and conduct supervisory review procedures to verify the validity and accuracy of undelivered orders.

Implementing these recommendations will strengthen internal control over financial reporting and improve the reliability of ASC's financial statements.

Management's Response:

Thank you for your thorough review and audit of the ASC's financial statements. We appreciate your insights and have carefully considered the finding and recommendations provided.

As a small independent federal agency with 22 approved full-time equivalent employees (FTEs) and only 17 filled positions for most of FY2025, the ASC has historically relied on a single Financial Manager to oversee finance and budget operations. The Financial Manager position remained vacant for approximately seven months during the fiscal year. During that period, management reassigned certain financial responsibilities to other ASC personnel as collateral duties, with support provided by GSA staff through a

GSA service-level agreement for accounting services. Although supporting documentation and records were maintained by the responsible personnel, some of those employees have since departed the agency. As a result, ASC management is coordinating with GSA to retrieve and consolidate the necessary source documentation. Once obtained, the ASC will ensure the documentation is centrally maintained.

To help prevent recurrence, the ASC is implementing a centralized financial management filing system to ensure financial records and supporting documentation are consistently maintained in a single, accessible location.

The ASC is in the process of hiring a Financial Manager who will oversee financial operations, including accounting, financial reporting, reconciliation, and audit coordination. Once in place, he or she will review prior transactions and make any necessary adjustments to applicable account balances. In addition, the ASC is evaluating the use of a third-party consultant to assess and recommend improvements to the agency's financial policies, procedures, and internal controls, with the intent to support the implementation of any necessary enhancements identified through that review, and Brown and Company's Financial Statement Audit.

To further strengthen internal controls and reduce key-person dependency, the ASC plans to consider repurposing a portion of a full-time equivalent position to support certain ASC financial management responsibilities. This new hire would have financial management expertise and coordinate and work the Financial Manager to create a redundancy to reduce the potential risk of key-person dependency. The ASC will also implement the procedures recommended by Brown & Company to improve financial oversight and documentation practices.

The ASC remains committed to strengthening its financial management processes, maintaining compliance with applicable standards, and pursuing continuous improvement in accordance with best practices. Please let us know if any additional clarification or supporting documentation is needed.

Auditor's Response to Management's Response:

We acknowledge ASC's response to the finding. We have no further comment.

Finding #2025-05 Insufficient Documentation to Support Operating Expenses and Disbursements

Condition:

During the testing of operating expenses and disbursements, ASC did not provide the requested supporting documentation for the 23 of 33 samples selected. Requested supporting documentation for testing included Grant Drawdowns, contracts, vendor invoices, and support for Intra-governmental Payment and Collection (IPA)/G-Invoicing transactions.

Criteria:

AU-C Section 500 Audit Evidence addresses the requirements of auditors to obtain sufficient and appropriate evidence.

OMB Circular A-123, Management's Responsibility for Enterprise Risk Management and Internal Control, Appendix A requires agencies to maintain control over reporting (ICOR).

Treasury Financial Manual (TFM) Bulletin No. 2025-07: provides guidance for yearend closing procedures.

Fiscal Year End Closing Financial Responsibilities for Client Agencies issued by GSA's External Services Branch, Financial Information & Operations Division (FY 2025) provides guidance for yearend closing procedures.

Cause:

- ASC did not have personnel with sufficient skills, knowledge, and experience to perform periodic reviews of disbursements, reconcile supporting documentation to recorded balances, validate the accuracy and allowability of disbursements, and ensure agreement to the GTAS reported amounts.
- ASC did not maintain adequate documentation to substantiate operating expenses and disbursement transactions.

Effect:

- Without the supporting documentation, the validity, accuracy, and completeness of operating expenses and disbursement could not be determined. The GTAS Trial Balance account for Operating Expense/Program Costs is unsupported and may be materially misstated.

Questioned Cost:

We questioned $2,464,828.59 in operating costs/disbursements sampled that lacked supporting documentation.

Recommendation:

We recommend that ASC:

- Determined the validity and allowability of disbursements transactions lacking in supporting documentation.
- Adjust the applicable account balances as necessary to reflect valid and supported transactions.
- Establish and implement procedures to ensure all disbursements are properly documented, retained, and readily available for audit.
- Obtain qualified financial management and accounting personnel with sufficient expertise in federal financial reporting and internal control requirements.
- Implement supervisory review controls to ensure that:
    - Disbursements are supported by appropriate documentation (e.g., contracts, invoices, IPAC/G-Invoicing support); and
    - Financial data reported in GTAS is complete, accurate, and supported.

Implementing these recommendations will strengthen internal control over financial reporting and improve the reliability of ASC's financial statements.

Management's Response:

Thank you for your thorough review and audit of the ASC's financial statements. We appreciate your insights and have carefully considered the finding and recommendations provided.

As a small independent federal agency with 22 approved full-time equivalent employees (FTEs) and only 17 filled positions for most of FY2025, the ASC has historically relied on a single Financial Manager to oversee finance and budget operations. The Financial Manager position remained vacant for approximately

seven months during the fiscal year. During that period, management reassigned certain financial responsibilities to other ASC personnel as collateral duties, with support provided by GSA staff through a GSA service-level agreement for accounting services. Although supporting documentation and records were maintained by the responsible personnel, some of those employees have since departed the agency. As a result, ASC management is coordinating with GSA to retrieve and consolidate the necessary source documentation. Once obtained, the ASC will ensure the documentation is centrally maintained.

To help prevent recurrence, the ASC is implementing a centralized financial management filing system to ensure financial records and supporting documentation are consistently maintained in a single, accessible location.

The ASC is in the process of hiring a Financial Manager who will oversee financial operations, including accounting, financial reporting, reconciliation, and audit coordination. Once in place, he or she will review prior transactions and make any necessary adjustments to applicable account balances. In addition, the ASC is evaluating the use of a third-party consultant to assess and recommend improvements to the agency's financial policies, procedures, and internal controls, with the intent to support the implementation of any necessary enhancements identified through that review, and Brown and Company's Financial Statement Audit.

To further strengthen internal controls and reduce key-person dependency, the ASC plans to consider repurposing a portion of a full-time equivalent position to support certain ASC financial management responsibilities. This new hire would have financial management expertise and coordinate and work the Financial Manager to create a redundancy to reduce the potential risk of key-person dependency. The ASC will also implement the procedures recommended by Brown & Company to improve financial oversight and documentation practices.

The ASC remains committed to strengthening its financial management processes, maintaining compliance with applicable standards, and pursuing continuous improvement in accordance with best practices. Please let us know if any additional clarification or supporting documentation is needed.

Auditor's Response to Management's Response:

We acknowledge ASC's response to the finding. We have no further comment.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Analysis of Systems, Control, and Legal Compliance

The Appraisal Subcommittee's (ASC) management is responsible for establishing and maintaining adequate internal controls and financial management systems that meet the Federal Manager's Financial Integrity Act (FMFIA) objectives. The ASC conducted its assessment in compliance with applicable laws and regulations in accordance with OMB Circular A-123, Management's Responsibility for Internal Control.

The ASC financial operations are supported by the Pegasys Financial Services under the General Services Administration External Services Branch.

ASC History

The Appraisal Subcommittee (ASC) of the Federal Financial Institutions Examination Council (FFIEC) was created on August 9, 1989, pursuant to Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (Title XI). Title XI's purpose is to "provide that Federal financial and public policy interests in real estate transactions will be protected by requiring that real estate appraisals utilized in connection with federally related transactions are performed in writing, in accordance with uniform standards, by individuals whose competency has been demonstrated and whose professional conduct will be subject to effective supervision."

In general, the ASC oversees the real estate appraisal process as it relates to federally related transactions, as defined in Section 1121(4) of Title XI (1). The ASC is an FFIEC subcommittee. The FFIEC was established pursuant to Title X of the Financial Institutions Regulatory and Interest Rate Control Act of 1978. The FFIEC is an interagency body empowered to set uniform principles for the examination of federally regulated financial institutions.

Title XI requires the ASC to:

- monitor the requirements established by States:
  - for the certification and licensing of individuals who are qualified to perform appraisals in connection with federally related transactions, including a code of professional responsibility; and
  - for the registration and supervision of the operations and activities of appraisal management companies (AMCs)
- monitor the requirements established by the Federal financial institutions' regulatory agencies with respect to:
  - appraisal standards for federally related transactions under their jurisdiction; and
  - determinations as to which federally related transactions under their jurisdiction require the services of a State certified appraiser and which require the services of a State licensed appraiser.
- maintain a national registry of State certified and licensed appraisers (Appraiser Registry) who are eligible to perform appraisals in federally related transactions.

- maintain a National Registry of AMCs (AMC Registry) that either are registered with and subject to supervision of a State appraiser certifying and licensing agency or are operating subsidiaries of a Federally regulated financial institution.

- monitor and review the practices, procedures, activities, and organizational structure of the Appraisal Foundation (Foundation).

- transmit an annual report to Congress not later than June 15 of each year that describes how each function assigned to the ASC was carried out during the preceding year.

Title XI also requires the ASC to:

- make grants in such amounts as it deems appropriate to the Foundation to help defray costs relating to the activities of the Appraisal Standards Board (ASB) and Appraiser Qualifications Board (AQB)

- make grants to State appraiser certifying and licensing agencies in accordance with policies developed by the ASC to support the efforts of such agencies to comply with Title XI, including—
    - the complaint process, complaint investigations, and appraiser enforcement activities of such agencies
    - the submission of data on State licensed and certified appraisers and AMCs to the Appraiser Registry and the AMC Registry, including information affirming that appraisers or AMCs meet required qualification criteria, and information on formal and informal disciplinary actions.
    - reporting to all State appraiser certifying and licensing agencies when a license or certification is surrendered, revoked or suspended.

The ASC has seven members, each designated respectively by the head of their agency, including the Board of Governors of the Federal Reserve System (Federal Reserve), Consumer Financial Protection Bureau (CFPB), Federal Deposit Insurance Corporation (FDIC), National Credit Union Administration (NCUA), Office of the Comptroller of the Currency (OCC), Federal Housing Finance Agency (FHFA), and U.S. Department of Housing and Urban Development (HUD). Title XI also requires the FFIEC to appoint a chairperson from the member representatives to serve a two-year term.

The Appraisal Subcommittee's Mission Statement:

The mission of the Appraisal Subcommittee (ASC) is to provide federal oversight of State appraiser and appraisal management company (AMC) regulatory programs ensuring that the appraisal regulatory system promotes real estate appraisals that are conducted with accuracy and independence, in compliance with federal and State regulations. The ASC works to promote excellence in appraisal regulation, support State appraiser regulatory programs, and protect consumers by enforcing the federal requirements State appraisal regulatory programs must follow and monitoring and reviewing the work of the Appraisal Foundation. We aim to maintain public trust in the appraisal profession by ensuring that appraisers are effectively regulated.

The ASC is guided by the following core values:

- **Integrity**: We hold ourselves to the highest ethical standards and act with honesty, transparency, and accountability in all our interactions.
- **Excellence**: We strive for excellence in all aspects of our work, continually improving our processes and programs to achieve the best possible outcomes.
- **Collaboration**: We believe that collaboration is essential to achieving our mission, and we work to foster strong relationships with our stakeholders to promote mutual understanding, respect, and partnership.
- **Fairness**: We are committed to treating all individuals and organizations with fairness and respect, regardless of their background, identity, or beliefs.
- **Service**: We are dedicated to serving the public by promoting an effective appraisal regulatory system.

These values guide our decisions and actions, and we are committed to upholding them in all our work.

The strategic plan outlines three broad goals:

1. Innovate and modernize our processes, technology, and operations;
2. Support States' ability to maintain compliance with the appraiser and AMC programs; and
3. Increase the agency's ability to attract and retain a competent and skilled talent pool.

Strategic Goal 1: Innovate and modernize our processes, technology, and operations.

There are several opportunities for the ASC to advance its technological capabilities and to increase its effectiveness and outreach in an increasingly digitized world. To remain efficient in its internal and public-facing processes, the ASC is using automated processes that can increase the agency's productivity, accessibility, and the speed of its services. Various tools and software have been or are being developed that can help improve the compliance review (CR) process, IT security, data management, and communication with stakeholders.

The ASC is increasing efficiency and strengthening internal control processes in financial and budget management through improved technology and operations by:

1. Converting all State regulatory agencies to the Automated Clearing House system (ACH) for collection of registry fee payments to increase efficiency, reduce costs and enhance the ASC's security.
2. Updating the Administrative Control of Funds Policy for compliance with the Antideficiency Act (31 U.S.C. §§ 1341, 1342, 1349-1351, 1511-1519), OMB Circular A-11 and other applicable laws.
3. Maintaining a one-year operating reserve to provide financial stability and flexibility to cover any unexpected revenue shortfalls or unexpected expenses.
4. Creating a three- to five-year budget process to reduce the time and resources spent on building the required annual budget, thereby improving the ASC's ability to conduct long-term planning and manage resources.
5. Implementing a cloud-based ERP system that more efficiently manages resources, improves financial reporting, and improves budget management.

Additionally, the ASC continues to implement technology and processes to improve technical assistance and collaboration with stakeholders by:

1. Transitioning all 55 jurisdictions to use Application Programming Interfaces (API) for ASC's National Registries to interface data from State regulatory agencies and the ASC's software applications.
2. Developing and implementing Compliance Review software supporting the States' regulatory agencies throughout the entire Compliance Review lifecycle.
3. Maintaining the security and continued operations of the National Registry to provide reliable and efficient access to appraiser and AMC credentialing information.

Strategic Goal 2: Support States' Ability to Maintain Compliance with the appraiser and AMC programs.

Title XI has charged the ASC with the important responsibilities of oversight and support of the State regulatory agencies. The ASC continues to promote and expand its grant program to the States and the Appraisal Foundation in ways that support key stakeholders.

The ASC seeks to achieve this goal by supporting State regulatory agencies to improve overall appraiser regulation and compliance with Title XI by:

1. Promoting grants and other opportunities to States to allow States to better understand and effectively enforce Title XI requirements.
2. Conducting training for State regulatory staff to provide targeted technical assistance and education on emerging trends and issues within the appraisal regulatory system.
3. Developing and enhancing available training for State agencies as preparation for their Compliance Reviews.

Strategic Goal 3: Increase the Agency's ability to attract and retain a competent and skilled talent pool.

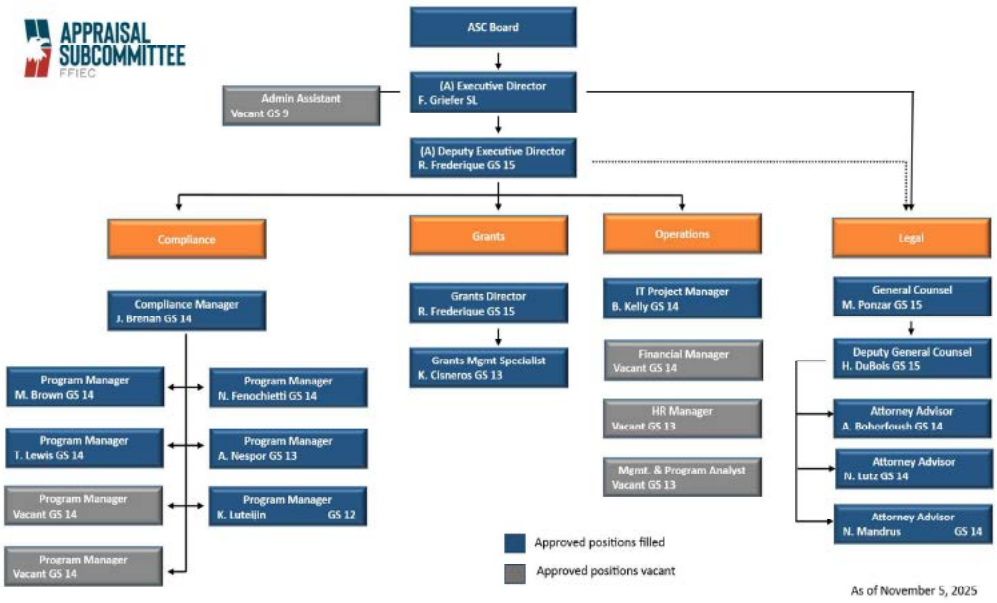
The ASC values a work environment where everyone can thrive and succeed, allowing staff career advancement, succession planning, and skills improvement by:

1. Employing a staffing model that includes the positions needed to effectively manage agency operational needs, including senior staff as well as entry- and mid-level positions. Leveraging Federal Employee Viewpoint Survey (FEVS) results and conducting brainstorming workshops with employees and Board members to make improvements to the overall organizational structure.

Economic Conditions

ASC revenue is generated by fees collected from the National Registry of Appraisers and AMCs. The U.S. economy continues to experience higher interest rates than in the recent past. This has decreased lending and appraisal activity which will potentially impact ASC revenue.

Appraisal Subcommittee Organizational Chart



Financial Information

Limitations to the Financial Statements

The financial statements have been prepared to report the financial position, financial condition, and results of operations, consistent with the requirements of the 31 U.S.C. § 3515(b). The statements are prepared from records of the ASC in accordance with Federal generally accepted accounting principles (GAAP) and the formats prescribed by OMB. Reports used to monitor and control budgetary resources are prepared from the same records. Users of the statements are advised that the statements are for a component of the U.S. Government.

Principal Financial Statements

The Principal Financial Statements (Statements) have been prepared to report on the financial position and results of operations of the ASC. ASC's management is responsible for selecting the accounting principles necessary for fair presentation of ASC's financial statements, which includes ensuring compliance with the GAAP hierarchy fair presentation of information contained in the principal financial statements. The Statements have been prepared from the books and records of the ASC in accordance with formats prescribed by the Office of Management and Budget (OMB) in OMB Circular A-136, Financial Reporting Requirements, revised.

The Balance Sheet provide information on assets, liabilities, and net position similar to balance sheets reported in the private sector. Intra-departmental balances have been eliminated from the amounts presented.

The Statement of Net Cost reports the components of the net costs of the ASC's operations for the period. The net cost of operations consists of the gross cost incurred by the ASC less any exchange (i.e., earned) revenue from our activities. Intra-departmental balances have been eliminated from the amounts presented.

The Statement of Changes in Net Position reports the beginning net position, the transactions that affect net position for the period, and the ending net position. Intra-departmental transactions have been eliminated from the amounts presented.

The Statement of Budgetary Resources provides information on how budgetary resources were made available and their status at the end of the year. Information in this statement is reported on the budgetary basis of accounting. Intra-departmental transactions have not been eliminated from the amounts presented.

Required Supplementary Information includes Management's Discussion and Analysis.

Notes to the Financial Statements describe significant accounting policies as well as detailed information on select statement lines.

APPRAISAL SUBCOMMITTEE
Balance Sheet
As of September 30, 2025
(In Thousands)

Assets:		
Intragovernmental Assets:		
Fund Balance With Treasury	(Note 2)	$ 38,742
Advances and Prepayments		35
Total Intragovernmental Assets		38,777
Other than Intragovernmental Assets:		
Accounts Receivable, Net	(Note 3)	1,137
Total Other than Intragovernmental Assets:		1,137
Total Assets		$ 39,914
Liabilities:		
Intragovernmental Liabilities:		
Other Liabilities	(Note 6)	$ 22
Total Intragovernmental Liabilities		22
Other than Intragovernmental Liabilities:		
Accounts Payable		12
Federal Employee Salary, Leave, and Benefits Payable		305
Other Liabilities	(Note 6)	1,538
Total Other than Intragovernmental Liabilities		1,855
Total Liabilities		1,877
Net Position:		
Cumulative Results of Operations - Funds from Other than Dedicated Collection		38,037
Total Net Position		38,037
Total Liabilities and Net Position		$ 39,914

The accompanying notes are an integral part of the Financial Statements.

APPRAISAL SUBCOMMITTEE
Statement of Net Cost
As of September 30, 2025
(In Thousands)

Program Costs:		
Gross Cost	(Note 13)	$ 6,779
Net Program Cost		6,779
Net Cost of Operations		**$ 6,779**

The accompanying notes are an integral part of the Financial Statements.

APPRAISAL SUBCOMMITTEE
Statement of Changes in Net Position
As of September 30, 2025
(In Thousands)

		Funds Other than Dedicated Collections (Consolidated Totals)	Consolidated Total
Cumulative Results of Operations:			
Beginning Balance		$ 35,867	$ 35,867
Nonexchange Revenue		9,212	9,212
Imputed Financing	(Note 8)	354	354
Other (+/-)		(617)	(617)
Net Cost of Operations	(Note 13)	(6,779)	(6,779)
Net Change in Cummulative Results of Operations		2,170	2,170
Total Cummulative Results of Operations		38,037	38,037
Net Position		$ 38,037	$ 38,037

The accompanying notes are an integral part of the Financial Statements.

APPRAISAL SUBCOMMITTEE
Statement of Budgetary Resources
As of September 30, 2025
(In Thousands)

Budgetary Resources:		
Unobligated balance from prior year budget authority, net (discretionary and mandatory)	(Note 11)	$ 24,664
Appropriations (Discretionary and Mandatory)		8,993
Total Budgetary Resources		$ 33,657
Status of Budgetary Resources:		
New obligations and upward adjustments (total)	(Note 10)	$ 8,423
Unobligated balance, end of year:		
Exempt from apportionment, unexpired accounts		25,156
Unapportioned, unexpired accounts		78
Unexpired unobligated balance, end of year		25,234
Unobligated balance, end of year (total)		25,234
Total Budgetary Resources		$ 33,657
Outlays, Net:		
Outlays, net (total) (discretionary and mandatory)		$ 5,647
Agency Outlays, net (discretionary and mandatory)		$ 5,647

The accompanying notes are an integral part of the Financial Statements.

APPRAISAL SUBCOMMITTEE
Notes to the Financial Statements
As of September 30, 2025

Note 1 Summary of Significant Accounting Policies

Basis of Presentation

These financial statements have been prepared from the accounting records of the ASC in accordance with generally accepted accounting principles (GAAP), and the form and content for entity financial statements specified by the Office of Management and Budget (OMB) in OMB Circular No. A-136, as amended. GAAP for Federal entities are standards prescribed by the Federal Accounting Standards Advisory Board (FASAB), which has been designated the official accounting standards-setting body for the Federal Government by the American Institute of Certified Public Accountants.

OMB Circular No. A-136 requires agencies to prepare principal statements, which include a Balance Sheet, Statement of Net Cost, Statement of Changes in Net Position, and a Statement of Budgetary Resources. The balance sheet presents, as of September 30, 2025, amounts of future economic benefits owned or managed by the ASC (assets), amounts owed by the ASC (liabilities), and amounts, which comprise the difference (net position). The Statement of Net Cost reports the full cost of the program, both direct and indirect costs of the output, and the costs of identifiable supporting services provided by other segments within the ASC and other reporting entities. The Statement of Budgetary Resources reports an agency's budgetary activity.

Basis of Accounting

Transactions are recorded on the accrual accounting basis in accordance with standard government practice. Under the accrual basis of accounting, revenues are recognized when earned, and expenses are recognized when a liability is incurred, without regard to receipt or payment of cash. The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

Revenues and Other Financing Sources

The ASC's activities, including grants awarded to the Appraisal Foundation, were initially funded from a one-time appropriation of $5 million. These funds were repaid to Treasury in 1998. The ASC is now operating on fee income from (1) appraisal management companies and (2) state-licensed and state-certified real estate appraisers in the National Registry.

Classified Activities

Accounting standards require all reporting entities to disclose that accounting standards allow certain presentations and disclosures to be modified, if needed, to prevent the disclosure of classified information.

APPRAISAL SUBCOMMITTEE
Notes to the Financial Statements
As of September 30, 2025

Note 1 Summary of Significant Accounting Policies (continued)

Advances and Prepayments

Advances are cash outlays made by the ASC to its employees, contractors, grantees, or others to cover a part or all the recipients' anticipated expenses or as advance payments for the costs of goods and services the entity receives. Prepayments are payments made by the ASC to cover certain periodic expenses before those expenses are incurred. Financing payments (such as progress payments, performance-based payments, etc.) on work in process are generally recognized as a cost for work performed and not included in advances and prepayments.

Property, Plant, and Equipment, Net

Property, Plant and Equipment (PP&E) consists of capitalized equipment, furniture and fixtures, and software. There are no restrictions on the use or convertibility of property, plant, or equipment.

The ASC capitalizes PP&E with a useful life of at least two years and individually costing more than $10,000 ($25,000 for leasehold improvements). Bulk purchases of lesser value items are capitalized when the cost is $25,000 or greater.

Assets are depreciated on a straight-line basis over the estimated used life of the property. Information technology equipment and software are depreciated over a useful life of three years. All other equipment is depreciated over a five-year useful life. Furniture and fixtures are depreciated over a seven-year useful life and leasehold improvements over a ten-year useful life.

The ASC owns no land or buildings.

Note 2 Fund Balance with Treasury

ASC's fund balance with treasury comes from appropriations and the reimbursable agreements. As of September 30, 2025, no reimbursable agreements had been entered.

A. Fund Balance with Treasury		
General Fund	$	31,094
Trust Fund		7,648
	$	38,742
B. Status of Fund Balance with Treasury		
1) Unobligated Balance	$	33,568
2) Obligated Balance not yet Disbursed		5,174
Total Budgetary Resources	$	38,742

APPRAISAL SUBCOMMITTEE
Notes to the Financial Statements
As of September 30, 2025

Note 3 Accounts Receivable, Net

ASC has appraisal fees receivable due from nonfederal entities. The total receivable as of September 30, 2025, was $1,137. ASC uses specific identification for any allowance for doubtful accounts. As of September 30, 2025, no allowance for doubtful accounts has been established.

Note 4 General Property, Plant, and Equipment, Net

Depreciation and amortization expense for the years ended September 30, 2025, was $467. There were no additions of property, plant and equipment during the fiscal year ended September 30, 2025. The adjustments to beginning balances were fully depreciated assets not previously reported.

	Equipment	Internal-Use Software
Balance, beginning of the year, unadjusted	$ 58	$ 1,650
Add: Fully depreciated assets	231	391
Balance, beginning of the year, adjusted	289	2,041
Accumulated Depreciation	(289)	(1401)
Dispositions	-	(640)
Balance, end of the year	$ -	$ -

Note 5 Liabilities Not Covered by Budgetary Resources

Liabilities of ASC are classified as liabilities covered or not covered by budgetary resources. The only liabilities not covered by budgetary resources are unfunded leave. Liabilities as of September 30, 2025, consisted of the following:

Other than Intragovernmental:	
Unfunded leave	$ 247
Total liabilities not covered by budgetary resources	$ 247
Total liabilities covered by budgetary resources	$ 1,630
Total liabilities	$ 1,877

APPRAISAL SUBCOMMITTEE
Notes to the Financial Statements
As of September 30, 2025

Note 6 Other Liabilities

Other Intragovernmental liabilities for the year ended September 30, 2025, consist of Employer Contributions and Payroll Taxes Payable in the amounts shown below:

	Non-Current	Current	Total
Intragovernmental			
Employer Contributions and Payroll Taxes Payable	$ -	$ 22	$ 22
Other than Intragovernmental			
Other liabilities with budgetary resources (grants payable)	-	1,538	1,538
Total Other Liabilities	$ -	$ 1,560	$ 1,560

Note 7 Leases

During the fiscal year ended September 30, 2025, ASC terminated its lease agreement for office space, effective July 31, 2025. This decision was driven by a strategic shift in the Company's operations to a permanent virtual presence model, which eliminated the need for physical office locations. ASC's operating lease expense for the fiscal year ended September 30, 2025, was $9.

Note 8 Inter-Entity Costs

ASC recognizes certain inter-entity costs for goods and services that are received from other federal entities at no cost or at a cost less than the full cost. Certain costs of the providing entity that are not fully reimbursed are recognized as imputed cost and are offset by imputed revenue. Such imputed costs relate to employee benefits. ASC recognizes as inter-entity costs the amount of accrued pension and post-retirement benefit expenses for current employees. The assets and liabilities associated with such benefits are the responsibility of the administering agency, OPM. For the periods ended September 30, 2025, inter-entity costs were as follows:

Office of Personnel Management	$ 354
Total Imputed Financing Sources	$ 354

The portion of the ASC's program costs related to Intragovernmental Costs and Other than Intragovernmental Costs are shown as follows. Intragovernmental Costs are costs incurred from exchange transactions with other federal entities (e.g., building lease payments to government agencies). Other than Intragovernmental Costs are costs incurred from exchange transactions with non-federal entities (i.e., all other program costs).

Intragovernmental Costs	Other than Intragovernmental Costs	Total Gross Program Costs
$3,429	$3,350	$6,779

APPRAISAL SUBCOMMITTEE
Notes to the Financial Statements
As of September 30, 2025

Note 9 Undelivered Orders at the End of the Period

Undelivered orders represent the value of goods and services ordered and obligated that have not been received. This amount includes any orders for which advance payment has been made but for which delivery or performance has not yet occurred.

	Unpaid Undelivered Orders	Paid Undelivered Orders	Total Undelivered Orders
Intragovernmental	$ 851	$ 35	$ 886
Other than Intragovernmental	2,693	-	2,693
Total Undelivered Orders	$ 3,544	$ 35	$ 3,579

Note 10 Apportionment Categories of New Obligations and Upward Adjustments: Direct Reimbursable Obligations

The ASC is exempt from apportionment. For FY 2025, direct obligations were incurred as follows:

Exempt	$ 8
Total Obligations	$ 8

Note 11 Net Adjustments To Unobligated Balance, Brought Forward, October 1

The Unobligated Balance Brought Forward from the prior fiscal year has been adjusted for recoveries of prior year paid and unpaid obligations. The Adjustments to Unobligated Balance Brought Forward, October 1, as of September 30, 2025, and consisted of the following:

Unobligated Balance Brought Forward, October 1	$ 24,116
Recoveries of Prior Year Obligations	548
Unobligated Balance From Prior Year Budget Authority, Net	$ 24,664

Note 12 Explanation of Differences Between the Statement of Budgetary Resources and the Budget of the United States Government

SFFAS No. 7, *Accounting for Revenue and Other Financing Sources and Concepts for Reconciling Budgetary and Financial Accounting*, requires an explanation of material differences between budgetary resources available, the status of those resources and outlays as presented in the Statement of Budgetary Resources (SBR) to the related actual balances published in the *Budget of the United States Government* (Budget). The Budget that will include FY 2024 actual budgetary execution information is scheduled for publication in February 2025, which will be available through OMB's website at http://www.whitehouse.gov/omb. Accordingly, information required for such disclosure is not available at the time of publication of these financial statements.

APPRAISAL SUBCOMMITTEE
Notes to the Financial Statements
As of September 30, 2025

Note 12 Explanation of Differences Between the Statement of Budgetary Resources and the Budget of the United States Government (continued)

Balances reported in the FY 2024 SBR and the related est. President's Budget reflected the following:

	Budgtary Resources	New Obligations & Upward Adjustments (Total)	Distributed Offsetting Receipts	Net Outlays
Statement of Budgetary Resources	$ 33,091	$ 8,975	$ -	$ 6,372
Difference 1 - Statement-only adjustment	-	(2,013)	-	-
Difference 2 - Rounding (+ / -)	(91)	38	-	(372)
Budget of the U.S. Government	$ 33,000	$ 7,000	$ -	$ 6,000

Note 13 Reconciliation of Net Operating Cost and Net Budgetary Outlays

ASC has reconciled its budgetary obligations and non-budgetary resources available to its net cost of operations.

Net Operating Cost (SNC)	$ 3,429	$ 3,350	$ 6,779
Components of Net Operating Costs			
Not Part of the Budgetary Outlays			
Property, plant and equipment depreciation expense	-	(467)	(467)
Increse (Decrease) in Assets not affecting Budget Outlays			
Other assets	(936)	-	(936)
(Increase) /Decrease in Liabilities not affecting Budget Outlays:			
Accounts payable	-	138	138
Federal employees salaries, leave, and benefits payable	-	14	14
Other liabilities	(2)	475	473
Other Financing Sources			
Imputed Cost	(354)	-	(354)
Total Components of Net Costs Not Part of the Budget Outlays	$ (1,292)	$ 160	$ (1,132)
Total Net Outlays (Calculated Total)	$ (1,292)	$ 160	$ (1,132)
Budgetary Agency Outlay, net (SBR Line 4210)			
Budgetary Agency Outlays, net			$ 5,647

Note 14 Subsequent Events

In preparing these financial statements, management has evaluated events and transactions for potential recognition or disclosure through May 4, 2026, which is the date the financial statements were issued.

2025 APPRAISER PROGRAM COMPLIANCE REVIEW SUMMARY			
STATE APPRAISER PROGRAM	**MONTH OF REVIEW**	**ASC FINDING**	**REVIEW CYCLE**
Alabama	December 2024	Good	Two-Year
Arizona	January 2025	Excellent	Two-Year
Arkansas	October 2024	Good	Two-Year
Colorado	September 2025	Good	Two-Year
Connecticut	April 2025	Good	Two-Year
Delaware	September 2025	Good	Two-Year
District of Columbia	March 2025	Excellent	Two-Year
Florida	February 2025	Good	Two-Year
Georgia	October 2024	Needs Improvement	Two-Year
Indiana	May 2025	Good	Two-Year
Kansas	November 2024	Needs Improvement	Two-Year
Louisiana	August 2025	Excellent	Two-Year
Massachussets	June 2025	Good	Two-Year
Michigan	July 2025	Excellent	Two-Year
Minnesota	March 2025	Good	Two-Year
Mississippi	August 2024	Needs Improvement	Two-Year
Missouri	March 2025	Good	Two-Year
Nebraska	March 2025	Excellent	Two-Year
New Hampshire	August 2024	Not Satisfactory	One-Year

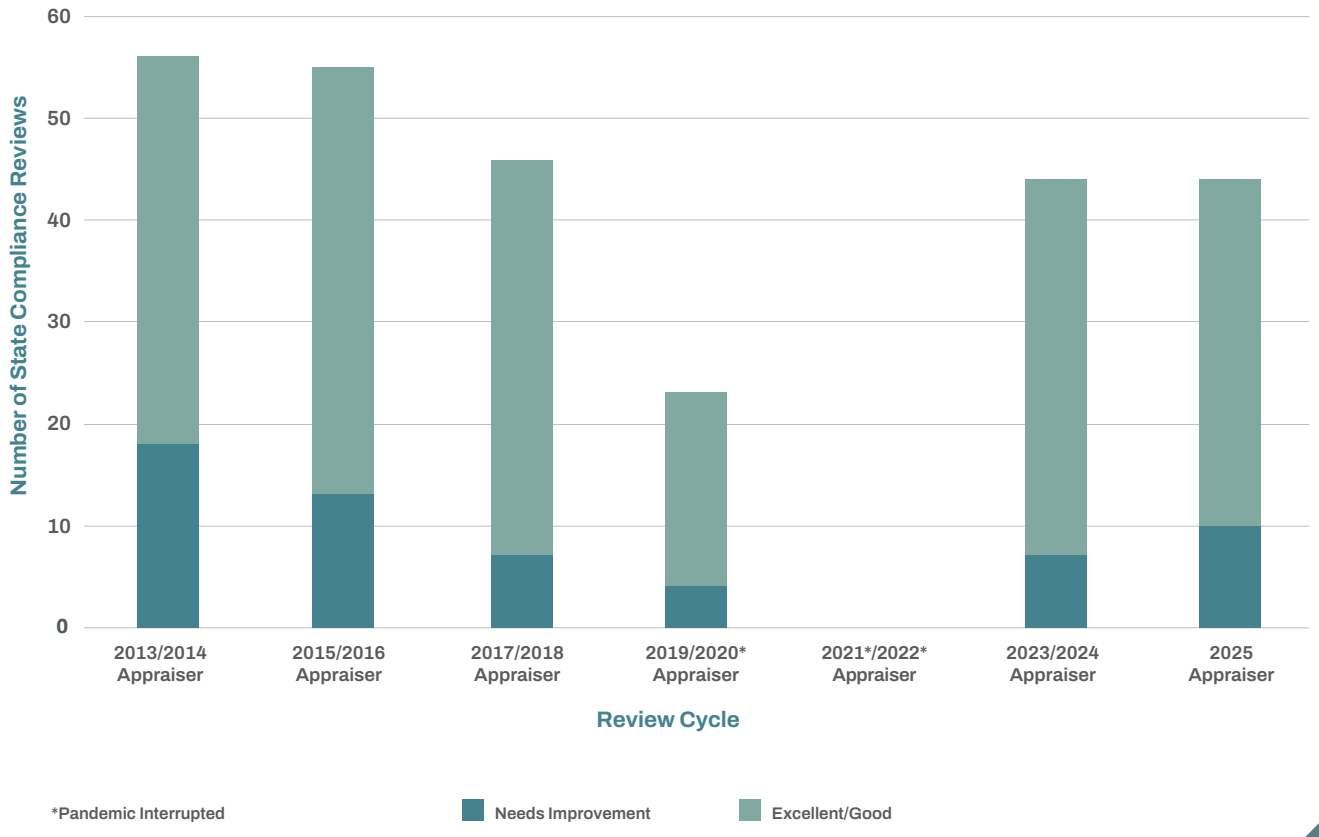
2025 APPRAISER PROGRAM COMPLIANCE REVIEW SUMMARY			
STATE APPRAISER PROGRAM	**MONTH OF REVIEW**	**ASC FINDING**	**REVIEW CYCLE**
New Jersey	February 2025	Good	Two-Year
New York	November 2024	Good	Two-Year
North Carolina	October 2025	Excellent	Two-Year
North Dakota	May 2025	Good	Two-Year
Northern Mariana Islands	May 2024	Needs Improvement	Two-Year
Ohio	December 2024	Good	Two-Year
Oklahoma	June 2025	Good	Two-Year
Oregon	June 2025	Good	Two-Year
Pennsylvania	August 2025	Excellent	Two-Year
Puerto Rico	October 2024	Not Satisfactory	One-Year
Rhode Island	July/August 2024	Needs Improvement	Two-Year
South Carolina	July 2025	Good	Two-Year
South Dakota	September 2025	Good	Two-Year
Tennessee	April 2025	Good	Two-Year
Utah	August 2024	Needs Improvement	Two-Year
Vermont	May 2024	Needs Improvement	Two-Year
Virginia	September 2024	Needs Improvement	Two-Year
Wyoming	October 2024	Good	Two-Year

2025 AMC PROGRAM COMPLIANCE REVIEW SUMMARY			
STATE AMC PROGRAM	MONTH OF REVIEW	ASC FINDING	REVIEW CYCLE
Alabama	December 2024	Needs Improvement	Two-Year
Arizona	January 2025	Good	Two-Year
Arkansas	October 2024	Good	Two-Year
Colorado	September 2025	Good	Two-Year
Connecticut	April 2025	Good	Two-Year
Delaware	September 2025	Good	Two-Year
District of Columbia	March 2025	Good	Two-Year
Florida	February 2025	Good	Two-Year
Georgia	October 2024	Good	Two-Year
Indiana	May 2025	Good	Two-Year
Kansas	November 2024	Good	Two-Year
Louisiana	August 2025	Excellent	Two-Year
Massachusetts	June 2025	Good	Two-Year
Michigan	July 2025	Good	Two-Year
Minnesota	March 2025	Good	Two-Year
Mississippi	August 2024	Needs Improvement	Two-Year
Missouri	March 2025	Good	Two-Year
Nebraska	March 2025	Excellent	Two-Year

2025 AMC PROGRAM COMPLIANCE REVIEW SUMMARY			
STATE AMC PROGRAM	MONTH OF REVIEW	ASC FINDING	REVIEW CYCLE
Nevada	July 2025	Good	Two-Year
New Hampshire	August 2024	Not Satisfactory	One-Year
New Jersey	February 2025	Good	Two-Year
New York	November 2024	Good	Two-Year
North Carolina	October 2025	Excellent	Two-Year
North Dakota	May 2025	Good	Two-Year
Ohio	December 2024	Good	Two-Year
Oklahoma	June 2025	Good	Two-Year
Oregon	June 2025	Excellent	Two-Year
Pennsylvania	August 2025	Excellent	Two-Year
Rhode Island	July/August 2024	Good	Two-Year
South Carolina	July 2025	Excellent	Two-Year
South Dakota	September 2025	Good	Two-Year
Tennessee	April 2025	Good	Two-Year
Utah	August 2024	Good	Two-Year
Vermont	May 2024	Good	Two-Year
Virginia	September 2024	Needs Improvement	Two-Year
Wyoming	October 2024	Good	Two-Year

ASC FINDINGS BY REVIEW CYCLE							
REVIEW CYCLE	2013/2014 APPRAISER	2015/2016 APPRAISER	2017/2018 APPRAISER	2019/2020* APPRAISER	2021*/2022* APPRAISER	2023/2024 APPRAISER	2025 APPRAISER
Number of Reviews	56	55	46	27	0	44	37
In Substantial Compliance, Excellent or Good	38	42	39	19	N/A	37	27
Not in Substantial Compliance, Needs Improvement, or Not Satisfactory	18	13	7	4	N/A	7	10
Not in Compliance or Poor	0	0	0	0	N/A	0	0
% In Substantial Compliance, Excellent or Good	68%	76%	85%	70%	N/A	84%	73%

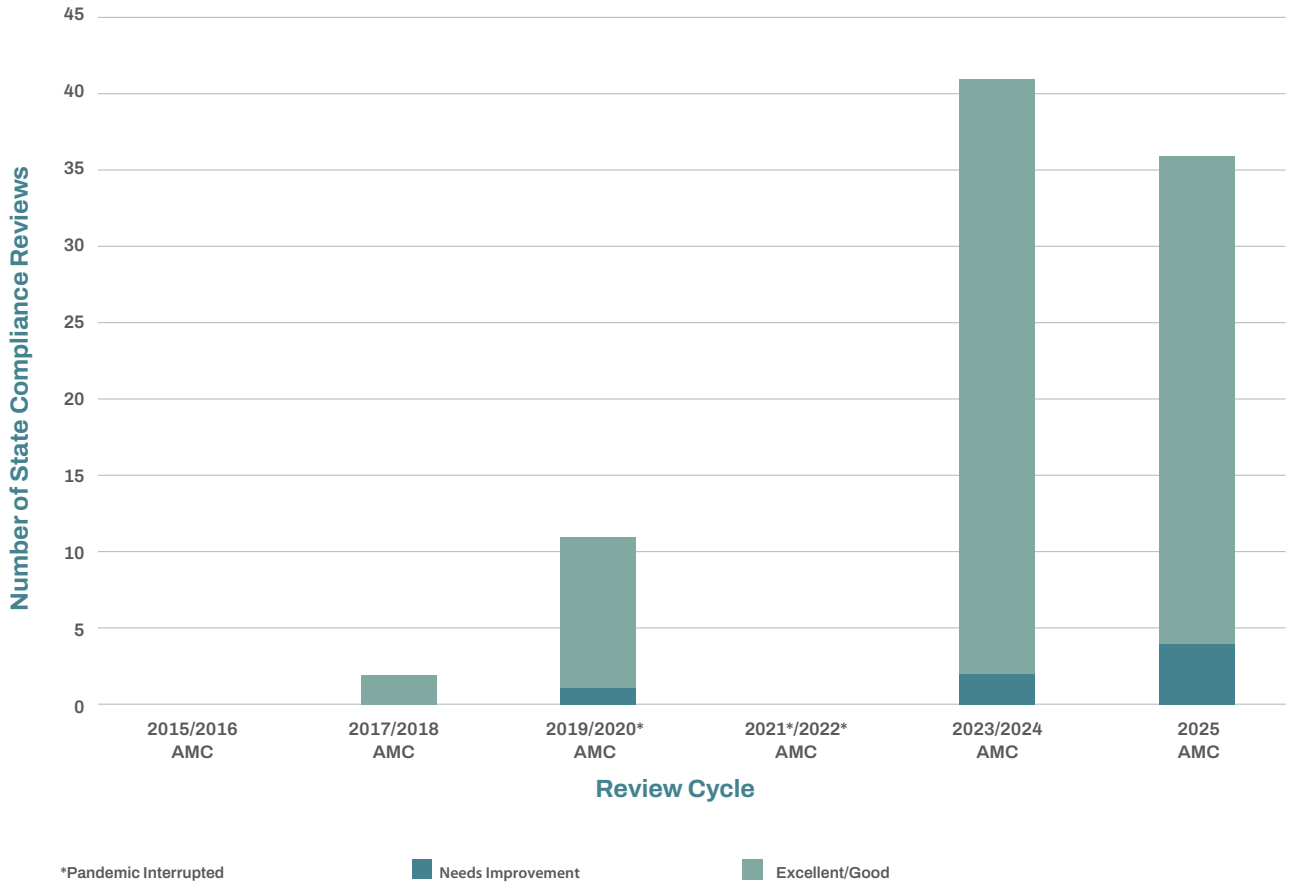
ASC Findings by Review Cycle
Appraiser



ASC FINDINGS BY REVIEW CYCLE						
REVIEW CYCLE	2015/2016 AMC	2017/2018 AMC	2019/2020* AMC	2021*/2022* AMC	2023/2024 AMC	2025 AMC
Number of Reviews	0	2	12	0	41	36
In Substantial Compliance, Excellent or Good	0	2	10	0	39	32
Not in Substantial Compliance, Needs Improvement, or Not Satisfactory	0	0	1	0	2	4
Not in Compliance or Poor	0	0	0	0	0	0
% In Substantial Compliance, Excellent or Good		100%	83%	N/A	95%	89%

ASC Findings by Review Cycle

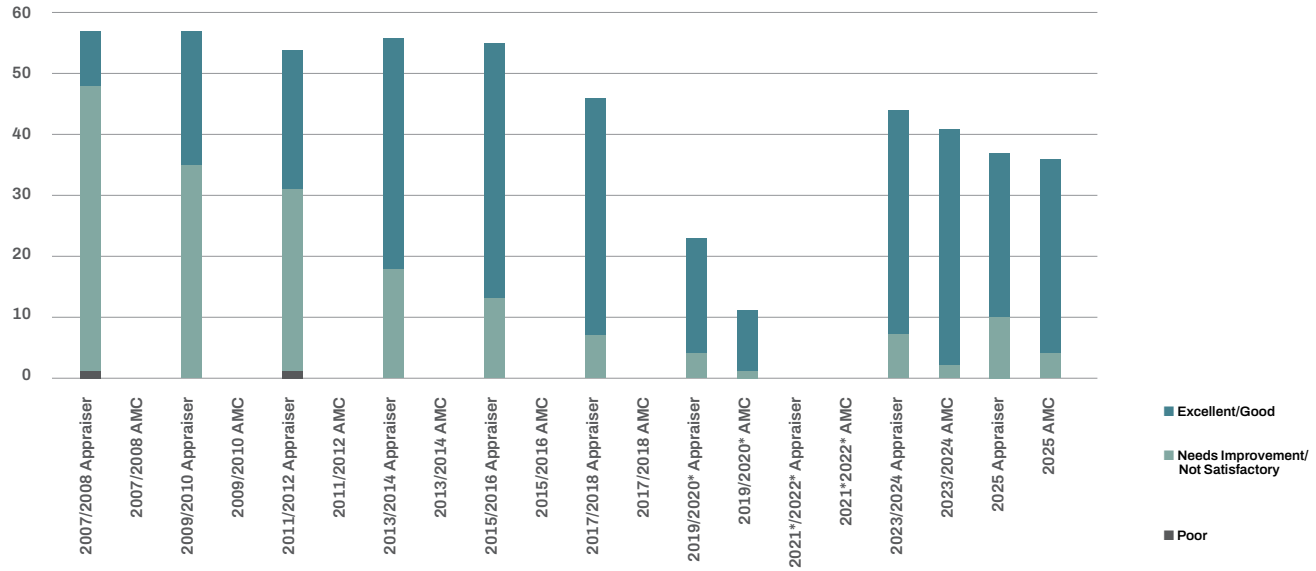
AMC



ASC FINDINGS BY REVIEW CYCLE

REVIEW CYCLE	REVIEW CYCLE	2007/2008 APPRAISER	2007/2008 AMC	2009/2010 APPRAISER	2009/2010 AMC	2011/2012 APPRAISER	2011/2012 AMC	2013/2014 APPRAISER	2013/2014 AMC	2015/2016 APPRAISER
Number of Reviews		57	0	57	0	54	0	56	0	55
In Substantial Compliance, Excellent or Good	Excellent/ Good	9	0	22	0	23	0	38	0	42
Not in Substantial Compliance, Needs Improvement, or Not Satisfactory	Needs Improvement	47	0	35	0	30	0	18	0	13
Not in Substantial Compliance, Needs Improvement, or Not Satisfactory	Poor	1	0	0	0	1	0	0	0	0
% In Substantial Compliance, Excellent or Good		16%		39%		43%		68%		76%

ASC Findings by Review Cycle
Appraiser and AMC



	2015/2016 AMC	2017/2018 APPRAISER	2017/2018 AMC	2019/2020* APPRAISER	2019/2020* AMC	2021*/2022* APPRAISER	2021*/2022* AMC	2023/2024 APPRAISER	2023/2024 AMC	2025 APPRAISER	2025 AMC
	0	46	2	27	12	0	0	44	41	37	36
	0	39	2	19	10	N/A	0	37	39	27	32
	0	7	0	4	1	N/A	0	7	2	10	4
	0	0	0	0	0	N/A	0	0	0	0	0
		85%	100%	70%	83%	N/A		84%	95%	73%	89%

YEAR-END APPRAISER CREDENTIALS

YEAR END	CERTIFIED GENERAL	CERTIFIED RESIDENTIAL	LICENSED	TRANSITIONAL	TOTAL CREDENTIALS
1992	23,133	19,772	18,406	4,405	65,716
1993	30,348	26,163	27,316	8,882	92,709
1994	32,450	29,949	17,960	6,043	86,402
1995	32,305	32,733	19,375	2,244	86,657
1996	31,628	33,141	16,984	226	81,979
1997	32,519	32,161	17,371	318	82,369
1998	34,485	35,697	15,287	23	85,492
1999	34,082	34,237	18,676	24	87,019
2000	34,609	34,702	19,755	28	89,094
2001	33,246	34,401	19,837	23	87,507
2002	32,959	35,233	21,261	37	89,490
2003	33,394	37,418	21,575	47	92,434
2004	33,725	40,726	25,095	46	99,592
2005	34,074	43,327	28,185	52	105,638
2006	34,812	46,701	29,921	51	111,485
2007	36,881	54,177	30,286	63	121,407
2008	37,851	56,704	25,931	65	120,551
2009	38,061	57,253	21,434	43	116,791

YEAR-END APPRAISER CREDENTIALS

YEAR END	CERTIFIED GENERAL	CERTIFIED RESIDENTIAL	LICENSED	TRANSITIONAL	TOTAL CREDENTIALS
2010	37,807	55,522	16,674	23	110,026
2011	38,016	54,201	13,900	13	106,130
2012	37,834	52,504	11,875	12	102,225
2013	38,332	51,893	10,648	1	100,874
2014	38,777	51,240	9,507	0	99,524
2015	39,257	50,472	8,622	0	98,351
2016	39,246	49,631	7,926	0	96,803
2017	39,262	48,720	7,749	0	95,731
2018	39,135	47,908	7,481	0	94,524
2019	39,606	47,776	7,321	0	94,703
2020	39,070	47,073	7,061	0	93,204
2021	39,110	46,903	7,249	0	93,262
2022	39,730	47,131	7,438	0	94,299
2023	40,349	46,834	7,339	0	94,522
2024	39,935	44,538	6,563	0	91,036
2025	40,583	42,912	6,123	0	89,618

MONTHLY APPRAISER CREDENTIAL TRENDS *AS OF DECEMBER 31, 2025						
DATE	CERTIFIED GENERAL	CERTIFIED RESIDENTIAL	LICENSED	TRANSITIONAL	TOTAL CREDENTIALS	DISTINCT APPRAISERS (+/- 5%)
Jan 2022	39,146	46,904	7,247	0	93,297	71,518
Feb 2022	38,788	46,648	7,153	0	92,589	70,969
Mar 2022	39,030	46,809	7,181	0	93,020	71,150
Apr 2022	39,122	46,870	7,211	0	93,203	71,228
May 2022	39,312	47,009	7,273	0	93,594	71,342
June 2022	39,395	47,077	7,324	0	93,796	71,317
July 2022	39,639	47,213	7,400	0	94,252	71,437
Aug 2022	39,173	46,915	7,360	0	93,448	70,919
Sep 2022	39,178	46,791	7,342	0	93,311	71,063
Oct 2022	39,370	46,892	7,389	0	93,651	70,749
Nov 2022	39,595	47,040	7,420	0	94,055	71,084
Dec 2022	39,730	47,131	7,438	0	94,299	70,679
Jan 2023	39,591	47,078	7,498	0	94,167	70,761
Feb 2023	39,576	47,058	7,482	0	94,116	70,634
Mar 2023	39,707	47,144	7,493	0	94,344	70,715
Apr 2023	39,890	47,262	7,538	0	94,690	70,836
May 2023	39,987	47,292	7,511	0	94,790	70,792
June 2023	40,263	47,406	7,529	0	95,198	70,946

MONTHLY APPRAISER CREDENTIAL TRENDS *AS OF DECEMBER 31, 2025

DATE	CERTIFIED GENERAL	CERTIFIED RESIDENTIAL	LICENSED	TRANSITIONAL	TOTAL CREDENTIALS	DISTINCT APPRAISERS (+/- 5%)
July 2023	40,285	47,392	7,541	0	95,218	70,958
Aug 2023	40,107	47,111	7,509	0	94,727	70,667
Sep 2023	40,225	47,096	7,457	0	94,778	70,667
Oct 2023	39,991	46,725	7,382	0	94,098	70,081
Nov 2023	40,332	46,907	7,427	0	94,666	70,376
Dec 2023	40,349	46,834	7,339	0	94,522	70,298
Jan 2024	40,417	46,760	7,312	0	94,489	70,141
Feb 2024	40,233	46,373	7,188	0	93,794	69,573
Mar 2024	40,306	46,346	7,143	0	93,795	69,519
Apr 2024	40,442	46,370	7,121	0	93,933	69,572
May 2024	40,607	46,421	7,104	0	94,132	69,664
June 2024	40,650	46,342	7,078	0	94,070	69,592
July 2024	40,609	46,231	7,053	0	93,893	69,460
Aug 2024	40,147	45,636	6,858	0	92,641	68,587
Sep 2024	40,254	45,573	6,755	0	92,582	68,466
Oct 2024	40,368	45,450	6,694	0	92,512	68,285
Nov 2024	40,323	45,388	6,665	0	92,376	68,209
Dec 2024	39,935	44,538	6,563	0	91,036	67,550

MONTHLY APPRAISER CREDENTIAL TRENDS *AS OF DECEMBER 31, 2025

DATE	CERTIFIED GENERAL	CERTIFIED RESIDENTIAL	LICENSED	TRANSITIONAL	TOTAL CREDENTIALS	DISTINCT APPRAISERS (+/- 5%)
Jan 2025	39,837	44,293	6,475	0	90,605	67,199
Feb 2025	40,247	44,519	6,533	0	91,299	67,651
March 2025	40,532	44,757	6,573	0	91,862	67,728
April 2025	40,716	44,723	6,556	0	91,995	67,736
May 2025	40,575	44,340	6,466	0	91,381	67,472
June 2025	40,641	44,256	6,432	0	91,329	67,324
July 2025	40,250	43,700	6,345	0	90,295	66,728
Aug 2025	40,495	43,745	6,349	0	90,589	66,820
Sep 2025	40,505	43,506	6,231	0	90,242	66,455
Oct 2025	40,317	43,091	6,192	0	89,600	66,034
Nov 2025	40,832	43,544	6,316	0	90,692	65,968
Dec 2025	40,583	42,912	6,123	0	89,618	65,857

Tools for Monitoring State Compliance with Title XI

MONITORING TOOL	DESCRIPTION	FREQUENCY
Routine Compliance Reviews	Full on-site Reviews of State appraiser regulatory Programs.	Every 2 years or annually if ASC determines a State needs closer monitoring.
Follow-up Compliance Reviews	On-site Reviews focused on areas of noncompliance identified during routine Compliance Reviews.	6 to 12 months after previous Compliance Review.
Priority Contact Visits	On-site visits, usually to States with large populations of appraisers, to discuss potentially problematic emerging issues and maintain a close working relationship with the State agency.	As needed.
Off-site Monitoring	Telephone or e-mail contacts with State agencies regarding emerging compliance issues and progress in addressing previously identified issues.	Continuous.

Appraiser Disciplinary Action Reported by States

January 1, 2015 - December 31, 2025

STATE	ADDITIONAL EDUCATION	DOWNGRADE	LIMITED	MONETARY FINE	OFFICIAL REPRIMAND	OTHER	PROBATION	REVOCATION	SUSPENSION	TP ACTION	VOLUNTARY SURRENDER	WARNING, CORRECTIVE ACTION, AND ORDISCIPLINARY ACTION	TOTAL
Alabama	26	0	0	67	11	39	0	1	2	0	3	16	149
Alaska	3	0	0	7	0	10	1	1	0	0	0	2	23
Arizona	41	0	0	11	0	0	13	5	7	0	8	2	83
Arkansas	20	0	2	23	0	2	17	0	3	0	5	0	72
California	614	0	43	481	1	5	112	29	102	0	47	0	1262
Colorado	35	2	0	47	6	21	4	19	13	0	15	61	210
Connecticut	2	0	0	113	0	0	1	1	4	0	1	2	115
Delaware	19	0	0	35	47	2	7	0	3	0	0	0	104
District Of Columbia	12	0	0	6	5	0	0	2	3	0	0	0	26
Florida	138	0	0	165	2	53	104	46	16	0	0	0	482
Georgia	0	0	0	0	9	170	0	13	6	0	0	0	198
Guam	0	0	0	0	0	0	0	0	0	0	0	0	0
Hawaii	3	0	0	10	0	0	0	0	1	0	0	0	14
Idaho	27	0	0	19	0	45	16	1	1	0	0	1	113
Illinois	22	0	1	146	22	4	10	15	91	0	8	11	322
Indiana	0	0	0	2	6	0	24	0	8	0	1	1	35
Iowa	21	0	2	3	3	6	1	2	4	0	16	36	94
Kansas	19	2	0	12	0	0	1	1	0	0	3	0	33
Kentucky	37	0	0	28	2	7	0	3	10	0	2	0	79
Louisiana	16	0	0	25	23	0	2	0	1	0	0	0	62
Maine	39	0	0	48	21	3	10	2	8	0	7	23	151
Maryland	18	0	0	83	10	0	0	0	14	0	5	0	127
Massachusetts	86	0	0	98	22	0	59	11	9	0	9	0	284
Michigan	5	0	0	118	6	62	69	5	20	0	6	0	245
Minnesota	61	0	0	109	0	46	2	4	18	0	2	58	274
Mississippi	22	0	0	1	0	4	2	0	4	0	2	2	35
Missouri	0	0	0	0	0	29	30	8	12	0	4	0	54
Montana	8	0	0	8	1	1	2	2	2	0	1	0	24
Nebraska	5	1	0	3	0	1	3	0	2	0	2	3	17
Nevada	89	0	0	38	0	2	0	8	7	0	5	11	150
New Hampshire	1	0	0	1	1	0	0	5	1	0	0	0	9
New Jersey	28	0	0	74	9	1	5	2	13	0	5	0	134
New Mexico	0	0	0	1	0	0	0	4	2	0	1	22	30
New York	184	0	0	244	12	0	0	13	18	0	4	7	401
North Carolina	92	0	1	0	56	6	7	2	30	0	7	6	190
North Dakota	8	0	0	11	0	3	1	1	1	0	2	1	28
Ohio	80	0	0	77	4	0	0	4	38	0	0	0	188

Appraiser Disciplinary Action Reported by States

January 1, 2015 - December 31, 2025

STATE	ADDITIONAL EDUCATION	DOWNGRADE	LIMITED	MONETARY FINE	OFFICIAL REPRIMAND	OTHER	PROBATION	REVOCATION	SUSPENSION	TP ACTION	VOLUNTARY SURRENDER	WARNING, CORRECTIVE ACTION, AND ORDISCIPLINARY ACTION	TOTAL
Oklahoma	120	1	5	193	2	172	59	10	182	0	10	9	715
Oregon	63	0	0	82	3	2	1	4	9	0	16	9	186
Pennsylvania	63	0	0	86	9	2	14	8	14	0	10	4	195
Puerto Rico	0	0	0	0	0	0	0	1	0	0	0	0	1
Rhode Island	1	0	0	1	3	0	1	0	1	0	0	0	7
South Carolina	53	0	0	40	43	1	4	1	6	0	16	0	147
South Dakota	11	0	2	15	6	1	0	0	3	0	2	2	42
Tennessee	65	0	0	46	0	2	0	2	15	0	3	45	177
Texas	150	0	5	117	4	103	45	13	54	0	32	18	524
Utah	31	3	0	33	0	1	5	2	2	0	3	1	67
Vermont	0	0	0	0	0	0	0	0	0	0	0	0	0
Virginia	50	0	0	84	0	2	18	11	11	0	1	83	247
Washington	25	0	0	33	0	0	25	8	9	0	1	0	93
West Virginia	4	0	0	1	4	4	0	2	5	0	1	1	21
Wisconsin	165	0	68	2	207	6	0	4	95	0	63	0	286
Wyoming	3	0	0	5	0	0	1	0	0	0	1	0	10
Total	2585	9	129	2852	560	818	676	276	880	0	330	437	8535

AMC Disciplinary Action Report by States

STATE	ADDITIONAL EDUCATION	DOWNGRADE	LIMITED	MONETARY FINE	OFFICIAL REPRIMAND	OTHER	PROBATION	REVOCATION	SUSPENSION	TP ACTION	VOLUNTARY SURRENDER	WARNING, CORRECTIVE ACTION, AND ORDISCIPLINARY ACTION	TOTAL
Alabama	0	0	0	0	0	1	0	0	0	0	6	0	7
Alaska	0	0	0	0	0	0	0	0	0	0	0	0	0
Arizona	0	0	0	1	0	0	0	0	0	0	0	1	2
Arkansas	0	0	0	0	0	0	0	0	0	0	1	0	1
California	0	0	0	2	0	0	1	0	1	0	6	0	10
Colorado	0	0	0	0	0	0	0	0	0	0	0	0	0
Connecticut	0	0	0	0	0	0	0	0	0	0	4	0	4
Delaware	0	0	0	0	0	0	0	0	0	0	0	0	0
District Of Columbia	0	0	0	0	0	0	0	0	0	0	5	0	5
Florida	0	0	0	142	11	1	1	11	22	0	0	0	188
Georgia	0	0	0	0	0	0	0	0	0	0	0	0	0
Idaho	0	0	0	0	0	0	0	0	0	0	1	0	1
Illinois	0	0	0	0	0	0	0	0	0	0	2	2	4
Iowa	0	0	0	3	0	0	0	0	0	0	2	3	8
Kansas	0	0	0	0	0	0	0	1	0	0	0	0	1
Kentucky	0	0	0	0	0	0	0	0	0	0	0	0	0
Maine	0	0	0	2	0	0	0	0	1	0	0	2	5
Maryland	0	0	0	0	0	0	0	0	0	0	0	0	0
Massachusetts	0	0	0	0	0	0	0	0	0	0	0	0	0
Minnesota	0	0	0	0	0	0	0	1	0	0	6	1	8
Mississippi	0	0	0	0	0	0	0	0	0	0	1	0	1
Missouri	0	0	0	0	0	0	0	1	0	0	0	0	1
Montana	0	0	0	1	0	0	0	0	0	0	1	0	2
Nebraska	0	0	0	4	0	0	4	0	0	0	1	0	9
Nevada	0	0	0	0	0	0	0	0	0	0	0	0	0

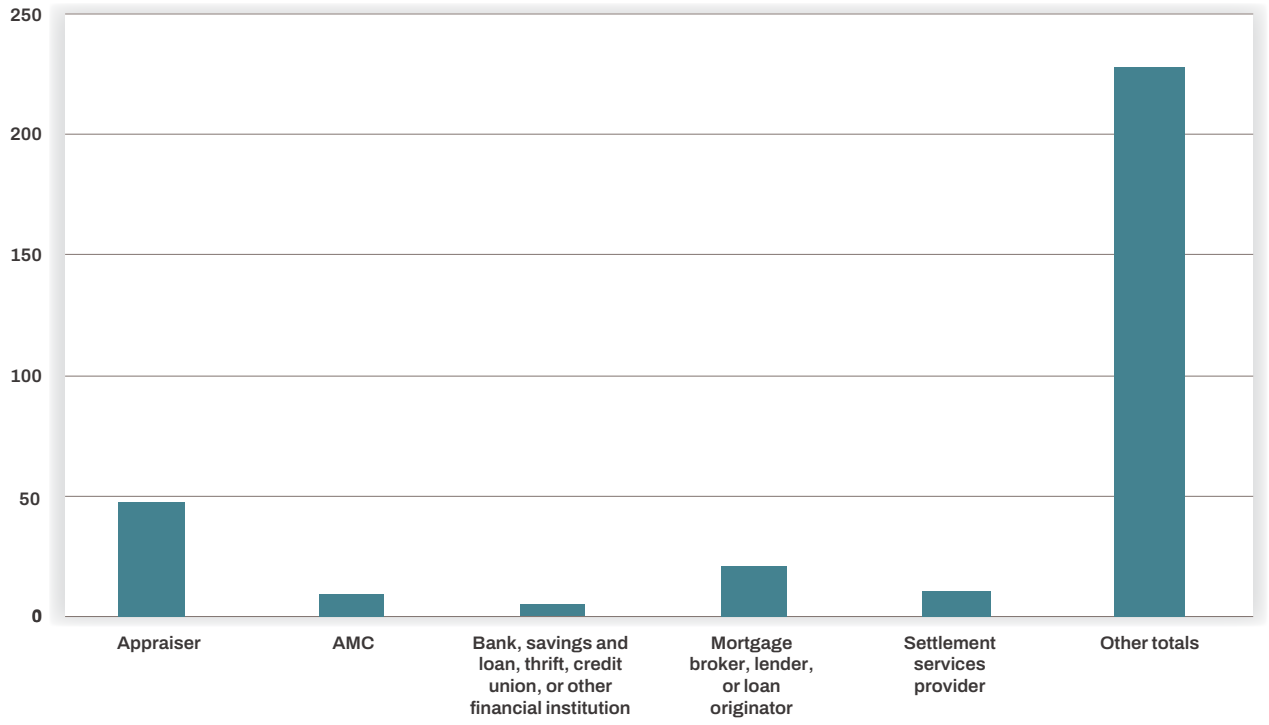
AMC Disciplinary Action Report by States

STATE	ADDITIONAL EDUCATION	DOWNGRADE	LIMITED	MONETARY FINE	OFFICIAL REPRIMAND	OTHER	PROBATION	REVOCATION	SUSPENSION	TP ACTION	VOLUNTARY SURRENDER	WARNING, CORRECTIVE ACTION, AND ORDISCIPLINARY ACTION	TOTAL
New Jersey	0	0	0	0	0	0	0	0	0	0	0	0	0
New Mexico	0	0	0	0	0	0	0	0	0	0	1	0	1
New York	0	0	0	0	0	0	0	0	0	0	0	0	0
North Carolina	0	0	0	0	0	0	0	0	0	0	0	0	0
North Dakota	0	0	0	0	0	0	0	0	0	0	2	0	2
Ohio	0	0	0	0	0	0	0	0	0	0	0	0	0
Oklahoma	0	0	0	5	0	0	0	0	0	0	0	0	5
Oregon	0	0	0	0	0	0	0	0	0	0	0	0	0
Pennsylvania	0	0	0	5	2	0	0	0	0	0	1	0	8
Rhode Island	0	0	0	0	0	0	0	0	0	0	1	0	1
South Carolina	0	0	0	0	0	0	0	0	0	0	0	0	0
South Dakota	0	0	0	0	0	0	0	0	1	0	2	0	3
Tennessee	0	0	0	0	0	0	0	0	0	0	0	5	5
Texas	0	0	0	1	0	0	0	0	0	0	0	1	2
Utah	0	0	0	8	0	0	0	0	0	0	1	0	9
Virginia	0	0	0	5	0	0	0	0	0	0	3	4	12
Washington	0	0	0	0	0	0	0	0	0	0	0	0	0
West Virginia	0	0	0	0	0	0	0	0	0	0	1	0	1
Wisconsin	0	0	0	0	0	0	0	0	0	0	0	0	0
Wyoming	0	0	0	0	0	0	0	0	0	0	2	0	2
Total	0	0	0	179	13	2	6	14	25	0	50	19	308

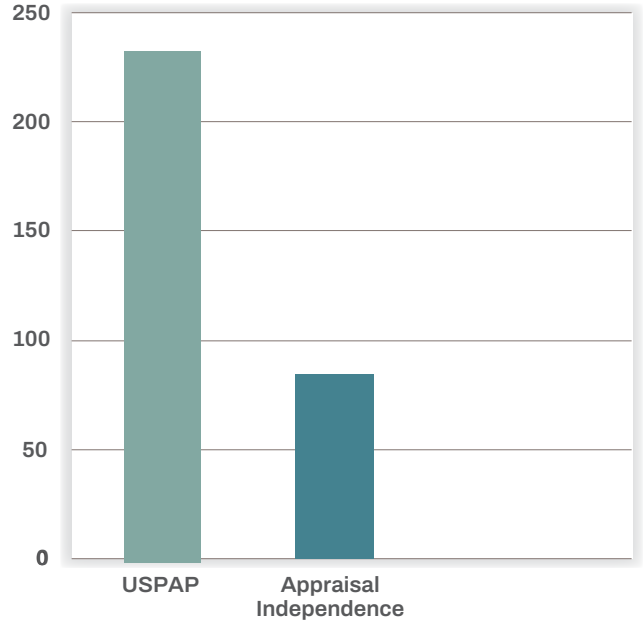
2025				
IN-BOUND SOURCE	**YTD 2025 TOTALS**	**REFERRAL TYPE**	**DESCRIPTION**	**YTD 2025 TOTALS**
Call Center Calls	411	Complainant	Appraiser	49
Call Center Referrals			AMC	9
Email Referral	48		Bank, savings and loan, thrift, credit union, or other financial institution	4
Website Hits/Visits	8056		Mortgage broker, lender, or loan originator	18
Federal Agency Referrals	0		Settlement services provider	10
State Agency Referrals	315		Other Totals	225
MEMBER AGENCY REFERRALS			Consumer*	223
AGENCY	**2025 TOTALS**		Real Estate Agent	0
FRS	0		Attorney	1
OCC	0		Insurance Agent	0
FDIC	0		Federal Entity	0
NCUA	0		Blank/Undefined	1
CFPB	0	Complaint	USPAP	231
FTC	0		Appraisal Independence	84
FHFA	0	Complaint Against	Appraiser	50
*Consumer consists of the following self-identified categories: Property Owner, Homeowner, Buyer, Borrower, Seller and Loan Applicant.			AMC	16
			Bank, savings and loan, thrift, credit union, or other financial institution	4
			Mortgage broker, lender, or loan originator	9
			Settlement services provider	1
			Other	4

2025				
IN-BOUND SOURCE	YTD 2025 TOTALS	REFERRAL TYPE	DESCRIPTION	YTD 2025 TOTALS
		Property Type	1-4 Unit Residential	288
			Commercial	23
			No Property	4
		Federal Loan Type	FHA	81
			VA	36
			USDA	9
			None	189

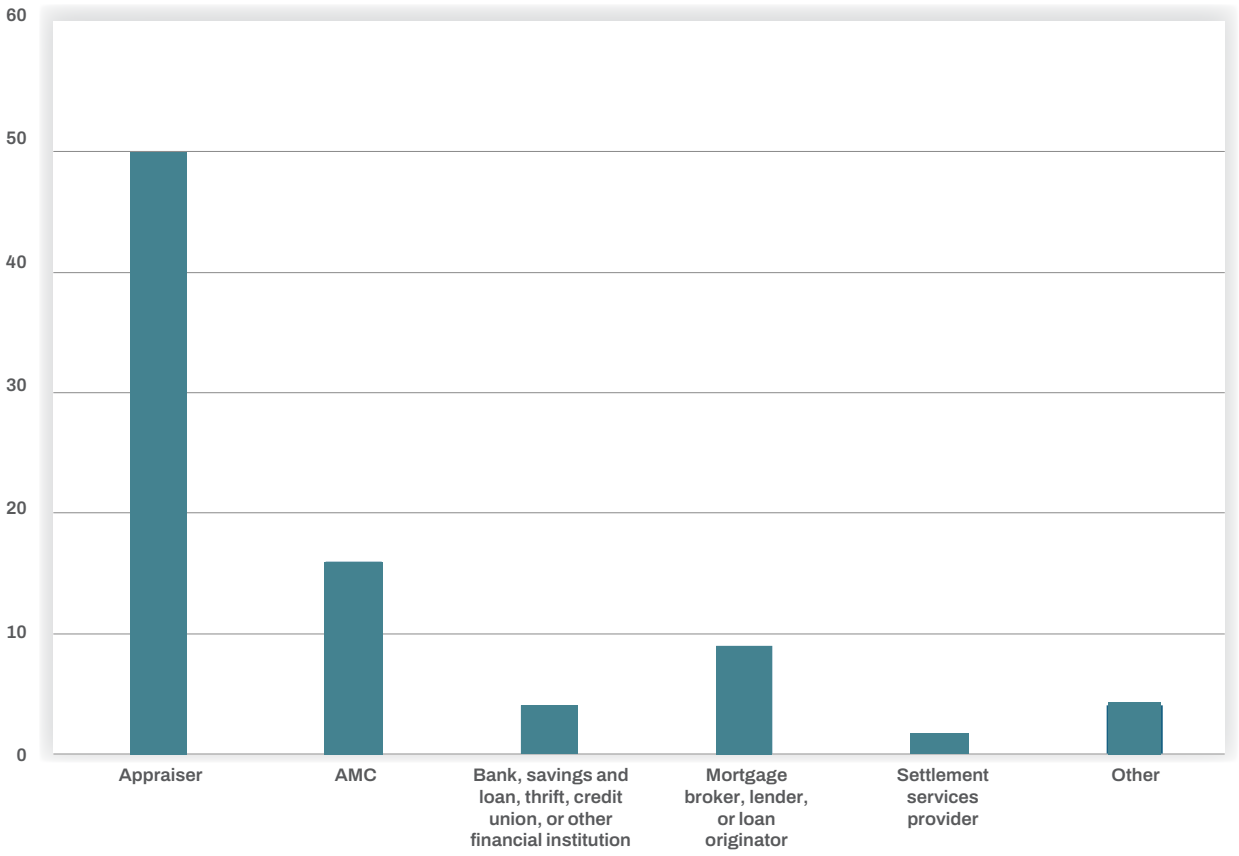
Complainant Type
2025



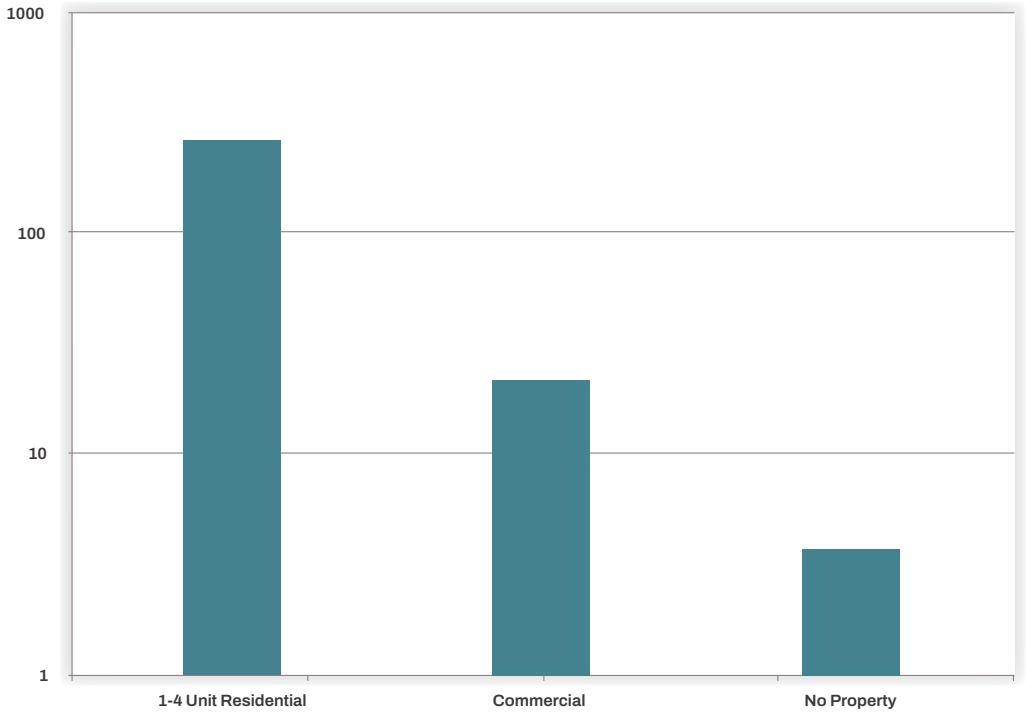
Complaint Type
2025



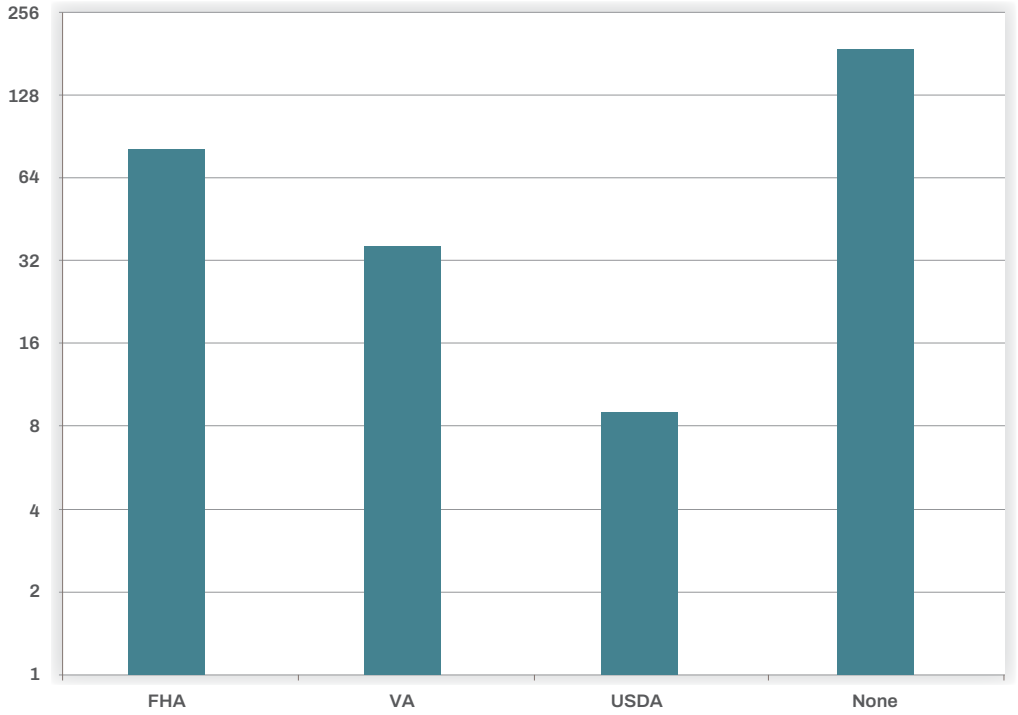
Complaint Against
2025



Property Type
2025



Federal Loan Type
2025



Agency Complaint Data
January—December 2025

COMPLAINANT	AGENCY					
	FDIC	FRB	NCUA	OCC	CFPB	TOTAL
Appraiser	1	0	0	3	6	10
Appraisal Management Company	0	0	0	0	0	0
Business Property Owner	1	0	0	0	6	7
Financial Institution Lender	0	0	0	1	0	1
Individual Property Owner	14	3	1	35	369	422
Mortgage Broker	0	0	0	0	0	0
Non-Financial Institution Lender	0	0	0	0	0	0
Other	0	0	0	3	3	3
COMPLAINT AGAINST	**FDIC**	**FRB**	**NCUA**	**OCC**	**CFPB**	**TOTAL**
Appraiser	2	0	0	22	0	24
Appraisal Management Company	0	0	0	0	2	2
Lender	14	3	1	19	383	420
Other**	0	0	0	1	101	102
COMPLAINT TYPE	**FDIC**	**FRB**	**NCUA**	**OCC**	**CFPB**	**TOTAL**
Non-Compliance with USPAP	1	2	0	15	162	180
Appraisal Independence	1	1	0	0	51	53
Other	15	0	1	27	238	281

*Complaint Against and Complaint Type volume is larger than other categories because some complaints faulted more than one aspect or entity in the appraisal process.

**In addition to these complaints CFPB referred 101 complaints to other government agencies.

Unofficial ASC staff version of Title XI Title XI of FIRREA Real Estate Appraisal Reform [12 U.S.C. 3331-3356] as amended by the Dodd-Frank Act and the Economic Growth, Regulatory Relief and Consumer Protection Act

§ 1101. Purpose

[12 U.S.C. 3331]

The purpose of this title is to provide that Federal financial and public policy interests in real estate related transactions will be protected by requiring that real estate appraisals utilized in connection with federally related transactions are performed in writing, in accordance with uniform standards, by individuals whose competency has been demonstrated and whose professional conduct will be subject to effective supervision.

§ 1102. Establishment of Appraisal Subcommittee of the Federal Financial Institutions Examination Council

[12 U.S.C. 3310]

The Federal Financial Institutions Examination Council Act of 1978 (12 U.S.C. 3301 et seq.) is amended by adding at the end thereof the following new section:

§ 1011. Establishment of Appraisal Subcommittee

There shall be within the Council a subcommittee to be known as the Appraisal Subcommittee, which shall consist of the designees of the heads of the Federal financial institutions regulatory agencies, the Bureau of Consumer Financial Protection, and the Federal Housing Finance Agency. Each such designee shall be a person who has demonstrated knowledge and competence concerning the appraisal profession. At all times at least one member of the Appraisal Subcommittee shall have demonstrated knowledge and competence through licensure, certification, or professional designation within the appraisal profession.

§ 1103. Functions of Appraisal Subcommittee

[12 U.S.C. 3332]

(a) *In general.* The Appraisal Subcommittee shall—

(1) monitor the requirements established (1) monitor the requirements established by States—

(A) for the certification and licensing of individuals who are qualified to perform appraisals in connection with federally related transactions, including a code of professional responsibility; and

(B) for the registration and supervision of the operations and activities of an appraisal management company;

(2) monitor the requirements established by the Federal financial institutions regulatory agencies [and the Resolution Trust Corporation] with respect to—

(A) appraisal standards for federally related transactions under their jurisdiction, and

(B) determinations as to which federally related transactions under their jurisdiction require the services of a State certified appraiser and which require the services of a State licensed appraiser;

(3) maintain a National Registry of State certified and licensed appraisers who are eligible to perform appraisals in federally related transactions;

(4) [Omitted] terminated effective May 15, 2000, pursuant to § 3003 of Act Dec. 21, 1995, P.L. 104-66, which appears as 31 USCS § 1113 note (see also page 170 of House Document No. 103-7);

(5) transmit an annual report to the Congress not later than June 15 of each year that describes the manner in which each function assigned to the Appraisal Subcommittee has been carried out during the preceding year. The report shall also detail the activities of the Appraisal Subcommittee, including the results of all audits of State appraiser regulatory agencies, and provide an accounting of disapproved actions and warnings taken in the previous year, including a description of the conditions causing the disapproval and actions taken to achieve compliance; and

(6) maintain a national registry of appraisal management companies that either are registered with and subject to supervision of a State appraiser certifying and licensing agency or are

operating subsidiaries of a Federally regulated financial institution.

(b) *Monitoring and reviewing Foundation*. The Appraisal Subcommittee shall monitor and review the practices, procedures, activities, and organizational structure of the Appraisal Foundation.

§ 1104. Chairperson of Appraisal Subcommittee; term of Chairperson; meetings

[12 U.S.C. 3333]

(a) *Chairperson*. The Council shall select the Chairperson of the subcommittee. The term of the Chairperson shall be 2 years.

(b) *Meetings; quorum; voting*. The Appraisal Subcommittee shall meet in public session after notice in the Federal Register, but may close certain portions of these meetings related to personnel and review of preliminary State audit reports at the call of the Chairperson or a majority of its members when there is business to be conducted. A majority of members of the Appraisal Subcommittee shall constitute a quorum but 2 or more members may hold hearings. Decisions of the Appraisal Subcommittee shall be made by the vote of a majority of its members. The subject matter discussed in any closed or executive session shall be described in the Federal Register notice of the meeting.

§ 1105. Officers and staff

[12 U.S.C. 3334]

The Chairperson of the Appraisal Subcommittee shall appoint such officers and staff as may be necessary to carry out the functions of this title consistent with the appointment and compensation practices of the Council.

§ 1106. Powers of Appraisal Subcommittee

[12 U.S.C. 3335]

The Appraisal Subcommittee may, for the purpose of carrying out this title, establish advisory committees, hold hearings, prescribe regulations in accordance with chapter 5 of title 5, *United States Code* (commonly referred to as the Administrative Procedures Act) after notice and opportunity for comment, sit and act at times and places, take testimony, receive evidence, provide information, and perform research, as the Appraisal Subcommittee considers appropriate. Any regulations prescribed by the Appraisal Subcommittee shall (unless otherwise provided in this title) be limited to the following functions: temporary practice, national registry, information sharing, and enforcement. For purposes of prescribing regulations, the Appraisal Subcommittee shall establish an advisory committee of industry participants, including appraisers, lenders, consumer advocates, real estate agents, and government agencies, and hold meetings as necessary to support the development of regulations.

§ 1107. Procedures for establishing appraisal standards and requiring the use of certified and licensed appraisers

[12 U.S.C. 3336]

Appraisal standards and requirements for using State certified and licensed appraisers in federally related transactions pursuant to this title shall be prescribed in accordance with procedures set forth in section 553 of title 5, United States Code, including the publication of notice and receipt of written comments or the holding of public hearings with respect to any standards or requirements proposed to be established.

§ 1108. Startup funding

[12 U.S.C. 3337]

(a) *In general*. For purposes of this title, the Secretary of the Treasury shall pay to the Appraisal Subcommittee a one-time payment of $ 5,000,000 on the date of the enactment of this Act [enacted Aug. 9, 1989]. Thereafter, expenses of the subcommittee shall be funded through the collection of registry fees from certain certified and licensed appraisers pursuant to section 1109 [*12 USCS § 3338*] or, if required, pursuant to section 1122(b) of this title [*12 USCS § 3351(b)*].

(b) *Additional funds*. Except as provided in section 1122(c) of this title [*12 USCS § 3351(b)*], funds in addition to the funds provided under subsection (a) may be made available to the Appraisal Subcommittee only if authorized and appropriated by law.

(c) *Repayment of Treasury loan*. Not later than September 30, 1998, the Appraisal Subcommittee shall repay to the Secretary of the Treasury the

unpaid portion of the $5,000,000 paid to the Appraisal Subcommittee pursuant to this section.

§ 1109. Roster of State certified or licensed appraisers; authority to collect and transmit fees

[12 U.S.C. 3338]

(a) *In general.* Each State with an appraiser certifying and licensing agency whose certifications and licenses comply with this title, shall—

(1) transmit to the Appraisal Subcommittee, no less than annually, a roster listing individuals who have received a State certification or license in accordance with this title;

(2) transmit reports on the issuance and renewal of licenses and certifications, sanctions, disciplinary actions, license and certification revocations, and license and certification suspensions on a timely basis to the national registry of the Appraisal Subcommittee;

(3) transmit reports on a timely basis of supervisory activities involving appraisal management companies or other third-party providers of appraisals and appraisal management services, including investigations initiated and disciplinary actions taken; and

(4) collect—

(A) from such individuals who perform or seek to perform appraisals in federally related transactions, an annual registry fee of not more than $40, such fees to be transmitted by the State agencies to the Council on an annual basis; and

(B) from an appraisal management company that either has registered with a State appraiser certifying and licensing agency in accordance with this title or operates as a subsidiary of a federally regulated financial institution, an annual registry fee of—

(i) in the case of such a company that has been in existence for more than a year, $25 multiplied by the number of appraisers working for or contracting with such company in such State during the previous year, but where such $25 amount may be adjusted, up to a maximum of $50, at the discretion of the Appraisal Subcommittee, if necessary to carry out the Subcommittee's functions under this title; and

(ii) in the case of such a company that has not been in existence for more than a year, $25 multiplied by an appropriate number to be determined by the Appraisal Subcommittee, and where such number will be used for determining the fee of all such companies that were not in existence for more than a year, but where such $25 amount may be adjusted, up to a maximum of $50, at the discretion of the Appraisal Subcommittee, if necessary to carry out the Subcommittee's functions under this title.

Subject to the approval of the Council, the Appraisal Subcommittee may adjust the dollar amount of registry fees under paragraph (4)(A), up to a maximum of $80 per annum, as necessary to carry out its functions under this title. The Appraisal Subcommittee shall consider at least once every 5 years whether to adjust the dollar amount of the registry fees to account for inflation. In implementing any change in registry fees, the Appraisal Subcommittee shall provide flexibility to the States for multi-year certifications and licenses already in place, as well as a transition period to implement the changes in registry fees. In establishing the amount of the annual registry fee for an appraisal management company, the Appraisal Subcommittee shall have the discretion to impose a minimum annual registry fee for an appraisal management company to protect against the under reporting of the number of appraisers working for or contracted by the appraisal management company.

(b) *Use of amounts appropriated or collected.* Amounts appropriated for or collected by the Appraisal Subcommittee under this section shall be used—

(1) to maintain a registry of individuals who are qualified and eligible to perform appraisals in connection with federally related transactions;

(2) to support its activities under this title;

(3) to reimburse the general fund of the Treasury for amounts appropriated to and expended by

the Appraisal Subcommittee during the 24-month startup period following the date of the enactment of this title [enacted Aug. 9, 1989];

(4) to make grants in such amounts as it deems appropriate to the Appraisal Foundation, to help defray those costs of the foundation relating to the activities of its Appraisal Standards and Appraiser Qualification Boards;

(5) to make grants to State appraiser certifying and licensing agencies, in accordance with policies to be developed by the Appraisal Subcommittee, to support the efforts of such agencies to comply with this title, including—

(A) the complaint process, complaint investigations, and appraiser enforcement activities of such agencies; and

(B) the submission of data on State licensed and certified appraisers and appraisal management companies to the National appraisal registry, including information affirming that the appraiser or appraisal management company meets the required qualification criteria and formal and informal disciplinary actions; and

(6) to report to all State appraiser certifying and licensing agencies when a license or certification is surrendered, revoked, or suspended.

§ 1110. Functions of Federal financial institutions regulatory agencies relating to appraisal standards

[12 U.S.C. 3339]

Each Federal financial institutions regulatory agency and the Resolution Trust Corporation shall prescribe appropriate standards for the performance of real estate appraisals in connection with federally related transactions under the jurisdiction of each such agency or instrumentality. These rules shall require, at a minimum—

(1) that real estate appraisals be performed in accordance with generally accepted appraisal standards as evidenced by the appraisal standards promulgated by the Appraisal Standards Board of the Appraisal Foundation;

(2) that such appraisals shall be written appraisals. Each such agency or instrumentality may require compliance with additional standards if it makes a determination in writing that such additional standards are required in order to properly carry out its statutory responsibilities; and

(3) that such appraisals shall be subject to appropriate review for compliance with the Uniform Standards of Professional Appraisal Practice.

§ 1111. Time for proposal and adoption of standards

[12 U.S.C. 3340]

Appraisal standards established under this title shall be proposed not later than 6 months and shall be adopted in final form and become effective not later than 12 months after the date of the enactment of this Act [enacted Aug. 9, 1989].

§ 1112. Functions of Federal financial institutions regulatory agencies relating to appraiser qualifications

[12 U.S.C. 3341]

(a) *In general.* Each Federal financial institutions regulatory agency and the Resolution Trust Corporation shall prescribe, in accordance with sections 1113 and 1114 of this title [12 USCS §§ 3342, 3343], which categories of federally related transactions should be appraised by a State certified appraiser and which by a State licensed appraiser under this title.

(b) *Threshold level.* Each Federal financial institutions regulatory agency and the Resolution Trust Corporation may establish a threshold level at or below which a certified or licensed appraiser is not required to perform appraisals in connection with federally related transactions, if such agency determines in writing that such threshold level does not represent a threat to the safety and soundness of financial institutions and receives concurrence from the Bureau of Consumer Financial Protection that such threshold level provides reasonable protection for consumers who purchase 1–4 unit single-family residences.

(c) *GAO study of appraisals in connection with real estate related financial transactions below the threshold level.*

(1) *GAO studies.* The Comptroller General of the United States may conduct, under such conditions as the Comptroller General determines appropriate, studies on the adequacy and

quality of appraisals or evaluations conducted in connection with real estate related financial transactions below the threshold level established under subsection (b), taking into account—

(A) the cost to any financial institution involved in any such transaction;

(B) the possibility of losses to the Deposit Insurance Fund or the National Credit Union Share Insurance Fund;

(C) the cost to any customer involved in any such transaction; and

(D) the effect on low-income housing.

(2) *Reports to Congress and the appropriate Federal financial institutions regulatory agencies.* Upon completing each of the studies referred to in paragraph (1), the Comptroller General shall submit a report on the Comptroller General's findings and conclusions with respect to such study to the Federal financial institutions regulatory agencies, the Committee on Banking, Finance and Urban Affairs of the House of Representatives, and the Committee on Banking, Housing, and Urban Affairs of the Senate, together with such recommendations for legislative or administrative action as the Comptroller General determines to be appropriate.

§ 1113. Transactions requiring the services of a State certified appraiser

[12 U.S.C. 3342]

In determining whether an appraisal in connection with a federally related transaction shall be performed by a State certified appraiser, an agency or instrumentality under this title shall consider whether transactions, either individually or collectively, are of sufficient financial or public policy importance to the United States that an individual who performs an appraisal in connection with such transactions should be a State certified appraiser, except that—

(1) a State certified appraiser shall be required for all federally related transactions having a value of $1,000,000 or more; and

(2) 1-to-4 unit, single family residential appraisals may be performed by State licensed appraisers unless the size and complexity requires a State certified appraiser, where a complex 1-to-4 unit single family residential appraisal means an appraisal for which the property to be appraised, the form of ownership, the property characteristics, or the market conditions are atypical.

§ 1114. Transactions requiring the services of a State licensed appraiser

[12 U.S.C. 3343]

All federally related transactions not requiring the services of a State certified appraiser shall be performed by either a State certified or licensed appraiser.

§ 1115. Time for proposal and adoption of rules

[12 U.S.C. 3344]

As appropriate, rules issued under sections 1113 and 1114 [*12 USCS §§ 3342 and 3343*] shall be proposed not later than 6 months and shall be effective upon adoption in final form not later than 12 months after the date of the enactment of this Act [enacted Aug. 9, 1989].

§ 1116. Certification and licensing requirements

[12 U.S.C. 3345]

(a) *In general.* For purposes of this title, the term "State certified real estate appraiser" means any individual who has satisfied the requirements for State certification in a State or territory whose criteria for certification as a real estate appraiser currently meets the minimum criteria for certification issued by the Appraiser Qualification Board of the Appraisal Foundation.

(b) *Restriction.* No individual shall be a State certified real estate appraiser under this section unless such individual has achieved a passing grade upon a suitable examination administered by a State or territory that is consistent with and equivalent to the Uniform State Certification Examination issued or endorsed by the Appraiser Qualification Board of the Appraisal Foundation.

(c) *"State licensed appraiser" defined.* As used in this section, the term "State licensed appraiser" means an individual who has satisfied the requirements for State licensing in a State or territory whose criteria for the licensing of a real estate appraiser currently meet or exceed the minimum criteria issued by the

Appraisal Qualifications Board of The Appraisal Foundation for the licensing of real estate appraisers.

(d) *Additional qualification criteria.* Nothing in this title shall be construed to prevent any Federal agency or instrumentality under this title from establishing such additional qualification criteria as may be necessary or appropriate to carry out the statutory responsibilities of such department, agency, or instrumentality.

(e) *Minimum Qualification Requirements.* Any requirements established for individuals in the position of 'Trainee Appraiser' and 'Supervisory Appraiser' shall meet or exceed the minimum qualification requirements of the Appraiser Qualifications Board of The Appraisal Foundation. The Appraisal Subcommittee shall have the authority to enforce these requirements.

§ 1117. Establishment of State appraiser certifying and licensing agencies

[12 U.S.C. 3346]

To assure the availability of State certified and licensed appraisers for the performance in a State of appraisals in federally related transactions and to assure effective supervision of the activities of certified and licensed appraisers, a State may establish a State appraiser certifying and licensing agency. The duties of such agency may additionally include the registration and supervision of appraisal management companies and the addition of information about the appraisal management company to the national registry.

§ 1118. Monitoring of State appraiser certifying and licensing agencies

[12 U.S.C. 3347]

(a) *In general.* The Appraisal Subcommittee shall monitor each State appraiser certifying and licensing agency for the purposes of determining whether such agency—

(1) has policies, practices, funding, staffing, and procedures that are consistent with this title;

(2) processes complaints and completes investigations in a reasonable time period;

(3) appropriately disciplines sanctioned appraisers and appraisal management companies;

(4) maintains an effective regulatory program; and

(5) reports complaints and disciplinary actions on a timely basis to the national registries on appraisers and appraisal management companies maintained by the Appraisal Subcommittee.

The Appraisal Subcommittee shall have the authority to remove a State licensed or certified appraiser or a registered appraisal management company from a national registry on an interim basis, not to exceed 90 days, pending State agency action on licensing, certification, registration, and disciplinary proceedings. The Appraisal Subcommittee and all agencies, instrumentalities, and Federally recognized entities under this title shall not recognize appraiser certifications and licenses from States whose appraisal policies, practices, funding, staffing, or procedures are found to be inconsistent with this title. The Appraisal Subcommittee shall have the authority to impose sanctions, as described in this section, against a State agency that fails to have an effective appraiser regulatory program. In determining whether such a program is effective, the Appraisal Subcommittee shall include an analysis of the licensing and certification of appraisers, the registration of appraisal management companies, the issuance of temporary licenses and certifications for appraisers, the receiving and tracking of submitted complaints against appraisers and appraisal management companies, the investigation of complaints, and enforcement actions against appraisers and appraisal management companies. The Appraisal Subcommittee shall have the authority to impose interim actions and suspensions against a State agency as an alternative to, or in advance of the derecognition of a State agency.

(b) *Disapproval by Appraisal Subcommittee.* The Federal financial institutions regulatory agencies, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, and the Resolution Trust Corporation shall accept certifications and licenses awarded by a State appraiser certifying the licensing agency unless the Appraisal Subcommittee issues a written finding that—

(1) the State agency fails to recognize and enforce the standards, requirements, and procedures prescribed pursuant to this title;

(2) the State agency is not granted authority or sufficient funding by the State which is adequate to permit the agency to carry out its functions under this title; or

(3) decisions concerning appraisal standards, appraiser qualifications and supervision of appraiser practices are not made in a manner that carries out the purposes of this title.

(c) *Rejection of State certifications and licenses.*

(1) *Opportunity to be heard or correct conditions.* Before refusing to recognize a State's appraiser certifications or licenses, the Appraisal Subcommittee shall provide that State's certifying and licensing agency a written notice of its intention not to recognize the State's certified or licensed appraisers and ample opportunity to provide rebuttal information or to correct the conditions causing the refusal.

(2) *Adoption of procedures.* The Appraisal Subcommittee shall adopt written procedures for taking actions described in this section.

(3) *Judicial review.* A decision of the subcommittee under this section shall be subject to judicial review.

§ 1119. Recognition of State certified and licensed appraisers for purposes of this title

[12 U.S.C. 3348]

(a) *Effective date for use of certified or licensed appraisers only.*

(1) *In general.* Not later than December 31, 1992, all appraisals performed in connection with federally related transactions shall be performed only by individuals certified or licensed in accordance with the requirements of this title.

(2) *Extension of effective date.* Subject to the approval of the Council, the Appraisal Subcommittee may extend, until December 31, 1991, the effective date for the use of certified or licensed appraisers if it makes a written finding that a State has made substantial progress in establishing a State certification and licensing system that appears to conform to the provisions of this title.

(b) *Temporary waiver of appraiser certification or licensing requirements for State having scarcity of qualified appraisers.* Subject to the approval of the Council, the Appraisal Subcommittee may waive any requirement relating to certification or licensing of a person to perform appraisals under this title if the Appraisal Subcommittee or a State agency whose certifications and licenses are in compliance with this title, makes a written determination that there is a scarcity of certified or licensed appraisers to perform appraisals in connection with federally related transactions in a State, or in any geographical political subdivision of a State, leading to significant delays in the performance of such appraisals. The waiver terminates when the Appraisal Subcommittee determines that such significant delays have been eliminated.

(c) *Reports to State certifying and licensing agencies.* The Appraisal Subcommittee, any other Federal agency or instrumentality, or any federally recognized entity shall report any action of a State certified or licensed appraiser that is contrary to the purposes of this title to the appropriate State agency for a disposition of the subject of the referral. The State agency shall provide the Appraisal Subcommittee or the other Federal agency or instrumentality with a report on its disposition of the matter referred. Subsequent to such disposition, the subcommittee or the agency or instrumentality may take such further action, pursuant to written procedures, it deems necessary to carry out the purposes of this title.

§ 1120. Violations in obtaining and performing appraisals in federally related transactions

[12 U.S.C. 3349]

(a) *Violations.* Except as authorized by the Appraisal Subcommittee in exercising its waiver authority pursuant to section 1119(b) [12 USCS § 3348(b)], it shall be a violation of this section—

(1) for a financial institution to seek, obtain, or give money or any other thing of value in exchange for the performance of an appraisal by a person who the institution knows is not a State certified or licensed appraiser in connection with a federally related transaction; and

(2) for the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, or the Resolution Trust Corporation to knowingly contract for the performance of any appraisal by a person who is not a State certified or licensed appraiser in connection with a real estate related financial transaction defined in section 1121(5) [12 USCS § 3350(5)] to which such association or corporation is a party.

(b) *Penalties.* A financial institution that violates subsection (a)(1) shall be subject to civil penalties under section 8(i)(2) of the Federal Deposit Insurance Act or section 206(k)(2) of the Federal Credit Union Act [12 USCS § 1818(i)(2) or 1786(k)(2)], as appropriate.

(c) *Proceeding*. A proceeding with respect to a violation of this section shall be an administrative proceeding which may be conducted by a Federal financial institutions regulatory agency in accordance with the procedures set forth in subchapter II of chapter 5 of title 5, United States Code [5 USCS §§ 551 et seq.].

§ 1121. Definitions

[12 U.S.C. 3350]

For purposes of this title:

(1) *State appraiser certifying and licensing agency*. The term "State appraiser certifying and licensing agency" means a State agency established in compliance with this title.

(2) *Appraisal Subcommittee; subcommittee*. The terms "Appraisal Subcommittee" and "subcommittee" mean the Appraisal Subcommittee of the Federal Financial Institutions Examination Council.

(3) *Council*. The term "Council" means the Federal Financial Institutions Examination Council.

(4) *Federally related transaction*. The term "federally related transaction" means any real estate-related financial transaction which—

(A) a federal financial institutions regulatory agency or the Resolution Trust Corporation engages in, contracts for, or regulates; and

(B) requires the services of an appraiser.

(5) *Real estate related financial transaction*. The term "real estate-related financial transaction" means any transaction involving—

(A) the sale, lease, purchase, investment in or exchange of real property, including interests in property, or the financing thereof;

(B) the refinancing of real property or interests in real property; and

(C) the use of real property or interests in property as security for a loan or investment, including mortgage-backed securities.

(6) *Federal financial institutions regulatory agencies*. The term "Federal financial institutions regulatory agencies" means the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency, the Office of Thrift Supervision, and the National Credit Union Administration.

(7) *Financial institution*. The term "financial institution" means an insured depository institution as defined in section 3 of the Federal Deposit Insurance Act [12 USCS § 1813] or an insured credit union as defined in section 101 of the Federal Credit Union Act [12 USCS § 1752].

(8) *Chairperson*. The term "Chairperson" means the Chairperson of the Appraisal Subcommittee selected by the Council.

(9) *Foundation*. The terms "Appraisal Foundation" and "Foundation" means [mean] the Appraisal Foundation established on November 30, 1987, as a not for profit corporation under the laws of Illinois.

(10) *Written appraisal*. The term "written appraisal" means a written statement used in connection with a federally related transaction that is independently and impartially prepared by a licensed or certified appraiser setting forth an opinion of defined value of an adequately described property as of a specific date, supported by presentation and analysis of relevant market information.

(11) *Appraisal Management Company*. The term 'appraisal management company' means, in connection with valuing properties collateralizing mortgage loans or mortgages incorporated into a securitization, any external third party authorized either by a creditor of a consumer credit transaction secured by a consumer's principal dwelling or by an underwriter of or other principal in the secondary mortgage markets, that oversees a network or panel of more than 15 certified or licensed appraisers in a State or 25 or more nationally within a given year—

(A) to recruit, select, and retain appraisers;

(B) to contract with licensed and certified appraisers to perform appraisal assignments;

(C) to manage the process of having an appraisal performed, including providing administrative duties such as receiving appraisal orders and appraisal reports, submitting completed appraisal reports to creditors and underwriters, collecting fees from creditors and underwriters for services provided, and reimbursing appraisers for services performed; or

(D) to review and verify the work of appraisers.

§ 1122. Miscellaneous provisions

[12 U.S.C. 3351]

(a) *Temporary practice.*

(1) *In general.* A State appraiser certifying or licensing agency shall recognize on a temporary basis the certification or license of an appraiser issued by another State if—

(A) the property to be appraised is part of a federally related transaction,

(B) the appraiser's business is of a temporary nature, and

(C) the appraiser registers with the appraiser certifying or licensing agency in the State of temporary practice.

(2) *Fees for tempo*rary practice. A State appraiser certifying or licensing agency shall not impose excessive fees or burdensome requirements, as determined by the Appraisal Subcommittee, for temporary practice under this subsection.

(b) *Reciprocity.* Notwithstanding any other provisions of this title, a federally related transaction shall not be appraised by a certified or licensed appraiser unless the State appraiser certifying or licensing agency of the State certifying or licensing such appraiser has in place a policy of issuing a reciprocal certification or license for an individual from another State when—

(1) the appraiser licensing and certification program of such other State is in compliance with the provisions of this title; and

(2) the appraiser holds a valid certification from a State whose requirements for certification or licensing meet or exceed the licensure standards established by the State where an individual seeks appraisal licensure.

(c) *Supplemental funding.* Funds available to the Federal financial institutions regulatory agencies may be made available to the Federal Financial Institutions Examination Council to support the Council's functions under this title.

(d) *Prohibition against discrimination.* Criteria established by the Federal financial institutions regulatory agencies, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, and the Resolution Trust Corporation for appraiser qualifications in addition to State certification or licensing may include education achieved, experience, sample appraisals, and references from prior clients. Membership in a nationally recognized professional appraisal organization may be a criteria considered, though lack of membership therein shall not be the sole bar against consideration for an assignment under these criteria.

(e) *Other requirements.* A corporation, partnership, or other business entity may provide appraisal services in connection with federally related transactions if such appraisal is prepared by individuals certified or licensed in accordance with the requirements of this title. An individual who is not a State certified or licensed appraiser may assist in the preparation of an appraisal if—

(1) the assistant is under the direct supervision of a licensed or certified individual; and

(2) the final appraisal document is approved and signed by an individual who is certified or licensed.

(f) *Studies.*

(1) *Study.* The Appraisal Subcommittee shall—

(A) conduct a study to determine whether real estate sales and financing information and data that is available to real estate appraisers in the States is sufficient to permit appraisers to properly estimate the values of properties in connection with federally related transactions; and

(B) study the feasibility and desirability of extending the provisions of this title to the function of personal property appraising and to personal property appraisers in connection with Federal financial and public policy interests.

(2) *Report.* The Appraisal Subcommittee shall— (A) report its findings to the Congress with respect to the study described in paragraph (1)(A) no later than 12 months after the date of the enactment of this title [enacted Aug. 9, 1989], and (B) report its findings with respect to the study described in paragraph (1)(B) to Congress not later than 18 months after the date of the enactment of this title [enacted Aug. 9, 1989].

(g) *Appraiser Independence Monitoring.* The Appraisal Subcommittee shall monitor each State appraiser certifying and licensing agency for the purpose of determining whether such agency's policies, practices, and procedures are consistent with the purposes of maintaining appraiser independence and whether such

State has adopted and maintains effective laws, regulations, and policies aimed at maintaining appraiser independence.

(h) *Approved Education.* The Appraisal Subcommittee shall encourage the States to accept courses approved by the Appraiser Qualification Board's Course Approval Program.

(i) *Appraisal Complaint National Hotline.* If, 6 months after the date of the enactment of this subsection, the Appraisal Subcommittee determines that no national hotline exists to receive complaints of non-compliance with appraisal independence standards and Uniform Standards of Professional Appraisal Practice, including complaints from appraisers, individuals, or other entities concerning the improper influencing or attempted improper influencing of appraisers or the appraisal process, the Appraisal Subcommittee shall establish and operate such a national hotline, which shall include a toll-free telephone number and an email address. If the Appraisal Subcommittee operates such a national hotline, the Appraisal Subcommittee shall refer complaints for further action to appropriate governmental bodies, including a State appraiser certifying and licensing agency, a financial institution regulator, or other appropriate legal authorities. For complaints referred to State appraiser certifying and licensing agencies or to Federal regulators, the Appraisal Subcommittee shall have the authority to follow up such complaint referrals in order to determine the status of the resolution of the complaint.

§ 1123. Emergency exceptions for disaster areas

[12 U.S.C. 3352]

(a) *In general.* Each Federal financial institutions regulatory agency may, by regulation or order, make exceptions to this title, and to standards prescribed pursuant to this title, for transactions involving institutions for which the agency is the primary Federal regulator with respect to real property located within a disaster area if the agency—

(1) makes the exception not later than 30 months after the date on which the President determines, pursuant to section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act [42 USCS § 5170], that a major disaster exists in the area; and

(2) determines that the exception—

(A) would facilitate recovery from the major disaster; and

(B) is consistent with safety and soundness.

(b) *3-year limit on exceptions.* Any exception made under this section shall expire not later than 3 years after the date of the determination referred to in subsection (a)(1).

(c) *Publication required.* Any Federal financial institutions regulatory agency shall publish in the Federal Register a statement that—

(1) describes any exception made under this section; and

(2) explains how the exception—

(A) would facilitate recovery from the major disaster; and

(B) is consistent with safety and soundness.

(d) *"Disaster area" defined.* For purposes of this section, the term "disaster area" means an area in which the President, pursuant to section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act [*42 USCS § 5170*], has determined that a major disaster exists.

§ 1124. Appraisal Management Company Minimum Requirements

[12 U.S.C. 3353]

(a) *In general.* The Board of Governors of the Federal Reserve System, the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the National Credit Union Administration Board, the Federal Housing Finance Agency, and the Bureau of Consumer Financial Protection shall jointly, by rule, establish minimum requirements to be applied by a State in the registration of appraisal management companies. Such requirements shall include a requirement that such companies—

(1) register with and be subject to supervision by a State appraiser certifying and licensing agency in each State in which such company operates;

(2) verify that only licensed or certified appraisers are used for federally related transactions;

(3) require that appraisals coordinated by an appraisal management company comply with the Uniform Standards of Professional Appraisal Practice; and

(4) require that appraisals are conducted independently and free from inappropriate influence and coercion pursuant to the appraisal independence standards established under section 129E of the Truth in Lending Act.

(c) *Federally Regulated Financial Institutions.* The requirements of subsection (a) shall apply to an appraisal management company that is a subsidiary owned and controlled by a financial institution and regulated by a Federal financial institution regulatory agency. An appraisal management company that is a subsidiary owned and controlled by a financial institution regulated by a Federal financial institution regulatory agency shall not be required to register with a State.

(d) *Registration Limitations.* An appraisal management company shall not be registered by a State or included on the national registry if such company, in whole or in part, directly or indirectly, is owned by any person who has had an appraiser license or certificate refused, denied, cancelled, surrendered in lieu of revocation, or revoked in any State. Additionally, each person that owns more than 10 percent of an appraisal management company shall be of good moral character, as determined by the State appraiser certifying and licensing agency, and shall submit to a background investigation carried out by the State appraiser certifying and licensing agency.

(e) *Reporting.* The Board of Governors of the Federal Reserve System, the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the National Credit Union Administration Board, the Federal Housing Finance Agency, and the Bureau of Consumer Financial Protection shall jointly promulgate regulations for the reporting of the activities of appraisal management companies to the Appraisal Subcommittee in determining the payment of the annual registry fee.

(f) *Effective Date.*

(1) *In general.* No appraisal management company may perform services related to a federally related transaction in a State after the date that is 36 months after the date on which the regulations required to be prescribed under subsection (a) are prescribed in final form unless such company is registered with such State or subject to oversight by a Federal financial institutions regulatory agency.

(2) *Extension of Effective Date.* Subject to the approval of the Council, the Appraisal Subcommittee may extend by an additional 12 months the requirements for the registration and supervision of appraisal management companies if it makes a written finding that a State has made substantial progress in establishing a State appraisal management company registration and supervision system that appears to conform with the provisions of this title.

§ 1125. Automated Valuation Models Used to Estimate Collateral Value for Mortgage Lending Purposes.

[12 U.S.C. 3354]

(a) *In general.* Automated valuation models shall adhere to quality control standards designed to—

(1) ensure a high level of confidence in the estimates produced by automated valuation models;

(2) protect against the manipulation of data;

(3) seek to avoid conflicts of interest;

(4) require random sample testing and reviews; and

(5) account for any other such factor that the agencies listed in subsection (b) determine to be appropriate.

(b) *Adoption of Regulations.* The Board, the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the National Credit Union Administration Board, the Federal Housing Finance Agency, and the Bureau of Consumer Financial Protection, in consultation with the staff of the Appraisal Subcommittee and the Appraisal Standards Board of the Appraisal Foundation, shall promulgate regulations to implement the quality control standards required under this section.

(c) *Enforcement.* Compliance with regulations issued under this subsection shall be enforced by—

(1) with respect to a financial institution, or subsidiary owned and controlled by a financial institution and regulated by a Federal financial institution regulatory agency, the Federal financial institution regulatory agency that acts as

the primary Federal supervisor of such financial institution or subsidiary; and

(2) with respect to other participants in the market for appraisals of 1-to-4 unit single family residential real estate, the Federal Trade Commission, the Bureau of Consumer Financial Protection, and a State attorney general.

(d) *Automated Valuation Model Defined.* For purposes of this section, the term 'automated valuation model' means any computerized model used by mortgage originators and secondary market issuers to determine the collateral worth of a mortgage secured by a consumer's principal dwelling.

§ 1126. Broker Price Opinions

[12 U.S.C. 3355]

(a) *General Prohibition.* In conjunction with the purchase of a consumer's principal dwelling, broker price opinions may not be used as the primary basis to determine the value of a piece of property for the purpose of a loan origination of a residential mortgage loan secured by such piece of property.

(b) *Broker Price Opinion Defined.* For purposes of this section, the term 'broker price opinion' means an estimate prepared by a real estate broker, agent, or sales person that details the probable selling price of a particular piece of real estate property and provides a varying level of detail about the property's condition, market, and neighborhood, and information on comparable sales, but does not include an automated valuation model, as defined in section 1125(c).

§ 1127. Exemption From Appraisals of Real Estate Located in Rural Areas

[12 U.S.C. 3356]

(a) *Definitions.* In this section—

(1) the term 'mortgage originator' has the meaning given the term in section 103 of the Truth in Lending Act (15 U.S.C. 1602); and

(2) the term 'transaction value' means the amount of a loan or extension of credit, including a loan or extension of credit that is part of a pool of loans or extensions of credit.

(b) *Appraisal Not Required.* Except as provided in subsection (d), notwithstanding any other provision of law, an appraisal in connection with a federally related transaction involving real property or an interest in real property is not required if—

(1) the real property or interest in real property is located in a rural area, as described in section 1026.35(b)(2)(iv)(A) of title 12, Code of Federal Regulations;

(2) not later than 3 days after the date on which the Closing Disclosure Form, made in accordance with the final rule of the Bureau of Consumer Financial Protection entitled 'Integrated Mortgage Disclosures Under the Real Estate Settlement Procedures Act (Regulation X) and the Truth in Lending Act (Regulation Z)' (78 Fed. Reg. 79730 (December 31, 2013)), relating to the federally related transaction is given to the consumer, the mortgage originator or its agent, directly or indirectly—

(A) has contacted not fewer than 3 State certified appraisers or State licensed appraisers, as applicable, on the mortgage originator's approved appraiser list in the market area in accordance with part 226 of title 12, Code of Federal Regulations; and

(B) has documented that no State certified appraiser or State licensed appraiser, as applicable, was available within 5 business days beyond customary and reasonable fee and timeliness standards for comparable appraisal assignments, as documented by the mortgage originator or its agent;

(3) the transaction value is less than $400,000; and

(4) the mortgage originator is subject to oversight by a Federal financial institutions regulatory agency.

(c) *Sale, Assignment, or Transfer.* A mortgage originator that makes a loan without an appraisal under the terms of subsection (b) shall not sell, assign, or otherwise transfer legal title to the loan unless—

(1) the loan is sold, assigned, or otherwise transferred to another person by reason of the bankruptcy or failure of the mortgage originator;

(2) the loan is sold, assigned, or otherwise transferred to another person regulated by a Federal financial institutions regulatory agency, so long as the loan is retained in portfolio by the person;

(3) the sale, assignment, or transfer is pursuant to a merger of the mortgage originator with another person or the acquisition of the mortgage originator by another person or of another person by the mortgage originator; or

(4) the sale, loan, or transfer is to a wholly owned subsidiary of the mortgage originator, provided that, after the sale, assignment, or transfer, the loan is considered to be an asset of the mortgage originator for regulatory accounting purposes.

(d) *Exception.* Subsection (b) shall not apply if—

(1) a Federal financial institutions regulatory agency requires an appraisal under section 225.63(c), 323.3(c), 34.43(c), or 722.3(e) of title 12, Code of Federal Regulations; or

(2) the loan is a high-cost mortgage, as defined in section 103 of the Truth in Lending Act (15 U.S.C. 1602).

(e) *Anti-Evasion.* Each Federal financial institutions regulatory agency shall ensure that any mortgage originator that the Federal financial institutions regulatory agency oversees that makes a significant amount of loans under subsection (b) is complying with the requirements of subsection (b)(2) with respect to each loan.

Appraisal Subcommittee

Federal Financial Institutions Examination Council

POLICY STATEMENTS

(Revised – March 2018)

Requirements and Guidance to State Appraiser Certifying and Licensing Agencies

For Compliance with Title XI

Contents

Introduction and Purpose v

PART A: APPRAISER PROGRAM 1

POLICY STATEMENT 1 1

Statutes, Regulations, Policies and Procedures Governing State Appraiser Programs 1

A. State Regulatory Structure 1
B. Funding and Staffing 1
C. Minimum Criteria 2
D. Federally Recognized Appraiser Classifications 2
E. Non-federally Recognized Credentials 3
F. Appraisal Standards 3
G. Exemptions 4
H. ASC Staff Attendance at State Board Meetings 5
I. Summary of Requirements 5

POLICY STATEMENT 2 6

Temporary Practice 7

A. Requirement for Temporary Practice 7
B. Excessive Fees or Burdensome Requirements 7
C. Summary of Requirements 9

POLICY STATEMENT 3 10

National Registry of Appraisers (Appraiser Registry) 10

A. Requirements for the Appraiser Registry 10
B. Registry Fee and Invoicing Policies 11
C. Access to Appraiser Registry Data 12
D. Information Sharing 12
E. Summary of Requirements 13

POLICY STATEMENT 4 15

Application Process 15

A. Processing of Applications 15
B. Qualifying Education for Initial or Upgrade Applications 16
C. Continuing Education for Reinstatement and Renewal Applications 16
D. Experience for Initial or Upgrade Applications 19
E. Examination 20
F. Summary of Requirements 21

POLICY STATEMENT 5 24

Reciprocity 24

A. Reciprocity Policy 24
B. Application of Reciprocity Policy 25
C. Appraiser Compliance Requirements 26
D. Well-Documented Application Files 26
E. Summary of Requirements 26

POLICY STATEMENT 6 28

Education 28

A. Course Approval 28
B. Distance Education 28
C. Summary of Requirements 29

POLICY STATEMENT 7 30

State Agency Enforcement 30

A. State Agency Regulatory Program 30
B. Enforcement Process 30
C. Summary of Requirements 33

PART B: AMC PROGRAM 35

POLICY STATEMENT 8 35

Statutes, Regulations, Policies and Procedures Governing State AMC Programs 35

A. Participating States and ASC Oversight 35
B. Relation to State Law 35
C. Funding and Staffing 36
D. Minimum Requirements for Registration and Supervision of AMCs as Established by the AMC Rule 36
E. Summary of Requirements 39

POLICY STATEMENT 9 41

National Registry of AMCs (AMC Registry) 41

A. Requirements for the AMC Registry 41
B. Registry Fee and Invoicing Policies 41
C. Reporting Requirements 42
D. Access to AMC Registry Data 42
E. Summary of Requirements 43

POLICY STATEMENT 10 44

State Agency Enforcement 44

A. State Agency Regulatory Program 44
B. Enforcement Process 44
C. Summary of Requirements 46

POLICY STATEMENT 11 48

Statutory Implementation Period 48

PART C: INTERIM SANCTIONS 49

POLICY STATEMENT 12 49

Interim Sanctions 49

A. Authority 49
B. Opportunity to be Heard or Correct Conditions 49
C. Procedures 50

APPENDICES 54

Appendix A – Compliance Review Process 54
Appendix B – Glossary of Terms 57

Introduction and Purpose

Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 as amended (Title XI) established the Appraisal Subcommittee of the Federal Financial Institutions Examination Council (ASC).[1] The purpose of Title XI is to provide protection of Federal financial and public policy interests by upholding Title XI requirements for appraisals performed for federally related transactions. Specifically, those appraisals shall be performed in writing, in accordance with uniform standards, by individuals whose competency has been demonstrated and whose professional conduct will be subject to effective supervision.

Pursuant to Title XI, one of the ASC's core functions is to monitor the requirements established by the States[2] for certification and licensing of appraisers qualified to perform appraisals in connection with federally related transactions.[3] Title XI as amended by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act)[4] expanded the ASC's core functions to include monitoring of the requirements established by States that elect to register and supervise the operations and activities of appraisal management companies[5] (AMCs).[6]

The ASC performs periodic Compliance Reviews[7] of each State appraiser regulatory program (Appraiser Program) to determine compliance or lack thereof with Title XI, and to assess implementation of minimum requirements for credentialing of appraisers as adopted by the Appraiser Qualifications Board (The Real Property Appraiser Qualification Criteria or AQB Criteria). As a result of the Dodd-Frank Act amendments to Title XI, States with an AMC regulatory program (AMC Program) will be evaluated during the Compliance Review to determine compliance or lack thereof with Title XI, and to assess implementation of the minimum requirements for State registration and supervision of AMCs as established by the AMC Rule.[8]

The ASC is issuing these revised Policy Statements[9] in three parts to provide States with the necessary information to maintain their Appraiser Programs and AMC Programs in compliance with Title XI:

Part A, *Appraiser Program* – Policy Statements 1 through 7 correspond with the categories that are: (a) evaluated during the Appraiser Program Compliance Review; and (b) included in the ASC's Compliance Review Report of the Appraiser Program.

Part B, *AMC Program* – Policy Statements 8 through 10 correspond with the categories that are: (a) evaluated during the AMC Program Compliance Review; and (b) included in the ASC's Compliance Review Report of the AMC Program.

Part C, *Interim Sanctions* – Policy Statement 12 sets forth required procedures in the event that interim sanctions are imposed against a State by the ASC for non-compliance in either the Appraiser Program or the AMC Program.

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[1] The ASC Board is made up of seven members. Five members are designated by the heads of the FFIEC agencies (Board of Governors of the Federal Reserve System, Bureau of Consumer Financial Protection, Federal Deposit Insurance Corporation, Office of the Comptroller of the Currency, and National Credit Union Administration). The other two members are designated by the heads of the Department of Housing and Urban Development and the Federal Housing Finance Agency.

[2] See Appendix B, Glossary of Terms, for the definition of "State."

[3] See Appendix B, Glossary of Terms, for the definition of "federally related transaction."

[4] Pub. L. 111-203, 124 Stat. 1376.

[5] Title XI § 1103 (a)(1)(B), 12 U.S.C. § 3332.

[6] See Appendix B, Glossary of Terms, for the definition of "appraisal management company" or AMC.

[7] See Appendix A, Compliance Review Process.

[8] The Dodd-Frank Act required the Office of the Comptroller of the Currency; Board of Governors of the Federal Reserve System; Federal Deposit Insurance Corporation; National Credit Union Administration; Bureau of Consumer Financial Protection; and Federal Housing Finance Agency to establish, by rule, minimum requirements to be imposed by a participating State appraiser certifying and licensing agency on AMCs doing business in the State. (Title XI § 1124 (a), 12 U.S.C. 3353(a)). Those rules were finalized and published on June 9, 2015, at 80 *Federal Register* 32658 with an effective date of August 10, 2015. (12 CFR 34.210 – 34.216; 12 CFR 225.190 – 225.196; 12 CFR 323.8 -323.14; 12 CFR 1222.20 – 1222.26.)

[9] These Policy Statements, adopted February 14, 2018, supersede all previous Policy Statements adopted by the ASC.

PART A: APPRAISER PROGRAM

POLICY STATEMENT 1

Statutes, Regulations, Policies and Procedures Governing

State Appraiser Programs

A. State Regulatory Structure

Title XI requires the ASC to monitor each State appraiser certifying and licensing agency for the purpose of determining whether each such agency has in place policies, practices and procedures consistent with the requirements of Title XI.[10] The ASC recognizes that each State may have legal, fiscal, regulatory or other factors that may influence the structure and organization of its Appraiser Program. Therefore, a State has flexibility to structure its Appraiser Program so long as it meets its Title XI-related responsibilities.

States should maintain an organizational structure for appraiser certification, licensing and supervision that avoids conflicts of interest. A State agency may be headed by a board, commission or an individual. State board[11] or commission members, or employees in policy or decision-making positions, should understand and adhere to State statutes and regulations governing performance of responsibilities consistent with the highest ethical standards for public service. In addition, Appraiser Programs using private entities or contractors should establish appropriate internal policies, procedures and safeguards to promote compliance with the State agency's responsibilities under Title XI and these Policy Statements.

B. Funding and Staffing

The Dodd-Frank Act amended Title XI to require the ASC to determine whether States have sufficient funding and staffing to meet their Title XI requirements. Compliance with this provision requires that a State must provide its Appraiser Program with funding and staffing sufficient to carry out its Title XI-related duties. The ASC evaluates the sufficiency of funding and staffing as part of its review of all aspects of an Appraiser Program's effectiveness, including the adequacy of State boards, committees, or commissions responsible for carrying out Title XI-related duties.

C. Minimum Criteria

Title XI requires States to adopt and/or implement all relevant AQB Criteria. Requirements established by a State for certified residential or certified general appraisers, as well as requirements established for licensed appraisers, trainee appraisers and supervisory appraisers must meet or exceed applicable AQB Criteria.

D. Federally Recognized Appraiser Classifications

State Certified Appraisers

"State certified appraisers" means those individuals who have satisfied the requirements for residential or general certification in a State whose criteria for certification meet or exceed the applicable minimum AQB Criteria. Permitted scope of practice and designation for State certified residential or certified general appraisers must be consistent with State and Federal laws, including regulations and supplementary guidance.

State Licensed Appraisers

"State licensed appraisers" means those individuals who have satisfied the requirements for licensing in a State whose criteria for licensing meet or exceed the applicable minimum AQB Criteria. The permitted scope of practice and designation for State licensed appraisers must be consistent with State and Federal laws, including regulations and supplementary guidance.

Trainee Appraisers

"Trainee appraisers" means those individuals who have satisfied the requirements for credentialing in a State whose criteria for credentialing meet or exceed the applicable minimum AQB Criteria. Any minimum qualification requirements

[10] Title XI § 1118 (a), 12 U.S.C. § 3347.

[11] *See* Appendix B, *Glossary of Terms,* for the definition of "State board."

established by a State for individuals in the position of "trainee appraiser" or "supervisory appraiser" must meet or exceed the applicable minimum AQB Criteria. ASC staff will evaluate State designations such as "registered appraiser," "apprentice appraiser," "provisional appraiser," or any other similar designation to determine if, in substance, such designation is consistent with a "trainee appraiser" designation and, therefore, administered to comply with Title XI. The permitted scope of practice and designation for trainee appraisers must be consistent with State and Federal laws, including regulations and supplementary guidance.

Any State or Federal agency may impose additional appraiser qualification requirements for trainee, State licensed, certified residential or certified general classifications, if they consider such requirements necessary to carry out their responsibilities under Federal and/or State statutes and regulations, so long as the additional qualification requirements do not preclude compliance with AQB Criteria.

E. Non-federally Recognized Credentials

States using non-federally recognized credentials or designations[12] must ensure that they are easily distinguished from the federally recognized credentials.

F. Appraisal Standards

Title XI and the Federal financial institutions regulatory agencies' regulations mandate that all appraisals performed in connection with federally related transactions be in written form, prepared in accordance with generally accepted appraisal standards as promulgated by the Appraisal Standards Board (ASB) in the Uniform Standards of Professional Appraisal Practice (USPAP), and be subject to appropriate review for compliance with USPAP.[13] States that have incorporated USPAP into State law should ensure that statutes or regulations are updated timely to adopt the current version of USPAP, or if State law allows, automatically incorporate the latest version of USPAP as it becomes effective. States should consider ASB Advisory Opinions, Frequently Asked Questions, and other written guidance issued by the ASB regarding interpretation and application of USPAP.

Any State or Federal agency may impose additional appraisal standards if they consider such standards necessary to carry out their responsibilities, so long as additional appraisal standards do not preclude compliance with USPAP or the Federal financial institutions regulatory agencies' appraisal regulations for work performed for federally related transactions.

The Federal financial institutions regulatory agencies' appraisal regulations define "appraisal" and identify which real estate-related financial transactions require the services of a State certified or licensed appraiser. These regulations define "appraisal" as a "written statement independently and impartially prepared by a qualified appraiser setting forth an opinion as to the market value of an adequately described property as of a specific date(s) supported by the presentation and analysis of relevant market information." Per these regulations, an appraiser performing an appraisal review which includes the reviewer providing his or her own opinion of value constitutes an appraisal. Under these same regulations, an appraisal review that does not include the reviewer providing his or her own opinion of value does not constitute an appraisal. Therefore, under the Federal financial institutions regulatory agencies' regulations, only those transactions that involve appraisals for federally related transactions require the services of a State certified or licensed appraiser.

G. Exemptions

Title XI and the Federal financial institutions regulatory agencies' regulations specifically require the use of State certified or licensed appraisers in connection with the appraisal of certain real estate-related financial transactions.[14] A State may not exempt any individual or group of individuals from meeting the State's certification or licensing requirements if the individual or group member performs an appraisal when Federal statutes and regulations require the use of a certified or licensed appraiser. For example, an individual who has been exempted by the State from its appraiser certification or licensing requirements because he or she is an officer, director, employee or agent of a federally regulated financial institution would not

[12] *See* Appendix B, *Glossary of Terms*, for the definition of "non-federally recognized credentials or designations."

[13] *See* Appendix B, *Glossary of Terms* for the definition of "Uniform Standards of Professional Appraisal Practice."

[14] Title XI § 1112, 12 U.S.C. § 3341; Title XI § 1113, 12 U.S.C. § 3342; Title XI § 1114, 12 U.S.C. § 3343.

be permitted to perform an appraisal in connection with a federally related transaction.

H. ASC Staff Attendance at State Board Meetings

The efficacy of the ASC's Compliance Review process rests on the ASC's ability to obtain reliable information about all areas of a State's Appraiser Program. ASC staff regularly attends open State board meetings as part of the on-site Compliance Review process. States are expected to make available for review by ASC staff minutes of closed meetings and executive sessions. States are encouraged to allow ASC staff to attend closed and executive sessions of State board meetings where such attendance would not violate State law or regulation or be inconsistent with other legal obligations of the State board. ASC staff is obligated to protect information obtained during the Compliance Review process concerning the privacy of individuals and any confidential matters.

I. Summary of Requirements

1. States must require that appraisals be performed in accordance with the latest version of USPAP.[15]
2. States must, at a minimum, adopt and/or implement all relevant AQB Criteria.[16]
3. States must have policies, practices and procedures consistent with Title XI.[17]
4. States must have funding and staffing sufficient to carry out their Title XI-related duties.[18]
5. States must use proper designations and permitted scope of practice for certified residential; certified general; licensed; and trainee classifications.[19]
6. State board members, and any persons in policy or decision-making positions, must perform their responsibilities consistent with Title XI.[20]
7. States' certification and licensing requirements must meet the minimum requirements set forth in Title XI.[21]
8. State requirements for trainee appraisers and supervisory appraisers must meet or exceed the AQB Criteria.
9. State agencies must be granted adequate authority by the State to maintain an effective regulatory Appraiser Program in compliance with Title XI.[22]

[15] Title XI § 1101, 12 U.S.C. § 3331; Title XI § 1118 (a), 12 U.S.C. § 3347; AQB *Real Property Appraiser Qualification Criteria.*

[16] Title XI §§ 1116 (a), (c) and (e), 12 U.S.C. § 3345; Title XI § 1118 (a), 12 U.S.C. § 3347.

[17] Title XI § 1118 (a), 12 U.S.C. § 3347.

[18] *Id;* Title XI § 1118 (b), 12 U.S.C. § 3347.

[19] Title XI §§ 1116 (a), (c) and (e), 12 U.S.C. § 3345; Title XI § 1118 (a), 12 U.S.C. § 3347; Title XI § 1113, 12 U.S.C. § 3342; AQB *Real Property Appraiser Qualification Criteria*.

[20] Title XI § 1118 (a), 12 U.S.C. § 3347.

[21] Title XI §§ 1116 (a), (c) and (e), 12 U.S.C. § 3345.

[22] Title XI § 1118 (b), 12 U.S.C. § 3347.

POLICY STATEMENT 2

Temporary Practice

A. Requirement for Temporary Practice

Title XI requires State agencies to recognize, on a temporary basis, the certification or license of an out-of-State appraiser entering the State for the purpose of completing an appraisal assignment[23] for a federally related transaction. States are not, however, required to grant temporary practice permits to trainee appraisers. The out-of-State appraiser must register with the State agency in the State of temporary practice (Host State). A State may determine the process necessary for "registration" provided such process complies with Title XI and does not impose "excessive fees or burdensome requirements," as determined by the ASC.[24] Thus, a credentialed appraiser[25] from State A has a statutory right to enter State B (the Host State) to perform an assignment concerning a federally related transaction, so long as the appraiser registers with the State agency in State B prior to performing the assignment. Though Title XI contemplates reasonably free movement of credentialed appraisers across State lines, an out-of-State appraiser must comply with the Host State's real estate appraisal statutes and regulations and is subject to the Host State's full regulatory jurisdiction. States should utilize the National Registry of Appraisers to verify credential status on applicants for temporary practice.

B. Excessive Fees or Burdensome Requirements

Title XI prohibits States from imposing excessive fees or burdensome requirements, as determined by the ASC, for temporary practice.[26] Adherence by State agencies to the following mandates and prohibitions will deter the imposition of excessive fees or burdensome requirements.

Host State agencies must:

a. issue temporary practice permits on an assignment basis;

b. issue temporary practice permits within five business days of receipt of a completed application, or notify the applicant and document the file as to the circumstances justifying delay or other action;

c. issue temporary practice permits designating the permit's effective date;

d. take regulatory responsibility for a temporary practitioner's unethical, incompetent and/or fraudulent practices performed while in the State;

e. notify the appraiser's home State agency[27] in the case of disciplinary action concerning a temporary practitioner;

f. allow at least one temporary practice permit extension through a streamlined process;

g. track all temporary practice permits using a permit log which includes the name of the applicant, date application received, date completed application received, date of issuance, and date of expiration, if any (States are strongly encouraged to maintain this information in an electronic, sortable format); and

h. maintain documentation sufficient to demonstrate compliance with this Policy Statement.

Host State agencies may not:

a. limit the valid time period of a temporary practice permit to less than 6 months

(unless the applicant requests a specific end date and the applicant is allowed an extension if required to complete the assignment, the applicant's credential is no longer in active status during that period of time);

[23] *See* Appendix B, *Glossary of Terms*, for the definition of "assignment."

[24] Title XI § 1122 (a) (2), 12 U.S.C. § 3351.

[25] *See* Appendix B, *Glossary of Terms,* for the definition of "credentialed appraisers."

[26] Title XI § 1122 (a) (2), 12 U.S.C. § 3351.

[27] See Appendix B, Glossary of Terms, for the definition of "home State agency."

b. limit an appraiser to one temporary practice permit per calendar year;[28]

c. charge a temporary practice permit fee exceeding $250, including one extension fee;

d. impose State appraiser qualification requirements for education, experience and/or exam upon temporary practitioners;

e. require temporary practitioners to obtain a certification or license in the State of temporary practice;

f. require temporary practitioners to affiliate with an in-State licensed or certified appraiser;

g. refuse to register licensed or certified appraisers seeking temporary practice in a State that does not have a licensed or certified level credential; or

h. prohibit temporary practice.

Home State agencies may not:

a. delay the issuance of a written "letter of good standing" or similar document for more than five business days after receipt of a request; or

b. fail to consider and, if appropriate, take disciplinary action when one of its certified or licensed appraisers is disciplined by another State.

C. Summary of Requirements

1. States must recognize, on a temporary basis, appraiser credentials issued by another State if the property to be appraised is part of a federally related transaction.[29]
2. States must adhere to mandates, prohibitions and documentation requirements as set forth above in Section B above, titled *Excessive Fees or Burdensome Requirements*.[30]

[28] State agencies may establish by statute or regulation a policy that places reasonable limits on the number of times an out-of-State certified or licensed appraiser may exercise his or her temporary practice rights in a given year. If such a policy is not established, a State agency may choose not to honor an out-of-State certified or licensed appraiser's temporary practice rights if it has made a determination that the appraiser is abusing his or her temporary practice rights and is regularly engaging in real estate appraisal services within the State.

[29] Title XI § 1122 (a) (1), 12 U.S.C. § 3351.

[30] Title XI § 1122 (a) (2), 12 U.S.C. § 3351.

POLICY STATEMENT 3

National Registry of Appraisers (Appraiser Registry)

A. Requirements for the Appraiser Registry

Title XI requires the ASC to maintain a National Registry of State certified and licensed appraisers who are eligible to perform appraisals in federally related transactions.[31] Title XI further requires the States to transmit to the ASC: (1) a roster listing individuals who have received a State certification or license in accordance with Title XI; (2) reports on the issuance and renewal of licenses and certifications, sanctions, disciplinary actions, revocations and suspensions; and (3) the registry fee as set by the ASC[32] from individuals who have received certification or licensing. States must notify the ASC as soon as practicable if a credential holder listed on the Appraiser Registry does not qualify for the credential held.

Roster and registry fee requirements apply to all individuals who receive State certifications or licenses, originally or by reciprocity, whether or not the individuals are, in fact, performing or planning to perform appraisals in federally related transactions. If an appraiser is certified or licensed in more than one State, the appraiser is required to be on each State's roster of certified or licensed appraisers, and a registry fee is due from each State in which the appraiser is certified or licensed.

Only AQB-compliant certified and licensed appraisers in active status on the Appraiser Registry are eligible to perform appraisals in connection with federally related transactions. Only those appraisers whose registry fees have been transmitted to the ASC will be eligible to be on the Appraiser Registry for the period subsequent to payment of the fee.

Some States may give State certified or licensed appraisers an option to not pay the registry fee. If a State certified or licensed appraiser chooses not to pay the registry fee, then the Appraiser Program must ensure that any potential user of that appraiser's services is aware that the appraiser is not eligible to perform appraisals for federally related transactions. The Appraiser Program must place a conspicuous notice directly on the face of any evidence of the appraiser's authority to appraise stating, "Not Eligible To Appraise Federally Related Transactions," and the appraiser must not be listed in active status on the Appraiser Registry.

The ASC extranet application allows States to update their appraiser credential information directly to the Appraiser Registry. Only Authorized Registry Officials are allowed to request access for their State personnel (see section C below). The ASC will issue a User Name and Password to the designated State personnel responsible for that State's Appraiser Registry entries. Designated State personnel are required to protect the right of access, and not share their User Name or Password with anyone. States must adopt and implement a written policy to protect the right of access, as well as the ASC issued User Name and Password. The ASC will provide detailed specifications regarding the data elements on the Appraiser Registry.

B. Registry Fee and Invoicing Policies

Each State must remit to the ASC the annual registry fee, as set by the ASC, for State certified or licensed appraisers within the State to be listed on the Appraiser Registry. Requests to prorate refunds or partial-year registrations will not be granted. If a State collects multiple-year fees for multiple-year certifications or licenses, the State may choose to remit to the ASC the total amount of the multiple-year registry fees or the equivalent annual fee amount. The ASC will, however, record appraisers on the Appraiser Registry only for the number of years for which the ASC has received payment. Nonpayment by a State of an appraiser's registry fee may result in the status of that appraiser being listed as "inactive." States must reconcile and pay registry invoices in a timely manner (45 calendar days after the invoice date). When a State's failure to pay a past due invoice results in appraisers being listed as inactive, the ASC will not change those appraisers back to active status until payment is received from the State. An inactive status on the Appraiser Registry, for whatever the reason, renders an appraiser ineligible to perform appraisals in connection with federally related transactions.

[31] Title XI § 1103 (a) (3), 12 U.S.C. § 3332.

[32] Title XI § 1109, *Roster of State certified or licensed appraisers; authority to collect and transmit fees,* requires the ASC to consider at least once every 5 years whether to adjust the dollar amount of the registry fees to account for inflation. (Title XI § 1109 (a), 12 U.S.C. § 3338.)

C. Access to Appraiser Registry Data

The ASC website provides free access to the public portion of the Appraiser Registry at www.asc.gov. The public portion of the Appraiser Registry data may be downloaded using predefined queries or user-customized applications.

Access to the full database, which includes non-public data (*e.g.*, certain disciplinary action information), is restricted to authorized State and Federal regulatory agencies. States must designate a senior official, such as an executive director, to serve as the State's Authorized Registry Official, and provide to the ASC, in writing, information regarding the designated Authorized Registry Official. States must ensure that the authorization information provided to the ASC is updated and accurate.

D. Information Sharing

Information sharing (routine exchange of certain information among lenders, governmental entities, State agencies and the ASC) is essential for carrying out the purposes of Title XI. Title XI requires the ASC, any other Federal agency or instrumentality, or any federally recognized entity to report any action of a State certified or licensed appraiser that is contrary to the purposes of Title XI to the appropriate State agency for disposition. The ASC believes that full implementation of this Title XI requirement is vital to the integrity of the system of State appraiser regulation. States are encouraged to develop and maintain procedures for sharing of information among themselves.

The Appraiser Registry's value and usefulness are largely dependent on the quality and frequency of State data submissions. Accurate and frequent data submissions from all States are necessary to maintain an up-to-date Appraiser Registry. States must submit appraiser data in a secure format to the ASC at least monthly. If there are no changes to the data, the State agency must notify the ASC of that fact in writing. States are encouraged to submit data as frequently as possible.

States must report all disciplinary action[33] taken against an appraiser to the ASC via the extranet application within 5 business days after the disciplinary action is final, as determined by State law.[34] States not reporting via the extranet application must provide, in writing to the ASC, a description of the circumstances preventing compliance with this requirement.[35] For the most serious disciplinary actions (*i.e.*, voluntary surrenders, suspensions and revocations, or any action that interrupts a credential holder's ability to practice), the appraiser's status must be changed on the Appraiser Registry to "inactive," thereby making the appraiser ineligible to perform appraisals for federally related transactions or other transactions requiring the use of State certified or licensed appraisers.[36]

Title XI also contemplates the reasonably free movement of certified and licensed appraisers across State lines. This freedom of movement assumes, however, that certified and licensed appraisers are, in all cases, held accountable and responsible for their actions while performing appraisal activities.

E. Summary of Requirements

1. States must reconcile and pay registry invoices in a timely manner (45 calendar days after the invoice date).[37]
2. States must report all disciplinary action taken against an appraiser to the ASC via the extranet application within 5 business days after the disciplinary action is final, as determined by State law. [38]
3. States not reporting via the extranet application must provide, in writing to the ASC, a description of the circumstances preventing compliance with this requirement.[39]
4. For the most serious disciplinary actions (*i.e.*, voluntary surrenders, suspensions and revocations, or any action that interrupts a credential holder's ability to practice), the appraiser's status must be changed on the Appraiser Registry to "inactive," thereby

[33] *See* Appendix B, *Glossary of Terms*, for the definition of "disciplinary action."

[34] *Id.*

[35] Title XI § 1118 (a), 12 U.S.C. § 3347.

[36] *Id.*

[37] Title XI § 1118 (a), 12 U.S.C. § 3347; Title XI § 1109 (a), 12 U.S.C. § 3338.

[38] *Id.*

[39] Title XI § 1118 (a), 12 U.S.C. § 3347.

making the appraiser ineligible to perform appraisals for federally related transactions or other transactions requiring the use of State certified or licensed appraisers.[40]

5. States must designate a senior official, such as an executive director, who will serve as the State's Authorized Registry Official, and provide to the ASC, in writing, information regarding the selected Authorized Registry Official, and any individual(s) authorized to act on their behalf.[41]
6. States must ensure that the authorization information provided to the ASC is updated and accurate.[42]
7. States must adopt and implement a written policy to protect the right of access to the Appraiser Registry, as well as the ASC issued User Name and Password.[43]
8. States must ensure the accuracy of all data submitted to the Appraiser Registry.[44]
9. States must submit appraiser data (other than discipline) to the ASC at least monthly. If a State's data does not change during the month, the State agency must notify the ASC of that fact in writing.[45]
10. If a State certified or licensed appraiser chooses not to pay the registry fee, the State must ensure that any potential user of that appraiser's services is aware that the appraiser's certificate or license is limited to performing appraisals only in connection with non-federally related transactions.[46]

[40] *Id.*
[41] *Id.*
[42] *Id.*
[43] *Id.*
[44] *Id.*
[45] *Id.*
[46] *Id.*

POLICY STATEMENT 4

Application Process

AQB Criteria sets forth the minimum education, experience and examination requirements applicable to all States for credentialing of real property appraisers (certified, licensed, trainee and supervisory). In the application process, States must, at a minimum, employ a reliable means of validating both education and experience credit claimed by applicants for credentialing.[47] Effective January 1, 2017, AQB Criteria also requires States to assess whether an applicant for a real property appraiser credential possesses a background that would not call into question public trust. The basis for such assessment shall be a matter left to the individual States, and must, at a minimum, be documented to the file.

A. Processing of Applications

States must process applications in a consistent, equitable and well-documented manner. Applications for credentialing should be timely processed by State agencies (within 90 calendar days after receipt of a completed application). Any delay in the processing of applications must be sufficiently documented in the file to explain the delay. States must ensure appraiser credential applications submitted for processing do not contain invalid examinations as established by AQB Criteria.

States must obtain and maintain sufficient relevant documentation pertaining to an application for issuance, upgrade and renewal of a credential so as to enable understanding of the facts and determinations in the matter and the reasons for those determinations. Documentation must include:

1. Application receipt date;
2. Education;
3. Experience;
4. Examination;
5. Continuing education; and
6. Any administrative or disciplinary action taken in connection with the application process, including results of any continuing education audit.

B. Qualifying Education for Initial or Upgrade Applications

States must verify that:

(1) the applicant's claimed education courses are acceptable under AQB Criteria; and

(2) the applicant has successfully completed courses consistent with AQB Criteria for the appraiser credential sought.

States may not accept an affidavit for claimed States may not accept an affidavit for claimed qualifying education from applicants for any federally recognized credential.[48] States must maintain adequate documentation to support verification of education claimed by applicants.

C. Continuing Education for Reinstatement and Renewal Applications

1. Reinstatement Applications

States must verify that:

(1) the applicant's claimed continuing education courses are acceptable under AQB Criteria; and

(2) the applicant has successfully completed all continuing education consistent with AQB Criteria for reinstatement of the appraiser credential sought.

States may not accept an affidavit for continuing education claimed from applicants for reinstatement. Applicants for reinstatement must submit documentation to support claimed continuing education and States must maintain adequate documentation to support verification of claimed education.

[47] Includes applications for credentialing of trainee, licensed, certified residential or certified general classifications.

[48] If a State accepts education-related affidavits from applicants for initial licensure in any non-certified classification, upon the appraiser's application to upgrade to a certified classification, the State must require documentation to support the appraiser's educational qualification for the certified classification, not just the incremental amount of education required to move from the non-certified to the certified classification. This requirement applies to all federally recognized credentials.

2. Renewal Applications

States must ensure that continuing education courses for renewal of an appraiser credential are consistent with AQB Criteria and that continuing education hours required for renewal of an appraiser credential were completed consistent with AQB Criteria. States may accept affidavits for continuing education credit claimed for credential renewal so long as the State implements a reliable validation procedure that adheres to the following objectives and requirements:

a. Validation objectives

The State's validation procedures must be structured to permit acceptable projections of the sample results to the entire population of subject appraisers. Therefore, the sample must include an adequate number of affidavits selected from each federally recognized credential level to have a reasonable chance of identifying appraisers who fail to comply with AQB Criteria, and the sample must include a statistically relevant representation of the appraiser population being sampled.

b. Minimum Standards

1) Validation must include a prompt post-approval audit. Each audit of an affidavit for continuing education credit claimed must be completed within 60 business days from the date the credential is scheduled for renewal (based on the credential's expiration date). To ensure the audit is a statistically relevant representation, a sampling of credentials that were renewed after the scheduled expiration date and/or beyond the date the sample was selected, must also be audited to ensure that a credential holder may not avoid being selected for a continuing education audit by renewing early or late.

2) States must audit the continuing education-related affidavit for each credentialed appraiser selected in the sampling procedure.

3) States must determine that education courses claimed conform to AQB Criteria and that the appraiser successfully completed each course.

4) When a State determines that an appraiser's continuing education does not meet AQB Criteria, and the appraiser has failed to complete any remedial action offered, the State must take appropriate action to suspend the appraiser's eligibility to perform appraisals in federally related transactions until such time that the requisite continuing education has been completed. The State must notify the ASC within five (5) business days after taking such action in order for the appraiser's record on the Appraiser Registry to be updated appropriately.

5) If a State determines that a renewal applicant knowingly falsely attested to completing the continuing education required by AQB Criteria, the State must take appropriate administrative and/or disciplinary action and report such action, if deemed to be discipline, to the ASC within five (5) business days.

6) If more than ten percent of the audited appraisers fail to meet the AQB Criteria, the State must take remedial action[49] to address the apparent weakness of its affidavit process. The ASC will determine on a case-by-case basis whether remedial actions are effective and acceptable.

7) In the case of a renewal being processed after the credential's expiration date, but within the State's allowed grace period for a late renewal, the State must establish a reliable process to audit affidavits for continuing education (*e.g.*, requiring documentation of all continuing education).

[49] For example:
(1) a State may conduct an additional audit using a higher percentage of audited appraisers; or
(2) a State may publicly post action taken to sanction non-compliant appraisers to increase awareness in the appraiser community of the importance of compliance with continuing education requirements.

c. Documentation

States must maintain adequate documentation to support its affidavit renewal and audit procedures and actions.

d. List of Education Courses

To promote accountability, the ASC encourages States accepting affidavits for continuing education credit claimed for credential renewal to require that the appraiser provide a list of courses to support the affidavit.

D. Experience for Initial or Upgrade Applications

States must ensure that appraiser experience logs conform to AQB Criteria. States may not accept an affidavit for experience credit claimed by applicants for any federally recognized credential.[50]

1. Validation Required

States must implement a reliable validation procedure to verify that each applicant's experience meets AQB Criteria, including but not limited to, being USPAP compliant and containing the required number of hours and months.

2. Validation Procedures, Objectives and Requirements

a. Experience Hours Validation

States must determine the hours and time period claimed on the experience log are accurate. Appraiser Program staff or State board members must select the work product to validate the experience hours claimed; applicants may not have any role in this selection process.

b. USPAP Compliance

States must analyze a representative sample of the applicant's work product for compliance with USPAP. For appraisal experience to be acceptable under AQB Criteria, it must be USPAP compliant. States must exercise due diligence in determining whether submitted documentation of experience or work product demonstrates compliance with USPAP. Persons analyzing work product for USPAP compliance must be knowledgeable about appraisal practice and USPAP, and States must be able to document how such persons are so qualified.

c. Determination of Experience Time Periods

Experience time periods must conform to requirements set forth in the AQB Criteria for the credential sought.

d. Supporting Documentation

States must maintain adequate documentation to support validation methods. The applicant's file, either electronic or paper, must include the information necessary to identify each appraisal assignment selected to validate the experience hours claimed and each appraisal assignment analyzed by the State for USPAP compliance, notes, letters and/or reports prepared by the official(s) evaluating the report for USPAP compliance, and any correspondence exchanged with the applicant regarding the appraisals submitted. This supporting documentation may be discarded upon the completion of the first ASC Compliance Review performed after the credential issuance or denial for that applicant.

E. Examination

States must ensure that an appropriate AQB-approved qualifying examination is administered for each of the federally recognized appraiser classifications requiring an examination.

[50] *See* Policy Statement 1D and E for discussion of "federally recognized credential" and "non-federally recognized credential." If prior to July 1, 2013, a State accepted experience-related affidavits from applicants for initial licensure in any non-certified classification, upon the appraiser's application to upgrade to a certified classification, the State must require experience documentation to support the appraiser's qualification for the certified classification, not just the incremental amount of experience required to move from the non-certified to the certified classification. For example, if a State accepted an experience affidavit from an appraiser to support the appraiser's initial hours to qualify for the licensed classification, and subsequently that appraiser applies to upgrade to the certified residential classification, the State must require documentation to support the full experience hours required for the certified residential classification, not just the difference in hours between the two classifications.

F. Summary of Requirements

Processing of Applications

1. States must process applications in a consistent, equitable and well-documented manner.[51]
2. States must ensure appraiser credential applications submitted for processing do not contain invalid examinations as established by AQB Criteria.[52]
3. States must obtain and maintain sufficient relevant documentation pertaining to an application for issuance, upgrade or renewal of a credential so as to enable understanding of the facts and determinations in the matter and the reasons for those determinations.[53]

Education

1. States must verify that the applicant's claimed education courses are acceptable under AQB Criteria, whether for initial credentialing, renewal, upgrade or reinstatement.[54]
2. States must verify that the applicant has successfully completed courses consistent with AQB Criteria for the appraiser credential sought, whether for initial credentialing, renewal, upgrade or reinstatement.[55]
3. States must maintain adequate documentation to support verification.[56]
4. States may not accept an affidavit for education claimed from applicants for any federally recognized credential.[57]
5. States may not accept an affidavit for continuing education claimed from applicants for reinstatement.[58]
6. States may accept affidavits for continuing education credit claimed for credential renewal so long as the State implements a reliable validation procedure.[59]
7. Audits of affidavits for continuing education credit claimed must be completed within sixty (60) business days from the date the credential is scheduled for renewal (based on the credential's expiration date).[60]
8. In the case of a renewal being processed after the credential's expiration date, but within the State's allowed grace period for a late renewal, the State must establish a reliable process to audit affidavits for continuing education (*e.g.*, requiring documentation of all continuing education).[61]
9. States are required to take remedial action when it is determined that more than ten percent of audited appraiser's affidavits for continuing education credit claimed fail to meet the minimum AQB Criteria.[62]
10. States are required to take appropriate administrative and/or disciplinary action when it is determined that an applicant knowingly falsely attested to completing continuing education.[63]
11. When a State determines that an appraiser's continuing education does not meet AQB Criteria, and the appraiser has failed to complete any remedial action offered, the State must take appropriate action to suspend the appraiser's eligibility to perform appraisals in federally related transactions until such time that the requisite continuing

[51] Title XI § 1118 (a), 12 U.S.C. § 3347.
[52] Title XI § 1118 (a), 12 U.S.C. § 3347; AQB *Real Property Appraiser Qualification Criteria*.
[53] Title XI § 1118 (a), 12 U.S.C. § 3347.
[54] *Id.*
[55] *Id.*
[56] Title XI § 1118 (a), 12 U.S.C. § 3347.
[57] *Id.*
[58] *Id.*
[59] Title XI § 1118 (a), 12 U.S.C. § 3347; AQB *Real Property Appraiser Qualification Criteria*.
[60] Title XI § 1118 (a), 12 U.S.C. § 3347.
[61] *d.*
[62] *Id.*
[63] *Id.*

education has been completed. The State must notify the ASC within five (5) business days after taking such action in order for the appraiser's record on the Appraiser Registry to be updated appropriately.[64]

Experience

1. States may not accept an affidavit for experience credit claimed from applicants for any federally recognized credential.[65]
2. States must ensure that appraiser experience logs conform to AQB Criteria.[66]
3. States must use a reliable means of validating appraiser experience claims on all initial or upgrade applications for appraiser credentialing.[67]
4. States must select the work product to validate the experience hours claimed on all initial or upgrade applications for appraiser credentialing.[68]
5. States must analyze a representative sample of the applicant's work product for compliance with USPAP on all initial or upgrade applications for appraiser credentialing.[69]
6. States must exercise due diligence in determining whether submitted documentation of experience or work product demonstrates compliance with USPAP on all initial or upgrade applications for appraiser credentialing.[70]
7. Persons analyzing work product for USPAP compliance must be knowledgeable about appraisal practice and USPAP, and States must be able to document how such persons are so qualified.[71]
8. Experience time periods must conform to requirements set forth in the AQB Criteria for the credential sought.[72]

Examination

1. States must ensure that an appropriate AQB-approved qualifying examination is administered for each of the federally recognized credentials requiring an examination.[73]

[64] *Id.*
[65] *Id.*
[66] Title XI § 1118 (a), 12 U.S.C. § 3347; AQB *Real Property Appraiser Qualification Criteria.*
[67] Title XI § 1118 (a), 12 U.S.C. § 3347.
[68] Title XI § 1118 (a), 12 U.S.C. § 3347.
[69] *Id.*
[70] *Id.*
[71] *Id.*
[72] Title XI § 1118 (a), 12 U.S.C. § 3347; AQB *Real Property Appraiser Qualification Criteria.*
[73] *Id.*

POLICY STATEMENT 5

Reciprocity

A. Reciprocity Policy

Title XI contemplates the reasonably free movement of certified and licensed appraisers across State lines. The ASC monitors Appraiser Programs for compliance with the reciprocity provision of Title XI as amended by the Dodd-Frank Act.[74] Title XI requires that in order for a State's appraisers to be eligible to perform appraisals for federally related transactions, the State must have a policy in place for issuing reciprocal credentials IF:

a. the appraiser is coming from a State (Home State) that is "in compliance" with Title XI as determined by the ASC; AND

b. (i) the appraiser holds a valid credential from the Home State; AND

(ii) the credentialing requirements of the Home State[75] meet or exceed those of the reciprocal credentialing State (Reciprocal State).[76]

An appraiser relying on a credential from a State that does not have such a policy in place may not perform appraisals for federally related transactions. A State may be more lenient in the issuance of reciprocal credentials by implementing a more open door policy. However, States cannot impose additional impediments to obtaining reciprocal credentials.

For purposes of implementing the reciprocity policy, States with an ASC Finding[77] of "Poor" do not satisfy the "in compliance" provision for reciprocity. Therefore, States are not required to recognize, for purposes of granting a reciprocal credential, the license or certification of an appraiser credentialed in a State with an ASC Finding of "Poor."

B. Application of Reciprocity Policy

The following examples illustrate application of reciprocity in a manner that complies with Title XI. The examples refer to the reciprocity policy requiring issuance of a reciprocal credential IF:

a. the appraiser is coming from a State that is "in compliance"; AND

b. (i) the appraiser holds a valid credential from that State; AND

(ii) the credentialing requirements of that State (as they currently exist) meet or exceed those of the reciprocal credentialing State (as they currently exist).

Example 1. Additional Requirements Imposed on Applicants

State A requires that prior to issuing a reciprocal credential the applicant must certify that disciplinary proceedings are not pending against that applicant in any jurisdiction. Under b (ii) above, if this requirement is not imposed on all of its own applicants for credentialing, STATE A cannot impose this requirement on applicants for reciprocal credentialing.

Example 2. Credentialing Requirements

An appraiser is seeking a reciprocal credential in STATE A. The appraiser holds a valid credential in STATE Z, even though it was issued in 2007. This satisfies b (i) above. However, in order to satisfy b (ii), STATE A would evaluate STATE Z's credentialing requirements as they currently exist to determine whether they meet or exceed STATE A's current requirements for credentialing.

Example 3. Multiple State Credentials

An appraiser credentialed in several States is seeking a reciprocal credential in State A. That appraiser's initial credentials were obtained through examination in the original credentialing State and through reciprocity in the additional States. State A requires the applicant to provide a "letter of good standing" from the State of original credentialing as a condition of granting a reciprocal credential. State A may not impose such a requirement since Title XI does not distinguish between credentials obtained by examination and credentials

[74] Title XI § 1122 (b), 12 U.S.C. § 3351.

[75] As they exist at the time of application for reciprocal credential.

[76] *Id.*

[77] *See* Appendix A, *Compliance Review Process*, for an explanation of ASC Findings.

obtained by reciprocity for purposes of granting reciprocal credentials.

C. Appraiser Compliance Requirements

In order to maintain a credential granted by reciprocity, appraisers must comply with the credentialing State's policies, rules and statutes governing appraisers, including requirements for payment of certification and licensing fees, as well as continuing education.[78]

D. Well-Documented Application Files

States must obtain and maintain sufficient relevant documentation pertaining to an application for issuance of a credential by reciprocity so as to enable understanding of the facts and determinations in the matter and the reasons for those determinations.

E. Summary of Requirements

1. States must have a reciprocity policy in place for issuing a reciprocal credential to an appraiser from another State under the conditions specified in Title XI in order for the State's appraisers to be eligible to perform appraisals for federally related transactions.[79]
2. States may be more lenient in the issuance of reciprocal credentials by implementing a more open door policy; however, States may not impose additional impediments to issuance of reciprocal credentials.[80]
3. States must obtain and maintain sufficient relevant documentation pertaining to an application for issuance of a credential by reciprocity so as to enable understanding of the facts and determinations in the matter and the reasons for those determinations.[81]

[78] A State may offer to accept continuing education (CE) for a renewal applicant who has satisfied CE requirements of a home State; however, a State may not impose this as a requirement for renewal, thereby imposing a requirement for the renewal applicant to retain a home State credential.

[79] Title XI § 1122 (b), 12 U.S.C. § 3351.

[80] *Id.*

[81] Title XI § 1118 (a), 12 U.S.C. § 3347.

POLICY STATEMENT 6

Education

AQB Criteria sets forth minimum requirements for appraiser education courses. This Policy Statement addresses proper administration of education requirements for compliance with AQB Criteria. (For requirements concerning qualifying and continuing education in the application process, see Policy Statement 4, *Application Process*.)

A. Course Approval

States must ensure that approved appraiser education courses are consistent with AQB Criteria and maintain sufficient documentation to support that approved appraiser education courses conform to AQB Criteria.

States should ensure that course approval expiration dates assigned by the State coincide with the endorsement period assigned by the AQB's Course Approval Program or any other AQB-approved organization providing approval of course design and delivery. States may not continue to accept AQB approved courses after the AQB's expiration date unless the course content is reviewed and approved by the State.

States should ensure that educational providers are afforded equal treatment in all respects.[82]

States are encouraged to accept courses approved by the AQB's Course Approval Program.

B. Distance Education

States must ensure that distance education courses meet AQB Criteria and that the delivery mechanism for distance education courses offered by a non-academic provider, including secondary providers, has been approved by an AQB-approved organization providing approval of course design and delivery.

States may not continue to accept courses after the AQB-approved organization's approval of course design and delivery date has expired.

C. Summary of Requirements

1. States must ensure that appraiser education courses are consistent with AQB Criteria.[83]
2. States must maintain sufficient documentation to support that approved appraiser courses conform to AQB Criteria.[84]
3. States must ensure the delivery mechanism for distance education courses offered by a non-academic provider, including secondary providers, has been approved by an AQB-approved organization providing approval of course design and delivery.[85]

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[82] For example:
(1) consent agreements requiring additional education should not specify a particular course provider when there are other providers on the State's approved course listing offering the same course; and
(2) courses from professional organizations should not be automatically approved and/or approved in a manner that is less burdensome than the State's normal approval process.

[83] Title XI § 1118 (a), 12 U.S.C. § 3347; AQB *Real Property Appraiser Qualification Criteria*.

[84] Title XI § 1118 (a), 12 U.S.C. § 3347.

[85] Title XI § 1118 (a), 12 U.S.C. § 3347; AQB *Real Property Appraiser Qualification Criteria*.

POLICY STATEMENT 7

State Agency Enforcement

A. State Agency Regulatory Program

Title XI requires the ASC to monitor the States for the purpose of determining whether the State processes complaints and completes investigations in a reasonable time period, appropriately disciplines sanctioned appraisers and maintains an effective regulatory program.[86]

B. Enforcement Process

States must ensure that the system for processing and investigating complaints[87] and sanctioning appraisers is administered in a timely, effective, consistent, equitable, and well-documented manner.

1. Timely Enforcement

States must process complaints of appraiser misconduct or wrongdoing in a timely manner to ensure effective supervision of appraisers, and when appropriate, that incompetent or unethical appraisers are not allowed to continue their appraisal practice. Absent special documented circumstances, final administrative decisions regarding complaints must occur within one year (12 months) of the complaint filing date.[88] Special documented circumstances are those extenuating circumstances (fully documented) beyond the control of the State agency that delays normal processing of a complaint such as: complaints involving a criminal investigation by a law enforcement agency when the investigative agency requests that the State refrain from proceeding; final disposition that has been appealed to a higher court; documented medical condition of the respondent; ancillary civil litigation; and complex cases that involve multiple individuals and reports. Such special documented circumstances also include those periods when State rules require referral of a complaint to another State entity for review and the State agency is precluded from further processing of the complaint until it is returned. In that circumstance, the State agency should document the required referral and the time period during which the complaint was not under its control or authority.

2. Effective Enforcement

Effective enforcement requires that States investigate allegations of appraiser misconduct or wrongdoing, and if allegations are proven, take appropriate disciplinary or remedial action. Dismissal of an alleged violation solely due to an "absence of harm to the public" is inconsistent with Title XI. Financial loss or the lack thereof is not an element in determining whether there is a violation. The extent of such loss, however, may be a factor in determining the appropriate level of discipline.

Persons analyzing complaints for USPAP compliance must be knowledgeable about appraisal practice and USPAP and States must be able to document how such persons are so qualified.

States must analyze each complaint to determine whether additional violations, especially those relating to USPAP, should be added to the complaint.

Closure of a complaint based solely on a State's statute of limitations that results in dismissal of a complaint without the investigation of the merits of the complaint is inconsistent with the Title XI requirement that States assure effective supervision of the activities of credentialed appraisers.[89]

3. Consistent and Equitable Enforcement

Absent specific documented facts or considerations, substantially similar cases within a State should result in similar dispositions.

4. Well-Documented Enforcement

States must obtain and maintain sufficient relevant documentation pertaining to a matter so as to enable understanding of the facts and

[86] Title XI § 1118 (a), 12 U.S.C. § 3347.

[87] *See* Appendix B, *Glossary of Terms*, for the definition of "complaint."

[88] The one-year period for resolution of complaints is not intended to have the impact of a statute of limitation or statute of repose.

[89] Title XI § 1117, 12 U.S.C. § 3346.

determinations in the matter and the reasons for those determinations.

a. Complaint Files

Complaint files must:

- include documentation outlining the progress of the investigation;
- demonstrate that appraisal reports are analyzed and any USPAP violations are identified and considered, whether or not they were the subject of the complaint;
- include rationale for the final outcome of the case (i.e., dismissal or imposition of discipline);
- include documentation explaining any delay in processing, investigation or adjudication;
- contain documentation that all ordered or agreed upon discipline, such as probation, fine, or completion of education is tracked and that completion of all terms is confirmed; and
- be organized in a manner that allows understanding of the steps taken throughout the complaint, investigation, and adjudicatory process..

b. Complaint Logs

States must track all complaints using a complaint log. The complaint log must record all complaints, regardless of their procedural status in the investigation and/or resolution process, including complaints pending before the State board, Office of the Attorney General, other law enforcement agencies, and/or offices of administrative hearings.

The complaint log must include the following information (States are strongly encouraged to maintain this information in an electronic, sortable format):

1. Case number
2. Name of respondent
3. Actual date the complaint was received by the State
4. Source of complaint (e.g., consumer, lender, AMC, bank regulator, appraiser, hotline) or name of complainant
5. Current status of the complaint
6. Date the complaint was closed (e.g., final disposition by the administrative hearing agency, Office of the Attorney General, State Appraiser Regulatory Agency or Court of Appeals)
7. Method of disposition (e.g., dismissal, letter of warning, consent order, final order)

C. Summary of Requirements

1. States must maintain relevant documentation to enable understanding of the facts and determinations in the matter and the reasons for those determinations.[90]
2. States must resolve all complaints filed against appraisers within one year (12 months) of the complaint filing date, except for special documented circumstances.[91]
3. States must ensure that the system for processing and investigating complaints and sanctioning appraisers is administered in an effective, consistent, equitable, and well-documented manner.[92]
4. States must track complaints of alleged appraiser misconduct or wrongdoing using a complaint log.[93]
5. States must appropriately document enforcement files and include rationale.[94]
6. States must regulate, supervise and discipline their credentialed appraisers.[95]
7. Persons analyzing complaints for USPAP compliance must be knowledgeable about

[90] Title XI § 1118 (a), 12 U.S.C. § 3347.
[91] *Id.*
[92] *Id.*
[93] *Id.*
[94] *Id.*
[95] *Id.*

appraisal practice and USPAP, and States must be able to document how such persons are so qualified.[96]

[96] *Id.*

PART B: AMC PROGRAM

POLICY STATEMENT 8

Statutes, Regulations, Policies and Procedures Governing State AMC Programs

A. Participating States and ASC Oversight

States are not required to establish an AMC registration and supervision program. For those States electing to participate in the registration and supervision of AMCs (participating States), ASC staff will informally monitor the State's progress to implement the requirements of Title XI and the AMC Rule.[97] Formal ASC oversight of State AMC Programs will begin at the next regularly scheduled Compliance Review of a State after a State elects to register and supervise AMCs pursuant to the AMC Rule. Formal ASC oversight will consist of evaluating AMC Programs in participating States during the Compliance Review process to determine compliance or lack thereof with Title XI, and to assess implementation of the minimum requirements for State registration and supervision of AMCs as established by the AMC Rule. Upon expiration of the statutory implementation period (see Policy Statement 11, Statutory Implementation Period), Compliance Reviews will include ASC oversight of AMC Programs for any participating State.

B. Relation to State Law

Participating States may establish requirements in addition to those in the AMC Rule.

Participating States may also have a more expansive definition of AMCs.[98] However, if a participating State has a more expansive definition of AMCs than in Title XI (thereby encompassing State regulation of AMCs that are not within the Title XI definition of AMC), the State must ensure such AMCs are identified as such in the State database, just as States currently do for non-federally recognized credentials or designations. Only those AMCs that meet the Federal definition of AMC will be eligible to be on the AMC Registry.

C. Funding and Staffing

The Dodd-Frank Act amended Title XI to require the ASC to determine whether participating States have sufficient funding and staffing to meet their Title XI requirements. Compliance with this provision requires that a State must provide its AMC Program with funding and staffing sufficient to carry out its Title XI-related duties. The ASC evaluates the sufficiency of funding and staffing as part of its review of all aspects of an AMC Program's effectiveness, including the adequacy of State boards, committees, or commissions responsible for carrying out Title XI-related duties.

D. Minimum Requirements for Registration and Supervision of AMCs as Established by the AMC Rule

1. AMC Registration and Supervision

If a State chooses to participate in the registration and supervision of AMCs in accordance with the AMC Rule, the State will be required to comply with the minimum requirements set forth in the AMC Rule. States should refer to the AMC Rule for compliance requirements[99] as this Policy Statement merely summarizes what the AMC Rule requires of participating States.

(a) The AMC Rule includes requirements for participating States to establish and maintain within the State appraiser certifying and licensing agency an AMC

[97] Title XI § 1103 (a)(1)(B), 12 U.S.C. § 3332. AMC Rule means the interagency final rule on minimum requirements for State registration and supervision of AMCs (12 CFR 34.210 – 34.216; 12 CFR 225.190 – 225.196; 12 CFR 323.8 -323.14; 12 CFR 1222.20 – 1222.26.

[98] Title XI as amended by the Dodd-Frank Act defines "appraisal management company" to mean, in part, an external third party that oversees a network or panel of more than 15 appraisers (State certified or licensed) in a State, or 25 or more appraisers nationally (two or more States) within a given year. (12 U.S.C. 3350(11)). Title XI as amended by the Dodd-Frank Act also allows States to adopt requirements in addition to those in the AMC Rule. (12 U.S.C. 3353(b)). For example, States may decide to supervise entities that provide appraisal management services, but do not meet the size thresholds of the Title XI definition of AMC. If a State has a more expansive regulatory framework that covers entities that provide appraisal management services but do not meet the Title XI definition of AMC, the State should only submit information regarding AMCs meeting the Title XI definition to the AMC Registry.

[99] *See* footnote 97.

Program with the legal authority and mechanisms to:

(1) Review and approve or deny AMC initial registration applications and/or renewals for registration;

(2) Examine records of AMCs and require AMCs to submit information;

(3) Verify that appraisers on AMCs' panels hold valid State credentials;

(4) Conduct investigations of AMCs to assess potential violations of appraisal-related laws, regulations, or orders;

(5) Discipline, suspend, terminate, or deny renewal of the registration of an AMC that violates appraisal-related laws, regulations, or orders; and

(6) Report an AMC's violation of appraisal-related laws, regulations, or orders, as well as disciplinary and enforcement actions and other relevant information about an AMC's operations, to the ASC.

(b) The AMC Rule includes requirements for participating States to impose requirements on AMCs that are not Federally regulated AMCs[100] to:

(1) Register with and be subject to supervision by the State appraiser certifying and licensing agency;

(2) Engage only State-certified or State-licensed appraisers for federally related transactions in conformity with any federally related transaction regulations;

(3) Establish and comply with processes and controls reasonably designed to ensure that the AMC, in engaging an appraiser, selects an appraiser who is independent of the transaction and who has the requisite education, expertise, and experience necessary to competently complete the appraisal assignment for the particular market and property type;

(4) Direct the appraiser to perform the assignment in accordance with USPAP; and

(5) Establish and comply with processes and controls reasonably designed to ensure that the AMC conducts its appraisal management services in accordance with the requirements of section 129E(a) through (i) of the Truth in Lending Act, 15 U.S.C. 1639e(a) through (i), and regulations thereunder.

2. Ownership Limitations for State-registered AMCs

A. Appraiser certification or licensing of Owners

An AMC subject to State registration shall not be registered by a State or included on the AMC Registry if such AMC, in whole or in part, directly or indirectly, is owned by any person who has had an appraiser license or certificate refused, denied, cancelled, surrendered in lieu of revocation, or revoked in any State for a substantive cause,[101] as determined by the State appraiser certifying and licensing agency. A State's process for review could, for example, be by questionnaire, or affidavit, or background screening, or otherwise. States must document to the file the State's method of review and the result.

B. Good Moral Character of Owners

An AMC shall not be registered by a State if any person that owns more than 10 percent of the AMC—

(1) Is determined by the State not to have good moral character; or

(2) Fails to submit to a background investigation carried out by the State.

A State's process for review could, for example, be by questionnaire, or affidavit, or background screening, or otherwise. The ASC would expect

[100] "Federally regulated AMCs," meaning AMCs that are subsidiaries owned and controlled by an insured depository institution or an insured credit union and regulated by a Federal financial institutions regulatory agency, are not required to register with the State (Title XI § 1124 (c), 12 U.S.C. § 3353(c)).

[101] An AMC subject to State registration is not barred from being registered by a State or included on the AMC Registry of AMCs if the license or certificate of the appraiser with an ownership interest was not revoked for a substantive cause and has been reinstated by the State or States in which the appraiser was licensed or certified. (12 CFR 34.210 – 34.216; 12 CFR 225.190 – 225.196; 12 CFR 323.8 -323.14; 12 CFR 1222.20 – 1222.26.

written documentation of the State's method of review and the result.

3. Requirements for Federally Regulated AMCs

Participating States are not required to identify Federally regulated AMCs[102] operating in their States, but rather the Federal financial institution regulatory agencies are responsible for requiring such AMCs to identify themselves to participating States and report required information.

A Federally regulated AMC shall not be included on the AMC Registry if such AMC, in whole or in part, directly or indirectly, is owned by any person who has had an appraiser license or certificate refused, denied, cancelled, surrendered in lieu of revocation, or revoked in any State for a substantive cause, as determined by the ASC.

E. Summary of Requirements

1. Participating States must establish and maintain an AMC Program with the legal authority and mechanisms consistent with the AMC Rule.[103]
2. Participating States must impose requirements on AMCs consistent with the AMC Rule.[104]
3. Participating States must enforce and document ownership limitations for State-registered AMCs.[105]
4. Only those AMCs that meet the Federal definition of AMC will be eligible to be on the AMC Registry. Therefore, participating States that have a more expansive definition of AMCs than in the AMC Rule must ensure such non-Federally recognized AMCs are identified as such in the State database.[106]
5. States must have funding and staffing sufficient to carry out their Title XI-related duties.[107]

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[102] *See* footnote 97.

[103] 12 CFR 34.210 – 34.216; 12 CFR 225.190 – 225.196; 12 CFR 323.8 -323.14; 12 CFR 1222.20 – 1222.26.

[104] *Id.*

[105] *Id.*

[106] Title XI § 1118 (b), 12 U.S.C. § 3347.

[107] *Id.*

POLICY STATEMENT 9

National Registry of AMCs (AMC Registry)

A. Requirements for the AMC Registry

Title XI requires the ASC to maintain the AMC Registry of AMCs that are either registered with and subject to supervision of a participating State or are operating subsidiaries of a Federally regulated financial institution.[108] Title XI further requires the States to transmit to the ASC: (1) reports on a timely basis of supervisory activities involving AMCs, including investigations resulting in disciplinary action being taken; and (2) the registry fee as set by the ASC[109] from AMCs that are either registered with a participating State or are Federally regulated AMCs.[110]

As with appraiser registry fees, Title XI, § 1109(a)(4)(b) requires the AMC registry fee to be collected by each participating State and transmitted to the ASC. Therefore, as with appraisers, an AMC will pay a registry fee in each participating State in which the AMC operates. As with appraisers, an AMC operating in multiple participating States will pay a registry fee in multiple States in order to be on the AMC Registry for each State.

States must notify the ASC as soon as practicable if an AMC listed on the AMC Registry is no longer registered with or operating in the State. The ASC extranet application allows States to update their AMC information directly to the AMC Registry.

B. Registry Fee and Invoicing Policies

Each State must remit to the ASC the annual registry fee, as set by the ASC, for AMCs to be listed on the AMC Registry. Requests to prorate refunds or partial-year registrations will not be granted. If a State collects multiple-year fees for multiple-years, the State may choose to remit to the ASC the total amount of the multiple-year registry fees or the equivalent annual fee amount. The ASC will, however, record AMCs on the AMC Registry only for the number of years for which the ASC has received payment. States must reconcile and pay registry invoices in a timely manner (45 calendar days after receipt of the invoice).

C. Reporting Requirements

State agencies must report all disciplinary action[111] taken against an AMC to the ASC via the extranet application within 5 business days after the disciplinary action is final, as determined by State law. States not reporting via the extranet application must provide, in writing to the ASC, a description of the circumstances preventing compliance with this requirement. For the most serious disciplinary actions (e.g., any action that interrupts an AMCs ability to provide appraisal management services), the AMCs status must be changed on the AMC Registry to "inactive." A Federally regulated AMC operating in a State must report to the State the information required to be submitted by the State to the ASC, pursuant to the ASC's policies regarding the determination of the AMC registry fee.

D. Access to AMC Registry Data

The ASC website provides free access to the public portion of the AMC Registry at www.asc.gov. The public portion of the AMC Registry data may be downloaded using predefined queries or user-customized applications.

Access to the full database, which includes non-public data (e.g., certain disciplinary action information), is restricted to authorized State and Federal regulatory agencies. States must designate a senior official, such as an executive director, to serve as the State's Authorized Registry Official, and provide to the ASC, in writing, information regarding the designated Authorized Registry Official. States must ensure that the authorization information provided to the ASC is updated and accurate. States must adopt and implement a written policy to protect the right of access, as well as the ASC issued User Name and Password.

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[108] Title XI § 1103 (a) (6), 12 U.S.C. § 3332.

[109] Title XI § 1109 (a) (4), 12 U.S.C. § 3338.

[110] Title XI § 1109 (a) (3) and (4), 12 U.S.C. § 3338.

[111] *See* Appendix B, *Glossary of Terms*, for the definition of "disciplinary action."

E. Summary of Requirements

1. States must reconcile and pay registry invoices in a timely manner (45 calendar days after receipt of the invoice).[112]
2. State agencies must report all disciplinary action taken against an AMC to the ASC via the extranet application within 5 business days after the disciplinary action is final, as determined by State law.[113]
3. States not reporting via the extranet application must provide, in writing to the ASC, a description of the circumstances preventing compliance with this requirement.[114]
4. For the most serious disciplinary actions (e.g., any action that interrupts an AMC's ability to provide appraisal management services), the AMC's status must be changed on the AMC Registry to "inactive."[115]
5. States must notify the ASC as soon as practicable if an AMC listed on the AMC Registry is no longer registered with or operating in the State.
6. States must designate a senior official, such as an executive director, who will serve as the State's Authorized Registry Official, and provide to the ASC, in writing, information regarding the selected Authorized Registry Official, and any individual(s) authorized to act on their behalf.[116]
7. States must adopt and implement a written policy to protect the right of access to the AMC Registry, as well as the ASC issued User Name and Password.[117]
8. States must ensure the accuracy of all data submitted to the AMC Registry.[118]

[112] Title XI § 1118 (a), 12 U.S.C. § 3347; Title XI § 1109 (a), 12 U.S.C. § 3338.
[113] Title XI § 1118 (a), 12 U.S.C. § 3347.
[114] *Id.*
[115] *Id.*
[116] *Id.*
[117] *Id.*
[118] *Id.*

POLICY STATEMENT 10

State Agency Enforcement

A. State Agency Regulatory Program

Title XI requires the ASC to monitor the States for the purpose of determining whether the State processes complaints and completes investigations in a reasonable time period, appropriately disciplines sanctioned AMCs and maintains an effective regulatory program.[119]

B. Enforcement Process

States must ensure that the system for processing and investigating complaints[120] and sanctioning AMCs is administered in a timely, effective, consistent, equitable, and well-documented[121] manner.

1. Timely Enforcement

States must process complaints against AMCs in a timely manner to ensure effective supervision of AMCs. Absent special documented circumstances, final administrative decisions regarding complaints must occur within one year (12 months) of the complaint filing date. Special documented circumstances are those extenuating circumstances (fully documented) beyond the control of the State agency that delays normal processing of a complaint such as: complaints involving a criminal investigation by a law enforcement agency when the investigative agency requests that the State refrain from proceeding; final disposition that has been appealed to a higher court; documented medical condition of the respondent; ancillary civil litigation; and complex fraud cases that involve multiple individuals and reports. Such special documented circumstances also include those periods when State rules require referral of a complaint to another State entity for review and the State agency is precluded from further processing of the complaint until it is returned. In that circumstance, the State agency should document the required referral and the time period during which the complaint was not under its control or authority.

2. Effective Enforcement

Effective enforcement requires that States investigate complaints, and if allegations are proven, take appropriate disciplinary or remedial action.

3. Consistent and Equitable Enforcement

Absent specific documented facts or considerations, substantially similar cases within a State should result in similar dispositions.

4. Well-Documented Enforcement

States must obtain and maintain sufficient relevant documentation pertaining to a matter so as to enable understanding of the facts and determinations in the matter and the reasons for those determinations.

a. Complaint Files

Complaint files must:

- include documentation outlining the progress of the investigation;
- include rationale for the final outcome of the case (i.e., dismissal or imposition of discipline);
- include documentation explaining any delay in processing, investigation or adjudication;
- contain documentation that all ordered or agreed upon discipline is tracked and that completion of all terms is confirmed; and
- be organized in a manner that allows understanding of the steps taken throughout the complaint, investigation, and adjudicatory process.

b. Complaint Logs

States must track all complaints using a complaint log. The complaint log must record all complaints, regardless of their procedural

[119] Title XI § 1118 (a), 12 U.S.C. § 3347.

[120] *See* Appendix B, *Glossary of Terms*, for the definition of "complaint."

[121] *See* Appendix B, *Glossary of Terms*, for the definition of "well-documented."

status in the investigation and/or resolution process, including complaints pending before the State board, Office of the Attorney General, other law enforcement agencies, and/or offices of administrative hearings. The complaint log must include the following information (States are strongly encouraged to maintain this information in an electronic, sortable format):

1. Case number
2. Name of respondent
3. Actual date the complaint was received by the State
4. Source of complaint (*e.g.*, consumer, lender, AMC, bank regulator, appraiser, hotline) or name of complainant
5. Current status of the complaint
6. Date the complaint was closed (*e.g.*, final disposition by the administrative hearing agency, Office of the Attorney General, State AMC Program or Court of Appeals)
7. Method of disposition (*e.g.*, dismissal, letter of warning, consent order, final order)

C. Summary of Requirements

1. States must maintain relevant documentation to enable understanding of the facts and determinations in the matter and the reasons for those determinations.[122]
2. States must resolve all complaints filed against AMCs within one year (12 months) of the complaint filing date, except for special documented circumstances.[123]
3. States must ensure that the system for processing and investigating complaints and sanctioning AMCs is administered in an effective, consistent, equitable, and well-documented manner.[124]
4. States must track complaints of alleged AMC misconduct or wrongdoing using a complaint log.[125]
5. States must appropriately document enforcement files and include rationale.[126]

[122] Title XI § 1118 (a), 12 U.S.C. § 3347.
[123] *Id.*
[124] *Id.*
[125] *Id.*
[126] *Id.*

POLICY STATEMENT 11

Statutory Implementation Period

Title XI and the AMC Rule set forth the statutory implementation period.[127] The AMC Rule was effective on August 10, 2015. As of 36 months from that date (August 10, 2018), an AMC may not provide appraisal management services for a federally related transaction in a non-participating State unless the AMC is a Federally regulated AMC. Appraisal management services may still be provided for federally related transactions in non-participating States by individual appraisers, by AMCs that are below the minimum statutory panel size threshold, and as noted, by Federally regulated AMCs.

The ASC, with the approval of the Federal Financial Institutions Examination Council (FFIEC), may extend this statutory implementation period for an additional 12 months if the ASC makes a finding that a State has made substantial progress toward implementing a registration and supervision program for AMCs that meets the standards of Title XI.[128]

[127] Title XI § 1124 (f)(1), 12 U.S.C. § 3353 and 12 CFR 34.210 – 34.216; 12 CFR 225.190 – 225.196; 12 CFR 323.8 -323.14; 12 CFR 1222.20 – 1222.26.

[128] Title XI § 1124 (f)(2), 12 U.S.C. § 3353.

PART C: INTERIM SANCTIONS

POLICY STATEMENT 12

Interim Sanctions

A. Authority

Title XI grants the ASC authority to impose sanctions on a State that fails to have an effective Appraiser or AMC Program.[129] The ASC may remove a State credentialed appraiser or a registered AMC from the Appraiser or AMC Registry on an interim basis, not to exceed 90 days, pending State agency action on licensing, certification, registration and disciplinary proceedings as an alternative to or in advance of a non-recognition proceeding.[130] In determining whether an Appraiser or AMC Program is effective, the ASC shall conduct an analysis as required by Title XI. An ASC Finding of Poor on the Compliance Review Report[131] issued to a State at the conclusion of an ASC Compliance Review may trigger an analysis by the ASC for potential interim sanction(s). The following provisions apply to the exercise by the ASC of its authority to impose interim sanction(s) on State agencies.

B. Opportunity to be Heard or Correct Conditions

The ASC shall provide the State agency with:

1. written notice of intention to impose an interim sanction; and
2. opportunity to respond or to correct the conditions causing such notice to the State.

Notice and opportunity to respond or correct the conditions shall be in accordance with section C, *Procedures*.

C. Procedures

This section prescribes the ASC's procedures which will be followed in arriving at a decision by the ASC to impose an interim sanction against a State agency.

1. Notice

The ASC shall provide a written Notice of intention to impose an interim sanction (Notice) to the State agency. The Notice shall contain the ASC's analysis as required by Title XI of the State's licensing and certification of appraisers, the registration of AMCs, the issuance of temporary licenses and certifications for appraisers, the receiving and tracking of submitted complaints against appraisers and AMCs, the investigation of complaints, and enforcement actions against appraisers and AMCs.[132] The ASC shall verify the State's date of receipt, and publish both the Notice and the State's date of receipt in the *Federal Register*.

2. State Agency Response

Within 15 days of receipt of the Notice, the State may submit a response to the ASC's Executive Director. Alternatively, a State may submit a Notice Not to Contest with the ASC's Executive Director. The filing of a Notice Not to Contest shall not constitute a waiver of the right to a judicial review of the ASC's decision, findings and conclusions. Failure to file a Response within 15 days shall constitute authorization for the ASC to find the facts to be as presented in the Notice and analysis. The ASC, for good cause shown, may permit the filing of a Response after the prescribed time.

3. Briefs, Memoranda and Statements

Within 45 days after the date of receipt by the State agency of the Notice as published in the *Federal Register*, the State agency may file with the ASC's Executive Director a written brief, memorandum or other statement providing factual data and policy and legal arguments regarding the matters set out in the Notice and analysis.

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[129] Title XI § 1118 (a), 12 U.S.C. § 3347.

[130] *Id.*

[131] *See Appendix A – Compliance Review Process.*

[132] Title XI § 1118 (a), 12 U.S.C. § 3347.

4. Oral Presentations to the ASC

Within 45 days after the date of receipt by the State agency of the Notice as published in the *Federal Register*, the State may file a request with the ASC's Executive Director to make oral presentation to the ASC. If the State has filed a request for oral presentation, the matter shall be heard within 45 days. An oral presentation shall be considered as an opportunity to offer, emphasize and clarify the facts, policies and laws concerning the proceeding, and is not a Meeting[133] of the ASC. On the appropriate date and time, the State agency will make the oral presentation before the ASC. Any ASC member may ask pertinent questions relating to the content of the oral presentation. Oral presentations will not be recorded or otherwise transcribed. Summary notes will be taken by ASC staff and made part of the record on which the ASC shall decide the matter.

5. Conduct of Interim Sanction Proceedings

(a) Written Submissions

All aspects of the proceeding shall be conducted by written submissions, with the exception of oral presentations allowed under subsection 4 above.

(b) Disqualification

An ASC member who deems himself or herself disqualified may at any time withdraw. Upon receipt of a timely and sufficient affidavit of personal bias or disqualification of such member, the ASC will rule on the matter as a part of the record.

(c) Authority of ASC Chairperson

The Chairperson of the ASC, in consultation with other members of the ASC whenever appropriate, shall have complete charge of the proceeding and shall have the duty to conduct it in a fair and impartial manner and to take all necessary action to avoid delay in the disposition of proceedings.

(d) Rules of Evidence

Except as is otherwise set forth in this section, relevant material and reliable evidence that is not unduly repetitive is admissible to the fullest extent authorized by the Administrative Procedure Act (5 U.S.C. §§ 551-559) and other applicable law.

6. Decision of the ASC and Judicial Review

Within 90 days after the date of receipt by the State agency of the Notice as published in the *Federal Register*, or in the case of oral presentation having been granted, within 30 days after presentation, the ASC shall issue a final decision, findings and conclusions and shall publish the decision promptly in the Federal Register. The final decision shall be effective on issuance. The ASC's Executive Director shall ensure prompt circulation of the decision to the State agency. A final decision of the ASC is a prerequisite to seeking judicial review.

7. Computing Time

Time computation is based on business days. The date of the act, event or default from which the designated period of time begins to run is not included. The last day is included unless it is a Saturday, Sunday, or Federal holiday, in which case the period runs until the end of the next day which is not a Saturday, Sunday or Federal holiday.

8. Documents and Exhibits

Unless otherwise provided by statute, all documents, papers and exhibits filed in connection with any proceeding, other than those that may be withheld from disclosure under applicable law, shall be placed by the ASC's Executive Director in the proceeding's file and will be available for public inspection and copying.

9. Judicial Review

A decision of the ASC under this section shall be subject to judicial review. The form of proceeding for judicial review may include any applicable form of legal action, including actions for declaratory judgments or writs of

[133] The proceeding is more in the nature of a Briefing not subject to open meeting requirements. The presentation is an opportunity for the State to brief the ASC – to offer, emphasize and clarify the facts, policies and laws concerning the proceeding, and for the ASC members to ask questions. Additional consideration is given to the fact that this stage of the proceeding is pre-decisional.

prohibitory or mandatory injunction in a court of competent jurisdiction.[134]

[134] 5 U.S.C. § 703 - *Form and venue of proceeding.*

APPENDICES

Appendix A – Compliance Review Process

The ASC monitors State Appraiser and AMC Programs for compliance with Title XI. The monitoring of State Programs is largely accomplished through on-site visits known as a Compliance Review (Review). A Review is conducted over a two- to four-day period, and is scheduled to coincide with a meeting of the Program's decision-making body whenever possible. ASC staff reviews the Appraiser Program and the seven compliance areas addressed in Policy Statements 1 through 7. ASC staff reviews a participating State's AMC Program and the three compliance areas addressed in Policy Statements 8 through 10. Sufficient documentation demonstrating compliance must be maintained by a State and made available for inspection during the Review. ASC staff reviews a sampling of documentation in each of the compliance areas. The sampling is intended to be representative of a State Program in its entirety.

Based on the Review, ASC staff provides the State with an ASC staff report for the Appraiser Program, and if applicable, an ASC staff report for the AMC Program, detailing preliminary findings. The State is given 60 days to respond to the ASC staff report(s). At the conclusion of the Review, a Compliance Review Report (Report) is issued to the State for the Appraiser Program, and if applicable, a Report is also issued for the AMC Program, with the ASC Finding on each Program's overall compliance, or lack thereof, with Title XI. Deficiencies resulting in non-compliance in any of the compliance areas are cited in the Report. "Areas of Concern" which potentially expose a Program to compliance issues in the future are also addressed in the Report. The ASC's final disposition is based upon the ASC staff report, the State's response and staff's recommendation.

The following chart provides an explanation of the ASC Findings and rating criteria for each ASC Finding category. The ASC Finding places particular emphasis on whether the State is maintaining an effective regulatory Program in compliance with Title XI.

ASC FINDING	RATING CRITERIA	REVIEW CYCLE (PROGRAM HISTORY OR NATURE OF DEFICIENCY MAY WARRANT A MORE ACCELERATED REVIEW CYCLE.)
Excellent	• State meets all Title XI mandates and complies with requirements of ASC Policy Statements • State maintains a strong regulatory Program • Very low risk of Program failure	Two-year
Good	• State meets the majority of Title XI mandates and complies with the majority of ASC Policy Statement requirements • Deficiencies are minor in nature • State is adequately addressing deficiencies identified and correcting them in the normal course of business • State maintains an effective regulatory Program • Low risk of Program failure	Two-year
Needs Improvement	• State does not meet all Title XI mandates and does not comply with all requirements of ASC Policy Statements • Deficiencies are material but manageable and if not corrected in a timely manner pose a potential risk to the Program • State may have a history of repeated deficiencies but is showing progress toward correcting deficiencies • State regulatory Program needs improvement • Moderate risk of Program failure	Two-year with additional monitoring
Not Satisfactory	• State does not meet all Title XI mandates and does not comply with all requirements of ASC Policy Statements • Deficiencies present a significant risk and if not corrected in a timely manner pose a well-defined risk to the Program • State may have a history of repeated deficiencies and requires more supervision to ensure corrective actions are progressing • State regulatory Program has substantial deficiencies • Substantial risk of Program failure	One-year
Poor[135]	• State does not meet Title XI mandates and does not comply with requirements of ASC Policy Statements • Deficiencies are significant and severe, require immediate attention and if not corrected represent critical flaws in the Program • State may have a history of repeated deficiencies and may show a lack of willingness or ability to correct deficiencies • High risk of Program failure	Continuous monitoring

[135] An ASC Finding of "Poor" may result in significant consequences to the State. See Policy Statement 5, *Reciprocity*; see also Policy Statement 12, *Interim Sanctions*.

The ASC has two primary Review Cycles: two-year and one-year. Most States are scheduled on a two-year Review Cycle. States may be moved to a one-year Review Cycle if the ASC determines more frequent on-site Reviews are needed to ensure that the State maintains an effective Program. Generally, States are placed on a one-year Review Cycle because of non-compliance issues or serious areas of concerns that warrant more frequent on-site visits. Both two-year and one-year Review Cycles include a review of all aspects of the State's Program.

The ASC may conduct Follow-up Reviews and additional monitoring. A Follow-up Review focuses only on specific areas identified during the previous on-site Review. Follow-up Reviews usually occur within 6-12 months of the previous Review. In addition, as a risk management tool, ASC staff identifies State Programs that may have a significant impact on the nation's appraiser regulatory system in the event of Title XI compliance issues. For States that represent a significant percentage of the credentials on the Appraiser Registry, ASC staff performs annual on-site Priority Contact visits. The primary purpose of the Priority Contact visit is to review topical issues, evaluate regulatory compliance issues, and maintain a close working relationship with the State. This is not a complete Review of the Program. The ASC will also schedule a Priority Contact visit for a State when a specific concern is identified that requires special attention. Additional monitoring may be required where a deficiency is identified and reports on required or agreed upon corrective actions are required monthly or quarterly. Additional monitoring may include on-site monitoring as well as off-site monitoring.

Appendix B – Glossary of Terms

Appraisal management company (AMC): Refers to, in connection with valuing properties collateralizing mortgage loans or mortgages incorporated into a securitization, any external third party authorized either by a creditor of a consumer credit transaction secured by a consumer's principal dwelling or by an underwriter of or other principal in the secondary mortgage markets, that oversees a network or panel of more than 15 certified or licensed appraisers in a State or 25 or more nationally within a given year—

(A) to recruit, select, and retain appraisers;

(B) to contract with licensed and certified appraisers to perform appraisal assignments;

(C) to manage the process of having an appraisal performed, including providing administrative duties such as receiving appraisal orders and appraisal reports, submitting completed appraisal reports to creditors and underwriters, collecting fees from creditors and underwriters for services provided, and reimbursing appraisers for services performed; or

(D) to review and verify the work of appraisers.

AQB Criteria: Refers to the *Real Property Appraiser Qualification Criteria* as established by the Appraiser Qualifications Board of the Appraisal Foundation setting forth minimum education, experience and examination requirements for the licensure and certification of real property appraisers, and minimum requirements for "Trainee" and "Supervisory" appraisers.

Assignment: As referenced herein, for purposes of temporary practice, "assignment" means one or more real estate appraisals and written appraisal report(s) covered by a single contractual agreement.

Complaint: As referenced herein, any document filed with, received by, or serving as the basis for possible inquiry by the State agency regarding alleged violation of Title XI, Federal or State law or regulation, or USPAP by a credentialed appraiser or appraiser applicant, for allegations of unlicensed appraisal activity, or complaints involving AMCs. A complaint may be in the form of a referral, letter of inquiry, or other document alleging misconduct or wrongdoing.

Credentialed appraisers: Refers to State licensed, certified residential or certified general appraiser classifications.

Disciplinary action: As referenced herein, corrective or punitive action taken by or on behalf of a State agency which may be formal or informal, or may be consensual or involuntary, resulting in any of the following:

a. revocation of credential or registration

b. suspension of credential or registration

c. written consent agreements, orders or reprimands

d. probation or any other restriction on the use of a credential

e. fine

f. voluntary surrender[136]

g. other acts as defined by State statute or regulation as disciplinary

With the exception of voluntary surrender, suspension or revocation, such action may be exempt from reporting to the National Registry if defined by State statute, regulation or written policy as "non-disciplinary."

Federally related transaction: Refers to any real estate related financial transaction which:

a) a federal financial institutions regulatory agency engages in, contracts for, or regulates; and

b) requires the services of an appraiser. (See Title XI § 1121 (4), 12 U.S.C. § 3350.)

Federal financial institutions regulatory agencies: Refers to the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency, and the National Credit Union Administration. (See Title XI § 1121 (6), 12 U.S.C. § 3350.)

Home State agency: As referenced herein, State agency or agencies that grant an appraiser a licensed or certified credential. Residency in the home State is not required. Appraisers may have more than one home State agency.

Non- federally recognized credentials or designations: Refers to any State appraiser credential or designation other than trainee, State

[136] A voluntary surrender that is not deemed disciplinary by State law or regulation, or is not related to any disciplinary process need not be reported as discipline provided the individual's Appraiser Registry record is updated to show the credential is inactive.

licensed, certified residential or certified general classifications as defined in Policy Statement 1, and which is not recognized by Title XI.

Real estate related financial transaction: Any transaction involving:

a) the sale, lease, purchase, investment in or exchange of real property, including interests in property, or the financing thereof;

b) the refinancing of real property or interests in real property; and

c) the use of real property or interests in property as security for a loan or investment, including mortgage-backed securities.

(*See* Title XI § 1121 (5), 12 U.S.C. 3350.)

State: Any State, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, Guam, and the United States Virgin Islands. (American Samoa does not have a Program.)

State board: As referenced herein, "State board" means a group of individuals (usually appraisers, AMC representatives, bankers, consumers, and/or real estate professionals) appointed by the Governor or a similarly positioned State official to assist or oversee State Programs. A State agency may be headed by a board, commission or an individual.

Uniform Standards of Professional Appraisal Practice (USPAP): Refers to appraisal standards promulgated by the Appraisal Standards Board of the Appraisal Foundation establishing minimum requirements for development and reporting of appraisals, including real property appraisal. Title XI requires appraisals prepared by State certified and licensed appraisers to be performed in conformance with USPAP.

Well-documented: Means that States obtain and maintain sufficient relevant documentation pertaining to a matter so as to enable understanding of the facts and determinations in the matter and the reasons for those determinations.

Q.139

Appraisal Subcommittee of the Federal Financial Institutions Examination Council
1717 K St NW
Suite 900
Washington, DC 20006

202-289-2735
https://www.asc.gov

Q.140

Greetings!

June was a pivotal month for The Appraisal Foundation. We held our first ever two and a half day Joint Council Meeting, featuring the Townhall for Educators on Appraisal Challenges and Happenings (TEACH) and one of our largest audiences ever. It was an engaging week filled with conversations and collaborations to better the future of this profession.

But that wasn't even the biggest thing to happen in June. On June 22nd, the Appraiser Qualifications Board (AQB) **released their second exposure draft** of proposed changes to the *Real Property Appraiser Qualification Criteria*.

This new exposure draft is truly a game changer for the profession. It includes proposals that would:

- Open additional paths into the profession;
- Remove requirements that are not tied to practice readiness;
- Clarify provisions that have produced confusion in practice; and
- Preserve the core requirements the *Criteria* is designed to verify.

None of this would have been possible without the insightful and thoughtful work of every stakeholder who submitted comments on the first exposure draft, joined the AQB on a public meeting, or participated in the 2025 Job Analysis Survey.

But we still need your help! To be responsive to the needs of the profession, the AQB is working quickly to assess this new exposure draft. They are holding **a webinar on July 9th**, and the **public comment deadline is July 27th**. I hope you will take the time to join the conversation. Your voice is critical to the future of the profession.

Let's Make it a Great Month!

Kelly Davids
President
The Appraisal Foundation

AQB Webinar on Second Exposure Draft

July 9 | 2pm ET
Register Today >

Apply to the ASB and AQB

The Appraisal Foundation is now accepting applications for its annual selection of new members to serve on the Appraiser Qualifications Board (AQB) and the Appraisal Standards Board (ASB). Individuals appointed through this process will begin their term on January 1, 2027. Each appointment may be for a one-, two-, or three-year term, depending on the needs of the board.

For this selection cycle, there are up to three open seats on the AQB and up to four open seats on the ASB that are eligible for appointment or reappointment.

Applications are due July 24th. Apply and learn more at the links below.

- **Apply to the ASB**
- **Apply to the AQB**

Q.141

First AQB Approved Practicum

Appraisal U is the first organization to receive AQB approval on its practicum program. This is the first practicum with nation-wide recognition under the *Real Property Appraiser Qualification Criteria*. Practicum programs can also be approved by a state for use in its jurisdiction.

A practicum is a structured course that allows aspiring appraisers to apply the knowledge gained in their qualifying education through supervised, real-world appraisal assignments. Practicum courses are designed to provide experience, not additional education, and serve as an alternative pathway to the traditional supervisor/trainee model and Practical Applications of Real Estate Appraisal (PAREA®) for meeting appraisal experience.

Learn more **here**.

Apply to the PPRP and BVRP

The Personal Property Resource Panel and Business Valuation Resource Panel are now accepting applications. These resource panel are tasked with providing discipline specific expertise to the Foundation and its boards.

Applications are due September 1st. Apply and learn more at the links below.

- **Apply to the PPRP**
- **Apply to the BVRP**

2025 Annual Report

The Appraisal Foundation's 2025 annual report is now available. Click **here** to read for a full look at the big and bold steps the Foundation's boards, councils, panels, and partners took over the course of the year.

Nominations for the SAVVY Award

Nominations are now open for the Spirited Achiever of Valuation Vision, the Yeomans (SAVVY) Award for Excellence. Each year, this award honors the significant contributions of a woman in the valuation profession, reflecting Edie Yeomans' tireless quest for excellence. Edith (Edie) Yeomans was an Appraisal Foundation Trustee and a prominent fine art appraiser. Her long and illustrious career was distinguished by a commitment to international volunteer service, including serving as Chair of the Foundation's Personal Property Resource Panel.

This award embodies the spirit of Edie's passion and dedication to serving the valuation profession through guidance and support for men and women across all appraisal disciplines. Edie's vision was to establish the Women's Forum to promote and support the unique needs of women in the valuation profession.

Nominations must be submitted by July 15th. The award recipient will be honored at the Fall Board of Trustees meeting.

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

Appraiser Association of America
Our summer CASP course will begin on July 6 and last the entire month. Summer CASP is an intensive training for aspiring appraisers. For more information, click **here**.

Association of Texas Appraisers
Join us for our 21st Association of Texas Appraisers Annual Meeting, August 13–15, 2026 in Georgetown, TX. This year's event features quality education, timely industry updates, and the warm, collegial atmosphere ATA is known for.

We'll kick off the meeting on Thursday, August 13, with free software demos from leading providers—an easy way to explore new tools, ask questions, and find solutions that can streamline your appraisal work. For more information, email us at info@txappraisers.org.

International Society of Appraisers
Join ISA this summer in New York City for the ISA Summer Institute, August 2–4, connect, learn, and experience the energy of the industry @ Doyle Auctions. Then keep the momentum going at our Fall Institute in Toronto, September 23–25! Learn more here: **https://www.isa-appraisers.org/courses**.

National Association of Appraisers
Membership in the National Association of Appraisers provides valuable advocacy, education, networking opportunities, and professional resources that help appraisers grow and stay informed. Members also enjoy exclusive discounts and savings that can exceed the cost of membership, delivering significant value throughout the year. Contact us at info@naappraisers.org to learn more.

Ohio Coalition of Appraisal Professionals
On June 16, the Ohio Coalition of Appraisal Professionals (OCAP) celebrated its 14th Annual Summer Seminar, bringing together appraisers from across Ohio for a day of education, networking, and professional development.

This year's program featured an outstanding lineup of industry leaders and experts, including Scott Reuter of Freddie Mac, Jerry Yurek of The Appraisal Foundation, Jake Lew of AIVRE, Isaac Peck of OREP, Craig Capilla, Mel Black, and several other respected voices within the valuation profession.

The Annual Summer Seminar is the signature event supporting OCAP's mission of "Appraisers Helping Appraisers." Each year, the seminar provides a unique opportunity for appraisers to connect with colleagues, share knowledge, discuss emerging industry trends, and stay informed on critical developments impacting the profession.

OCAP has remained committed to fostering education, advocacy, and professional collaboration, helping appraisers strengthen both their businesses and the appraisal profession as a whole. The continued success of the Summer Seminar reflects the dedication of OCAP's members, volunteers, sponsors, and industry partners who work together to support appraisers throughout Ohio and beyond. For more information visit **https://ocapohio.com**

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Greetings!

Last month, the Appraiser Qualifications Board released their **Second Exposure Draft** of proposed changes to the *Real Property Appraiser Qualification Criteria*.

This new exposure draft is truly a game changer for the profession. It includes proposals that would:

- Open additional paths into the profession;
- Remove requirements that are not tied to practice readiness;
- Clarify provisions that have produced confusion in practice; and
- Preserve the core requirements the Criteria is designed to verify.

The AQB shared an in depth presentation about the proposed changes at our June Joint Council Meeting. We were pleased to have so many state regulators join us for that event, but there are still opportunities to learn more. This afternoon at 2pm ET, the AQB is **holding a webinar** to walk through the draft and answer questions. This webinar will be recorded and publicly available after the session.

As state regulators, your voice is a critical part of this conversation, and we have several important opportunities for you to share your feedback.

First, we will be holding several listening sessions to hear directly from you. This is an informal setting, and you can ask questions and give feedback verbally instead of a formal comment letter. This is a great opportunity to interact with the AQB and Foundation staff to share how these proposed changes would impact your state. Use **this scheduling link** to indicate the times that work best for you.

If you aren't able to join us for any of these listening sessions, don't worry. There are still plenty of avenues for feedback. You can also submit a comment through our **state regulator comment portal**. If you would prefer to engage with us directly via phone or email, that is always an option too. Please don't hesitate to reach out to anyone on our team.

This is a momentous time for the Appraiser Qualifications Board and the appraisal profession, and your voice as a state regulator is essential. We hope you will be a part of this public comment period and share your thoughts to shape the future of the profession.

Lisa Desmarais
Vice President of Appraisal Issues

First AQB Approved Practicum

As we announced in the July newsletter, Appraisal U is the first organization to receive AQB approval on its practicum program. This is the first practicum with nation-wide recognition under the Real Property Appraiser Qualification Criteria. Practicum programs can also be approved by a state for use in its jurisdiction.

If you would like to learn more about this practicum program or how your state can review or accept practicum programs to fulfill an aspiring appraiser's experience requirement, please reach out to us. We'd love to share more.

Appraiser Talk

Have you checked out USPAP Talk? This special series on Appraiser Talk walks you through USPAP in weekly episodes. Join Amy, Lisa, and some special guests as they explore USPAP from week to week. Listen **here.**

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Second Exposure Draft of Proposed Changes to the *Real Property Appraiser Qualification Criteria*

June 22, 2026

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APPRAISER QUALIFICATIONS BOARD

Q.145

Table of Contents

INTRODUCTION **9**

Join the Conversation 10

Send Your Comments by July 27, 2026 10

Summary of Proposed Revisions 11

PROPOSED *CRITERIA* **14**

DEFINITIONS 15

1. CRITERIA APPLICABLE TO ALL APPRAISER CLASSIFICATIONS 24

I. Standards of Practice 24

II. Extension of Time Frames and Deadlines Due to Qualifying Circumstances 24

A. Resuming a Paused Time Frame or Deadline 24

B. State Discretion 24

III. Reciprocity and Credential Recognition 24

A. Recognition of Existing Credentials 24

B. Application for Mobility and Reciprocity 25

C. Ongoing CE Requirement 25

D. CE Reciprocity 25

IV. General Education Criteria 25

A. Acceptable Education Providers 25

B. Restriction on Using Experience as Education Credit 26

C. Distance Education (Synchronous, Asynchronous, and Hybrid) 26

D. Qualifying Education (QE) 27

E. Continuing Education (CE) 29

V. General Experience Criteria 32

A. Log-Based Experience Pathway 33

B. Program-Based Experience Pathway 37

C. Demonstration Appraisal Report Pathway 37

D. Combining Experience Pathways 37

VI. Specific Experience Criteria for PAREA and Practicum Programs 38

A. PAREA Program Requirements 38

B. Practicum Program Requirements 41
VII. General Examination Criteria 44
A. Order of Completion 44
B. Validity of AQB-Approved National Examination Results 44
VIII. Background Checks 44
A. Mandatory Background Check 44
B. Submission to Regulatory Agencies 44
C. Ineligibility 44
D. Additional Guidance 44
IX. Interpretations and Guide Notes (GN) 45
2. SUPERVISORY APPRAISER REQUIREMENTS 46
I. Role of Supervisory Appraiser 46
II. Supervisory Appraiser Eligibility 46
III. USPAP Compliance and Competency Requirements 47
IV. Supervisory Appraiser –Trainee Ratios 47
V. State-Approved Increased Supervisory Appraiser–Trainee Ratios 47
VI. Supervisory Appraiser and Trainee Appraiser Experience Log 48
3. REAL PROPERTY APPRAISER CLASSIFICATIONS 49
I. *Required Core Curriculum* by Classification 50
4. TRAINEE APPRAISER 52
I. General 52
A. Classification Definition 52
B. Appraisal Authority 52
C. Record Retention 52
D. USPAP Compliance 52
II. Qualifying Education 52
A. Education Requirement for Credentialing 52
III. Experience 53
IV. Examination 53
V. Training and Supervision 53
A. Supervision Overview 53
B. Joint Responsibilities 54

C. Mass Appraisal and Ad Valorem Offices 54
D. Cross-Reference to Supervisory Appraiser Requirements 54
5. LICENSED RESIDENTIAL REAL PROPERTY APPRAISER 55
I. General 55
A. Qualifications 55
B. Complex Appraisals 55
C. Property Types and Limitations 55
D. USPAP Compliance 56
II. Qualifying Education 56
A. Education Requirement for Credentialing 56
III. Experience 56
A. Experience Requirement 56
B. Experience Pathways 56
IV. Examination 57
6. CERTIFIED RESIDENTIAL REAL PROPERTY APPRAISER 58
I. General 58
A. Qualifications 58
B. Property Types and Limitations 58
C. USPAP Compliance 58
II. Qualifying Education 58
A. Education Requirement for Credentialing 58
III. Experience 58
A. Experience Requirement 58
B. Experience Pathways 59
IV. Examination 59
7. CERTIFIED GENERAL REAL PROPERTY APPRAISER 60
I. General 60
A. Qualifications 60
B. USPAP Compliance 60
II. Qualifying Education 60
A. Education Requirements for Credentialing 60
III. Experience 60

A. Experience Requirement 60
B. Experience Pathways 60
IV. Examination 61
8. EDUCATION REQUIREMENTS FOR CREDENTIAL UPGRADES 62
I. Upgrading from the Trainee Appraiser Classification 62
II. Upgrading from the Licensed Residential Classification 63
III. Upgrading from the Certified Residential Classification 64
IV. Certified General Classification & Credit Toward Lower Classifications 64
9. SUPERVISORY APPRAISER/TRAINEE APPRAISER COURSE OBJECTIVES AND OUTLINE 65
I. Course Objectives 65
A. Supervisory Appraiser Objectives 65
B. Trainee Appraiser Objectives 65
II. Course Content Outline 66
10. FAIR HOUSING LAWS, IMPARTIALITY, AND OBJECTIVE VALUATION PRACTICE COURSE OUTLINE 70
I. Course Content Outline 70
11. PRACTICAL APPLICATIONS OF REAL ESTATE APPRAISAL (PAREA) 72
I. Minimum Content Requirements: Licensed Residential Classification 72
II. Minimum Content Requirements: Certified Residential Classification 79
III. Minimum Content Requirements: Certified General Classification 83
GUIDE NOTES 89
GUIDE NOTES 90
GUIDE NOTE 1 (GN-1) 91
I. Basic Appraisal Principles 91
II. Basic Appraisal Procedures 92
III. Fair Housing Laws, Impartiality, and Objective Valuation Practice 93
IV. *15-Hour National USPAP Course* or its Equivalent 93
V. Residential Market Analysis and Highest and Best Use 93
VI. Residential Appraiser Site Valuation and Cost Approach 94
VII. Residential Sales Comparison and Income Approaches 94
VIII. Residential Report Writing and Case Studies 95
IX. Statistics, Modeling, and Finance 95

X. Advanced Residential Applications and Case Studies 95
XI. Residential Appraiser Market Data Analytics Applications and Case Studies 96
XII. General Appraiser Market Analysis and Highest and Best Use 97
XIII. General Appraiser Sales Comparison Approach 98
XIV. General Appraiser Site Valuation and Cost Approach 98
XV. General Appraiser Income Approach 99
XVI. General Appraiser Report Writing and Case Studies 99
XVII. General Appraiser Market Data Analytics Applications and Case Studies 99
GUIDE NOTE 5 (GN-5) 102
GUIDE NOTE 6 (GN-6) 104
I. SAMPLE LOG OF EXPERIENCE 105
GUIDE NOTE 9 (GN-9) 107
I. Examples of Issues to Consider 107
II. Substantial Relationship 108
III. Rehabilitation 108
GUIDE NOTE 12 (GN-12) 110
I. “Supervisory Appraiser” (capitalized term) 110
II. The “appraiser providing supervision” (descriptive phrase) 111
A. Scope of Practice Flexibility 111
B. Gaining Competency through Association (USPAP COMPETENCY RULE) 111
C. Significant Appraisal Assistance 112
D. Mass Appraisal Contexts 112
III. When a Supervisor’s Signature is Required 113
IV. Relationship between “Trainee Appraiser” and “trainee” 113
A. Summary Table 114
B. Summary 115
GUIDE NOTE 13 (GN-13) 116
I. What “Combining” Means 116
II. What Carries Forward, and What Does Not 117
III. Illustrations 117

A. Illustration 1 – Licensed Residential 117
B. Illustration 2 – Licensed Residential 117
C. Illustration 3 – Licensed Residential (mass appraisal)..... 118
D. Illustration 4 – Certified Residential 118
E. Illustration 5 – Certified General (at least 1,500 non-residential)..... 118
IV. The Demonstration Appraisal Report Pathway is Not Combinable 118

APPENDIX: RATIONALE FOR THE SECOND EXPOSURE DRAFT 120

About This Appendix..... 121
A Quick Note on Terminology 122
1. Rationale for the Proposed Changes 123
I. A New Experience Pathway 123
A. How the New Experience Pathway Evolved 124
B. What the New Experience Pathway Is..... 126
C. Who this New Experience Pathway is Principally Designed to Reach 128
D. The Verification Standard 129
E. Why the Pathway is Proposed for the Licensed Residential Classification 131
F. Policy Development 133
II. Eliminate the Calendar-Minimum Experience Requirement 133
III. Combine Recognized Preparation Pathways 135
IV. Eliminate Mandatory College-Course and College-Degree Requirements 136
A Degree Still Counts Toward Qualifying Education 138
V. Remove the Appraisal Subject-Matter Elective Requirement..... 138
VI. Remove the Experience Prerequisite for the AQB-Approved National Examination..... 139
VII. Validity of AQB-Approved National Examination Results..... 140
VIII. Add a Certified Residential and a Certified General Market Data Analytics Applications and Case Studies Module 141
IX. Clarify the Practicum Pathway 142
X. Verification of Mass Appraisal Experience 143
XI. Standardize the Transaction Value Definition 144
XII. Revise Fair Housing Course Name and Requirement 147

XIII. Remove the Continuing-Education Requirement for the Trainee Appraiser Credential 147
XIV. Remove the Trainee Appraiser's Qualifying-Education Recency Limit ... 148
XV. Additional Provisions and the Reassessment Process 149
A. Extension of Time Frames and Deadlines Due to Qualifying Circumstances 149
B. Reciprocity and Credential Recognition 149
C. Add a PAREA option at the Certified General Credential Level 150
D. Supervisory Appraiser Provisions 151
E. Expanded Definitions and Terminology Consistency 152
F. Guide Notes 152
2. How This Reassessment Evolved and Came Together 153
I. Timeline 153
II. The Comment Record 154
III. How the AQB Worked through the Record 155
IV. Evaluating the Comment Record 156
V. Engagement Beyond Written Comment 156
VI. Research and Source Materials 157
A. Research Streams the AQB Reviewed 157
B. Publicly Released Source Documents 158
C. Workforce, Capacity, and Examination Data 159

Introduction

The Appraiser Qualifications Board (AQB; the Board) is issuing this Second Exposure Draft to invite public comment on proposed changes to the *Real Property Appraiser Qualification Criteria* (*Criteria*). The proposals are the product of a multi-year reassessment of the *Criteria*, informed by the 2025 National Job Analysis; structured deliberation with decision science consultants; an extensive review of public comments from prior exposure drafts and concept papers; and direct engagement with State Appraiser Regulatory Agencies, users of appraisal services, fair housing experts, educators, federal agencies, appraisers, and appraisal organizations.

Taken together, the proposals would:

- Open additional paths into the profession;
- Remove requirements that are not tied to practice readiness;
- Clarify provisions that have produced confusion in practice; and
- Preserve the core requirements the *Criteria* is designed to verify.

The proposals do not lower the bar the appraiser credential signifies. They do, however, streamline the path to entry into the profession by eliminating requirements that do not contribute to an applicant's readiness.

The AQB invites all interested parties to review these proposed changes and provide the AQB with their written comments. The Board values detailed feedback and encourages commenters to reference specific sections of the draft when possible. Public comments will inform the AQB's decisions in preparing the next version of the *Criteria*.

Thank you in advance for your comments. If you have any questions, please contact the Board at AQB@appraisalfoundation.org.

Jerry Yurek

Chair, Appraiser Qualifications Board

Join the Conversation

The AQB will accept verbal comments at its webinar on July 9 at 2:00 P.M. ET. You may register here: https://us02web.zoom.us/webinar/register/WN_TIVxy2vPS_Oo2OdzruywOg.

Send Your Comments by July 27, 2026

All interested parties are encouraged to comment in writing to the AQB before the deadline of **July 27, 2026.**

Each member of the AQB will thoroughly analyze and consider all comments.

When commenting on various aspects of the Second Exposure Draft, it helps if you are able to reference line numbers, fully explain the reasons for concern or support, provide examples or illustrations, and suggest any alternatives or additional issues that the AQB should consider.

To submit comments, please visit: https://www.surveymonkey.com/r/AQBComments.

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

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

Comments received on the First Exposure Draft will be considered together with comments received during this Second Exposure Draft comment period.

Summary of Proposed Revisions

The Second Exposure Draft widens the path into the profession and shortens the route to a credential, while focusing on maintaining the public trust each credential carries. The proposals for change span the entire *Criteria*. Some open new paths to credentials. Some remove or restructure requirements that do not bear on an applicant's readiness. Some add flexibility where rigid rules had created unnecessary obstacles. Others clarify provisions that previously caused confusion. None lowers the standard each credential certifies.

The following non-exhaustive summary highlights the most significant proposals, grouped by what they accomplish. The Appendix explains these and the draft's remaining proposed revisions, including details on several changes not summarized here, and information on the engagement record and the AQB's underlying research.

Opens more pathways into the profession

- Opens a new route to the Licensed Residential classification that does not require finding a supervisor. Working through an AQB-approved entity, an applicant qualifies by completing three appraisal reports on actual properties, as a complete alternative to the supervised path.
    - As one of the more significant changes proposed, this route is explained more fully in the Appendix.
- Adds a new Practical Applications of Real Estate Appraisal (PAREA) pathway at the Certified General classification. An applicant may prepare for the general credential through an approved PAREA program rather than only under a supervisor, which is an option already available at the residential levels.

Removes requirements that do not affect practice readiness

- Drops the requirement that an applicant for Certified Residential or Certified General credential holds a college degree or completes specific college courses, neither of which was found to directly measure readiness. In its place, a new required course teaches analytic skills directly through appraisal instruction rather than relying on a degree to stand in for them. A real estate–related degree can still count toward qualifying education, however, and the Appendix explains how.
- Drops the requirement to take elective courses as qualifying education for a Certified Residential or Certified General appraiser. The education required to earn those credentials is now made up entirely of specific courses chosen for the skills an appraiser needs, rather than electives picked from a broad list.
- Removes the requirement that an applicant's minimum required experience hours be spread across a minimum number of months. An applicant who

completes those hours sooner can qualify sooner, instead of waiting for a fixed period. The number of hours, when required, is unchanged.

- Removes the requirement that a Trainee Appraiser's coursework must have been completed within the last five years, allowing earlier coursework to maintain credit. This brings parity to the other classifications that do not have a set limit.
- Allows an applicant to take the national examination as soon as the qualifying education is finished, while the material is still fresh, rather than waiting until all other requirements have been met.
- Extends the validity period for a passing examination score from two years to never expiring.
- Shortens the required course on valuation bias and fair housing to five hours, down from eight, gives it a name that more accurately reflects everything it covers; and makes the repeating continuing-education version optional rather than required.
- For mass appraisal work in an assessment office that operates under USPAP STANDARDS 5 and 6, the experience log no longer needs a signature of any kind. The office's structured oversight and the state's verification stand in for it, clearing a documentation barrier for people whose office has no supervising appraiser available to sign.
- Drops the continuing-education requirement for the Trainee Appraiser classification, an added burden at what is an entry-level, supervised stage.

Adds flexibility for candidates and credential holders

- Allows a State Appraiser Regulatory Agency to give a candidate or credential holder extra time to meet a deadline when something outside their control gets in the way, such as serious illness, military deployment, or a natural disaster. Each state sets the terms.
- Brings the rules on credential recognition across states (reciprocity, temporary-practice, and renewal provisions) together into one plainly written section and encourages State Appraiser Regulatory Agencies to recognize the continuing education an appraiser has already completed and had accepted in another jurisdiction.

Clarifies provisions that have caused confusion

- Defines the Practicum, an instructor-led program in which a candidate earns experience by completing USPAP-compliant appraisals on actual properties under direct instructor oversight, so that it is no longer mistaken for a logged-hours pathway. Because of how it was worded and where it sat in the Criteria, many read it as requiring a log of hours. The draft makes clear that a Practicum's credit is set when the AQB or State Appraiser Regulatory Agency approves the program.

- The Licensed Residential classification's boundary, one-to-four residential work, is unchanged. The change here is limited to standardizing the definition of transaction value so that it matches the federal regulatory definition.
- Reorganizes the Supervisory Appraiser provisions, so they are easier to find and follow, without adding any new requirements for supervisors. For example, a state has always been able to approve a supervisor for more than three trainees, but that allowance was easy to miss where it previously sat; it is now stated plainly.
- Defines terms the *Criteria* has long used but never spelled out and updates the Guide Notes, adding two (one on the Supervisory Appraiser role, one on how the pathways combine) and retiring four that are no longer needed.

Closing

Taken together, these proposals open the profession to a larger and wider group of qualified people and shorten the route to a credential. What they safeguard, above all, is public trust: the assurance that a credentialed appraiser is minimally qualified.

Proposed *Criteria*

Important Note to Readers:

In keeping with the formatting of the First Exposure Draft, a traditional redline comparison against the existing *Criteria* is not provided with this Exposure Draft.

DEFINITIONS

For the purposes of the *Real Property Appraiser Qualification Criteria* (*Criteria*), the following definitions are intended solely to clarify how specific terms are used within the *Criteria*. States and other regulatory bodies may define these terms differently for their own purposes, and those definitions would apply within their respective jurisdictions.

A

appraiser providing supervision
A descriptive phrase, not a defined role, referring to any credentialed appraiser who provides direct guidance and oversight to an individual gaining appraisal experience. It is intentionally broad, recognizing the many forms supervision takes across different state laws, appraisal environments, and experience pathways. It carries no formal title or qualifications; where the *Criteria* means the formal role, the capitalized term "Supervisory Appraiser" is used.

Appraisal Standards Board (ASB)
An independent board of The Appraisal Foundation that is authorized by Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, 12 U.S.C. 3331-3356, as amended (Title XI),[1] to develop, interpret, and amend the *Uniform Standards of Professional Appraisal Practice* (USPAP).

Appraisal Subcommittee (ASC)
A federal agency created by Title XI that oversees State Appraiser Regulatory Agencies, maintains the National Registry of state-licensed and certified real property appraisers, and monitors and reviews the practices, procedures, activities, and organizational structure of The Appraisal Foundation.

Asynchronous
A qualifier used to describe a form of distance education in which the interaction between the instructor and student is non-simultaneous. In an asynchronous course, students progress at their own pace through a structured curriculum.

AQB-approved entity
An organization, approved by the AQB, to administer the Demonstration Appraisal Report Pathway. The entity sets the content, complexity, and review requirements for

[1] Title XI established a nationwide system for certifying and licensing real property appraisers and regulating their valuation services. Title XI's purpose is to "provide that Federal financial and public policy interests in real estate related transactions will be protected by requiring that real estate appraisals utilized in connection with federally related transactions are performed in writing, in accordance with uniform standards, and by individuals whose competency has been demonstrated and whose professional conduct will be subject to effective supervision." Title XI § 1101, 12 U.S.C.§ 3331.

the three demonstration appraisal reports, consistent with the *Criteria* and *USPAP*, and has the reports evaluated by qualified reviewers. The AQB approves and oversees the entity under the approval framework the AQB establishes for this pathway.

AQB-approved equivalent
A course or examination developed by an entity other than The Appraisal Foundation that the AQB has approved through the Course Approval Program (CAP) or another AQB-recognized process as covering the same content as the corresponding current AQB national course or examination. An AQB-approved equivalent satisfies the requirement for the AQB course or examination it replaces.

AQB-approved national examination
The examination an applicant must pass for the classification being sought. The AQB approves a separate examination for the Licensed Residential, Certified Residential, and Certified General classifications (collectively, the *National Uniform Licensing and Certification Examinations*). A State Appraiser Regulatory Agency may instead administer an AQB-approved state equivalent examination.

B

Biometric proctoring
An allowable way to monitor students taking examinations for distance education courses. It uses technology such as facial recognition, analysis of keystroke cadence, and observation of the testing environment.

C

Class hour
A unit of measurement for educational offerings defined as a period of 60 minutes, of which at least 50 minutes consist of instruction attended by the student. The prescribed class-hour total includes time allocated for examinations.

Classification
An AQB-defined level or category of appraiser authorization established under Title XI and the *Criteria*.

The AQB recognizes four classifications:

1. Trainee Appraiser
2. Licensed Residential Real Property Appraiser
3. Certified Residential Real Property Appraiser
4. Certified General Real Property Appraiser

The Trainee Appraiser classification specifies education requirements only; the remaining classifications specify education, experience, and *Criteria* examination requirements that must be met to obtain a state-issued credential at that level.

Continuing education (CE)
The ongoing, hours-based learning required under the *Criteria* for a credentialed appraiser to maintain and enhance professional knowledge, skills, and competency.

Course Approval Program (CAP)
A voluntary program established by the AQB as a course approval service to State Appraiser Regulatory Agencies and providers of real estate appraisal education. CAP provides a uniform minimum level of acceptance for real estate appraisal education courses meeting the *Criteria* as established by the AQB.

Credential
The official authorization issued by a State Appraiser Regulatory Agency confirming that an individual is qualified to perform appraisals as stated in the *Criteria* for that classification and that the credential holder's valuation activities are regulated by that issuing authority.

D

Demonstration Appraisal Report Pathway
An experience pathway available only at the Licensed Residential level. An applicant earns experience credit by independently completing three USPAP-compliant demonstration appraisal reports on actual, verifiable one-to-four-unit residential properties, at least one of which must be a complex property, administered and reviewed by an AQB-approved entity.

Distance education
Any educational process characterized by a geographical separation between the student and the instructor. Distance education includes synchronous and asynchronous delivery methods, commonly delivered online, which also may be combined with in-person instruction in a hybrid delivery format.

E

Examination Content Outline (ECO)
A document developed by the AQB identifying the topics and competencies tested on the AQB-approved national examination for each appraiser classification and serves as the authoritative source for the subject matter each examination covers.

Experience
The practical application of appraisal knowledge and skills obtained through USPAP-compliant work in the appraisal process. The experience requirement for a classification may be satisfied through the experience pathways as provided in the *Criteria*.

Experience pathway
A route recognized by the *Criteria* through which an applicant may satisfy the experience requirement. The recognized experience pathways are:

- the Log-Based Experience Pathway;
- the Demonstration Appraisal Report Pathway (available only for the Licensed Residential classification); and
- the Program-Based Experience Pathway.

Each pathway is defined separately in this Definitions section.

Experience log
A written record documenting an applicant's appraisal experience, including the assignments performed, the hours spent, and any supervision provided.

F

Federally related transaction
Any real estate–related financial transaction that: (a) a federal financial institutions regulatory agency or the Resolution Trust Corporation engages in, contracts for, or regulates; and (b) requires the services of an appraiser.[2]

Full PAREA Certificate of Completion
A certificate issued by an AQB-approved PAREA training entity certifying that the participant completed the entire PAREA program at the targeted classification, including the three USPAP-compliant appraisal reports required within the program. It carries the full classification-level experience-hour requirement.

G

Good standing
An appraiser is in good standing if they have not been subject to any adverse, final, and non-appealable disciplinary action that has affected their legal eligibility to engage in appraisal and appraisal-related services.

Guide Notes
Guidance or advice issued by the AQB to assist in the understanding and implementation of the *Criteria*. Guide Notes are advisory and, unlike Interpretations, are not binding.

[2] This term is identical to that contained in Title XI § 1121(4), 12 U.S.C. 3350(4).

H

Hybrid delivery
A delivery format that combines in-person instruction with synchronous or asynchronous distance education. Also known as “blended delivery.”

I

Interpretations
Official elaborations or clarifications of the *Criteria* issued by the AQB. Interpretations are binding upon users of the *Criteria* and are considered essential for understanding and applying the *Criteria*.

L

Log-Based Experience Pathway
A defined pathway through which an applicant obtains experience credit by participating in USPAP-compliant appraisal work (conforming to STANDARDS 1, 2, 3, 4, 5 and/or 6), documented in an experience log.

M

Mass appraisal
The process of valuing a universe of properties as of a given date using standard methodology, employing common data, and allowing for statistical testing. This differs from a single-property appraisal, which values one property at a time.

Mentor
A Certified Residential or Certified General appraiser, in good standing for at least the most recent three years, approved within an AQB-approved PAREA program to oversee participants, review their work, and approve completion of the program or a Program Segment.

Module
A major content area within the AQB *Required Core Curriculum*. Each module represents a distinct body of appraisal knowledge and skills; is assigned a specific number of qualifying class hours by credential level; and contains a list of required subtopics.

N

Non-federally related transactions
A real estate–related financial transaction that is not a federally related transaction. Non-federally related transactions include real estate–related financial transactions involving, for example, the Departments of Housing and Urban Development, Veterans

Affairs, or Interior, and federal agencies such as the General Services Administration and Internal Revenue Service, or their successors. Non-federally related transactions also include transactions involving Fannie Mae and Freddie Mac. Regulations and like documents adopted by these entities may or may not require appraisals performed by state-licensed or certified appraisers. State statutes and regulations may include additional transactions within this definition.

P

PAREA Program Segment Certificate
A certificate issued by an AQB-approved PAREA training entity certifying that the participant completed an AQB-approved Program Segment of a PAREA program. It identifies the Program Segment completed, the experience-hour value the AQB assigned at program approval, and the number of USPAP-compliant appraisal reports the participant completed within the Program Segment.

Practical Applications of Real Estate Appraisal (PAREA®)
A comprehensive AQB-approved virtual training program through which a participant earns appraisal experience credit by working through structured exercises, simulations, case studies, and applications under Mentor oversight, rather than by performing a live assignment on a verifiable property. A PAREA program is approved only by the AQB, and only as a complete program for a single classification; it must contain the content specified in the *Criteria* and must require the participant to produce at least three USPAP-compliant appraisal reports representing a variety of assignment and property types. The AQB may approve the program with Program Segments that carry partial experience credit.

Practicum
An AQB- or State Appraiser Regulatory Agency–approved, instructor-led program through which a participant earns appraisal experience credit by performing complete, USPAP-compliant appraisal assignments on actual, verifiable properties under direct instructor oversight (extraordinary assumptions or hypothetical conditions may be applied to those properties). The provider defines the program's learning objectives and scope, which may be narrow (i.e., a single assignment) or broad, but the content must align with the *Required Core Curriculum* for the specific classification level; the appraisal assignments are the program's primary work, and exercises or case studies alone earn no credit. The approved program establishes the experience hours awarded.

Program-Based Experience Pathway
A pathway through which an appraiser applicant may earn experience credit by completing an approved PAREA or Practicum program in full, or by completing one or more approved PAREA Program Segments.

Program Segment
A defined, pre-approved portion of an approved PAREA program to which the AQB assigns a set number of experience hours at the time of program approval, and for which a participant earns partial experience credit upon its completion. Partial completion that does not correspond to an approved Program Segment earns no experience credit.

Q

Qualifying education (QE)
Education required to qualify for a classification. QE consists of specific course topics and associated class hours in the *Required Core Curriculum*.

Qualifying Circumstances
Circumstances that are unavoidable, extraordinary, and beyond an applicant's or credential holder's control, such as being called to military service; administrative processing delays or other procedural errors by a State Appraiser Regulatory Agency, such as examination scheduling windows, CE cycles or completion of experience or training requirements; a state- or federally-declared disaster; or other circumstances that meet these conditions.

R

Real estate-related financial transaction
Any transaction involving: (a) the sale, lease, purchase, investment in or exchange of real property, including interests in property, or the financing thereof; (b) the refinancing of real property or interests in real property; and (c) the use of real property or interests in property as security for a loan or investment, including mortgage-backed securities.[3]

Real Property Appraiser Qualification Criteria *(Criteria)*
These *Criteria* are stablished by the Appraiser Qualifications Board (AQB) of The Appraisal Foundation and set forth the minimum education, experience, and examination requirements for each classification of real property appraisers.

Reciprocity
The recognition by one State Appraiser Regulatory Agency of a licensed or certified appraiser credential issued by another State Appraiser Regulatory Agency, allowing the credentialed appraiser to obtain a comparable credential in the recognizing state without satisfying all or a portion of that state's credentialing requirements.

[3] This term is identical to the definition of "Real Estate Related Financial Transactions" in Title XI § 1121(5), 12 U.S.C. 3350(5).

Required Core Curriculum
This curriculum specifies the set of mandatory appraisal topics (referred to as "modules," defined above) and number of class hours required per topic for each appraiser classification.

S

State Appraiser Regulatory Agency
A state (or U.S. territory) regulatory agency voluntarily established to comply with Title XI. These agencies award credentials to real estate appraisers in conformance with the *Criteria* and ensure that those appraisers perform their appraisal-related activities consistent with USPAP.

Subtopics
Areas of appraisal education (as identified in AQB Guide Note 1) that may be included within the modules of the *Required Core Curriculum*.

Supervisory Appraiser
An official role, not an appraiser classification, held by a Certified Residential or Certified General appraiser who is responsible for the training, guidance, and direct supervision of a Trainee Appraiser.[4]

Synchronous
A qualifier used to describe a form of distance education in which the instructor and students interact simultaneously, such as through live webinars or video chats, providing an experience substantially the same as an on-site classroom course.

T

The Appraisal Foundation® (Foundation)
The nation's not for profit corporation authorized by Title XI regarding the real property appraisal profession, including the profession's minimum appraisal standards (i.e., the Uniform Standards of Professional Appraisal Practice) and appraiser qualifications (i.e., these *Criteria)*.

Temporary practice
Authorization for a licensed or certified credentialed appraiser to perform appraisal work in a state other than the appraiser's home credentialing state, on a limited basis, without becoming credentialed in the host state.[5]

[4] State Appraiser Regulatory Agencies are required by Title XI § 1116(e), 12 U.S.C. 3345(e) to comply with the AQB's minimum qualification requirements for Supervisory Appraisers.
[5] See Title XI § 1122, 12 U.S.C. 3351, and ASC 2024 Annual Report at 104, or its successor.,

trainee appraiser *or* ***trainee (lowercase)***
A general, descriptive term for any individual gaining appraisal experience under supervision. It carries no formal classification or status of its own; where the *Criteria* means the formal classification, the capitalized term "Trainee Appraiser" is used.

Trainee Appraiser (capitalized)
The entry-level classification for individuals authorized by a State Appraiser Regulatory Agency to perform appraisal assignments under the direct supervision of a qualified Supervisory Appraiser.[6]

Transaction value
Transaction value means: (a) for loans or other extensions of credit, the amount of the loan or extension of credit; (b) for sales, leases, purchases, and investments in or exchanges of real property, the market value of the real property interest involved; and (c) for the pooling of loans or interests in real property for resale or purchase, the amount of the loan or the market value of the real property calculated with respect to each such loan or interest in real property.[7]

U

USPAP®
The *Uniform Standards of Professional Appraisal Practice* (USPAP), as promulgated by the ASB, are the generally accepted standards of practice for the appraisal profession in the United States. USPAP establishes the minimum ethical, competency, and performance requirements for appraisers.

[6] State Appraiser Regulatory Agencies are required by Title XI § 1116(e), 12 U.S.C. 3345(e) to comply with the AQB's minimum qualification requirements for Trainee Appraisers.
[7] This term is based on the definition of "Transaction Value" in Title XI § 1127(a)(2), 12 U.S.C. 3356(a)(2) and is identical to its definition in the Board of Governors of the Federal Reserve System's appraisal regulations. See 12 C.F.R. § 225.62(o), as amended.

1. CRITERIA APPLICABLE TO ALL APPRAISER CLASSIFICATIONS

The following requirements apply to all appraiser classifications in the *Criteria*.

I. Standards of Practice

An appraiser in any classification must perform and practice in compliance with USPAP.

II. Extension of Time Frames and Deadlines Due to Qualifying Circumstances

A State Appraiser Regulatory Agency may allow an applicant or credential holder additional time to meet any time frame or deadline established under the *Criteria* when the applicant or credential holder cannot comply with that time frame or deadline due to any of the Qualifying Circumstances. The applicant or credential holder must notify the State Appraiser Regulatory Agency as soon as possible that they are unable to meet the required time frame or deadline.

A. Resuming a Paused Time Frame or Deadline

An extension granted under this section pauses the affected time frame or deadline; it does not eliminate it. When the qualifying circumstances have ended, the individual must notify the State Appraiser Regulatory Agency that granted the extension within a reasonable time, as determined by that agency, that they are able to resume the previously affected activity. The agency then must restart the time frame or deadline, giving the individual the amount of time that remained when the extension began to complete the requirement.

B. State Discretion

Each State Appraiser Regulatory Agency retains discretion to determine the documentation required to claim such an extension, its duration, and any conditions necessary to ensure compliance with the *Criteria* and state law.

III. Reciprocity and Credential Recognition

A. Recognition of Existing Credentials

An existing Licensed Residential, Certified Residential, or Certified General appraiser, in good standing in any jurisdiction, is in compliance with the current *Criteria* if they met all requirements applicable to their credential at the time of issuance.

B. Application for Mobility and Reciprocity

Recognition of existing credentials applies to existing Licensed Residential, Certified Residential, and Certified General appraisers in connection with reciprocity,[8] temporary practice,[9] renewals, and applications for the same or lower-level credential in another jurisdiction.

C. Ongoing CE Requirement

An appraiser credentialed in more than one jurisdiction must meet the CE requirements in each jurisdiction.

D. CE Reciprocity

Notwithstanding section 1.III.C. ("Ongoing CE Requirement") above, when an appraiser's CE has been completed and accepted by one State Appraiser Regulatory Agency, that completion may be recognized, at their discretion, by other State Appraiser Regulatory Agencies as satisfying the appraiser's CE obligations under the *Criteria*, provided the courses were approved by CAP or by a State Appraiser Regulatory Agency as meeting the requirements of the *Criteria*.[10]

State Appraiser Regulatory Agencies are encouraged to recognize verified CE credit earned in other jurisdictions but may require documentation and/or charge administrative fees to do so.

IV. General Education Criteria

A. Acceptable Education Providers

Credit for the class hour requirements may be obtained only from the following providers:

- Colleges or universities;
- Community or junior colleges;
- Real estate appraisal or real estate–related organizations;
- State or federal agencies or commissions;
- Proprietary schools;
- Providers approved by State Appraiser Regulatory Agencies; or
- The Appraisal Foundation or the AQB and ASB.

[8] The reciprocal state's State Appraisal Regulatory Agency must comply with ASC Policy Statement 5, 2024 ASC Annual Report at 114, or its successor.
[9] State Appraiser Regulatory Agencies must comply with ASC Policy Statement 2, 2024 ASC Annual Report at 104–, or its successor.
[10] See ASC Policy Statement 5, 2024 ASC Annual Report at 114, or its successor

B. Restriction on Using Experience as Education Credit

Experience must not be substituted for education, whether qualifying or continuing.

C. Distance Education (Synchronous, Asynchronous, and Hybrid)

1. *Synchronous courses*
   Synchronous courses meet class hour requirements if they provide instruction and interaction substantially the same as on-site classroom courses and comply with the "Class Hour" definition in the Definitions section and section 1.IV.A. ("Acceptable Education Providers") above.

2. *Asynchronous courses*
   Asynchronous courses meet class hour requirements if all of the following conditions are satisfied:

   a. Interaction: The course provides reciprocal interaction where the student can communicate verbally or in writing with the instructor.

   b. Content approval: The course content is approved by one of the following:

      i. The AQB;

      ii. A State Appraiser Regulatory Agency; or

      iii. An accredited college, community college, or university that offers distance education programs approved or accredited by:

         - The Commission on Colleges;
         - A regional or national accreditation association; or
         - An accrediting agency that is recognized by the U.S. Secretary of Education.

      However, a course offered by a college, community college, or university that does not fall under (iii) must instead be approved by the AQB or a State Appraiser Regulatory Agency.

   c. Course delivery mechanism approval: Course delivery mechanism approval is obtained from one of the following sources:

      i. The AQB;

      ii. An AQB-approved organization that reviews course design and delivery; or

      iii. A qualifying college or university that:

         - Awards academic credit for the distance education course; or
         - Approves course design and delivery methods that incorporate interactivity.

3. *Hybrid delivery*

Hybrid courses must meet class hour requirements if each session satisfies the requirement for the delivery method used:

a. In-person course sessions must meet 1.IV.A and 1.IV.B.

b. Synchronous course sessions must meet 1.IV.A and 1.IV.B.

c. Asynchronous course sessions must meet 1.IV.A., 1.IV.B., and 1.IV.D.2.

D. Qualifying Education (QE)

1. Required Core Curriculum *for QE*

Class hours will be credited only for educational offerings whose content follows the *Required Core Curriculum* for each respective classification.

The *Required Core Curriculum* identifies the modules of QE and the number of class hours required in each module for each classification.[11]

2. *QE Credit for Accredited College or University Programs*

This section addresses bulk QE credit for a complete, AQB-approved real estate–related certificate or degree program. It is not the only way college or university coursework can count toward QE: individual courses from accredited colleges or universities remain eligible for QE credit under section 1.IV.A. ("Acceptable Education Providers") and may be reviewed by a State Appraiser Regulatory Agency on a case-by-case basis.

While not required, an applicant may receive credit toward QE requirements by completing a real estate–related certificate or degree from an accredited, degree-granting college or university that:

- Is approved by the Association to Advance Collegiate Schools of Business (AACSB) or by a regional or national accreditation agency recognized by the U.S. Secretary of Education; and
- Has had its curriculum reviewed and approved by the AQB.

To count toward QE, any course in a real estate–related certificate program offered by an accredited, degree-granting college or university must also be offered as part of that college or university's associate, baccalaureate, or graduate curriculum.

The AQB maintains a list of AQB-approved college or university certificate and degree programs, identifying the portions of the *Required Core Curriculum* hours satisfied by each program.

[11] Guide Note 1 (GN-1) provides non-mandatory guidance for curriculum content, including subtopics listed under each major module. These subtopics are used by the AQB to develop the Examination Content Outlines for each classification and may be amended periodically to reflect updates in appraisal methodology, technology, or practice.

A certificate or degree earned while the college or university was accredited and AQB-approved continues to satisfy the qualifying-education requirement to which it was applied, even if the college or university later becomes unaccredited or loses AQB approval.

An applicant whose AQB-approved certificate or degree satisfies only part of the *Required Core Curriculum* must complete the additional education the AQB has identified as not covered by that program.

3. Minimum QE Course Length

Each QE course must be at least 15 hours in length, except for a 5-hour course that meets the content requirements of the Fair Housing Laws, Impartiality, and Objective Valuation Practice Course Outline, which is specifically recognized as a qualifying education course of shorter duration.

4. QE Examination Requirements

a. Final Examination: The applicant must successfully complete a written, closed-book final examination that is pertinent to the content of the course. The examination must be proctored by an official approved by the college, university, or other education provider that offers the course (see section 1.IV.A., "Acceptable Education Providers"), and may be administered in person, remotely, or using biometric proctoring methods. "Written" includes examinations delivered on paper or electronically. For distance education courses, these requirements apply in addition to the general distance education requirements in section 1.IV.C. ("Distance Education [Synchronous, Asynchronous, and Hybrid]").

b. ADA-Approved Alternative Formats: Oral or alternative examination formats may be provided as a reasonable accommodation under the Americans with Disabilities Act (ADA) or other applicable laws, provided that the integrity of the examination and proctoring process is maintained.

c. Courses Covering Multiple Curriculum Modules: When a QE course includes instructional content from more than one module listed in the *Required Core Curriculum*, the course must include a separate and appropriate test for each curriculum module represented in that course. For example, if a single course covers topics from both the Basic Appraisal Principles module and the Basic Appraisal Procedures module, the course must either provide a distinct examination for each module or a single examination that covers the material from both modules.

5. Duplicate Course Credit

An applicant must not receive QE credit for the same course more than once.

6. 15-Hour National USPAP Course *(or AQB-Approved Equivalent)*

a. Completion Requirement: An applicant must successfully complete the *15-Hour National USPAP Course* or its AQB-approved equivalent and pass the

associated *15-Hour National USPAP Course* examination as part of the QE requirements for initial credentialing.

b. Instructor Requirement: At least one of the course instructors must be an AQB-Certified USPAP Instructor who also holds a Certified Residential or Certified General credential in good standing for at least the most recent three years.

7. Transition Rule for Fair Housing Laws, Impartiality, and Objective Valuation Practice Requirement.

An applicant who completed a course of seven hours or more that met the fair housing and valuation bias course outline in effect between January 1, 2026, and the effective date of the current *Criteria*, and passed the associated exam, is deemed to have satisfied the Fair Housing Laws, Impartiality, and Objective Valuation Practice Course QE requirement in the *Criteria*.

E. Continuing Education (CE)

1. Purpose of CE

The purpose of CE is to support appraisers in maintaining and enhancing their professional knowledge, skills, and competency in real property appraisal practice.

CE applies to Licensed Residential, Certified Residential, and Certified General appraisers and begins upon initial credentialing. A Trainee Appraiser is not required to complete continuing education.

2. Repeating Courses

An appraiser must not receive credit for repeating the same CE course within a single CE cycle.

3. Minimum CE Course Length

CE credit may be granted only when the educational offering is at least two hours in length.

4. Acceptable Course Topics

Credit may be granted for education offerings that are consistent with the purpose of CE and cover real property-related topics including but not limited to:

a. Ad valorem taxation;

b. Arbitration, dispute resolution;

c. Courses related to the practice of real estate appraisal or consulting;

d. Development cost estimating;

e. Developing opinions of real property value in appraisals that also include personal property and/or business value;

f. Ethics and standards of professional practice, USPAP;

g. Energy-efficient items and “green building” appraisals;

h. Fair housing laws and objective valuation practice;

i. Land use planning, zoning;

j. Management, leasing, time sharing;

k. Professional responsibilities in real property appraisal assignments, such as engagement letters, workfile retention, and conflict-of-interest management;

l. Property development, partial interests;

m. Real estate appraisal-related computer applications, data analytics, and artificial intelligence;

n. Real estate law, easements, and legal interests;

o. Real estate litigation, damages, condemnation;

p. Real estate financing and investment;

q. Real estate securities and syndication; and/or

r. Seller concessions and impact on value.

Completion of the Supervisory Appraiser/Trainee Appraiser Course is acceptable for CE credit.

5. Instructor or Author CE Credit

A State Appraiser Regulatory Agency may grant up to one-half of an individual’s CE requirement for participating in appraisal educational processes and programs in a student. Examples include teaching, program development, authorship of textbooks, or similar activities that are determined to be equivalent to obtaining CE.

Credit for instructing any given course or seminar may be awarded only once during a CE cycle.

6. QE Also Credited as CE

When a credentialed appraiser takes an approved QE course to meet the education requirements for a higher credential, that same course may also be applied toward the CE requirement for the appraiser’s current credential, provided the course meets all CE standards in this section.

7. Distance Education Requirements

Distance education courses used for CE must include at least one of the following methods to verify student learning:

a. Final Examination: A final examination proctored by an official approved by the college, university, or sponsoring organization. The exam may be administered in person, remotely, or using biometric proctoring methods. The term “written” includes exams delivered on paper or electronically.

b. ADA-Approved Alternative Formats: Oral or alternative exam formats may be provided as a reasonable accommodation in accordance with the Americans with Disabilities Act (ADA) or other applicable laws, provided the integrity of the examination and proctoring process is maintained.

c. Learning Checks: Successful completion of the course's required learning checks (such as graded quizzes, exercises, or interactive lessons) designed to demonstrate the student's understanding of the material.

8. Field Trip Credit

a. Real property appraisal-related field trips may be acceptable for CE if they are directly related to appraisal practice and include structured instructional content.

b. Transit time to and from a field trip must not be included when awarding credit unless instruction occurs during the transit period.

9. 7-Hour National USPAP CE Course *(or AQB-Approved Equivalent)*

a. Completion Requirement: An appraiser must successfully complete the *7-Hour National USPAP Continuing Education Course,* or its AQB-approved equivalent, once every two calendar years.

b. Credit for Distinct Courses: An appraiser may earn CE credit for both the *7-Hour National USPAP Continuing Education Course* and an AQB-approved equivalent course developed by a different provider, even when both are completed in the same CE cycle because they are distinct courses.

c. Instructor Requirement: To qualify for USPAP CE credit, the course must be instructed by at least one AQB-Certified USPAP Instructor who also holds a Certified Residential or Certified General credential in good standing for at least the most recent three years.

d. Multiple-Jurisdiction Credit: An appraiser credentialed in more than one jurisdiction must complete only one *7-Hour National USPAP Continuing Education Course* (or its AQB-approved equivalent) within each two-calendar-year period to satisfy the *Criteria* for all jurisdictions in which they hold a credential.

e. AQB-Certified USPAP Instructors: AQB-Certified USPAP Instructors who successfully complete the *Instructor Recertification Course* and examination, if required, within the current two-calendar-year period, satisfy the *7-Hour National USPAP Continuing Education Course* CE requirement for all jurisdictions in which they hold a credential.

10. CE Hour Requirement

A credential holder must complete the equivalent of 14 class hours of instruction for each year when the credential is active. CE may be completed at any time, provided the total required hours are completed before the credential is renewed.

For example, a two-year CE cycle would require 28 hours. The class-hour requirement may be fulfilled at any time during that cycle.

11. *Inactive Status and Qualifying Circumstances*

A State Appraiser Regulatory Agency with appropriate authority may place a credential holder on inactive status if the State Appraiser Regulatory Agency determines a deficiency in CE qualifies for relief under section 1.II. (“Extension of Time Frames and Deadlines Due to Qualifying Circumstances”).

Prior to reactivation, a credential holder in inactive status must complete all CE hours that would have been required if the credential holder held active status.

For the *7-Hour National USPAP Continuing Education Course*, however, a reactivating credential holder needs only complete the most current edition or its AQB-approved equivalent, regardless of how long the credential was inactive.

Waivers must not be granted to a credential holder who has failed to meet the CE requirements.

12. *CE for Partial Years*

When a credential is active for only part of a year (for example, when first issued, reinstated, or on a shortened renewal schedule), the CE required for that year is based on the number of days the credential was active:

Days the credential were active that year	CE required for that year
185 days or more	14 class hours
Fewer than 185 days	None

13. *CE Credit for State Appraiser Regulatory Agency Meetings*

A credentialed appraiser may receive CE credit for attending a State Appraiser Regulatory Agency meeting, under the following conditions:

a. Credit may be granted for only one meeting each CE cycle;

b. The meeting must be open to the public and must be a minimum of two hours in length;

c. The total credit that may be earned for attending such meetings must not exceed seven hours; and

d. The State Appraiser Regulatory Agency must verify that the attending appraiser was present for its entire meeting.

V. General Experience Criteria

The AQB recognizes multiple experience pathways for satisfying the experience requirement for a classification. Each pathway has its own structure for earning, verifying, and documenting experience, and results in a defined amount of experience

credit that counts toward the total hour requirement for a classification. An applicant may use any single pathway, or any combination of pathways, unless an exception is noted.

The pathways are:

- Log-Based Experience Pathway (section 1.V.A.);
- Program-Based Experience Pathway, which encompasses Practical Applications of Real Estate Appraisal (PAREA) and Practicum programs (sections 1.V.B.); and
- Demonstration Appraisal Report Pathway, available only at the Licensed Residential classification level (section 1.V.C.).

Experience credit may be combined across pathways in accordance with section 1.V.D. ("Combining Experience Pathways"). The following general requirements apply to all experience, regardless of the pathway or combination of pathways used:

- Progressive Experience: Qualifying experience must be progressive and must not be repetitive. Taken as a whole, and regardless of the pathway or combination of pathways used, experience earned toward the Licensed Residential, Certified Residential, or Certified General classification must show growing competency across the full appraisal process, from identifying the problem to be solved to communicating USPAP-compliant results, with increasing complexity and responsibility over time. A single activity repeated for many hours does not satisfy the experience requirement.
- Experience Credited Only Once: Experience may be counted only once toward the total experience requirement. The same hours of work must not be counted under more than one pathway. Different work performed during the same calendar period may each be counted. For example, an applicant who logs supervised hours under a Supervisory Appraiser during the day and completes a PAREA program in the evening earns credit for both, because those are different hours of different work. What is not allowed is counting the same time or the same work twice, such as logging as log-based experience during the same hours a PAREA or Practicum program already credits.

A. Log-Based Experience Pathway

This pathway requires an applicant to document their time spent (i.e., a specific number of hours) in the real property appraisal process.

1. *Restriction on Substitution of Education for Log-Based Experience*
   Education must not be substituted for log-based experience credit.

2. *Quantitative Log-Based Experience Requirements*
Acceptable experience includes appraisal, appraisal review, and mass appraisal as long as they are performed in conformance with USPAP (i.e., STANDARDS 1, 2, 3, 4, 5 and/or 6).

Log-based experience must be obtained from participation in appraisal-related activities that contribute to the development or reporting of an appraisal, appraisal review, or mass appraisal assignment that results in a USPAP-compliant appraisal report or appraisal review report.

Qualifying log-based experience may include one or more of the following activities within the appraisal process:

a. Identifying the problem to be solved;
b. Determining the scope of work necessary to develop credible results;
c. Conducting market analysis and analyzing factors that affect value;
d. Gathering, verifying, and analyzing relevant data;
e. Applying one or more approaches to value as appropriate to the assignment;
f. Reconciling the quality and quantity of data and analyses to develop an opinion of value; and
g. Communicating the appraisal or appraisal review results in a USPAP-compliant report.

An applicant is not required to perform every step in each assignment. However, all claimed experience must demonstrate participation in one or more components of the appraisal process itself and must be part, or all, of the work that contributed to a USPAP-compliant result.

3. *Definition of an Hour of Log-Based Experience*
An hour of log-based experience is defined as verifiable time an applicant spends performing tasks consistent with acceptable real property appraisal practice.

4. *Cumulative Log-Based Experience Credit*
Log-based experience hours may be accumulated over an unlimited period and need not be earned consecutively or without interruption.

5. *Client Requirement for Log-Based Experience Credit*
Log-based experience credit does not require the appraisal to have been performed for a client in the traditional business sense. Such experience may satisfy any portion of the total experience requirement.

6. *Documentation of Log-Based Experience*
An applicant must provide documentation to the State Appraiser Regulatory Agency supporting all claimed log-based experience.

Documentation may include reports, certifications, or file memoranda showing USPAP compliance.

If a State Appraiser Regulatory Agency determines that documentation is unavailable for good cause, the State Appraiser Regulatory Agency may accept other evidence supporting that experience at its discretion.

7. Verification of Log-Based Experience

The experience log must accurately reflect the applicant's own work and any supervision provided, including a description of the applicant's participation in each appraisal or appraisal review assignment. The State Appraiser Regulatory Agency will provide specific forms and instructions for verifying log-based experience.

Verification must confirm that the logged assignments were completed in compliance with the applicable requirements of the *Criteria* and USPAP, and that the applicant's participation was appropriately supervised and documented, if such supervision is necessary.

The experience log must include, for each assignment:

a. Type of property;
b. Date of report;
c. Property identification (address, APN, or survey description);
d. Description of the work performed by the applicant, and, where the assignment was supervised, the scope of the review and supervision provided by the appraiser providing supervision;
e. Number of actual work hours spent by the applicant on the assignment;
f. The name and signature of the applicant; and
g. Where the assignment was supervised, the name, signature, and state certification number of the appraiser providing supervision. A separate log must be maintained for each appraiser providing supervision.

Each signature on the log attests that the information provided is accurate, current, and complies with the requirements of the credentialing State Appraiser Regulatory Agency.

When an appraiser provides supervision, that appraiser's signature further attests that the supervision met the requirements of the *Criteria*, and applicable state law.

8. Earliest Acceptable Date for Experience

All experience must have been gained after January 30, 1989, the date the *Uniform Standards of Professional Appraisal Practice* (USPAP) was adopted by the ASB.

9. *Log-Based Experience for Mass Appraisal*

Experience earned in a state or local assessment office that is required by statute or regulation to comply with USPAP STANDARDS 5 and 6 qualifies as log-based experience under section 1.V.A. (“Log-Based Experience Pathway”). Such experience must be real property appraisal work performed in compliance with USPAP STANDARDS 5 and 6 and must be verified by the State Appraiser Regulatory Agency.

For mass appraisal experience, the assessment office’s structured oversight substitutes for the supervision and verification that an AQB-defined Supervisory Appraiser would otherwise provide. That oversight includes statutory compliance mandates, internal review and quality-assurance processes, progression and competency verification systems, and external oversight from a state Department of Revenue or equivalent agency. Accordingly, the signature and verification requirements for log-based experience are modified for mass appraisal experience as set forth below:

a. Signature not required: Unlike other log-based experience, where the log carries the signature of the appraiser providing supervision, mass appraisal experience requires no supervisor signature of any kind, neither from a Supervisory Appraiser nor any other appraiser providing supervision.

b. Verification methods: The State Appraiser Regulatory Agency must verify mass appraisal experience using one or more of the following methods:

   - Direct verification by the State Appraiser Regulatory Agency with the assessor’s office of the applicant’s claimed work;
   - One or more narrative reports prepared by the applicant describing Computer-Assisted Mass Appraisal (CAMA) modeling or other mass appraisal work performed;
   - Signature of the chief assessing officer (or equivalent authorized official) confirming the applicant’s work; or
   - Other verification methods consistent with the state’s regulatory framework.

c. State discretion: The State Appraiser Regulatory Agency establishes the verification process appropriate to its statutory environment and may require additional documentation or evidence as needed. Verification is required in all cases: only the method is at the State Appraiser Regulatory Agency’s discretion.

B. Program-Based Experience Pathway

Experience credit may be earned through approved programs that provide structured appraisal experience and award defined experience credit upon completion. Two types of programs are eligible under this pathway:

1. Practical Applications of Real Estate Appraisal (PAREA) programs, which must meet the requirements of section 1.VI.A. (“PAREA Program Requirements”) and must be approved by the AQB; and
2. Practicum programs, which must meet the requirements of section 1.VI.B. (“Practicum Program Requirements”) and must be approved by the AQB or by a State Appraiser Regulatory Agency.

Experience credit is awarded upon successful completion of the approved program or, when the PAREA program has been approved with one or more Program Segments, upon successful completion of each approved Program Segment. Partial completion not corresponding to an approved Program Segment does not qualify for experience credit.

Program-based experience credit is evidenced by the Full PAREA Certificate of Completion, which states the experience hours awarded for the completed program. The PAREA Program Segment Certificate evidences hours awarded for that segment. The State Appraiser Regulatory Agency records the experience hours shown on the certificate and retains the authority to request additional verification or documentation as appropriate.

C. Demonstration Appraisal Report Pathway

This pathway is only available at the Licensed Residential level: see section 5.III.B. (“Experience Pathways”) for its requirements.

D. Combining Experience Pathways

Experience credit may be earned through any combination of experience pathways, except the Demonstration Appraisal Report Pathway (section 1.V.C.), which is not combinable and only satisfies the Licensed Residential experience requirement when completed. An applicant may combine logged experience hours, a completed program, and a completed approved PAREA Program Segment toward the total. Work that stops short of one of these earns no credit and must not be combined. All experience must be verifiable and meet the requirements for the classification being sought, and the total of all combined experience credit must equal or exceed the hour requirement for the classification.

VI. Specific Experience Criteria for PAREA and Practicum Programs

The following sections describe the specific experience requirements for the two programs identified in section 1.V.B. ("Program-Based Experience Pathway").

A. PAREA Program Requirements

Only the AQB may approve a PAREA program. To qualify as creditable experience, a PAREA program must satisfy the following:

1. *Content*
   Contain, at a minimum, the content specified in the PAREA section of the *Criteria* (section 11).

2. *Entry prerequisites*
   Require each participant to have completed, before starting the PAREA program, the QE and any other prerequisites for the intended classification that the program targets:

Program targets	Qualifying education to enter	Other prerequisites to enter
Licensed Residential	155 class hours of QE (LR Required Core Curriculum)	None
Certified Residential	200 class hours of QE (CR Required Core Curriculum)	Completion of the Licensed Residential experience requirement either through any combination of pathways, or through the Demonstration Appraisal Report Pathway alone
Certified General	305 class hours of QE (CG Required Core Curriculum)	Completion of the Certified Residential experience requirement through any combination of pathways

   Completion of an AQB-approved national examination is not required to enter a PAREA program; it may be taken before, during, or after the program.

3. *Mentors*
   Provide a sufficient number of Mentors for timely, competent mentoring of all participants, and ensure each Mentor is a Certified Residential or Certified General appraiser who has been in good standing for at least the most recent

three years. An appraiser is not in good standing if, within the last three years, the appraiser was subject to disciplinary action in any jurisdiction affecting eligibility to practice or to act as a Supervisory Appraiser. An appraiser who is disciplined is in good standing three years after completing the sanction.

4. *Appraisal reports*

Require each participant to produce no fewer than three appraisal reports that:

- represent a variety of assignments and property types consistent with the program's intended classification level; and
- comply with the edition of USPAP in effect when each report is prepared.

5. *Certificate of completion*

Provide a Full PAREA Certificate of Completion to each participant who completes the entire PAREA program, or a PAREA Program Segment Certificate to each participant who completes an approved Program Segment, subject to the following:

- For a PAREA program approved as a single unit, a Full PAREA Certificate of Completion is issued only after all required components are satisfactorily completed and approved by a program Mentor.
- For a program approved with Program Segments, a PAREA Program Segment Certificate is issued for each Program Segment satisfactorily completed and approved by a program Mentor, identifying the Program Segment and the experience credit assigned to it.
- Each certificate must be signed by an individual whom the AQB-approved entity has designated, under its approved program, as qualified to verify completion.
- A certificate must not carry an expiration date or other constraint that limits the participant's ability to receive credit.
- A PAREA program issues either a Full PAREA Certificate of Completion or a PAREA Program Segment Certificate as defined in the Definitions section.

6. *Experience credit*

A PAREA program is approved and credited for a single classification (i.e., Licensed Residential, Certified Residential, or Certified General). Except at the Licensed Residential level, each PAREA program builds on the experience required at the next lower classification, and the entry prerequisites ensure that the applicant brings that foundation.

A participant who earns a Full PAREA Certificate of Completion, together with any lower-classification foundation required to enter the program, earns the full experience credit for that classification, as shown in the table below.

Entry into the program requires the QE listed above in section 1.VI.A.2. ("Entry Prerequisites"). That QE must satisfy the targeted classification's education requirement and is separate from the experience credit awarded for completing the PAREA program.

The credit below is cumulative and reflects completion of an entire PAREA program:

Program completed	Credit toward Licensed Residential	Credit toward Certified Residential	Credit toward Certified General
Licensed Residential PAREA	100%	67%	33%[1]
Certified Residential PAREA	100%	100%	50%[1]
Certified General PAREA	100%	100%	100%[2]

[1] None of the experience credit awarded for completing a Licensed Residential or Certified Residential PAREA program counts toward the required non-residential experience for the Certified General classification.

[2] A Certified General PAREA program delivers the required non-residential experience. It satisfies the full Certified General experience requirement when combined with having met the requirements for the Certified Residential classification, or with completion of a Certified Residential PAREA program, which supplies residential experience.

7. *Program segments*

A PAREA program is approved for a single classification. It may be completed in full, or where the AQB has approved Program Segments, in parts.

A Program Segment is a point within a PAREA program at which a participant who stops may earn partial experience credit for the portion completed.

If a PAREA program is divided into Program Segments, the following requirements apply:

- The AQB approves each Program Segment and the experience credit it carries before a participant may earn that credit.
- A participant earns a PAREA Program Segment Certificate by completing the PAREA program from its beginning up to an approved Program Segment.
- A participant who stops after completing one or more Program Segments without finishing the full program keeps the experience credit assigned to the completed Program Segment(s).
- A participant who completes the full program, including all approved Program Segments, receives a single Full PAREA Certificate of Completion rather than separate Program Segment Certificates.
- A Program Segment is a point at which a participant may stop and receive partial experience credit, not a point at which a participant may enter. Every participant begins at the start of the PAREA program; a Program Segment does not allow a participant to begin partway or to earn experience credit for content they have not completed.

B. Practicum Program Requirements

Practicum programs, approved by the AQB or a State Appraiser Regulatory Agency, provide structured, instructor-led appraisal assignments performed on actual, verifiable properties, with the program provider serving as the client and intended user of each assignment. Practicum content must align with the *Required Core Curriculum* for the classification level that the program qualifies experience for and must develop the methods of appraisal practice generally applicable to that level. To qualify as creditable experience, a Practicum program must meet the following:

1. *Learning objectives, classification, and scope*
   The program must define:
   - Its learning objectives and the scope of work participants will practice, which may focus narrowly on a particular property type or topic or cover a broader range;
   - The classification or classifications (Licensed Residential, Certified Residential, Certified General) for which it qualifies experience; and
   - The experience credit it provides toward the classification's experience requirement, which may be a portion of the requirement or the full amount.

   The assignments and content must be appropriate to the program's learning objectives and classification level, and the experience credit must be reasonable in relation to those objectives and that level.

2. *Prerequisites*

The program must state the prerequisite education and/or experience required to enter it. The prerequisites must be reasonable and appropriate to the classification sought and the amount of experience credit the program provides.

3. *Appraisal assignments*

The program must require at least one complete appraisal assignment appropriate to its learning objectives and classification. A program with broader objectives must include the number and range of assignments needed to meet those objectives, though a narrowly focused program may meet its objectives with a single assignment. Each assignment must:

- Be performed on an actual, verifiable subject property (or, for a mass appraisal Practicum, an appropriate property universe), and may use extraordinary assumptions or hypothetical conditions when appropriate;
- Represent the complete appraisal process, from problem identification through development and reporting;
- Comply with the edition of USPAP in effect when the assignment is performed; and
- Result in an Appraisal Report or, when applicable, an appraisal review report or mass appraisal report (one assignment equals one report). Restricted Appraisal Reports[12] are not permitted. Reports produced in a Practicum count under the Program-Based Experience Pathway and do not satisfy the Demonstration Appraisal Report Pathway.

The appraisal assignments must be the program's primary practical work. A program may include exercises or case studies that build the skills needed to perform an assignment but exercises alone do not qualify for any experience credit.

4. *Client and intended user*

The program provider must be designated as the client and intended user of each assignment. Practicum assignments are not performed for an actual client and carry no business purpose. This requirement distinguishes experience earned through a Practicum from experience earned through the Log-Based Experience Pathway which involves performing actual appraisal assignments for clients and properties.

5. *Instruction and oversight*

The program must provide one or more qualified instructors who give direct oversight, guidance, and feedback to participants throughout each assignment at a student-to-instructor ratio that allows adequate oversight and timely feedback.

[12] "Appraisal Report" and "Restricted Appraisal Report" are the two written-report options under USPAP Standards Rule 2-2, described at 2-2(a) and 2-2(b) respectively.

At least 25 percent of the program's instruction must be delivered live with two-way interaction between the instructor and participants, either in person or synchronously online. Recorded materials and independent work may supplement but not replace required live instruction.

6. *Instructor qualifications*
Each person who instructs, supervises, or reviews participant assignments must hold a Certified Residential or Certified General credential, as applicable to the property type and must have been in good standing for at least the most recent three years before beginning Practicum instructing. Each instructor must comply with all USPAP requirements that apply to their role in developing, reviewing, or presenting the assignments. The instructor and the person reviewing assignments may be different individuals, provided each person meets these requirements.

7. *Consistency*
The program must be repeatable and consistently deliverable, with defined structure, content, and instructional methods, so that each approved offering is conducted in the same manner.

8. *Experience credit*
Experience credit is awarded upon full completion of the approved Practicum. Partial completion does not qualify for experience credit. The experience credit equals the value established at approval based on the program's instructional design and does not depend on actual time spent.

9. *Verification and records*
Credit is awarded upon verification that the learning objectives and appraisal assignment(s) for the completed program have been met.

The participant must receive a certificate of completion identifying what was completed and the experience credit awarded. A State Appraiser Regulatory Agency is not required to review the underlying learning objectives or resulting appraisal reports but retains the discretion to do so.

The certificate must be signed by an individual from the program whom the AQB or State Appraiser Regulatory Agency has qualified to verify the program's completion and must not carry an expiration date or other constraint that limits the participant's ability to receive credit.

The program must retain records of each participant's completion and make them available on request to the approving authority, the AQB or a State Appraiser Regulatory Agency.

VII. General Examination Criteria

The AQB-approved national examination is one of the three key components, alongside qualifying education and experience, that an applicant must complete to obtain a Licensed Residential, Certified Residential, or Certified General appraiser credential. The following criteria govern eligibility to take the examination and the validity of a passing result.

A. Order of Completion

Qualifying education must be completed before an applicant sits for the AQB-approved national examination. The examination may be taken before or after the experience requirement is met.

All three components (QE, the AQB-approved national examination, and experience) must be completed before a State Appraiser Regulatory Agency issues a credential.

B. Validity of AQB-Approved National Examination Results

A passing result on the AQB-approved national examination for a classification is valid indefinitely.

VIII. Background Checks

A. Mandatory Background Check

An applicant for a real property appraiser credential must have a background that does not call public trust into question.

B. Submission to Regulatory Agencies

An applicant must provide a State Appraiser Regulatory Agency with all of the information and documentation it needs to determine the applicant's fitness for a credential.

C. Ineligibility

An applicant is not eligible for a credential if, within the five years before the date that the State Appraiser Regulatory Agency accepts the applicant's completed application, the applicant was:

1. convicted of, or pled guilty or nolo contendere to, a crime that would call the applicant's fitness into question; or
2. held civilly liable for any act or omission that would call into question their fitness to perform the functions authorized by the credential.

D. Additional Guidance

Additional guidance related to background checks for an applicant for a real property appraiser credential may be found in Guide Note 9 (GN-9).

IX. Interpretations and Guide Notes (GN)

The AQB may periodically issue binding Interpretations to the *Criteria* or advisory Guide Notes on interpretations or application of the *Criteria*.[13]

[13] There are currently no Interpretations in the *Criteria*.

2. SUPERVISORY APPRAISER REQUIREMENTS

This section is applicable to the supervision of Trainee Appraisers only.

I. Role of Supervisory Appraiser

A Supervisory Appraiser must train, guide, and supervise the Trainee Appraiser by:

- Directly supervising the Trainee Appraiser in person and/or remotely in real time.
- Reviewing and signing the Trainee Appraiser's appraisal report(s), thereby accepting responsibility for the appraisal and certifying that it complies with USPAP.

A Supervisory Appraiser must not provide supervision for property types or assignments beyond the Supervisory Appraiser's own competence, as required by the COMPETENCY RULE in USPAP.

II. Supervisory Appraiser Eligibility

To be eligible to act as a Supervisory Appraiser, an appraiser must:

1. Hold a Certified Residential or Certified General credential; and
2. Be in good standing for at least the most recent three years.

An appraiser is not eligible to act as a Supervisory Appraiser if, within the previous three years, a State Appraiser Regulatory Agency or a court of competent jurisdiction has imposed discipline that affects the appraiser's eligibility to practice. An appraiser who was subject to such discipline is considered to be in good standing three (3) years after successfully completing or terminating the sanction. Discipline limited to administrative matters, such as late payment of fees, late renewal of a credential, or failure to report a change of contact information, does not affect eligibility under this section.

The credential and good standing requirements may be satisfied in any jurisdiction. A Supervisory Appraiser is not required to hold a credential in the jurisdiction where the Trainee Appraiser is located, and there is no minimum amount of time for which a credential must be held in that jurisdiction.

Before taking on supervisory duties, an appraiser must complete a course on the requirements and responsibilities of the Supervisory Appraiser and Trainee Appraiser. The course content must, at a minimum, comply with AQB specifications. Refer to the "Supervisory Appraiser/Trainee Appraiser Course Objectives and Outline" provided in section 9 of the current *Criteria*.

III. USPAP Compliance and Competency Requirements

Supervisory Appraisers must comply with all applicable provisions of USPAP in their appraisal and supervisory activities, particularly USPAP's ETHICS RULE and COMPETENCY RULE as they relate to the property type, scope of work, and geographic area in which the Trainee Appraiser is supervised. This helps ensure that Supervisory Appraisers are competent to provide meaningful oversight and training for the types of appraisal assignments undertaken by the Trainee Appraiser. It also helps prevent appraisers with significant ethical or competency issues from supervising Trainee Appraisers.

IV. Supervisory Appraiser –Trainee Ratios

A Trainee Appraiser may have more than one Supervisory Appraiser.

However, a Supervisory Appraiser must not supervise more than three Trainee Appraisers at one time, except as provided below under section 2.V. ("State-Approved Increased Supervisory Appraiser–Trainee Ratios").

V. State-Approved Increased Supervisory Appraiser–Trainee Ratios

A State Appraiser Regulatory Agency may authorize a Supervisory Appraiser to oversee more than three Trainee Appraisers only under a state-approved and administered oversight program.

Such a program must include reasonable provisions for monitoring, verification, and ongoing communication with the Supervisory Appraiser to ensure that:

- Each Trainee Appraiser receives adequate supervision and developmental guidance;
- The Supervisory Appraiser has sufficient time and resources to provide meaningful oversight to all Trainee Appraisers under supervision; and
- The Supervisory Appraiser maintains compliance with all *Criteria* and state requirements.

When approving higher ratios, a State Appraiser Regulatory Agency may consider factors such as the Supervisory Appraiser's experience, past compliance record, and the part-time or full-time status of the Trainee Appraisers.

The structure and frequency of monitoring must be determined by the State Appraiser Regulatory Agency that issued the Supervisory Appraiser's credential.[14]

VI. Supervisory Appraiser and Trainee Appraiser Experience Log

The Supervisory Appraiser and the Trainee Appraiser must jointly maintain an appraisal experience log. At a minimum, the log must include:

1. Type of property;
2. Date of report;
3. Property identification (address, APN, or survey description);
4. Description of the work performed by the Trainee Appraiser and the scope of the review and supervision provided by the Supervisory Appraiser;
5. Number of actual work hours spent by the Trainee Appraiser on the assignment;
6. The name and signature of the Trainee Appraiser; and
7. The name, signature, and state certification number of the Supervisory Appraiser.

Both parties are responsible for ensuring that the log is accurate, current, and complies with the requirements of the Trainee Appraiser's State Appraiser Regulatory Agency, and each signature on the log attests that it does.

The Supervisory Appraiser's signature further attests that the supervision provided met the requirements of the *Criteria* and applicable state law.

When a Trainee Appraiser has more than one Supervisory Appraiser, a separate log must be maintained for each Supervisory Appraiser.

[14] If the Supervisory Appraiser holds two or more credentials issued in more than one state, the State Appraiser Regulatory Agency in the appraiser's "home" state shall have this authority.

3. REAL PROPERTY APPRAISER CLASSIFICATIONS

This section outlines the specific requirements for the following real property appraiser classifications:

- Trainee Appraiser
- Licensed Residential Real Property Appraiser
- Certified Residential Real Property Appraiser
- Certified General Real Property Appraiser

In addition to the classification-specific requirements detailed in each classification's section, an applicant must comply with the Criteria Applicable to All Appraiser Classifications.

The following summary table provides a high-level comparison of key requirements for each classification.

Requirement	Trainee Appraiser	Licensed Residential	Certified Residential	Certified General
Required Core Curriculum **(Education)**	80 hours	155 hours	200 hours	305 hours
Experience Credit (Any single pathway or combination)*	None required	• Log-Based: 1,000 hours • Approved PAREA program • Approved Practicum program • Three demonstration reports	• Log-Based: 1,500 hours • Approved PAREA program • Approved Practicum program	• Log-Based: 3,000 hours (1,500 non-residential) • Approved PAREA program • Approved Practicum program
Examination	None required	Licensed Residential Exam	Certified Residential Exam	Certified General Exam

** For full details on each experience pathway and how they may or may not be combined, see section 1.V. ("General Experience Criteria") in the Criteria Applicable to All Appraiser Classifications.*

I. *Required Core Curriculum* by Classification

The *Required Core Curriculum* for all appraiser classifications is compiled in the following tables for comparison; the same requirements also appear within each classification's section. Each table lists the required modules and the minimum class hours per module. As stated in the class hour definition, each hour figure includes the time allocated for the course examination, not instruction alone. For example, the *15-Hour National USPAP Course* consists of 14 hours of instruction plus a 1-hour examination.

Required Core Curriculum for Trainee Appraiser	
Basic Appraisal Principles	30 Hours
Basic Appraisal Procedures	30 Hours
Fair Housing Laws, Impartiality, and Objective Valuation Practice	5 Hours
15-Hour National USPAP© Course (or its equivalent)	15 Hours
TOTAL	**80 Hours**

Required Core Curriculum for Licensed Residential	
Basic Appraisal Principles	30 Hours
Basic Appraisal Procedures	30 Hours
Fair Housing Laws, Impartiality, and Objective Valuation Practice	5 Hours
15-Hour National USPAP Course (or its equivalent)	15 Hours
Residential Market Analysis and Highest and Best Use	15 Hours
Residential Appraiser Site Valuation and Cost Approach	15 Hours
Residential Sales Comparison and Income Approaches	30 Hours
Residential Report Writing and Case Studies	15 Hours
TOTAL	**155 Hours**

Required Core Curriculum for Certified Residential	
Basic Appraisal Principles	30 Hours
Basic Appraisal Procedures	30 Hours
Fair Housing Laws, Impartiality, and Objective Valuation Practice	5 Hours
15-Hour National USPAP Course (or its equivalent)	15 Hours
Residential Market Analysis and Highest and Best Use	15 Hours
Residential Appraiser Site Valuation and Cost Approach	15 Hours
Residential Sales Comparison and Income Approaches	30 Hours
Residential Report Writing and Case Studies	15 Hours
Statistics, Modeling, and Finance	15 Hours
Advanced Residential Applications and Case Studies	15 Hours
Residential Appraiser Market Data Analytics Applications and Case Studies	15 Hours
TOTAL	**200 Hours**

Required Core Curriculum for Certified General	
Basic Appraisal Principles	30 Hours
Basic Appraisal Procedures	30 Hours
Fair Housing Laws, Impartiality, and Objective Valuation Practice	5 Hours
15-Hour National USPAP Course (or its equivalent)	15 Hours
Statistics, Modeling, and Finance	15 Hours
General Appraiser Market Analysis and Highest and Best Use	30 Hours
General Appraiser Sales Comparison Approach	30 Hours
General Appraiser Site Valuation and Cost Approach	30 Hours
General Appraiser Income Approach	60 Hours
General Appraiser Report Writing and Case Studies	30 Hours
General Appraiser Market Data Analytics Applications and Case Studies	30 Hours
TOTAL	**305 Hours**

4. TRAINEE APPRAISER

Please consult the Criteria Applicable to All Appraiser Classifications for additional requirements.

I. General

A. Classification Definition

The Trainee Appraiser classification applies to individuals who have been authorized by a State Appraiser Regulatory Agency to perform appraisal assignments under the direct supervision of a Supervisory Appraiser, and who have not yet obtained a Licensed Residential, Certified Residential, or Certified General credential.

Individual State Appraiser Regulatory Agencies may use different terms for this classification, such as *registered appraiser*, *apprentice appraiser*, or *provisional appraiser.*[15]

B. Appraisal Authority

The scope of appraisal practice for the Trainee Appraiser classification is limited to those properties that fall within the Supervisory Appraiser's scope of practice.

Because a Trainee Appraiser must be directly supervised by a Supervisory Appraiser, this classification is not eligible for reciprocity or independent practice in any jurisdiction.

C. Record Retention

The Trainee Appraiser, as well as the Supervisory Appraiser, are each entitled to obtain copies of appraisal reports, and to appropriate access and retrieval arrangements for all workfiles, for appraisals in which they participated, in accordance with the USPAP's RECORD KEEPING RULE.

D. USPAP Compliance

The Trainee Appraiser must comply with the COMPETENCY RULE of USPAP for all assignments. See also: Criteria Applicable to All Appraiser Classifications, section 1.I. ("Standards of Practice").

II. Qualifying Education

A. Education Requirement for Credentialing

The Trainee Appraiser classification requires completion of 80 class hours as specified in the *Required Core Curriculum*. This includes passing all required end-of-course

[15] Title XI § 1116(e), 12 U.S.C. 3345 recognizes the "Trainee Appraiser" classification as a federally recognized credential.

examinations and completing the *15-Hour National USPAP Course* (or its AQB-approved equivalent).

A Trainee Appraiser applicant must successfully complete a Supervisory Appraiser/Trainee Appraiser course before obtaining a Trainee Appraiser credential. This course must include content consistent with the "Supervisory Appraiser/Trainee Appraiser Course Objectives and Outline" provided in section 9 of the *Criteria.*

Completion of this course does not count toward QE hours required for obtaining a higher-level credential.

III. Experience

There are no experience requirements for the Trainee Appraiser classification. A Trainee Appraiser must complete the required QE before earning supervised experience.

A Trainee Appraiser is authorized to perform appraisals only under the direct supervision of a Supervisory Appraiser. Experience earned in this capacity is credited toward a higher credential as log-based experience, when documented in accordance with section 2 ("Supervisory Appraiser Requirements") of the *Criteria*.

A Trainee Appraiser may also earn experience toward a higher credential through any of the other experience pathways described in section 1.V. ("General Experience Criteria"), including PAREA, Practicum, and the Demonstration Appraisal Report Pathway for the Licensed Residential classification only. Experience credit earned through any combination of pathways may be applied toward a higher credential, subject to the combinability rules in the General Experience Criteria.

IV. Examination

There is no *Criteria* national examination requirement for the Trainee Appraiser classification.

V. Training and Supervision

A. Supervision Overview

A Trainee Appraiser must be subject to the direct control and supervision of a qualified Supervisory Appraiser who meets the requirements of the "Supervisory Appraiser Requirements" section of the *Criteria* (section 2). That section sets out the Supervisory Appraiser's responsibilities, including the training and guiding the Trainee Appraiser's appraisal reports, thereby limiting the scope of supervision to property types and assignments within the Supervisory Appraiser's own competence, in accordance with the COMPETENCY RULE of USPAP.

B. Joint Responsibilities

The Trainee Appraiser and each Supervisory Appraiser are jointly responsible for maintaining an appraisal experience log that is accurate, current, and compliant with the requirements of the credentialing jurisdiction.

C. Mass Appraisal and Ad Valorem Offices

A Trainee Appraiser may earn experience in a state or local assessment office that is required by statute or regulation to comply with USPAP STANDARDS 5 and 6. Such experience does not require a Supervisory Appraiser; it is credited and verified under the Mass Appraisal Experience provision of the Log-Based Experience Pathway in the General Experience Criteria, rather than under the Supervisory Appraiser signature and supervision requirements that apply to other Trainee Appraiser experience.

D. Cross-Reference to Supervisory Appraiser Requirements

The “Supervisory Appraiser Requirements” (section 2) contains all provisions governing:

- Supervisory Appraiser eligibility and certification status;
- The number of Trainee Appraisers a Supervisory Appraiser may oversee;
- State-approved oversight programs permitting expanded supervision; and
- The specific supervisory responsibilities, competency standards, and conduct requirements applicable to Supervisory Appraisers.

Trainee Appraisers are expected to be familiar with those requirements to understand the parameters of acceptable supervision and documentation.

5. LICENSED RESIDENTIAL REAL PROPERTY APPRAISER

Please consult the Criteria Applicable to All Appraiser Classifications for additional requirements.

I. General

A. Qualifications

The Licensed Residential Real Property Appraiser classification qualifies an appraiser to perform appraisals in connection with non-complex one-to-four residential units having a transaction value[16] less than $1,000,000 and complex one-to-four residential units having a transaction value less than $400,000.

B. Complex Appraisals

A complex appraisal of one-to-four residential units is one in which the property to be appraised, the form of ownership, or market conditions are atypical.

C. Property Types and Limitations

Regarding appraisals for non-federally related transactions, the transaction value means the loan amount or market value[17], depending on the nature of the transaction.

The classification's scope of practice includes the appraisal of vacant or unimproved land used for one-to-four residential units, or for which the highest and best use is for one-to-four residential units.

The classification does not include the appraisal of subdivisions for which a development analysis/appraisal is necessary.

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[16] See the definition of "transaction value" contained within this *Criteria*.

[17] The market value definition per 12 CFR § 225.62(h) states "Market value means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised, and acting in what they consider their own best interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale."

D. USPAP Compliance

The Licensed Residential Real Property Appraiser must comply with the COMPETENCY RULE of USPAP. See also: Criteria Applicable to All Appraiser Classifications, section 1.I. (“Standards of Practice”).

II. Qualifying Education

A. Education Requirement for Credentialing

The Licensed Residential Real Property Appraiser classification requires completion of 155 class hours as specified in the *Required Core Curriculum*. This includes passing all required end-of-course examinations and completing the *15-Hour National USPAP Course* or its AQB-approved equivalent, along with its associated examination.

III. Experience

A. Experience Requirement

An applicant for the Licensed Residential Real Property Appraiser credential must earn experience credit totaling at least 1,000 hours through one or more experience pathways.

B. Experience Pathways

Experience for the Licensed Residential Real Property Appraiser credential may be earned through the following pathways:

1. Log-Based Experience Pathway, as described in section 1.V. (“General Experience Criteria”) of the Criteria Applicable to All Appraiser Classifications;
2. Program-Based Experience Pathway, as described in section 1.V. (“General Experience Criteria”) of the Criteria Applicable to All Appraiser Classifications; and
3. Demonstration Appraisal Report Pathway, available only at the Licensed Residential level.
    a. Experience credit under this pathway is earned through successful completion of demonstration appraisal reports on actual, verifiable one-to-four-unit residential properties administered through an AQB-approved entity.
    b. Each report must be performed in compliance with USPAP and must meet the content, complexity, and review requirements established by the AQB-approved entity.
    c. Experience credit is awarded only upon successful completion of all three demonstration appraisal reports, with at least one relating to a complex property. Partial completion does not qualify for experience credit. Successful completion of all three reports satisfies the experience requirement for the

Licensed Residential Real Property Appraiser credential in full; no additional experience hours are required. Because successful completion satisfies the Licensed Residential experience requirement, an applicant who later pursues a higher classification needs only the experience that the higher classification requires beyond the Licensed Residential experience requirement.

d. Reports administered under another approved program, including a Practicum or PAREA program, do not satisfy this pathway.

e. An applicant must complete the QE requirement for the Licensed Residential classification before beginning the Demonstration Appraisal Report Pathway.

Experience earned through the Log-Based Experience Pathway and Program-Based Experience Pathway may be combined to satisfy the total experience requirement for this classification, provided that all experience is verifiable and meets the applicable requirements of USPAP and the *Criteria*.

IV. Examination

The AQB-approved Licensed Residential Real Property Appraiser national examination must be successfully completed. The only alternative to successful completion of the Licensed Residential examination is successful completion of the AQB-approved Certified Residential examination or the AQB-approved Certified General examination.

To be eligible to take the AQB-approved examination, an applicant must complete 155 class hours as specified in the *Required Core Curriculum* and then obtain authorization from the credentialing State Appraiser Regulatory Agency to take the examination.

6. CERTIFIED RESIDENTIAL REAL PROPERTY APPRAISER

Please consult the Criteria Applicable to All Appraiser Classifications for additional requirements.

I. General

A. Qualifications

The Certified Residential Real Property Appraiser classification qualifies an appraiser to appraise one-to-four residential units, regardless of their value or complexity.

B. Property Types and Limitations

The classification includes appraising vacant or unimproved land used for one-to-four residential units, or land where the highest and best use is for one-to-four residential units.

The classification does not include the appraisal of subdivisions for which a development analysis/appraisal is necessary.

C. USPAP Compliance

The Certified Residential Real Property Appraiser must comply with the COMPETENCY RULE of USPAP. See also*:* Criteria Applicable to All Appraiser Classifications*,* section 1.I. (“Standards of Practice”)*.*

II. Qualifying Education

A. Education Requirement for Credentialing

The Certified Residential Real Property Appraiser classification requires completion of 200 class hours as specified in the *Required Core Curriculum*. This includes passing all required end-of-course examinations and completing the *15-Hour National USPAP Course* (or its AQB-approved equivalent), along with its associated examination.

III. Experience

A. Experience Requirement

An applicant for the Certified Residential Real Property Appraiser credential must earn experience credit totaling at least 1,500 hours through one or more experience pathways.

B. Experience Pathways

Experience may be earned through one or a combination of the experience pathways described in section 1.V. (“General Experience Criteria”) of the Criteria Applicable to All Appraiser Classifications.

Experience earned through any of the experience pathways may be combined to satisfy the total experience requirement for this classification, provided that all experience is verifiable and meets the applicable requirements of USPAP and the *Criteria*.

IV. Examination

The AQB-approved Certified Residential Real Property Appraiser national examination must be successfully completed. The only alternative to successful completion of the Certified Residential examination is successful completion of the Certified General examination.

To be eligible to take the AQB-approved national examination, an applicant must complete 200 class hours as specified in the *Required Core Curriculum* and then obtain authorization from the credentialing State Appraiser Regulatory Agency to take the examination.

7. CERTIFIED GENERAL REAL PROPERTY APPRAISER

Please consult the Criteria Applicable to All Appraiser Classifications (section 1) for additional requirements.

I. General

A. Qualifications

The Certified General Real Property Appraiser classification qualifies an appraiser to appraise all types of real property.

B. USPAP Compliance

The Certified General Real Property Appraiser must comply with the COMPETENCY RULE of USPAP. See also: Applicable to All Appraiser Classifications, section 1.I. ("Standards of Practice").

II. Qualifying Education

A. Education Requirements for Credentialing

The Certified General Real Property Appraiser classification requires completion of 305 class hours as specified in the *Required Core Curriculum*. This includes passing all required end-of-course examinations and completing the *15-Hour National USPAP Course* (or its AQB-approved equivalent), along with its associated examination.

An applicant's QE must include the Certified General core courses listed in the *Criteria* that address the appraisal of non-residential property. Non-residential property means all property other than one-to-four residential units.

III. Experience

A. Experience Requirement

An applicant for the Certified General Real Property Appraiser credential must earn experience credit totaling at least 3,000 hours through one or more experience pathways. Of the 3,000 total hours, at least 1,500 hours must be in non-residential appraisal work.

B. Experience Pathways

Experience may be earned through one or a combination of the experience pathways described in section 1.V. ("General Experience Criteria") of the Criteria Applicable to All Appraiser Classifications.

Experience earned through any of the experience pathways may be combined to satisfy the total experience requirement for this classification, provided that all experience is verifiable and meets the applicable requirements of USPAP and the *Criteria*.

IV. Examination

The AQB-approved Certified General Real Property Appraiser national examination must be successfully completed. There is no alternative to successful completion of the examination.

To be eligible to take the AQB-approved national examination, an applicant must complete 305 class hours as specified in the *Required Core Curriculum* and then obtain authorization from the credentialing State Appraiser Regulatory Agency to take the examination.

8. EDUCATION REQUIREMENTS FOR CREDENTIAL UPGRADES

The following tables set out the additional QE required to qualify for a higher classification. For each upgrade, the hours shown are in addition to the QE already completed for the appraiser's current classification.

I. Upgrading from the Trainee Appraiser Classification

Trainee Appraiser to Licensed Residential — Additional Educational Hours	
Residential Market Analysis and Highest and Best Use	15 Hours
Residential Appraiser Site Valuation and Cost Approach	15 Hours
Residential Sales Comparison and Income Approaches	30 Hours
Residential Report Writing and Case Studies	15 Hours
Total	**75 Hours**

Trainee Appraiser to Certified Residential — Additional Educational Hours	
Residential Market Analysis and Highest and Best Use	15 Hours
Residential Appraiser Site Valuation and Cost Approach	15 Hours
Residential Sales Comparison and Income Approaches	30 Hours
Residential Report Writing and Case Studies	15 Hours
Statistics, Modeling, and Finance	15 Hours
Advanced Residential Applications and Case Studies	15 Hours
Residential Appraiser Market Data Analytics Applications and Case Studies	15 Hours
Total	**120 Hours**

Trainee Appraiser to Certified General — Additional Educational Hours	
General Appraiser Market Analysis and Highest and Best Use	30 Hours
Statistics, Modeling, and Finance	15 Hours
General Appraiser Sales Comparison Approach	30 Hours

General Appraiser Site Valuation and Cost Approach	30 Hours
General Appraiser Income Approach	60 Hours
General Appraiser Report Writing and Case Studies	30 Hours
General Appraiser Market Data Analytics Applications and Case Studies	30 Hours
Total	**225 Hours**

II. Upgrading from the Licensed Residential Classification

Licensed Residential to Certified Residential — Additional Educational Hours	
Statistics, Modeling, and Finance	15 Hours
Advanced Residential Applications and Case Studies	15 Hours
Residential Appraiser Market Data Analytics Applications and Case Studies	15 Hours
Total	**45 Hours**

Licensed Residential to Certified General — Additional Educational Hours	
General Appraiser Market Analysis and Highest and Best Use	15 Hours
Statistics, Modeling, and Finance	15 Hours
General Appraiser Sales Comparison Approach	15 Hours
General Appraiser Site Valuation and Cost Approach	15 Hours
General Appraiser Income Approach	45 Hours
General Appraiser Report Writing and Case Studies	15 Hours
General Appraiser Market Data Analytics Applications and Case Studies	30 Hours
Total	**150 Hours**

III. Upgrading from the Certified Residential Classification

Certified Residential to Certified General — Additional Educational Hours	
General Appraiser Market Analysis and Highest and Best Use	15 Hours
General Appraiser Sales Comparison Approach	15 Hours
General Appraiser Site Valuation and Cost Approach	15 Hours
General Appraiser Income Approach	45 Hours
General Appraiser Report Writing and Case Studies	15 Hours
General Appraiser Market Data Analytics Applications and Case Studies	15 Hours
Total	**120 Hours**

IV. Certified General Classification & Credit Toward Lower Classifications

An applicant who has met the requirements for the Certified General classification has satisfied the educational requirements for the Licensed Residential and Certified Residential classifications. No additional educational hours are required.

9. SUPERVISORY APPRAISER/TRAINEE APPRAISER COURSE OBJECTIVES AND OUTLINE

I. Course Objectives

Course developers must include the following objectives for both the Supervisory Appraiser and Trainee Appraiser.

A. Supervisory Appraiser Objectives

The course must provide information for the appraiser wishing to become a Supervisory Appraiser to understand the qualifications and responsibilities of that role. Specifically, the participant must understand:

1. AQB minimum qualifications for becoming and remaining a Supervisory Appraiser;
2. Jurisdictional credentialing requirements for both Supervisory Appraisers and Trainee Appraisers that may exceed those of the *Criteria*;
3. Expectations and responsibilities of being a Supervisory Appraiser;
4. The Supervisory Appraiser's responsibilities for maintaining and signing all appropriate Trainee Appraiser experience logs; and
5. Expectations and responsibilities of the Trainee Appraiser.

B. Trainee Appraiser Objectives

The course must provide information to ensure the Trainee Appraiser understands the qualifications and responsibilities of that classification. Specifically, the participant must understand:

1. AQB minimum qualifications for becoming a credentialed appraiser;
2. Jurisdictional requirements for Trainee Appraisers that may exceed those of the *Criteria*;
3. The processes and roles of the organizations that establish and enforce appraiser qualifications;
4. Expectations and responsibilities of the Trainee Appraiser;
5. Basics of USPAP; and
6. Responsibilities and requirements of a Trainee Appraiser's role in maintaining and signing all appropriate Trainee Appraiser experience logs.

II. Course Content Outline

Course developers must include the following topics in the course content:

A. Table of Contents

B. Course Introduction and Overview

C. Qualification and Credentialing Entities

1. Description of the National System for Overseeing Real Estate Appraisers performing appraisals in connection with federally related transactions under Title XI.
    a. Role of the ASC.
    b. Overview of the creation and role of the Foundation.
2. The AQB.
3. Overview of the role of the AQB in establishing qualifications for real property appraisers.
4. Individual State or Territory Credentialing Authorities.
    a. Overview of a State Appraiser Regulatory Agency's role in issuing appraiser credentials and disciplining appraisers.
    b. Specific information regarding the regulatory structure of the individual jurisdiction (optional).
5. Professional Appraiser Organizations
    a. Overview of the role of professional appraiser organizations.
    b. Explain differences between State Appraiser Regulatory Agency–awarded credentials and "voluntary" professional appraiser organization designations.

D. Qualifications for Appraiser Credentials

1. AQB Qualifications.
    a. Overview of the AQB minimum qualifications for real property appraisers, including the education, experience, and examination requirements for the following classifications:
        i. Trainee Appraiser.
        ii. Licensed Residential Real Property Appraiser.
        iii. Certified Residential Real Property Appraiser.
        iv. Certified General Real Property Appraiser.

    Course developers must include a summary table of the minimum education, experience (if applicable), and examination requirements for each classification.

b. Overview of Supervisory Appraiser Qualifications

i. AQB minimum qualifications.

ii. How jurisdictional qualifications can exceed AQB minimums.

2. Individual Jurisdiction Qualifications.

a. Overview explaining how the AQB sets minimum qualifications, but state statutes and/or regulations may have qualifications that exceed the *Criteria*.

b. Outline and explain the specific steps and requirements to become a licensed or certified in the course's state or territory.

E. Overview of USPAP

1. Provide brief overview of sections of USPAP relevant to Trainee Appraisers, including overviews of:

a. ETHICS RULE

b. COMPETENCY RULE

c. SCOPE OF WORK RULE

d. RECORD KEEPING RULE

e. STANDARD 1 (Development) and STANDARD 2 (Reporting)

This section is not intended to be a substitute for the *15-Hour National USPAP Course* or its equivalent.

F. Overview of Supervisory Appraiser Expectations and Responsibilities

1. The course material must present the requirements, expectations, and responsibilities of the Supervisory Appraiser. At a minimum, course materials must include the expectations and responsibilities of the Supervisory Appraiser to:

a. Provide the Trainee Appraiser with a basic understanding of USPAP requirements.

b. Understand the AQB minimum requirements of both the Supervisory Appraiser and Trainee Appraiser, as well as the requirements of the credentialing jurisdiction that may exceed those of the *Criteria*.

c. Provide guidance to the Trainee Appraiser in the selection of a specific credentialing path (i.e., Licensed Residential, Certified Residential, or Certified General).

d. Monitor the Trainee Appraiser's progress in satisfying both the education and experience requirements necessary to achieve the selected credentialing path.

e. Verify that the Supervisory Appraiser and Trainee Appraiser are properly documenting all appropriate experience logs.

f. Provide oversight during property inspections (in person or remote, in real time) based on the Trainee Appraiser's competency and any applicable state inspection requirements.

g. Provide assignments and duties that ensure the Trainee Appraiser gains knowledge and experience of all applicable valuation methodologies and approaches to value.

h. Verify that the Trainee Appraiser is properly identified and acknowledged in the appraisal report in compliance with USPAP requirements.

i. Immediately notify the Trainee Appraiser if the Supervisory Appraiser is no longer qualified to supervise and/or sign the Trainee Appraiser's experience log.

G. Overview of Trainee Appraiser Expectations and Responsibilities

1. The course material must include a presentation of the requirements, expectations, and responsibilities of the Trainee Appraiser. At a minimum, the course materials must include the expectations and responsibilities of the Trainee Appraiser to understand:

   a. The AQB minimum requirements to become a Trainee Appraiser, as well as the requirements of the credentialing jurisdiction that may exceed those of the *Criteria*.

   b. The importance of selecting a Supervisory Appraiser. Points covered must include:

      i. The Supervisory Appraiser–Trainee Appraiser relationship is a long-term commitment by both parties.

      ii. The Trainee Appraiser is inherently connected to the good standing of the Supervisory Appraiser.

      iii. The importance of selecting a Supervisory Appraiser whose experience and competency matches the Trainee Appraiser's credentialing path.

      iv. Options for the Trainee Appraiser if a Supervisory Appraiser is no longer qualified to serve as a Supervisory Appraiser.

   c. How to determine whether an appraiser is qualified and in good standing to be a Supervisory Appraiser by searching the ASC National Registry and/or the websites of State Appraisal Regulatory Agencies that have credentialed the Supervisory Appraiser.

d. It is the Supervisory Appraiser's responsibility to monitor the progression of the Trainee Appraiser's education and experience necessary to achieve the Trainee Appraiser's selected credentialing path.

e. It is the Supervisory Appraiser's responsibility to provide assignments and duties that ensure the Trainee Appraiser is developing an understanding and progression of knowledge and experience of all applicable valuation methodologies and approaches to value.

f. It is the responsibility of both the Trainee Appraiser and the Supervisory Appraiser to properly document all appropriate Trainee Appraiser experience logs.

H. Overview of Jurisdictional Requirements for Supervisory Appraiser and Trainee Appraiser Requirements

1. Provide a summary of jurisdictional requirements that may exceed those of the *Criteria*.

2. Course developers may present jurisdictional requirements as a separate section or incorporate differences between AQB minimum and jurisdictional requirements into each appropriate section of the outline.

I. Summary/Quiz (optional)

J. Definitions

1. Provide glossary of definitions utilized throughout the course.

10. FAIR HOUSING LAWS, IMPARTIALITY, AND OBJECTIVE VALUATION PRACTICE COURSE OUTLINE

This is the required content outline for the Fair Housing Laws, Impartiality, and Objective Valuation Practice module of the *Required Core Curriculum*. It specifies the minimum content a QE course must cover; it is not a required course title. A course satisfies this requirement if it covers the topics in this outline, regardless of the course's title or total length, provided it delivers at least five class hours on this content- which includes the time needed for an exam.

I. Course Content Outline

A QE course on this subject must include the course content set forth in the following outline.

A. Federal Fair Housing and Anti-discrimination Statutes and Regulations

1. Statutes and Regulations:
    a. Civil Rights Act of 1866 (Sections 1981 and 1982)
    b. Fair Housing Act
    c. Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA)
    d. Equal Credit Opportunity Act (ECOA)
    e. Unfair and Deceptive Acts and Practices (UDAP)
    f. Unfair, Deceptive or Abusive Acts and Practices (UDAAP)

B. Understanding Impartiality in Real Estate

1. Historical context:
    a. Role of the following: real estate agents; insurers; appraisers; lenders; Government Sponsored Enterprises; federal, state, and local agencies
    b. Legislation
    c. Redlining
    d. Restrictive covenants
    e. Court rulings

2. Contemporary context:
    a. Definition of “protected classes”
    b. Economic impact of property value disparities for protected classes
    c. Public discussions, regulatory responses, and court cases regarding bias in appraisal practice
    d. Recent cases and developments

C. Understanding Bias in Appraisal Practice

1. Definition of bias in USPAP
    a. Recognizing bias (as defined in USPAP) in appraisal practice
    b. Best practices for avoiding bias (as defined in USPAP) in appraisal practice

11. PRACTICAL APPLICATIONS OF REAL ESTATE APPRAISAL (PAREA)

The following criteria outline the required exercises, examples, simulations, case studies, and applications. These items must be developed to recreate the practical experience an appraiser needs to get a Licensed Residential or Certified Residential credential. At least three USPAP-compliant appraisal reports will be developed in the PAREA program for each credential. At a minimum, the program must include developing and reporting appraisals for single-unit residences, 2-4 unit properties, and condominium units.

I. Minimum Content Requirements: Licensed Residential Classification

A. Introduction

1. General considerations and responsibilities
    a. Discuss respecting public trust.
    b. Review and comment on appraiser independence.
    c. Review and comment on the responsibilities to clients regarding reconsideration of value requests and other communication.
2. Appraisal software and tools
    a. Overview of software options (vendors) and common forms.
    b. Overview of common tools: measuring devices, cameras, etc.

B. Problem Identification

1. Understanding assignment parameters
    a. Perform an initial review of the order or engagement letter and determine authoritative lines of communication. Provide interactive exercises in extracting key information from the engagement letter.
2. Understanding Assignment Elements and Competency Issues
    a. Examine the appraisal request and other documents provided (e.g., title reports, surveys, purchase contract) to determine key assignment elements (Standards Rule 1-2(a)–Standards Rule 1-2(d) and the SCOPE OF WORK RULE of USPAP) and/or contractual obligations.
    b. Determine relevant appraisal assignment conditions.

c. Understanding common client, intended users, engagement letter terms, various assignment types, basis for assignment conditions, extraordinary assumptions, and hypothetical conditions (e.g., FHA, VA, USDA, etc.).[18]

d. Provide exercises for defining the problem. The goal is for the participant to establish appropriate steps in the appraisal process.

e. Exercises should contain overlays introducing key engagement items that could affect the scope of work. Ensure that exercises demonstrate impact on both assignment conditions and elements.

f. Include exercises where an appraiser identifies possible extraordinary assumptions or hypothetical conditions.

g. Understanding the COMPETENCY RULE of USPAP.

h. Demonstrate how competency issues are identified and will be resolved.

3. Market, Neighborhood, and Subject Property Research

a. Use preliminary online or archival research to gain basic market area and subject property information.

b. Develop the general area and neighborhood market analysis.

c. Overview of available data sources for market area information.

d. Retrieve and analyze preliminary information needed to understand the subject site and improvements.

e. Review of public record information including site and improvement information.

f. Utilization of Multiple Listing Service (MLS) and/or online sites as a verification source.

g. Based on information gathered above, develop and explain key relevant property characteristics.

4. Obtaining Preliminary Subject Property Information

a. Simulate setting the inspection appointment with related requests/requirements.

b. Determine how you will verify the individual providing access.

c. Review of inspections and reports provided by others and discuss their application and disclosure in the assignment.

C. Review of Sections A and B with Mentor

[18] Federal Housing Administration (FHA), Department of Veterans Affairs (VA), United States Department of Agriculture (USDA).

1. Ensure the problem identification process was performed properly, leading to an appropriate scope of work.
2. Review the research to evaluate its suitability and that there is sufficient information for later development and analysis.

D. Property Identification and Inspection along with Initial Site Identification

1. Research available information sources including public records
2. Zoning, general plan information
    a. Identify where to locate all sources of information.
    b. Verification of revisions to zoning/general plan.
    c. Variances, use restrictions.
3. Environmental issues, flood zone/earthquake information. Identify and explain unusual issues
    a. Location of relevant research information.
    b. Communicate any unusual findings to the client to confirm whether assignment is to be completed.

E. Verification of Neighborhood and Market Area

1. Conduct virtual inspection/review of subject's market area
2. Explain various influences
3. Identify and explain trends/characteristics in the defined neighborhood and market area

F. Subject Site Inspection

1. Verify similarity to plat, observation of site utility, its surrounding influences, and possible conditions that could impact value or marketability
2. Analysis of site improvements and usable site area
    a. Determine and explain how usable site area relates to surrounding properties.
3. Identify and discuss various site amenities. Include exercises addressing various levels of impact on value

G. Subject Property Improvements Inspection

1. Overview
    a. Types/quality of construction.
    b. Floor plan issues, determination of room counts.
    c. Observable condition factors and description of upgrades.
    d. Recognition of potential/existing adverse influences.

2. Conduct a virtual physical inspection to determine relevant physical characteristics
3. Provide a thorough description of improvements

H. Measuring the Subject Property Improvements

1. Exercises to include measurement methods and ultimately determination of:
   a. Basements.
   b. Stairways and vaulted ceiling areas.
   c. Below grade living area (split level).
   d. Accessory dwelling units, outbuildings, etc.
   e. Awareness of special assignment conditions.
   f. Common rounding practices.
2. Include virtual exercises in measuring subject properties
3. Other sources for obtaining Gross Living Area (GLA)

I. Sketch Completion

1. Include sketch completion exercises
2. Exercises must include final GLA determination (what areas should be extracted from GLA)

J. Review Sections D-I with Mentor

1. Ensure all elements of inspection process have been performed properly, including neighborhood, site, and improvements

K. Market Analysis/Highest and Best Use

1. Highest and Best Use
   a. Overview of pertinent data, including current/proposed/potential alternative use and communication of highest and best use.
2. Performing Neighborhood and Market Research
   a. Identify the market area boundaries, physical characteristics, and specific property location relevant to the analysis of the subject property.
   b. Identify the trends and characteristics in the defined neighborhood and market area.

L. Review Section K with Mentor

1. Ensure key analytical issues related to market conditions and highest and best use are effectively addressed

M. Process of Sales Analysis

1. Identify the best sources of sales data for use in case studies, including:
    a. MLS.
    b. City/County (public) transfer records.
        i. How to verify information in public records.
    c. Data providers.
    d. Appraiser office files.
        i. How to address confidentiality concerns.
    e. Real estate agents/brokers.
        i. How to verify information with agents and brokers.
2. Select the same or similar property types, uses, and characteristics
    a. Identify elements of comparison.
    b. Develop exercises for various property types.
3. Identify all relevant current listings, expired listings, withdrawn listings, offers (if available), For Sale by Owner (FSBO), closed sales, and pending sales

N. Review Section M with Mentor

1. Ensure all necessary steps in highest and best use analysis and market analysis were performed properly; review data source material to ensure sufficient information has been identified for further application

O. Valuation Approaches and Techniques

1. Consider each approach to value
    a. Explain the appropriateness based on the intended use of the assignment.
    b. Select the data considered most meaningful and relevant.
2. Sales Comparison Approach
    a. Analyze quality and quantity of data.
        i. Identify relevant units of comparison.
        ii. Data and information collected must be analyzed for comparability and consistency.
    b. Select the sales that are considered the most appropriate for subject property comparability (i.e., demonstrate the process).
        i. Identify and apply appropriate adjustments to comparable transactions based on differences to the subject property.
        ii. Demonstrate applicable tools and methods, including paired sales analysis, statistical analysis, and other graphical analysis.

c. Trend analysis.

d. Qualitative differences, including:

i. Relative comparison analysis.

ii. Ranking analysis.

e. Discuss and reconcile key elements developed in the sales comparison approach.

3. Cost Approach

a. Develop site value of the subject as vacant using recognized methods or techniques.

i. Include contributory value of site improvement(s).

b. Discuss use of replacement or reproduction cost.

i. Develop supportive data for the cost calculations.

ii. Calculate cost new for the improvements.

iii. Calculate depreciation; demonstrate and apply types of depreciation and consider market trends.

iv. Discuss and reconcile key elements developed in the cost approach.

4. Income Approach

a. Discuss collection and verification of pertinent rental data (actual vs. contract).

b. Determine appropriate GRM (Gross Rent Multiplier).

c. Discuss and reconcile key elements developed in the income approach.

P. Review Section O with Mentor

1. Ensure all approaches to value were adequately considered and completed in supportable fashion, including cost and/or income approaches if performed

Q. Final Reconciliation

1. Analyze and discuss accuracy and sufficiency of data
2. Analyze and discuss strengths and weaknesses of each approach to value and their applicability to the subject property
3. Analyze and discuss consistency of data and development
4. Analyze and discuss the quality and quantity of data
5. Review calculations
6. Develop the final opinion of value along with the rationale for your conclusions

R. Review Section Q with Mentor

1. Ensure final reconciliation was performed properly and determine appropriate reporting

S. Appraisal Report Development/Delivery

1. Report Development
    a. Standards Rule 2-1 outlines the minimum standard in report development (not misleading, sufficient, assumptions, etc.), including how to:
        i. Describe the subject property and comparable properties used in the analysis (ensure compliance with STANDARD 2).
            1. This would include the understanding of:
                a. Technical terms.
                b. Common industry phrases and descriptors.
                c. Fair lending dos and don’ts.
                d. Identify relevant information using industry-typical approaches and technologies.
        ii. Describe a market area and a neighborhood (same subset as above).
2. Report Format
    a. Comply with all applicable assignment elements and conditions.
    b. Awareness and compliance with state regulatory requirements.
    c. Describe scope of work.
    d. Ensure applicable appropriate addenda, exhibits, photos, etc., are included.
    e. Understand adequacy, relevance, and integrity of photos, maps, and exhibits, and how and where to upload in a report.
3. Certification
    a. Ensure familiarity with pre-printed content and applicability.
    b. Develop exercises on completion of workfile documents.
    c. Demonstrate an ability to store and compile documents.

T. Review Section S with Mentor

1. Ensure that the key components of an appraisal report and report format are appropriate for assignment(s)

U. Communication of Assignment Results

1. Demonstrate the adequacy and relevance of information
    a. USPAP compliance.
    b. Assignment conditions.

2. Understand common client-specific requirements: additional comparable sales, inclusion of active listings in the report, supplemental exhibits, etc.
    a. Demonstrate the ability to meet client expectations conveyed through the engagement letter or other instruction methods.
    b. Provide adequate support for analysis.
3. Explain and support rationale for excluding any of the traditional approaches to value
    a. Explain and support reconciliation.
    b. Explain all assumptions.
4. Explain and support all extraordinary assumptions and hypothetical conditions (state their use may have effect on assignment results)

V. Review Section U with Mentor

1. Ensure understanding of effective appraisal report presentation and required content
2. Ensure compliance with Standards Rule 2-2

II. Minimum Content Requirements: Certified Residential Classification

A. Problem Identification

1. Relevant Scope of Work and Competency issues involved
    a. Develop exercises on how competency issues will be resolved.
    b. Conduct a preliminary analysis to ensure an appropriate scope of work.

B. Review Section A with Mentor

1. Ensure understanding of how issues uncovered during the property identification process relate to complexity; also, focus on complex ownership issues

C. Positive or Negative Locational Influences

1. Recognize population/employment trends
2. Determine and discuss relationships over time between employment, population, and residential units (Single Unit Residential vs. 2-4 Unit Residential)

D. Residential Market Analysis/Highest and Best Use

1. Market analysis issues related to highest and best use for complex properties
2. Special assessments

E. Review Sections C and D with Mentor

1. Ensure key analytical issues related to market conditions and highest and best use are effectively addressed

F. Physical Characteristics of Complex Properties:

1. Identify and discuss:
    a. Unique design features.
    b. High quality/amenity properties.
    c. Over-improvements.
    d. Physical deficiencies of improvements.
    e. Functional inadequate and super adequate impact.

G. Vacant Sites (Including View Amenities, Surplus Land)

1. Develop exercises that contain issues covered under Site and Cost Approaches

H. Use of Key Statistical Concepts

1. Develop appropriate statistical tools to be used in development of opinion of value
2. Explain and support their application

I. Key Market Driving Influences

1. Determine most appropriate units of comparison (market drivers)
2. Identify market preferences for characteristics and amenities (e.g., parking, # beds, # baths, GLA)

J. Review Sections F–I with Mentor

1. Ensure key analytical issues related to market conditions and highest and best use are effectively addressed
2. Confirm appropriate items have been identified and analyzed for proper application in determination of opinion of value

K. Site Valuation and Cost Approaches

1. Site Valuation
    a. Extract comparable land/site sales data that will adequately support adjustments for contributing value of unique attributes associated with complex vacant sites (view, entitlements, amenities, surplus/excess land).
2. Develop a supportable Land/Site Valuation using the following methods:
    a. Allocation.
    b. Market extraction.
    c. Ground rent capitalization.

d. Land residual method.

e. Sales comparison.

3. Construction costs

a. Include exercises related to high amenity structures.

b. Discuss local cost influences.

4. Functional obsolescence

a. Distinguish between curable and incurable forms.

b. Analyze and support conclusions on obsolescence, including lack thereof, associated with complex properties.

5. External obsolescence

a. Analyze and support conclusions on obsolescence, including lack thereof, associated with complex properties.

L. Review Section K with Mentor

1. Ensure the Cost Approach has been performed properly

M. Sales Comparison Approach

1. Sales concessions

a. Is the subject property's sale price affected by sales concessions?

b. Identify and discuss application or nonapplication of any sales concessions in comparable data based on market norms.

c. Discuss cash equivalency related to financing terms.

2. Identifying and applying atypical adjustments; develop support related to the following:

a. High amenity custom quality adjustments.

b. Site adjustments.

c. Adjustment support/matched pairs, statistical methods.

d. Adjustment support for unique one-off property sales including those with Accessory Dwelling Units.

N. Review Section M with Mentor

1. Ensure the sales comparison approach has been performed properly

O. Income Approach

1. 1-4 Unit Appraisals

a. Perform collection of comparable rent data.

b. Complex rental adjustments.

c. Understand and apply impact of revenue generating amenities.

d. Factor for expense allocations between comparable transactions.

2. Unique 2-4 Unit Appraisals, discuss the following:

a. Location premiums within Planned Unit Development/condo.

b. Impact of rent control or subsidies.

c. Student housing.

d. Seasonal and short-term rentals.

3. GRM analysis

a. Understand how non-market rent may impact a Gross Rental Multiplier (GRM).

b. Perform reconciliation of GRM indicators.

P. Review Section O with Mentor

1. Review the Income approach to value and ensure proper analysis and support for conclusions

Q. Writing and Reasoning Skills

1. Data presentation

a. Develop presentation of data in tables, charts, and graphs as appropriate.

b. Express succinct narrative using active voice, direct statements, shorter words, shorter paragraphs, and placing the bottom-line upfront.

c. Communicate clearly and correctly in writing, in a manner understandable to the intended user.

d. Have another person proofread whenever possible.

2. Discussion of approaches to value

a. Adjust depth of discussion to the intended user(s).

3. Support for conclusions

a. Clearly state conclusions throughout the report. Each conclusion requires credible support and logical reconciliation.

4. Summary of data and reconciliation of value approaches

a. Summarize the quantity, quality, reliability, and relevance of the data used in each approach. The reconciliation and final value opinion must be consistent with the conclusions of this summary regarding the most germane approach to value.

R. Review Section Q with Mentor

1. Ensure understanding of effective appraisal report presentation and required content
2. Ensure compliance with Standards Rule 2-2

III. Minimum Content Requirements: Certified General Classification

A. Real Estate Market Value[19] Concepts

1. Influences on real estate value
   a. Analyze agents of production (land, labor, capital, entrepreneurship) as they relate to non-residential assets.
   b. Apply factors of value (desire, utility, scarcity, effective purchasing power, and employment/population trends) in non-residential markets.
   c. Evaluate social, economic, governmental, and environmental forces affecting feasibility.
2. Governmental powers and regulatory impacts
   a. Analyze the four primary government powers and how they apply in non-residential assignments.[20]
   b. Evaluate the impact of governmental actions on development entitlements, taxation, assessments, potential zoning changes, or required regulatory approvals.
3. Types of value and allocation issues
   a. Illustrate non-residential types of value: market, investment, going concern, liquidation, and insurable.
   b. Develop exercises requiring allocation between real estate, personal property, and business enterprise values.
   c. Analyze leasehold and leased fee interests.
4. Date of value premise
   a. Develop retrospective, current, and prospective valuation scenarios.
   b. Model forecasted income along with the influence of market conditions.
5. Review Section A with Mentor

[19] Where “Market Value” appears capitalized, it refers to market value as a general appraisal concept and body of knowledge. It is not the defined term “market value” set out in the Definitions, which carries the specific meaning given in the federal appraisal regulations.
[20] The four government powers are taxation, eminent domain, police power, and escheat.

a. Ensure understanding of how governmental actions, external forces, and allocation issues relate to property and ownership appeal, particularly the effect on forecasted income.

B. Problem Identification and Scope of Work

1. Assignment elements
   a. Identify client, intended use, intended users, and effective date.
   b. Develop exercises that identify extraordinary assumptions and hypothetical conditions and analyze their effect.
2. Competency and scope decisions
   a. Evaluate competency for non-residential property types (e.g., office, retail, industrial, agricultural, mixed-use, and special-purpose properties).
   b. Develop written scope of work appropriate to a non-residential narrative assignment.
3. Preliminary research
   a. Review contracts, leases, rent rolls, operating statements, and development agreements.
   b. Analyze marketing history and purchase agreement.
4. Property characteristics
   a. Identify and discuss characteristics of a property involved in a non-residential valuation assignment. Physical attributes, site characteristics, other improvements.
   b. Identify key components needed for appropriate property description.
5. Review Section B with Mentor
   a. Ensure understanding of elements of problem identification and scope of work. Specifically, assignment elements, competency and scope, preliminary research, and property characteristics.

C. Market Analysis and Highest and Best Use

1. Market delineation and analysis
   a. Define relevant market area (local, regional, national).
   b. Analyze supply, demand, absorption, capture rates, and competitive inventory.
   c. Identify market segmentation by property type and investment class. Determine most appropriate units of comparison.
2. Highest and best use

a. Perform the four tests of highest and best use for a non-residential property.

b. Apply a highest and best use analysis as-vacant and as-improved. Support reasonable and defensible conclusions with market-derived evidence.

c. Include case studies reflecting possible redevelopment, conversion, and interim use scenarios.

3. Review Section C with Mentor

a. Ensure understanding of market analysis and highest and best use.

D. Site Valuation and Cost Approach

1. Site valuation techniques

a. Develop estimates of land value for a non-residential property using allocation, market extraction, ground rent capitalization, land residual, and sales comparison techniques.

b. Analyze and discuss contributory value of site improvements and unique site attributes (e.g., entitlements, views, access, topography, utilities, soil type, site shape, and accessibility).

2. Distinguish surplus land and excess land on non-residential sites

3. Construction cost analysis

a. Estimate replacement and reproduction cost new for non-residential properties as well as any additional on-site structures.

b. Analyze local cost influences.

c. Discuss entrepreneurial incentive for various property uses.

d. Use a cost-estimating guide to determine improvement costs new.

4. Depreciation analysis

a. Distinguish physical deterioration (curable, incurable short-lived, incurable long-lived).

b. Analyze functional obsolescence including super adequacies and design deficiencies.

c. Analyze external obsolescence including economic and locational impacts.

d. Apply age-life, breakdown, and market extraction depreciation methods.

5. Reconciliation within cost approach

a. Develop indicated value using a cost approach for a non-residential property.

6. Review Section D with Mentor

a. Ensure understanding of the cost approach including site valuation, construction cost analysis, depreciation analysis, and reconciliation.

E. Sales Comparison Approach

1. Data collection and verification
    a. Identify and verify comparable transactions including off-market and broker-confirmed data.
    b. Analyze any atypical comparable property sales.
    c. Identify seller concessions and financing term requirements. Analyze the impact, if any, on price and value.
2. Identification and Measurement of Adjustments
    a. Apply sales comparison adjustment support techniques: paired sales analysis, regression analysis, and trend analysis. Identify and apply appropriate units of comparison.
    b. Support high-amenity or custom feature adjustments.
3. Reconciliation
    a. Analyze the quality and quantity of comparable data.
    b. Reconcile to a supported value conclusion with rationale using the sales comparison approach.
4. Review Section E with Mentor
    a. Ensure understanding of the Sales Comparison Approach including data collection, data verification, identification and measurement of adjustments, and reconciliation.

F. Income Approach

1. Income and expense reconstruction
    a. Develop estimated potential gross income using supportable subject and market data.
    b. Estimate effective gross income.
    c. Classify and stabilize fixed and variable operating expenses.
    d. Develop Net Operating Income (NOI), including allocation for reserves.
2. Capitalization and yield analysis
    a. Derive overall capitalization rates from market data.
    b. Apply band-of-investment technique.
    c. Develop exercises for yield capitalization and discounted cash flow modeling concepts.
    d. Analyze investor return and return on equity expectations.

3. Special non-residential considerations
    a. Analyze the impact of rent control, subsidies, expense reimbursement, and percentage leases.
    b. Distinguish contract rent from market rent and identify leasehold interests.
4. Reconciliation of Income Approach indication
    a. Analyze the quality and quantity of data.
    b. Reconcile to a value conclusion with rationale using the income approach.
5. Review Section F with Mentor
    a. Ensure understanding of the Income Approach including reconstruction of income and expenses, capitalization and yield analysis, special considerations, and reconciliation.

G. Statistical Analysis, Modeling, and Finance

1. Statistical measures
    a. Develop exercises that determine mean, median, mode, range, standard deviation, and coefficient of variation.
2. Inferential techniques
    a. Apply regression and graphical analysis to support adjustments.
    b. Interpret trend lines and confidence-level implications.
3. Financial analysis
    a. Perform mortgage calculations and investment analysis.
    b. Apply net present value concepts in determining feasibility.
4. Review Section G with Mentor
    a. Ensure understanding of statistical measures, inferred techniques, and financial analysis.

H. Reporting, Communication, and Workfile Development

1. Narrative report development
    a. Prepare narrative-style non-residential appraisal reports.
    b. Ensure compliance with USPAP Standards Rules 2-1 and 2-2.
    c. Support inclusion or exclusion of any of the approaches to value.
2. Workfile requirements
    a. Develop and maintain workfile documentation consistent with USPAP.
    b. Include extracted verification documentation and underlying analytical support.

3. Communication of assignment results
    a. Provide supported reconciliation conclusions. Discuss approaches to value with emphasis on most relevant data.
    b. Specify discussion of components required for an effective report. Underscore issues of data quality, quantity, reliability, and relevance.
    c. Properly disclose extraordinary assumptions and hypothetical conditions.
    d. Complete a USPAP-compliant appraisal report.
4. Review Section H with Mentor
    a. Specifically: narrative report development, workfile, and communication of results.

I. Responsibility to Public Trust

1. Develop case studies reflecting appropriate and inappropriate professional conduct
    a. Discuss personal behavior influencing public trust.
    b. Discuss the professional methodologies that are followed in the valuation process when interacting with non-appraisers. Underscore rigor applied in the process.
2. Review Section I with Mentor
    a. Ensure understanding of professional conduct with non-appraisers and respecting public trust.

GUIDE NOTES

GUIDE NOTES

The following Guide Notes provide non-mandatory guidance intended to assist providers, states, and applicants in understanding and implementing the *Real Property Appraiser Qualification Criteria* (*Criteria*). Guide Notes do not establish additional requirements and are not part of the *Criteria*.

The numbering of the Guide Notes reflects the historical sequence in which they were issued. Over time, certain Guide Notes were retired as they became outdated or no longer necessary. Their removal explains why there are gaps in the numbering.

GUIDE NOTE 1 (GN-1)

AQB GUIDANCE FOR *REQUIRED CORE CURRICULUM* CONTENT

Guide Note 1 (GN-1) provides guidance for curriculum content, with subtopics listed under each of the 17 education modules. The subtopics in GN-1 are used to develop Examination Content Outlines for each credential level. They also be amended periodically to reflect changes in technology or practice. The hours shown for each educational module are the minimum required; students may complete more than the minimum hours for each module.

Applicants for a real property appraiser classification should carefully review the educational modules below, noting that some modules only apply to certain classifications. As a result, applicants should structure their education program based on the credential they are seeking.

I. Basic Appraisal Principles

30 Hours

Basic Appraisal Principles is required for all classifications.

A. Real Property Concepts and Characteristics

1. Basic Real Property Concepts
2. Real Property Characteristics
3. Legal Description

B. Legal Considerations

1. Forms of Ownership
2. Public and Private Controls
3. Real Estate Contracts
4. Leases

C. Influences on Real Estate Values

1. Governmental
2. Economic
3. Social
4. Environmental, Geographic, and Physical

D. Types of Value

5. Market Value
6. Other Value Types

D. Economic Principles

1. Classic Economic Principles
2. Application and Illustrations of Economic Principles

E. Overview of Real Estate Markets and Analysis

1. Market Fundamentals, Characteristics, and Definitions
2. Supply Analysis
3. Demand Analysis
4. Use of Market Analysis

F. Ethics and How They Apply in Appraisal Theory and Practice

G. Fair Housing Laws

II. Basic Appraisal Procedures

30 Hours

Basic Appraisal Procedures is required for all classifications.

A. Overview of Approaches to Value

B. Valuation Procedures

1. Defining the Problem
2. Collecting and Selecting Data
3. Analyzing
4. Reconciling and Final Value Opinion
5. Communicating the Appraisal

C. Property Description

1. Geographic Characteristics of the Land/Site
2. Geologic Characteristics of the Land/Site
3. Location and Neighborhood Characteristics
4. Land/Site Considerations for Highest and Best Use
5. Improvements: Architectural Styles and Types of Construction
6. Special Energy-Efficient Characteristics of the Improvements

D. Residential or General Applications

III. Fair Housing Laws, Impartiality, and Objective Valuation Practice[21]

5 Hours

Fair Housing Laws, Impartiality, and Objective Valuation Practice is required for all classifications.

IV. *15-Hour National USPAP Course* or its Equivalent

15 Hours

15-Hour National USPAP Course or its equivalent is required for the Trainee Appraiser, Licensed Residential, Certified Residential, and Certified General classifications.

V. Residential Market Analysis and Highest and Best Use

15 Hours

Residential Market Analysis and Highest and Best Use is required for the Licensed Residential and Certified Residential credentials.

A. Residential Markets and Analysis

1. Market Fundamentals, Characteristics, and Definitions
2. Supply Analysis
3. Demand Analysis
4. Use of Market Analysis

B. Highest and Best Use

1. Test Constraints
2. Application of Highest and Best Use
3. Special Considerations
4. Market Analysis
5. Case Studies

[21] Unlike the other subtopics in this Guide Note, the content of this module is mandatory. Its required outline is set out in full in section 10 (“Fair Housing Laws, Impartiality, and Objective Valuation Practice Course Outline”) and is not reproduced here.

VI. Residential Appraiser Site Valuation and Cost Approach

15 Hours

Residential Appraiser Site Valuation and Cost Approach is required for the Licensed Residential and Certified Residential credentials.

A. Site Valuation

1. Methods
2. Case Studies

B. Cost Approach

1. Concepts and Definitions
2. Replacement/Reproduction Cost New
3. Accrued Depreciation
4. Methods of Estimating Accrued Depreciation
5. Case Studies

VII. Residential Sales Comparison and Income Approaches

30 Hours

Residential Sales Comparison and Income Approaches is required for the Licensed Residential and Certified Residential credentials.

A. Valuation Principles and Procedures: Sales Comparison Approach

B. Valuation Principles and Procedures: Income Approach

C. Finance and Cash Equivalency

1. Identification of Seller Concessions and Their Impact on Value

D. Financial Calculator Introduction

E. Identification, Derivation, and Measurement of Adjustments

F. Gross Rent Multipliers

G. Partial Interests

H. Reconciliation

I. Case Studies and Applications

VIII. Residential Report Writing and Case Studies

15 Hours

Residential Report Writing and Case Studies is required for the Licensed Residential and Certified Residential credentials.

A. Writing and Reasoning Skills

B. Common Writing Problems

C. Form Reports

D. Report Options and USPAP Compliance

E. Case Studies

IX. Statistics, Modeling, and Finance

15 Hours

Statistics, Modeling, and Finance is required for the Certified Residential and Certified General credentials.

A. Statistics

B. Valuation Models (Automated Valuation Models and Mass Appraisal)

C. Real Estate Finance

X. Advanced Residential Applications and Case Studies

15 Hours

Advanced Residential Applications and Case Studies is required for the Certified Residential credential.

A. Complex Property, Ownership, and Market Conditions

B. Deriving and Supporting Adjustments

C. Residential Market Analysis

D. Advanced Case Studies

1. Seller Concessions
2. Special Energy-Efficient Items (i.e., “Green Buildings”)

XI. Residential Appraiser Market Data Analytics Applications and Case Studies

15 Hours

Residential Appraiser Market Data Analytics Applications and Case Studies is required for the Certified Residential credential.

A. Support for Fundamental Market Analysis (FMA) Conclusion(s), via:

1. Extraction of basic residential demand indicators from MLS data (closed sales, active listings, months of supply, days on market, etc.);
2. Identification of current residential supply and inventory using MLS, public records (example: residential building permits), and other common residential data sources;
3. Basic interpretation of absorption and marketing-time indicators based on the above; and
4. Use of statistical or graphic analyses in support (extraction, application, and reconciliation) of conclusion(s).

B. Highest and Best Use (HBU)

1. Analyze and support HBU as-vacant and as-improved based on FMA analysis of most likely use(s), with emphasis on typical 1-4 unit residential uses informed by MLS and other residential market data;
2. Use statistical or trend analyses in support for timing of alternative uses (development, renovation, demolition) as they relate to typical residential market conditions;
3. Use basic income awareness, where applicable for 1-4 unit residential properties, to determine maximally productive use; and
4. Use comparison of financially feasible uses in appropriate units of comparison, number of units, and adjusted per unit values to determine maximally productive use in a residential context.

C. Sales Comparison Analyses

1. Use statistical analysis to determine most relevant elements of comparison;
2. Use statistical analysis to determine appropriate unit(s) of comparison;
3. Apply statistical or graphic analysis in support of adjustments and reconciliation; and
4. Apply matched pairs, matched data sets, bracketing, and ranking in support of adjustments and reconciliation.

D. Cost Approach

1. Extraction of entrepreneurial incentive from market data in support of current reproduction or replacement cost new.;
2. Extraction of economic life and depreciation (physical, functional, and external) from sales data.;
3. Extraction of obsolescence from capitalization of net income differential for residential income properties.; and
4. Use statistical, trending, or graphic analysis in support of reconciliation and conclusion.

E. Income approach

1. Extract basic rent, vacancy, and expense indicators from market transactions for 1-4 unit residential properties when applicable.; and
2. Use statistical analysis in support of selected elements and units of comparison used for analysis of comparable rent and expense properties at a foundational residential level (e.g., GRM awareness rather than full capitalization modeling).

F. Final Reconciliation

1. Review analyses applied in the approaches to value to verify consistent application across approaches;
2. Compare the statistical analysis applied in the approaches for strength (confidence) of conclusions; and.;
3. Compare the quality and quantity of data applied in the approaches.

XII. General Appraiser Market Analysis and Highest and Best Use

30 Hours

General Appraiser Market Analysis and Highest and Best Use is required for the Certified General credential.

A. Real Estate Markets and Analysis

1. Market Fundamentals, Characteristics, and Definitions
2. Supply Analysis
3. Demand Analysis
4. Use of Market Analysis

B. Highest and Best Use.

1. Test Constraints

2. Application of Highest and Best Use
3. Special Considerations
4. Market Analysis
5. Case Studies

XIII. General Appraiser Sales Comparison Approach

30 Hours

General Appraiser Sales Comparison Approach is required for the Certified General credential.

A. Value Principles

B. Procedures

C. Identification and Measurement of Adjustments

D. Reconciliation

E. Case Studies

1. Seller Concessions
2. Special Energy-Efficient Items (i.e., “Green Buildings”)

XIV. General Appraiser Site Valuation and Cost Approach

30 Hours

General Appraiser Site Valuation and Cost Approach is required for the Certified General credential.

A. Site Valuation

1. Methods
2. Case Studies

B. Cost Approach

1. Concepts and Definitions
2. Replacement/Reproduction Cost New
3. Accrued Depreciation
4. Methods of Estimating Accrued Depreciation
5. Case Studies

XV. General Appraiser Income Approach

60 Hours

General Appraiser Income Approach is required for the Certified General credential.

A. Overview

B. Compound Interest

C. Lease Analysis

D. Income Analysis

E. Vacancy and Collection Loss

F. Estimating Operating Expenses and Reserves

G. Reconstructed Income and Expense Statement

H. Stabilized Net Operating Income Estimate

I. Direct Capitalization

J. Discounted Cash Flow

K. Yield Capitalization

L. Partial Interests

M. Case Studies

XVI. General Appraiser Report Writing and Case Studies

30 Hours

General Appraiser Report Writing and Case Studies is required for the Certified General credential.

A. Writing and Reasoning Skills

B. Common Writing Problems

C. Report Options and USPAP Compliance

D. Case Studies

XVII. General Appraiser Market Data Analytics Applications and Case Studies

30 Hours

General Appraiser Market Data Analytics Applications and Case Studies is required for the Certified General credential.

A. Support for Fundamental Market Analysis (FMA) Conclusion(s), via:

1. Extraction of ratios for demand drivers (population, employment, retail sales, etc.) and demand;
2. Identification of supply (existing, under development, planned) and occupancy;
3. Forecast of fundamental demand, absorption period, and stabilized occupancy based on the above; and
4. Use of statistical or graphic analyses in support (extraction, forecasts, application, and reconciliation) of conclusion(s).

B. Highest and Best Use

1. Analyze and support HBU as-vacant and as-improved based on FMA analysis of most likely use(s);
2. Use statistical or trend analyses in support for timing of alternative uses (development, renovation, demolition);
3. Use capitalization of net income differential among financially feasible uses to determine maximally productive use; and
4. Use comparison of financially feasible uses in appropriate units of comparison, number of units, and adjusted per unit values to determine maximally productive use.

C. Sales Comparison Analyses

1. Use statistical analysis to determine most relevant elements of comparison;
2. Use statistical analysis to determine appropriate unit(s) of comparison;
3. Apply statistical or graphic analysis in support of adjustments and reconciliation; and
4. Apply matched pairs, matched data sets, bracketing, and ranking in support of adjustments and reconciliation.

D. Cost Approach

1. Extraction of entrepreneurial incentive from market data in support of current reproduction or replacement cost new;
2. Extraction of economic life and depreciation (physical, functional, and external) from sales data;
3. Extraction of obsolescence from capitalization of net income differential; and
4. Use of statistical, trending, or graphic analysis in support of reconciliation and conclusion.

E. Income Approach

1. Extract income, vacancy, expenses, and capitalization rates from market transactions;
2. Extract equity yield component from market data in application of the band of investment in support of capitalization rate; and
3. Use statistical analysis in support of selected elements and units of comparison used for analysis of comparable rent and expense properties.

F. Final Reconciliation

1. Review analyses applied in the approaches to value to verify consistent application across approaches (example: Am I showing no obsolescence in the cost approach while making big negative adjustments in the sales comparison approach and reflecting higher expenses/lower NOI in my income approach?);
2. Compare the statistical analysis applied in the approaches for strength (confidence) of conclusions; and
3. Compare the quality and quantity of data applied in the approaches.

GUIDE NOTE 5 (GN-5)

AQB GUIDANCE FOR *CRITERIA* IMPLEMENTATION

This Guide Note relates to reciprocity, temporary practice, renewals, and applications for the same credential in another jurisdiction, as specified in the *Criteria*.

Under "Criteria Applicable to All Appraiser Classifications" in the *Criteria*, section 1.III.A. ("Reciprocity and Credential Recognition") reads as follows:

> *An existing Licensed Residential, Certified Residential, and Certified General appraiser, in good standing in any jurisdiction, is in compliance with the current Criteria if they met all requirements applicable to their credential at the time of issuance.*

The AQB's intent is to allow current credential holders in good standing to get reciprocal credentials, temporary practice permits, renewals of existing credentials, and equivalent credentials in another jurisdiction without any further review under the current *Criteria*. If an appraiser holds a valid credential in good standing, the AQB considers that individual to have met the education, examination, and other requirements applicable at the time the credential was issued and therefore in compliance with the current *Criteria*.

For example, if a Certified General credential holder who received a credential prior to adoption of the current *Criteria* in one jurisdiction were to relocate to another jurisdiction after adoption of the current *Criteria*, for AQB purposes that existing "home" state credential would be sufficient to support an equivalent credential in the "new" state. The credential holder is deemed by the AQB to have met the *Criteria* in effect at the time the credential was issued.

The AQB understands that individual Title XI jurisdictions must operate in compliance with that Title, applicable federal regulations, related publications, and state laws with regard to reciprocity, temporary practice, renewals, and applications for the same credential in another jurisdiction. While Title XI jurisdictions are only required to meet the *Criteria*, existing federal regulations, related publications, and state laws may require higher requirements.

Because of these existing materials, a jurisdiction might require an applicant from another jurisdiction to meet all of the current *Criteria* (i.e., education, experience, and examination) to get the credential in their jurisdiction.

For example, consider an appraiser who holds a Certified General credential in state A and decides to relocate to state B. State B must apply both *Criteria* and state law in determining whether the appraiser from state A qualifies for an appraiser credential in state B. While the AQB considers the valid existing credential in state A to be adequate

documentation of conformance to *Criteria*, some state laws might require the appraiser to submit a complete application, including appropriate documentation of experience, education, and successful exam completion. This new application requirement might involve some of the following issues:

- Depending on the wording of the state law, this could mean that the appraiser from state A would have to conform to the current *Criteria* to obtain a credential from state B. Among other things, the appraiser would have to reconstruct their appraisal education, perhaps going back as much as 20 to 30 years. The state, then, would have to determine whether that education conformed to the current *Criteria* as implemented by state law.
- Virtually all appraiser education obtained prior to 2008 was provided in what is considered the "integrated" approach.[22] If state B does not accept integrated educational courses, the appraiser from state A would be required to obtain 305 hours of education acceptable under the current *Criteria* to qualify for a Certified General credential in state B.

It was not the AQB's intent to impose such hardships on appraisers or regulatory agencies. It was the intent of the AQB in drafting the language in section 1.III. ("Reciprocity and Credential Recognition") of "Criteria Applicable to all Appraiser Classifications" that jurisdictions would recognize those appraisers who held credentials prior to the adoption of the current *Criteria*. The acceptance of the existing credential holders would provide for a smooth transition from prior *Criteria* to the current *Criteria* and beyond.

The AQB encourages jurisdictions to examine their statutes and regulations and make any changes that might be necessary to facilitate a smooth transition.

[22] "Integrated" refers to the pre-2008 practice of delivering qualifying education as broad courses combining multiple appraisal subject areas, rather than as the discrete modules of the current *Required Core Curriculum*.

GUIDE NOTE 6 (GN-6)

AQB GUIDANCE FOR *CRITERIA* IMPLEMENTATION

This Guide Note relates to the verification of log-based experience credit as specified in the *Criteria*.

Under "Criteria Applicable to All Appraiser Classifications" in the *Criteria*, section 1.V.A.7. ("General Experience Criteria") reads as follows:

> *The experience log must accurately reflect the applicant's own work and any supervision provided, including a description of the applicant's participation in each appraisal or appraisal review assignment. The State Appraiser Regulatory Agency will provide specific forms and instructions for verifying log-based experience.*
>
> *Verification must confirm that the logged assignments were completed in compliance with the applicable requirements of the Criteria and USPAP, and that the applicant's participation was appropriately supervised and documented, if such supervision is necessary.*

And:

> *The experience log must include, for each assignment:*
>
> *a. Type of property;*
>
> *b. Date of report;*
>
> *c. Property identification (address, APN, or survey description);*
>
> *d. Description of the work performed by the applicant, and, where the assignment was supervised, the scope of the review and supervision provided by the appraiser providing supervision;*
>
> *e. Number of actual work hours spent by the applicant on the assignment;*
>
> *f. The name and signature of the applicant; and*
>
> *g. Where the assignment was supervised, the name, signature, and state certification number of the appraiser providing supervision. A separate log must be maintained for each appraiser providing supervision.*

As indicated above, the *Criteria* requires the experience log to include all of the items listed. Most of the items listed are self-explanatory; the AQB has received questions about item *d*, which is explained here.

Item *d* captures two distinct things:

- A description of the work the applicant performed in the appraisal process, which shows what the applicant actually did, not merely that they were present; and
- Where the assignment was supervised, the scope of the review and supervision actually provided by the appraiser providing supervision.

Where an assignment is not supervised (for example, a credentialed appraiser logging independent work toward a higher credential, or qualifying mass appraisal experience), the supervision portion of item *d* and the supervisor fields in item *g* are left blank, while the applicant's own description, hours, name, and signature are still required.

The example below is an experience log that includes the information required by the *Criteria*. This is one possible example of an experience log. Any format that includes the items listed under section 1.V. ("General Experience Criteria"), as specified in the *Criteria*, is acceptable.

Experience logs or other forms from a State Appraiser Regulatory Agency might look different and require more information than the example below.

I. SAMPLE LOG OF EXPERIENCE

Trainee / Applicant: Thomas D. Smith

Supervisory Appraiser/Supervisor: Sally A. Adams

State Certification No.: CG-00000

Date of Report	Property Identification (e.g., address, APN)	Type of Property (e.g., SFR, 2-4 Units)	Description of Applicant's Work Performed	Scope of Supervision Provided	Actual Work Hours by Applicant
1/3/26	123 Oak St., Washington, DC 20005	SFR	Assisted with neighborhood and comparable research; observed and helped analyze the subject's physical characteristics, condition, and quality and their effect on value; completed the sales comparison approach under close guidance. (First appraisal.)	Completed the appraisal with the applicant, including on-site data gathering; directed each step; verified all data and analyses; co-signed the report.	7
6/7/26	455 Pine St., Washington, DC 20005	SFR	Researched and analyzed neighborhood and comparable data; analyzed the subject's physical characteristics, condition, and quality and their effect on value; developed the sales comparison and cost approaches; drafted the reconciliation.	Reviewed and verified comparable selection and analysis; provided direction on site value in the cost approach; reviewed report; co-signed.	7

1/10/27	202 Spruce St., Washington, DC 20005	SFR	Independently researched and analyzed subject and comparable data; analyzed the subject's characteristics and their effect on value; developed the cost, sales comparison, and income approaches; prepared the reconciliation.	Reviewed workfile and analyses; discussed conclusions with the applicant; co-signed.	10
1/24/27	115 Pennsylvania Ave., Washington, DC 20005	Retail Store	Researched and analyzed sale and rental comparables; analyzed the subject commercial property's physical and functional characteristics and their effect on value; developed all three approaches; prepared the reconciliation. (First commercial assignment.)	Worked alongside the applicant given the new property type, including on-site data gathering; verified data and analyses; co-signed.	30
8/14/27	200 S. Broadway, Washington, DC 20005	Retail Store	Independently developed all three approaches, including a discounted cash flow in the income approach; analyzed the property's income and physical characteristics; prepared the reconciliation.	Reviewed comparable selection; provided direction on the Discounted Cash Flow; reviewed report; co-signed.	40
1/10/28	300 Capitol Ave., Washington, DC 20005	Retail Store	Independently completed the full appraisal, including analysis of the subject's characteristics, all three approaches, and the reconciliation.	Reviewed workfile and analyses; discussed with the applicant; co-signed.	40
2/12/28	144 Elm Ave., Washington, DC 20005	Golf Course	Independently completed the entire appraisal of a complex, special-purpose property, including analysis of its specialized physical and operational characteristics and their effect on value.	Reviewed the completed workfile and report; verified data and analyses; co-signed. Minimal direction required.	60

_____

Signature of Trainee Appraiser/Applicant

_____ _____

Signature of Supervisory Appraiser State Cert. No.

Note: The applicant's column shows progression, and the log carries only the Criteria-*required fields.*

GUIDE NOTE 9 (GN-9)

This Guide Note relates to the background check requirements as specified in the *Criteria* effective on January 1, 2017.

Under "Criteria Applicable to All Appraiser Classifications" in the *Criteria*, section 1.VIII. ("Background Checks") reads as follows:

> A. *An applicant for a real property appraiser credential must have a background that does not call the public trust into question.*
>
> B. *An applicant must provide a State Appraiser Regulatory Agencies with all of the information and documentation it needs to determine the applicant's fitness for a credential.*
>
> C. *An applicant is not eligible for a credential if, within the five years before the date that the State Appraiser Regulatory Agency accepts the applicant's completed application, the applicant was:*
>
> 1. *convicted of, or pled guilty or* nolo contendere *to, a crime that would call the applicant's fitness into question; or*
> 2. *held civilly liable for any act that could call into question their fitness to perform the functions authorized by the credential.*

Some jurisdictions have been performing background checks since the implementation of real property appraiser credentialing, while others have not. This Guide Note provides additional guidance, especially for jurisdictions with little to no experience in evaluating an applicant's background for fitness to be a Trainee Appraiser or to be licensed or certified.

I. Examples of Issues to Consider

When a State Appraiser Regulatory Agency is determining whether an applicant is eligible to obtain a credential, the State Appraiser Regulatory Agency may consider some historical facts that include, but are not limited to, an applicant who has:

- Had a Trainee Appraiser credential, an appraiser license, or a certification revoked in any governmental jurisdiction;
- Been convicted of, or pled guilty or nolo contendere to, a crime that would call the applicant's fitness into question;
- Been convicted of any crime that is substantially related to the qualifications, functions, or duties of the profession of real estate appraisal**;**
- Performed any act, which, if done by the holder of a Trainee Appraiser credential or any real property appraiser credential, would be grounds for revocation or suspension of such a credential**;**

- Knowingly made a false statement of material fact required to be disclosed in an application for any professional license or certification; and
- Been prohibited from participating in the affairs of an insured depository institution pursuant to section 19(a) of the Federal Deposit Insurance Act (12 U.S.C. Section 1829).

II. Substantial Relationship

A crime or act may be deemed substantially related to the qualifications, functions, or duties of an appraiser if it shows, to a substantial degree, that an applicant or credential holder is currently or potentially unfit to perform the functions authorized by the credential. Examples of the types of crimes or acts include, but are not limited to, the following:

- Taking, appropriating, or retaining the funds or property of another;
- Forging, counterfeiting, or altering any instrument affecting the rights or obligations of another;
- Evasion of a lawful debt or obligation, including but not limited to tax obligations;
- Traffic in any narcotic or controlled substance in violation of law;
- Violation of a relation of trust or confidence;
- Theft of personal property or funds;
- Crimes or acts of violence or threatened violence against persons or property;
- The commission of any crime or act punishable as a sexually related crime;
- Misrepresentation of facts or information on the appraisal license or certification application; and
- Cheating on an examination for a real property appraiser credential.

III. Rehabilitation

If a State Appraiser Regulatory Agency determines that an applicant's or credential holder's background is inconsistent with the public trust, that State Appraiser Regulatory Agency should consider all evidence of rehabilitation, including testimony or other documentation including but not limited to:

- The effect of the passage of time since the most recent act or crime;
- Restitution by the applicant to any person who has suffered monetary losses;
- Judicial relief from the consequences of criminal convictions resulting from immoral or antisocial acts, including but not limited to release from probation, finding of factual innocence, a completed program of diversion, or other comparable orders of a court;

- Successful completion or early discharge from probation or parole;
- Abstinence from the use of controlled substances or alcohol for not less than two years if the crime or offense is attributable in part to the use of controlled substances or alcohol;
- Payment of any fine or other imposed monetary penalty**;**
- Discharge of, or bona fide efforts toward discharging, adjudicated debts or monetary obligations to others;
- Mitigating facts or circumstances that reasonably indicate that an applicant will perform appraisal-related activities honestly, fairly, and ethically; and
- Correction of business practices resulting in injury to others or with the potential to cause such injury.

The above is intended to be illustrative, not exhaustive. State Appraiser Regulatory Agencies, in performing their due diligence when examining an applicant's qualifications for a real property appraiser credential, may elect to include additional items not identified in this Guide Note. Likewise, State Appraiser Regulatory Agencies may determine, based on their own experience and history, that some of the items identified in this Guide Note may not be applicable to an applicant or credential holder seeking a real property appraiser credential in that jurisdiction.

GUIDE NOTE 12 (GN-12)

AQB GUIDANCE FOR SUPERVISION AND THE EXPERIENCE LOG

This Guide Note distinguishes between “Supervisory Appraiser” and an “appraiser providing supervision”

This Guide Note addresses situations, under the *Criteria*, when applicants must document their experience through a log that identifies the work performed, their role, and the nature of any supervision provided. In some environments (such as mass appraisal or other structured review systems), the individual verifying the applicant’s experience may not be a certifying signer on the final appraisal report.

This Guide Note explains the difference between the capitalized term, “Supervisory Appraiser,” and the descriptive phrase, “appraiser providing supervision,” as used in the *Criteria*.

These terms describe two distinct concepts related to oversight and log-based experience documentation. Understanding the distinction ensures proper application of experience log requirements and helps states, educators, and appraisers interpret the *Criteria* consistently.

I. “Supervisory Appraiser” (capitalized term)

The term, Supervisory Appraiser, refers to a formal role defined in the *Criteria*.

A Supervisory Appraiser, as defined in the Definitions section of the *Criteria*, is:

> *An official role, not an appraiser classification, held by a Certified Residential or Certified General appraiser who is responsible for the training, guidance, and direct supervision of a Trainee Appraiser.*

Key points about this role include, but are not limited to:

- The Supervisory Appraiser/Trainee Appraiser relationship is an official supervisory structure.
- The Supervisory Appraiser’s name and signature on the experience log is required.
- Both the Supervisory Appraiser and the Trainee Appraiser share responsibility for ensuring the log is accurate, current, and compliant with AQB, ASB, and state requirements.
- Requirements for Supervisory Appraisers, including eligibility, supervision limits (number of Trainee Appraisers), and documentation, are contained in the “Supervisory Appraiser Requirements” section of the *Criteria* (section 2).

This structure applies only when a formal supervisory relationship exists under the AQB-defined Supervisory Appraiser/Trainee Appraiser model.

II. The "appraiser providing supervision" (descriptive phrase)

The phrase, "appraiser providing supervision" is not a defined role in the *Criteria*. It is a contextual description used in the log requirements of general experience to recognize that oversight may occur in a variety of situations other than the formal Supervisory Appraiser–Trainee structure.

The *Criteria* calls for a supervisory signature only where the assignment was supervised. Some experience recorded in a log is not supervised, and in those cases there is no supervisor's signature.

Examples include, but are not limited to:

A. Scope of Practice Flexibility

The *Criteria* permits credentialed appraisers (e.g., Licensed Residential Appraisers) to perform assignments toward a Certified Residential or Certified General credential without a formally designated Supervisory Appraiser.

In such cases, experience may be verified by the State Appraiser Regulatory Agency without requiring a supervisor's signature.

B. Gaining Competency through Association (USPAP COMPETENCY RULE)

An appraiser who already holds a credential may accept an assignment that requires the need to gain additional competency before they complete the assignment. They can, for example, acquire that competency (during the assignment) by associating with an appraiser who already has that competency, as USPAP's COMPETENCY RULE permits. This is collaboration to build competency not a formal Supervisory Appraiser relationship. The appraiser providing the competency is not a Supervisory Appraiser.

In this situation, the experience is documented through the appraisal report itself. The appraiser or appraisers who take responsibility for the assignment sign the report certification, and the appraiser gaining competency either co-signs the certification or is identified in the report as having provided significant real property appraisal assistance. That signed report and workfile document the applicant's participation. A separate supervisory signature on the experience log is not required for this work unless state law requires one. The State Appraiser Regulatory Agency may verify the experience from the report and workfile.

C. Significant Appraisal Assistance

An appraiser may provide significant real property appraisal assistance in developing or reporting an appraisal without signing the certification in the appraisal report. The appraiser who signs the report certification identifies in the report those who provided significant real property appraisal assistance, and that signing appraiser can verify the assistance for experience purposes.

D. Mass Appraisal Contexts

This guidance relates to the "Log-Based Experience for Mass Appraisal" provision in section 1.V.A. ("Log-Based Experience Pathway").

1. Experience earned by an applicant working in a state or local assessment office that is required by statute or regulation to comply with USPAP STANDARDS 5 and 6 qualifies as log-based experience credit toward an appraiser credential.
2. Oversight within such offices is typically performed by a department manager, senior appraiser, chief assessing officer, or other qualified officials, as established by the office's institutional structure.
3. Although the office's internal oversight does not constitute the AQB-defined Supervisory Appraiser role, it functions as supervision within a statutory framework where activities are legally required to comply with USPAP and established mass appraisal standards. No supervisor signature of any kind is required for mass appraisal experience credit, whether from an AQB-defined Supervisory Appraiser or any other appraiser providing supervision. The office's structured oversight and the State Appraiser Regulatory Agency's verification take the place of a supervisory signature.
4. The State Appraiser Regulatory Agency establishes the verification process appropriate to its statutory environment and may verify mass appraisal experience through any of the following methods, or any combination of them:
    - Direct verification by the State Appraiser Regulatory Agency with the assessor's office of the applicant's claimed work;
    - One or more narrative reports prepared by the applicant describing Computer-Assisted Mass Appraisal (CAMA) modeling or other mass appraisal work performed;
    - Signature of the chief assessing officer (or equivalent authorized official) confirming the applicant's work and the office's USPAP compliance, regardless of whether that individual holds an appraiser credential, though such signature is not required; or
    - Other verification methods consistent with the state's regulatory framework.
5. All hours used for experience credit must be completed in compliance with USPAP, including STANDARDS 5 and 6 as applicable to mass appraisal work.

III. When a Supervisor's Signature is Required

A supervisor's signature is required only when the assignment was supervised, that is, when something outside the *Criteria*, such as state law or the applicant's scope of practice, calls for supervision of that assignment.

Under the *Criteria*, a supervisor's signature is always required when the applicant is earning log-based experience under an AQB-defined Supervisory Appraiser/Trainee Appraiser relationship. In those cases, the Supervisory Appraiser must sign the experience log.

However, once an individual holds a credential, the need for a supervisor's signature is determined largely by state law, including the credential holder's state-authorized scope of practice. The credential holder may complete some appraisals independently; others may require supervision depending on state requirements.

Whether a supervisor's signature is required therefore depends on the situation. For example:

- A signature is required when the experience is obtained as a Trainee Appraiser under a Supervisory Appraiser.
- A signature may or may not be required when the applicant already holds an appraiser credential and is gaining experience toward a higher credential. This depends on state statutes, regulations, and scope-of-practice limitations.
- No signature of any kind is required for qualifying mass appraisal experience earned in a statutorily USPAP-compliant assessment office; the office's oversight and the State Appraiser Regulatory Agency's verification take the place of a signature.
- When oversight occurs outside a formal Supervisory Appraiser relationship (e.g., significant real property appraisal assistance, internal review, or collaborative assignments), the experience log should identify the appraiser providing supervision.
- If state law or State Appraiser Regulatory Agency policy does not require supervision for that appraisal, the log may legitimately leave the supervisor's signature field blank.

IV. Relationship between "Trainee Appraiser" and "trainee"

The distinction between Trainee Appraiser (capitalized) and trainee (lowercase) parallels that between Supervisory Appraiser and the appraiser providing supervision.

- "Trainee Appraiser" is a formal classification defined in the *Criteria*

- The word "trainee," as defined in the Definitions section of the *Criteria*, describes any individual gaining experience under oversight or mentorship, whether or not they hold a formal Trainee Appraiser credential in their jurisdiction.

A. Summary Table

Term or Phrase	Meaning / Context	Signature from Supervisor on Log	Example Scenario
Supervisory Appraiser	Formal *Criteria*-defined role supervising a *Trainee Appraiser*	Required (the Supervisory Appraiser signs)	Trainee works under a qualified certified Supervisory Appraiser
the appraiser providing supervision	Descriptive phrase for oversight in non-Trainee Appraiser contexts	Not required by the *Criteria*; required only if state law or scope of practice calls for oversight	A Certified Residential appraiser provides supervision to a Licensed Residential appraiser gaining experience toward a Certified Residential credential
Trainee Appraiser	Formal classification defined in the *Criteria*	Required (the Supervisory Appraiser signs)	Registered trainee completing required experience
trainee	General description for an individual gaining experience under oversight	Varies by context	Individual gaining experience under informal oversight outside of holding a Trainee Appraiser credential
Mass appraisal experience (assessment office)	Statutorily USPAP-compliant ad valorem work; office oversight substitutes for a Supervisory Appraiser	None required by the *Criteria*. This is only an example: a state may choose to require a signature from an authoritative person it designates, such as a certified appraiser who also serves as the chief assessing officer. It is up to the state to decide whether a signature is needed, who that authoritative person is, and what the signature attests to	Assessor's-office appraiser earning experience through CAMA work

B. Summary

The *Criteria* intentionally distinguishes between the formal “Supervisory Appraiser” role and the descriptive phrase “appraiser providing supervision” to reflect the diversity of state laws, appraisal environments, and pathways through which log-based experience can be earned.

This Guide Note ensures the *Criteria* is applied consistently, prevents confusion over log signatures, and reinforces state discretion in determining acceptable log-based experience oversight arrangements.

GUIDE NOTE 13 (GN-13)

AQB GUIDANCE FOR *CRITERIA* IMPLEMENTATION

This Guide Note relates to combining experience pathways as specified in the *Criteria*.

Under "Criteria Applicable to All Appraiser Classifications" in the *Criteria*, section 1.V.D. ("Combining Experience Pathways") reads as follows:

> *Experience credit may be earned through any combination of experience pathways, except the Demonstration Appraisal Report Pathway (section 1.V.C.), which is not combinable and only satisfies the Licensed Residential experience requirement when completed. An applicant may combine logged experience hours, a completed program, and a completed approved PAREA Program Segment toward the total. Work that stops short of one of these earns no credit and cannot be combined. All experience must be verifiable and meet the requirements for the classification being sought, and the total of all combined experience credit must equal or exceed the hour requirement for the classification.*

This Guide Note illustrates how an applicant may combine experience credit earned through more than one pathway toward the experience requirement for a single classification. The illustrations that follow are representative, not exhaustive.

The *Criteria* establish the experience required for each classification, the pathways through which it may be earned, and the requirement that experience be verifiable. The *Criteria* do not prescribe the methods used to verify that experience. This Guide Note addresses how experience credit is earned and combined under the *Criteria*, not how it is verified.

I. What "Combining" Means

Section 1.V.D. ("Combining Experience Pathways") permits experience credit to be earned through any combination of the recognized pathways. Credit from more than one pathway is added together toward the total hours required for one classification:

- Licensed Residential: 1,000 hours
- Certified Residential: 1,500 hours
- Certified General: 3,000 hours, of which at least 1,500 must be non-residential

II. What Carries Forward, and What Does Not

- Only verified experience through an approved pathway carries forward: completed log hours, a completed program, or a completed approved PAREA Program Segment.
- Partial program work that does not reach an approved Program Segment earns no credit (see section 1.VI.A.7.). An applicant who enters a PAREA program and leaves before an approved Program Segment, or who enters a Practicum and leaves before completing it, carries nothing forward from that time.
- No matter how much experience an applicant has earned elsewhere, a PAREA program must be completed from the beginning. Hours earned through other pathways cannot be used to skip part of a PAREA program or to take the place of its content (see section 1.VI.A.7.).
- Combining experience credits alone does not add or reduce verification steps.
- When pathways are combined, each component is verified under the rules of the pathway through which it was earned.

III. Illustrations

Each of the following illustrations assumes that the applicant has separately met the qualifying education, examination, and other applicable requirements. These illustrations are examples only. They do not establish required or guaranteed combinations of hours, and the amounts shown are illustrative. The experience credit actually available depends on what each program is approved for, including any approved PAREA Program Segment values, and on the applicant's verified experience.

A. Illustration 1 – Licensed Residential

Experience Type	Verification	Hours
Supervisor-trainee (log-based)	State review of log(s)	700 hours
Practicum	Practicum Certificate of Completion	300 hours
TOTAL		**1,000 hours**

B. Illustration 2 – Licensed Residential

Experience Type	Verification	Hours
PAREA (approved Program Segment)	PAREA Program Segment Certificate (Licensed Residential)	400 hours
Supervisory Appraiser–Trainee Appraiser (log-based)	State review of log(s)	600 hours
TOTAL		**1,000 hours**

C. Illustration 3 – Licensed Residential (mass appraisal)

Experience Type	Verification	Hours
Mass appraisal (log-based, state-verified)	State verification of the assessment office work; no supervisor signature required	600 hours
Supervisory Appraiser–Trainee Appraiser (log-based)	State review of log(s)	400 hours
TOTAL		**1,000 hours**

D. Illustration 4 – Certified Residential

Experience Type	Verification	Hours
Supervisory Appraiser–Trainee Appraiser (log-based)	State review of log(s)	900 hours
Practicum	Practicum Certificate of Completion	600 hours
TOTAL		**1,500 hours**

E. Illustration 5 – Certified General (at least 1,500 non-residential)

Experience Type	Verification	Hours
Licensed Residential PAREA and Certified Residential PAREA	Full PAREA Certificate of Completion (Licensed Residential) and Full PAREA Certificate (Certified Residential)	1,000 hours (LR) 500 hours (CR)
Supervisory Appraiser–Trainee Appraiser, non-residential (log-based)	State review of log(s) and selected appraisal reports	*1,500 hours
TOTAL		**3,000 hours**

*The non-residential minimum is met by the 1,500 non-residential log hours. The Licensed Residential and Certified Residential PAREA program credits count toward the 3,000 total but not toward the non-residential minimum.

IV. The Demonstration Appraisal Report Pathway is Not Combinable

For a Licensed Residential Appraiser applicant only, completing three demonstration appraisal reports through an AQB-approved entity satisfies the experience requirement in full (5.III.B). The three reports are all or nothing. They cannot be topped up with, or partially credited toward another pathway, and hours from another pathway cannot be

added to them. An applicant who has accumulated hours under other pathways and then completes the three reports is credentialed on the reports alone; the earlier hours remain valid toward a higher classification but are not added to this route.

Appendix: Rationale for the Second Exposure Draft

About This Appendix

This Rationale accompanies the Second Exposure Draft as an appendix for readers who want to learn about the substantive reasoning behind proposed changes.

The *Criteria* must meet the directive of Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA), which requires appraisals used in federally related transactions to be performed by individuals "whose competency has been demonstrated." How to demonstrate and verify that competency is the AQB's charge, and the *Criteria* are how the AQB accomplishes this. The proposals in the Second Exposure Draft reflect the AQB's best judgment, supported by relevant evidence and logic, on how to fulfill that statutory directive.

This appendix is organized in two parts. **Part One** sets out the rationale for the proposed changes. **Part Two** documents the reassessment process: the public engagement record, the methods the AQB used to evaluate that record, and the research and source materials underlying the substantive judgments.

A Quick Note on Terminology

Public comments received during the public exposure process indicated that the AQB needed to clarify an essential term: competency. It has two meanings, and this Rationale keeps them distinct by reserving the term “practice readiness” for the qualifications the *Criteria* are designed to verify, consistent with what FIRREA requires.

First, Title XI uses “competency” to describe what an applicant must have demonstrated to qualify for a credential. The statute ties that competency to the act of appraising. It requires that appraisals used in connection with federally related transactions be “*performed... by individuals whose competency has been demonstrated*,” and it directs states to certify and license “*individuals who are qualified to perform appraisals in connection with federally related transactions*.” What an applicant demonstrates is therefore the ability to perform appraisals. This is a one-time determination made by a State Appraiser Regulatory Agency before a credential is issued that the applicant has met the *Criteria’s* minimum qualifications.

Second, the USPAP COMPETENCY RULE uses “competency” in a different manner.[23] Within USPAP, the COMPETENCY RULE is a professional obligation that applies to every appraiser, on every assignment, after the appraiser’s credential is issued. Because appraisals in federally related transactions must comply with USPAP, every appraiser credentialed under the *Criteria* is bound by the COMPETENCY RULE on each assignment they perform. It requires the appraiser to recognize when they have the knowledge, experience, and background to perform an appraisal thoroughly and completely and when they do not. In the latter instance, they will either refuse the assignment or take appropriate steps to cure the deficiency. The AQB is not proposing changes to the USPAP COMPETENCY RULE and does not have the authority to do so.

This Second Exposure Draft and this Rationale focus on the first use: the minimum qualifications an applicant must demonstrate to be credentialed in one of four classifications: Trainee Appraiser, Licensed Residential, Certified Residential, and Certified General. When a person earns one of these credentials, that person has been judged to be qualified to perform appraisals within that credential’s scope of practice.

[23] The COMPETENCY RULE is part of USPAP, which is promulgated by the ASB, not the AQB.

1. Rationale for the Proposed Changes

I. A New Experience Pathway

This new pathway for the Licensed Residential level verifies the same practice readiness as the supervised model through reviewed appraisal reports on real properties. It is available only at the Licensed Residential level.

Proposed *Criteria* language change (section 5.III.B., "Experience Pathways" in "Licensed Residential"):

> *1. Demonstration Appraisal Report Pathway, available only at the Licensed Residential level.*
>
> *a. Experience credit under this pathway is earned through successful completion of demonstration appraisal reports on actual, verifiable one-to-four-unit residential properties administered through an AQB-approved entity.*
>
> *b. Each report must be performed in compliance with USPAP and must meet the content, complexity, and review requirements established by the AQB-approved entity.*
>
> *c. Experience credit is awarded only upon successful completion of all three demonstration appraisal reports, with at least one relating to a complex property. Partial completion does not qualify for experience credit. Successful completion of all three reports satisfies the experience requirement for the Licensed Residential Real Property Appraiser credential in full; no additional experience hours are required. Because successful completion satisfies the Licensed Residential experience requirement, an applicant who later pursues a higher classification need only complete the experience that the higher classification requires beyond the Licensed Residential experience requirement.*
>
> *d. Reports administered under another approved program, including a Practicum or PAREA program, do not satisfy this pathway.*
>
> *e. An applicant must complete the qualifying-education requirement for the Licensed Residential classification before beginning the demonstration reports.*

The proposed change adds a new way to satisfy the experience requirement at the Licensed Residential level: the Demonstration Appraisal Report Pathway. It allows an applicant to meet the requirement by completing three demonstration reports administered through an AQB-approved entity, at least one of which must be on a complex property. This section of the Rationale sets out the basis for the proposal,

addresses why it is limited to the Licensed Residential classification, and describes the policy direction the AQB-approved program will take if this is adopted.

A. How the New Experience Pathway Evolved

When the AQB issued the First Exposure Draft in December 2025, it accompanied the draft with two concept papers, the "Concept Paper on the Skills-Based Pathway" and the "Concept Paper on the Examination-Only Pathway," and asked stakeholders whether either concept could be incorporated into the *Criteria* and, if so, how. The AQB did not have a fully developed solution that would work within the regulatory framework at that time, and it acknowledged that openly.

The comments and research that followed produced one. The AQB concluded that the Demonstration Appraisal Report Pathway verifies the same practice readiness as the supervised model, directly, through reviewed reports of real appraisal work. It also concluded that an examination-only pathway built to test that same practice readiness would be more costly, slower to create, and a less direct measure than the review of real work.

The response is grounded in two streams of work read together. The first is the engagement record: the comments received on the First Exposure Draft, the two accompanying concept papers, and the prior concept papers. The second is an extensive review of the published research bearing on how a regulatory body qualifies a person for independent practice, including the assessment-science literature, the qualification frameworks of other U.S. licensed professions[24], and the federal statutory record applicable to credentialing under Title XI. That review was compiled and published as the Verification of Practice Readiness Prior to Independent Licensure (Practice Readiness Research Brief)[25]. Taken together, the engagement record and that body of literature pointed in a recognizable direction: a fourth pathway into the Licensed Residential credential, built on a verification mechanism that does not depend on tracked hours of supervised practice, PAREA, or Practicum, while still verifying the practice readiness of the classification requires.

Verification under Title XI requires more than an applicant's own assertion of practice readiness; the State Appraiser Regulatory Agency must be able to verify the basis on which a credential is issued. Each proposed or existing pathway (Log-Based

[24] The professions discussed in the Practice Readiness Research Brief are those that stakeholders raised most often during the exposure process, presented in depth to keep the Brief at a manageable length. The AQB's review was considerably broader. It extended to the U.S. Department of Labor's registered apprenticeship framework, which spans more than 1,000 occupations, along with other licensed professions not detailed in the Brief.

[25] The AQB's research brief, *Verification of Practice Readiness Prior to Independent Licensure* (May 2026), compiles findings from the published research literature on professional licensing and assessment, the federal statutory and regulatory record for appraiser oversight, and the regulatory frameworks of comparable U.S. licensed professions. It was prepared in connection with the current review of the Criteria.

Experience Pathway, Program-Based Experience Pathway, Demonstration Appraisal Report Pathway) handles that verification differently, but all share a common verification point: USPAP-compliant appraisal reports[26].

Under the Log-Based Experience Pathway, the State Appraiser Regulatory Agency reviews USPAP-compliant reports that the applicant has produced, typically selected from the experience log.

Under PAREA, the verification rests on the AQB-approved program: the AQB approves and oversees the program, and full completion requires the applicant to produce USPAP-compliant appraisal reports. Where a program is approved in Program Segments, partial credit is earned at an AQB-approved checkpoint within the program, and the certificate confirms what the participant completed.

Under Practicum, the certificate of completion confirms that the AQB- or state-approved verified the applicant's USPAP-compliant appraisal reports, produced under instructor oversight.

Though each pathway differs in the structured preparation that precedes the verification point, each ends in USPAP-compliant work product that the State Appraiser Regulatory Agency can recognize.

The Demonstration Appraisal Report Pathway works the same way at the verification point: USPAP-compliant reports, evaluated by qualified reviewers by an AQB-approved program. What differs is what comes before that point. In the other three pathways, the applicant's preparation is overseen as it happens, by a supervisor, a PAREA program, or a Practicum instructor, and the verification draws on that ongoing oversight along with the reports. In the Demonstration Appraisal Report Pathway, there is no comparable ongoing oversight of the preparation, so the verification rests on the three finished appraisal reports themselves. To carry that weight, the AQB-approved entity supplies the structure: it sets the assignments, defines the review standards, and holds the reports to more demanding documentation requirements than ordinary client work. The form that structure takes is set out in the Verification Standard section below.

The Demonstration Appraisal Report Pathway proposed in the Second Exposure Draft is the AQB's response to that combination of input and research. It expands the means by which an applicant may demonstrate practice readiness at the Licensed Residential classification level through a verification mechanism recognized in credentialing practice

[26] The verification point is a USPAP-compliant report because that is the work product the statute contemplates. Title XI provides that appraisals in federally related transactions be performed in writing and in accordance with uniform standards, which are the Uniform Standards of Professional Appraisal Practice. What the *Criteria* must verify is therefore the ability to produce a USPAP-compliant appraisal, not knowledge of appraisal in the abstract. A pathway that did not end in such a report would verify something other than what the appraisal credential is required to signal.

across other licensed professions. The AQB believes this pathway preserves the statutory practice readiness standard that the *Criteria* is designed to protect.

B. What the New Experience Pathway Is

An applicant who chooses this option produces three completed USPAP-compliant appraisal reports through an AQB-approved entity. The reports are evaluated by qualified reviewers within the program against documented evaluation standards. On successful completion, the option satisfies the experience requirement for the Licensed Residential classification. The applicant must also complete the qualifying-education requirement, the AQB-approved national examination, and the other requirements of the *Criteria*, such as the background check. Consistent with the *Criteria*'s order-of-completion rule (section 1.VII.A.), qualifying education precedes the examination, and the examination may be taken before or after the reports; all components must be satisfied before a credential is issued.

This new pathway is added alongside the Log-Based Experience Pathway, PAREA, and Practicum. It is not available for applicants at the Certified Residential or Certified General classification levels. The basis for that limit is set out below.

The questions the AQB most anticipates about this pathway, and its position on each, are summarized below. A more complete discussion of these items follows this table.

Question	The AQB's position
Why three reports?	Three reports is the minimum that can show a pattern rather than a single result. One report shows only that an applicant completed a single assignment acceptably; it cannot show whether that performance holds across different properties and problems. Practice readiness is a consistent way of working across the varied conditions and assignment complexities this classification involves, not one success. Three reports, spanning a variety of assignment and property types, is the floor that demonstrates that pattern, and fewer cannot. Requiring more would add burden without adding proportionate assurance at this classification level. The content and range required of the reports are set out below.

If reviewed reports verify practice readiness, why require hours at all in the other pathways?	Hours are not a stopwatch on a task. They stand for the structured, repeated exposure through which a novice builds the judgment and pattern recognition the classification requires. The exact number of hours any one applicant needs to reach practice readiness may vary; the requirement is a calibrated proxy for that exposure. The Demonstration Appraisal Report Pathway reaches the same end through a controlled, reviewed set of reports in place of the iterative practice the other pathways provide.
Why only Licensed Residential, and not Certified Residential or Certified General?	The Licensed Residential scope is narrowly bound. It is limited to defined property types and to a contained band of complexity, so three reports can represent the full analytical range within which the Licensed Residential appraiser works. The Certified scopes of practice are far broader and reach situations an applicant has not seen before: atypical properties, unusual ownership, complex markets. The judgment those classifications require is built through cumulative exposure over time, which the supervised and program pathways provide, and a set of self-directed reports cannot replicate. There is also a practical reason to begin here. This is a new approach, and the prudent course is a calibrated first step at the lowest-risk classification, where the problems an applicant must solve are the most contained. Starting at this level lets the AQB observe how the mechanism works, where its difficulties lie, and how applicants take it up, before any broader application is considered.
Why not a single “super examination” instead?	The objective is right, here, but the vehicle is not. What stakeholders sought from a single examination was an assessment that confirms a person can actually produce a USPAP-compliant appraisal report. Testing that inside an examination would require every candidate to work the same secured properties under controlled conditions, so that all are measured on identical assignments. Building and maintaining an instrument of that kind, at the scale and consistency it would demand, is not practical for a profession of this size. The Demonstration Appraisal Report Pathway reaches the same objective by a different route. It has the applicant produce real reports, under defined conditions for how the assignments are selected, rather than within a testing environment. It verifies the same ability, directly, through completed work that demonstrates USPAP compliance, in a form the profession can sustain.

What about applicants who already have related experience, such as underwriters or real estate agents?	This is the pathway built for them. Stakeholders from adjacent fields such as underwriting, lending, and real estate have asked for a way to carry related experience toward appraisal qualification. The Demonstration Appraisal Report Pathway is that route. Rather than weighing each applicant's prior background case by case, it offers one consistent way to demonstrate appraisal-specific practice readiness, including USPAP compliance, through reviewed reports. Adjacent experience is valuable, and an applicant who has it may be well positioned to produce the reports. Related work, however much it resembles appraisal, is not appraisal practice. What ultimately matters is whether the applicant can perform an appraisal itself, and the pathway confirms exactly that, through completed reports evaluated for USPAP compliance.
How quickly can the AQB develop the policy to operate this pathway?	When the AQB proposes a change of this kind, it plans for adoption from the outset, so the supporting policy work is already underway. The AQB cannot commit to a specific timeframe because the program's final form will depend on the comment period and on details still to be settled. Its record on comparable program frameworks, including the Course Approval Program and the approval frameworks for PAREA and Practicum, shows it can move quickly once a direction is set.

C. Who this New Experience Pathway is Principally Designed to Reach

The reassessment record reflects sustained interest in expanding the means by which practice readiness can be demonstrated, particularly for applicants whose preparation does not map cleanly onto the existing pathways. The Demonstration Appraisal Report Pathway is principally designed to reach:

- Appraisers working in mass appraisal offices;
- Appraisers working in legally confidential environments, particularly within the Internal Revenue Service and other federal agencies;
- Appraisers working under International Valuation Standards or other widely accepted valuation standards;
- Appraisers with other applied valuation experience in adjacent professional settings; and

- Entrants whose preparation falls outside the structures of the existing pathways but who can demonstrate through completed work product that they are ready to practice independently as a Licensed Residential Appraiser.

This responds to a broader trend in occupational licensing toward verifying practice readiness through demonstrated capability as its own route to verifying practice readiness, parallel to the established hours-based routes and not a replacement for them. The Log-Based Experience Pathway under which the great majority of practicing appraisers entered the profession, is the supervised model long used across licensed professions to develop and verify the judgment that comes from many iterations of practice under qualified oversight. Its experience-hour minimums stand for that structured experience. The Demonstration Appraisal Report Pathway reaches that same practice readiness through a controlled set of reviewed reports, and the basis for both is set out in the Practice Readiness Research Brief.

The Log-Based Experience Pathway is how the great majority of today's practicing appraisers entered the profession and has a long record of producing appraisers who are ready to practice. Like any pathway, it presents difficulties in particular circumstances, and the AQB has refined it over the years to address them, through Supervisory Appraiser eligibility standards, Supervisory Appraiser-to-Trainee Appraiser ratios, and the mandatory Supervisory Appraiser/Trainee Appraiser Course. The engagement record did not point to replacing this pathway, but to the value of an additional route alongside it, for applicants the supervised model does not reach. The Demonstration Appraisal Report Pathway is that route.

An applicant with no prior valuation experience is unlikely to be ready to complete three USPAP-compliant demonstration appraisal reports on qualifying education and the AQB-approved national examination alone. As the Practice Readiness Research Brief explains, qualifying education and the AQB-approved national examination develop and verify an applicant's foundation of knowledge but are not designed to prepare an applicant to produce acceptable completed appraisal reports for evaluator review. Applicants who choose this pathway will, in practice, have developed that additional preparation through some combination of prior valuation work and applied study. The pathway is open to any applicant ready to demonstrate practice readiness through completed work product at the minimum-qualification level the Licensed Residential classification signifies.

D. The Verification Standard

The verification standard the Demonstration Appraisal Report Pathway would operate under will be set in detail at the policy level if the option is adopted. What follows is what the AQB believes will be some of the more important minimum components of that policy. They are presented here so that stakeholders can comment on the substance of the verification approach that the AQB has in mind.

The three reports are USPAP-compliant appraisal reports prepared on actual properties. The substantive standard the reports are evaluated against is compliance with USPAP, the same standard that governs appraisal work performed through any of the other recognized experience pathways. What differs is the form of verification, not what is being verified.

Each pathway in the *Criteria* uses a different verification mechanism, with the verification weight resting on different elements:

- **Log-Based Experience Pathway** The applicant's work is documented in an experience log, which records what the applicant did on each assignment and is signed by the Supervisory Appraiser. The reports themselves, typically developed in the ordinary course, are issued to clients and become part of the public record of appraisal work product, where they are subject to USPAP enforcement and to State Appraiser Regulatory Agency action. The State Appraiser Regulatory Agency typically selects representative reports from the log for review. The verification weight rests on the supervised practice itself, the supervisor's certification of the log, the State Appraiser Regulatory Agency's review, and the public-record accountability of the reports.
- **Program-Based Experience (PAREA)** The applicant's work is performed within an AQB-approved program. The program is responsible for confirming that the applicant has performed the iterations of practice the program is designed to provide, and that the appraisal reports produced within the program are USPAP-compliant. The AQB approves and audits the program. The verification weight rests on the program's structure and on AQB approval and oversight of that program.
- **Program-Based Experience (Practicum)** The applicant's work is performed in an AQB- or state-approved program on actual properties under direct instructor oversight. The program is responsible for ensuring USPAP compliance and the certificate of completion confirms it. The verification weight rests on the program's structure, on instructor oversight, and on AQB- or state-level approval and oversight of the program.
- **Demonstration Appraisal Report Pathway** The applicant's work is the three USPAP-compliant reports themselves, evaluated by qualified reviewers within an AQB-approved program. The AQB approves one or more entities to administer the program and evaluate the reports, parallel to the approval framework in place for Practicum programs. Because the verification rests on the completed reports rather than on documented preparation that preceded them, the AQB-approved entity carries more of the verification weight than PAREA or Practicum programs, and the reports themselves are held to more detailed documentary requirements, to be specified at the policy level.

The substantive standard the applicant must meet is the same across all pathways: practice readiness at the level the Licensed Residential classification signifies, evidenced by USPAP-compliant work.

Across the program-based pathways, the certificate of completion is the confirmation that the program verified the applicant's USPAP-compliant work. The State Appraiser Regulatory Agency records what the certificate evidences and is not expected to re-audit it, though it retains discretion to review one or more of the underlying reports. That authority is the same for PAREA and for Practicum. No program-based applicant is verified to a lesser standard than another; what differs among the pathways is the form of preparation, not the standard that the work must meet.

Because each demonstration report stands on its own as part of the applicant's verification, the policy framework expects that those reports will make the applicant's analytical reasoning, methodology selection, and USPAP compliance fully visible to the reviewer. In the end, the three reports are taken together as a single verification: they cannot be segmented or partially credited the way experience credit earned through the Log-Based Experience Pathway or PAREA can be. Reports are all or nothing, because together they cover the full range of practice readiness for a Licensed Residential appraiser.

E. Why the Pathway is Proposed for the Licensed Residential Classification

The most important question in the AQB's deliberations is why the Demonstration Appraisal Report Pathway is proposed only at the Licensed Residential classification. The question is not whether a Licensed Residential appraiser ever encounters an unfamiliar situation. Every appraiser does, at every classification, and the USPAP COMPETENCY RULE governs that obligation for all of them once credentialed.

The question is narrower, and it concerns entry verification. It is whether a fixed set of three completed reports, used as the sole evidence of practice readiness, can fairly and consistently represent the work a classification authorizes. That depends on two things: how bounded the authorized work is, and whether a dependable review can be built over it.

The Licensed Residential scope is bounded on two sides. It is limited to one-to-four residential property, and it is capped by value and complexity, with complex assignments capped below a transaction value of $400,000. The scope still includes complex work, and the pathway requires that at least one of the three reports be on a complex property. The three reports therefore span the range the classification authorizes, and because that range is closed, a limited set of reports can representatively sample it.

The Certified classifications are not bound in the same way. Certified Residential removes the value and complexity caps and authorizes all one-to-four residential work, including high-value and highly atypical properties. Certified General removes the property-type limit entirely, adding commercial, industrial, agricultural, and special-purpose assignments, along with the methods used to value them, such as income capitalization where an assignment calls for it.

These scopes are open-ended, and a fixed set of three reports likely cannot represent open-ended work. The reports can present only the situations the program's designers selected. Increasing the difficulty of those reports does not change this, because a more demanding sample is still a limited sample. Adequate coverage comes from broad exposure over time, which the Log-Based Experience Pathway, PAREA, and Practicum each provide. The classifications involve a similar number of tasks; what differs is the breadth and variability of the conditions under which those tasks are performed.

Verification through reviewed work product is well established in credentialing, both within the appraisal profession and beyond it[27]. Those systems, however, differ from this proposal in a decisive respect. None uses reviewed work as the sole entry gate across an open-ended scope of practice. Within the appraisal profession, the mechanism is used for advanced designations held by practitioners who already carry a credential and substantial experience. Where it serves as an entry gate in other fields, it applies to a single, defined scope rather than to a tier of expanding scopes.

The Demonstration Appraisal Report Pathway is an entry route, with no prior appraisal credential or experience beneath it. That distinction calls for caution. Reviewed work is most defensible as a sole entry verification where the authorized scope is narrowest, and least defensible where it is open-ended.

Tiered professions are arranged the same way. Medicine requires additional supervised practice for a more specialized credential, such as a fellowship after residency. Engineering requires several years of supervised work before the Professional Engineer license. Accounting pairs supervised experience with its examination. In each case, a

[27] Examples include the Appraisal Institute's MAI designation (a demonstration appraisal report reviewed by an MAI peer against set criteria), the American Society of Appraisers' Real Property credential (two candidate-prepared market-value reports reviewed and approved by a credentialing specialist), the International Society of Appraisers' Certified Appraiser of Personal Property credential (a reviewed appraisal report alongside a written examination), the Royal Institution of Chartered Surveyors' Assessment of Professional Competence (a candidate-prepared case study defended in interview), the International Association of Assessing Officers' Certified Assessment Evaluator designation (which requires a candidate-prepared demonstration narrative appraisal report on real property, reviewed against the association's criteria), the Oregon and Washington Supervised Practice Portfolio Examination (a portfolio alternative to the bar examination), and edTPA (a performance-assessment approach used in teacher licensure that several states have adopted and others have moved away from). The assessment-science basis for this use is surveyed in the Practice Readiness Research Brief.

higher credential is reached through more structured experience, not through a more difficult test.

A practical consideration points in the same direction. The pathway depends on a review that evaluates work consistently across different reviewers, different states, and very different properties. Such a review is difficult to construct, and the difficulty increases with the range of work it must cover. It is most achievable over a narrow range.

For that reason, the AQB proposes to begin where the range is narrowest. The review can be built and tested on the clearest cases before any broader application is considered. This is a deliberate and limited step, not a commitment to extend the pathway to other classifications.

Current conditions support the same limit. The number of Licensed Residential credentials on the National Registry has declined substantially, while the number of Certified General credentials has grown. A new route into the Licensed Residential classification should strengthen the entry pipeline where the decline has been greatest. An applicant who enters through Licensed Residential retains every existing route to advance toward Certified Residential or Certified General.

F. Policy Development

If this proposal is adopted, the AQB-approved entity through which the three demonstration reports are administered will be developed at the policy level. Policy is the appropriate locus for this work because it can be adapted as the program operates and as the AQB-approved program providers, evaluators, and applicants surface considerations that the AQB, at this point, cannot fully anticipate. The AQB has experience developing program approvals of this kind, including the Course Approval Program, the approval frameworks for PAREA programs, and the approval frameworks for Practicum programs.

Without committing to the specific design of the program at this stage, the AQB expects the policy framework to address the questions stakeholders have raised about a portfolio- or capstone-style assessment, drawing on the best practices observed in the comparable systems identified above. The AQB will engage stakeholders in the development of those policies.

II. Eliminate the Calendar-Minimum Experience Requirement

What verifies readiness is the work itself, not the number of months over which it is spread. The minimum hours requirement is unchanged.

Summary of the proposed change to the *Criteria*:

The existing six-, twelve-, and eighteen-month minimum-time requirements applicable to the Licensed Residential, Certified Residential, and Certified General credential experience components, respectively, are removed.

The *Criteria* requires an applicant to complete a defined experience requirement, measured in hours of supervised practice, in the equivalent credit earned through PAREA or Practicum or, for Licensed Residential, the Demonstration Appraisal Report Pathway. The existing *Criteria* also require the applicant to spend a minimum number of calendar months in the experience component. The Second Exposure Draft proposes to remove those calendar minimums.

The changes are presented in the table below:

Credential	Existing calendar minimum	Second Exposure Draft	Hours requirement
Licensed Residential	6 months	None	1,000 (unchanged)
Certified Residential	12 months	None	1,500 (unchanged)
Certified General	18 months	None	3,000 (unchanged)

Practice readiness is built from three components: knowledge developed through qualifying education; knowledge verified through the AQB-approved national examination; and experience earned through a pathway identified in the *Criteria*. Experience is measured in hours, and the hours requirement is preserved unchanged:1,000 hours at Licensed Residential, 1,500 hours at Certified Residential level, and 3,000 hours at Certified General).

The calendar minimum is a separate requirement layered on top of the hours. In many cases it required an applicant to wait additional months after the required hours were already complete. That waiting period adds no further exposure and no further measure of readiness.

The hours requirement itself is the proxy for exposure to the varied conditions an appraiser encounters in independent practice. The Log-Based Experience Pathway, under which the great majority of practicing appraisers entered the profession, remains a well-established and valid route, and its hours requirement is calibrated to the exposure it provides.

The calendar minimums were adopted in part as a fraud-prevention measure. That concern has since been addressed through state-level verification practices developed over the operating life of the *Criteria*.

Removing the calendar minimums also removes a structural disincentive for Supervisory Appraisers. Under the existing *Criteria*, a Trainee Appraiser cannot complete the experience component until the calendar minimum has elapsed, even after the required hours are met. In effect, this commits the Supervisory Appraiser to a longer relationship than the work itself requires, and the economics of supervision in many local markets have made that commitment difficult to absorb.

III. Combine Recognized Preparation Pathways

Verified progress is never wasted. Partial credit attaches only to verified work, and qualifying education must be completed before an applicant enters a PAREA program.

Summary of the proposed change to the *Criteria*:

> The Second Exposure Draft keeps the explicit recognition, introduced in the First Exposure Draft, that the recognized preparation pathways may be combined toward the experience requirement. It adds one new provision: a PAREA program may be approved with defined Program Segments that award partial experience credit, at the PAREA provider's option.

The experience requirement for each classification is a total number of hours. Combining means reaching that total by adding credit earned in more than one pathway, rather than completing it all in one. Experience counts only once; the same work cannot be credited under two pathways. Guide Note 13 provides worked examples of how the pathways may be combined.

The recognized pathways carry credit in different ways:

- Log-Based Experience Pathway: Hours are credited as they are logged and verified, so credit accrues continuously.
- PAREA: Completing a full PAREA program carries the full experience credit for the classification. Under the Second Exposure Draft, a provider may also design a program with defined Program Segments, each carrying a set amount of partial credit. An applicant who completes a Program Segment keeps that credit and may carry it forward. Program Segments are optional for providers.
- Practicum: A Practicum may be approved at any size, from a small program worth a set number of hours up to the full requirement. Completing an approved Practicum awards the credit set at approval.

Program Segments apply to PAREA only. A Practicum reaches the same flexibility through the size at which it is approved, and the Log-Based Experience Pathway through the hours logged.

The proposal builds on language already in the existing *Criteria* and the First Exposure Draft. The change is clearest when the three versions are compared:

- **The Existing (2026) *Criteria*:** The supervised route is the Supervisory Appraiser–Trainee Appraiser pathway, under which a Trainee Appraiser logs hours of appraisal work performed under a Supervisory Appraiser. Mass appraisal experience earned in an assessment office is also creditable toward the experience requirement, but the provision for it sits in the Trainee Appraiser section. Combining a Practicum with logged hours is not prohibited, but the *Criteria* do not state a combining rule explicitly.
- **First Exposure Draft:** The combining rule was made explicit. An applicant could blend the Supervisory Appraiser–Trainee Appraiser pathway, PAREA, and Practicum toward the experience requirement, provided all experience was verifiable and partial program completion conferred no credit. The supervised route kept its existing name and structure.
- **Second Exposure Draft:** The logged-hours routes are consolidated under a single, broader category, the Log-Based Experience Pathway. The Supervisory Appraiser–Trainee Appraiser route is folded into it, and the pathway now also covers mass appraisal experience, which is credited as log-based, state-verified experience that requires no Supervisory Appraiser signature. The combining language carries forward, and the optional PAREA Program Segment structure is added.

The Program Segment option brings PAREA into line with the other pathways, where partial progress already counts. Logged hours are credited as they accumulate, and a Practicum can be approved at a small size. PAREA was the one pathway that was all or nothing, and a provider may now choose to award partial credit within it.

The Demonstration Appraisal Report Pathway, available only at the Licensed Residential classification, is not part of this combining framework. The three reports are all or nothing and satisfy the experience requirement on their own. They cannot be segmented or combined with hours from another pathway.

IV. Eliminate Mandatory College-Course and College-Degree Requirements

The change replaces a degree proxy with direct instruction in the analytical skill the proxy stood for. It does not reduce what an applicant must learn.

Summary of the proposed change to the *Criteria*:

The college-degree requirement applicable to the Certified Residential and Certified General credentials is removed. The Required Core Curriculum and the AQB-

approved national examinations remain the principal means by which the analytical, quantitative, and written-communication skills the credential signifies are verified.

The AQB's role is to set the minimum qualifications for entry into independent practice. A separate college-level requirement is consistent with that role *only* where it produces capabilities that cannot be acquired through the other components of the qualification framework. After a full review of every requirement in the *Criteria* against that standard, the college-degree requirement does not meet the bar.

Current research, current job analysis findings, and developments in occupational licensing support this conclusion. Twenty years ago, regulatory bodies across many licensed professions were moving toward college-degree requirements as a default qualification component. Expectations have since shifted. Across many licensed professions, the regulatory direction has moved toward verifying the specific skills and practice readiness a credential signifies rather than relying on degree attainment as a proxy. The proposal reflects the AQB's own application of that broader direction to the appraiser credential.

Stakeholders have argued that a college-degree requirement provides the analytical reasoning, quantitative literacy, and written-communication skills that appraisal practice requires. For that argument to support a degree requirement in the *Criteria*, the existing qualifications pathway would have to fail to require a candidate to demonstrate those skills. It does not. The *Required Core Curriculum*, which has been the structural foundation of qualifying education in the *Criteria* for many years, requires the applicant to develop the analytical, quantitative, and written-communication skills the credential signifies in the context of appraisal-specific instruction. Moreover, the AQB-approved national examinations are engineered to test the applicant's mastery of that content. Periodic job analyses, including the 2025 National Job Analysis, inform the *Required Core Curriculum* and the Examination Content Outlines.

The 2025 National Job Analysis identified one specific skill that was unintentionally omitted from the *Required Core Curriculum*: the application of market data analytics to support adjustments in the sales comparison approach. Input from education providers and other stakeholders independently identified the same area as a recurring weakness in practice. The proposed Residential Appraiser/General Appraiser Market Data Analytics Applications and Case Studies module (section VIII below) addresses that gap.

Taken together, the *Required Core Curriculum* (with the addition of the proposed Residential Appraiser/General Appraiser Market Data Analytics Applications and Case Studies module), the AQB-approved national examinations, and the experience component of the *Criteria* are the means by which the AQB establishes the minimum qualifications for a credentialed appraiser at the Certified Residential and Certified General credential levels. The AQB concluded that those components, with the

proposed addition, identify and verify what the credential needs to signify. An applicant who holds a college degree continues to hold that college degree, and an applicant whose market or engagement parties expect a degree remains free to obtain one. The AQB's role, however, is to set the *minimum* qualifications.

Sustained input across the four public comment cycles to date supports this proposal. It is the single change most consistently identified in the public record as removing an entry barrier that, in the end, does not significantly contribute to appraisal practice readiness.

A Degree Still Counts Toward Qualifying Education

This change removes a requirement, not an option. Eliminating the mandatory college-course and college-degree requirement means an applicant is no longer required to hold a degree, or to complete particular college courses, in order to qualify. It does not mean college education stops counting toward qualifying education.

College education remains a valid way to satisfy the qualifying-education requirement through two routes this proposal leaves fully in place. First, a real estate–related certificate or degree can earn qualifying education credit as a bulk-approved program under section 1.IV.D. ("QE Credit for Accredited College or University Programs"). Second, individual college courses remain eligible toward qualifying education under section 1.IV.A. ("Acceptable Education Providers"), where their content follows the Required Core Curriculum. An applicant who holds or pursues a college degree is therefore not shut out by this change; that coursework continues to count wherever it satisfies the Required Core Curriculum. The proposal removes the obligation to obtain a degree. It does not remove the degree, or college coursework, as a way to meet qualifying education.

V. Remove the Appraisal Subject-Matter Elective Requirement

Every required hour of education now points at defined content tied to practice readiness rather than to open electives.

Summary of proposed change to the *Criteria*:

> The requirement to complete a block of appraisal subject-matter elective hours, as part of qualifying for the Certified Residential and Certified General credentials, is removed. The required education is composed entirely of courses specified in the Required Core Curriculum.

The elective requirement allowed applicants to complete several hours chosen from a broad list of loosely related courses. The AQB, when reviewing the college degree

issue, concluded that an open elective block should not be part of the minimum qualifications for any credential. The *Required Core Curriculum*, together with the proposed Residential Appraiser/General Appraiser Market Data Analytics Applications and Case Studies module, now identifies the specific content an applicant must complete on the way to a Certified Residential or Certified General credential. Replacing the elective block with defined coursework directs every required hour at content tied to practice readiness.

VI. Remove the Experience Prerequisite for the AQB-Approved National Examination

Fulfilling the experience requirement is no longer required before taking the examination.

Proposed language addition to the *Criteria* (see section 1.VII.A. “Order of Completion”):

> *Qualifying education must be completed before an applicant sits for the AQB-approved national examination. The examination may be taken before or after the experience requirement is met.*
>
> *All three components (QE, the AQB-approved national examination, and experience) must be completed before a State Appraiser Regulatory Agency issues a credential.*

Under the existing *Criteria*, an applicant cannot sit for the examination until all required experience hours have been completed and verified. The Second Exposure Draft removes this sequencing requirement so that an applicant may sit for the examination once qualifying education is complete. All three components (qualifying education, the examination, and the experience component) must still be completed before a credential is issued.

This change is a return to what was allowed under earlier versions of the *Criteria*. On review of the operating record, the AQB concluded that mandating the examination as the final step did not produce better applicant outcomes. Returning to the earlier approach realigns the examination with the qualifying education on which the examination will be based.

The AQB-approved national examination tests the body of knowledge an applicant gains through qualifying education. An examination of that kind is a valid measure of that knowledge when it is taken near the education it tests. The existing sequencing requirement inserts a long delay, often more than a year, and longer still for many Certified General applicants, between the qualifying education and the first opportunity to sit for the examination. That delay is time spent completing the experience component, which the examination does not test. Allowing the examination to follow qualifying education aligns the examination with the material it is designed to measure.

The change does not lower what a credential holder must know or be able to do. Knowledge and skill in the field are maintained through the experience component, continuing education, and the ongoing obligations of USPAP, not through the position of the examination in the sequence.

This change does not modify the prerequisites that govern entry into any of the experience pathways. An applicant entering a PAREA program continues to complete the qualifying-education requirement before entering the program because PAREA is structured on the basis that the applicant brings that foundation of knowledge into the program. An applicant entering a Practicum likewise continues to meet the prerequisites established for the particular AQB- or state-approved program the applicant selects, which vary by program. The change addresses where the AQB-approved national examination falls in the applicant's overall sequence; it does not alter the prerequisites internal to the experience pathways.

If this change is adopted, changes may need to be made to the structure of the AQB-approved national examination.

VII. Validity of AQB-Approved National Examination Results

A passing examination score records knowledge the applicant has demonstrated, and that record does not lose its meaning over time.

Proposed language change to the *Criteria* (see section 1.VII.B. "Validity of Exam Results"):

> *A passing result on the AQB-approved national examination for a classification is valid indefinitely.*

A passing examination score records that an applicant demonstrated the required knowledge at the time the examination was administered. That demonstration is a completed fact, and it does not change with the passage of time.

The former two-year limit treated the score as if it expired. In practice, and especially now that the examination may be taken once qualifying education is complete, a validity window does not measure knowledge. It sets a deadline by which an applicant must finish the remaining components or sit the same examination again. That deadline falls hardest on applicants whose experience takes longer to complete, including those who progress from Licensed Residential toward a higher classification and many Certified General applicants. Requiring them to repeat an examination they have already passed adds cost and delay without adding any verification the public did not already have.

Currency of knowledge in practice is maintained elsewhere in the framework, and more effectively. The experience component, continuing education, and the ongoing obligations of USPAP keep a credential holder current over a career, which a one-time re-examination cannot do. Expiration of the score duplicated that function and did so poorly.

Indefinite validity also aligns the examination with the other completed components. Qualifying education does not expire once completed, and a passing examination result is now treated the same way. All three components must still be completed before a credential is issued.

VIII. Add a Certified Residential and a Certified General Market Data Analytics Applications and Case Studies Module

The module teaches specific analytical skills the profession identified as a gap directly through appraisal instruction.

Summary of proposed change to the *Criteria*:

> A new module, Residential Appraiser/General Appraiser Market Data Analytics Applications and Case Studies, is added to the *Required Core Curriculum* at 15 hours for the Certified Residential credential and 30 hours for the Certified General credential.

The module addresses the extraction, application, and reconciliation of market data in the development of appraisal opinions of value, with case-study instruction across market analysis, highest and best use, the approaches to value, and the reconciliation.

Two lines of evidence support the addition. First, the 2025 National Job Analysis identified the application of market data to support adjustments as a gap in first-time test-taker performance, especially for Certified Residential and Certified General. Second, the engagement record identified, as a recurring weakness among practicing appraisers, the support for adjustments in the sales comparison approach, which draws on the market data this module addresses. Feedback from the Government-Sponsored Enterprises identified corresponding gaps in delivered appraisals.

This module pairs with the proposed removal of the college-degree requirement (section IV above). A college degree had indirectly helped applicants develop the analytical and quantitative skills used to support adjustments. Reviewing the *Criteria* as a whole, the AQB found that the *Required Core Curriculum* was addressing other content that a degree had been associated with but was not expressly addressing this specific applied-analytics gap. The Residential Appraiser/General Appraiser Market Data

Analytics Applications and Case Studies module fills that gap directly through appraisal-specific instruction in a way that the prior college-degree requirement did not.

The allocation (15 hours at the Certified Residential level and 30 hours at the Certified General level) reflects the credential-level differences in the analytical scope of practice and is consistent with the hour structure of the other curriculum modules.

IX. Clarify the Practicum Pathway

A Practicum's credit is equivalency-based, set at program approval, and verified the same way a PAREA program is verified.

Summary of proposed change to the *Criteria*:

> The Practicum pathway is more fully defined, and its credit treatment is clarified. The pathway is equivalency-based, not log-based: when the AQB or a State Appraiser Regulatory Agency approves a Practicum program, the approval establishes the number of experience hours awarded on successful completion of the program.

A Practicum is a structured, instructor-led program approved by the AQB or by a State Appraiser Regulatory Agency in which a participant performs full USPAP-compliant appraisal assignments on actual, verifiable properties under direct oversight. A Practicum program may be approved from a program that fully satisfies the experience requirement for the credential to a smaller program that contributes a defined number of equivalent hours. Completion is verified through a certificate of completion issued by the program.

The Practicum pathway is equivalency-based, not log-based. An applicant completing a Practicum does not maintain an hour-by-hour log of work performed; the applicant completes the program as the program is approved, and on successful completion receives the experience credit established at the time of program approval.

A Practicum and PAREA share the same goal and the same standard: both prepare an applicant for the same work, and both end in USPAP-compliant reports. They differ in how that preparation happens.

A Practicum is built on real properties. The applicant appraises actual, verifiable properties under the direct oversight of an instructor, in a program approved by the AQB or by a State Appraiser Regulatory Agency. The program provider is named as the client and intended user; the work carries no business purpose. PAREA is built on simulated practice. The applicant works through structured exercises, simulations, and case studies in a controlled virtual environment under a Mentor, producing the required USPAP-compliant reports within the program, which is approved by the AQB alone. The work product and the standard are the same; the method of preparation is not.

X. Verification of Mass Appraisal Experience

Verification rests with a State Appraiser Regulatory Agency and the assessment office's statutory USPAP framework, not on any one individual's signature.

Summary of proposed change to the *Criteria*:

> Experience earned in a state or local assessment office that is required by statute or regulation to comply with USPAP STANDARDS 5 and 6 may be credited toward the experience requirement under the Log-Based Experience Pathway. No signature from a Supervisory Appraiser or a chief assessing officer is required. The applicant maintains the experience log, and the credentialing State Appraiser Regulatory Agency selects the verification method appropriate to its jurisdiction.

Mass appraisal experience has been creditable toward the experience requirement under the existing *Criteria*. The question arisen in practice is verification: how does the credentialing state verify that the work the applicant has logged in an assessment office was performed in compliance with USPAP STANDARDS 5 and 6?

The First Exposure Draft proposed to address this question by replacing the requirement for a Supervisory Appraiser's signature with the signature of the chief assessing officer. Comments on the First Exposure Draft surfaced a practical concern with this solution: the chief assessing officer in many jurisdictions is not a credentialed appraiser (and in some jurisdictions, the position is elected) and is not in a position to certify USPAP compliance.

To work through this issue, the AQB consulted with subject-matter experts familiar with mass appraisal practice and with state regulatory verification. The substance of those conversations, and other research and information, bears directly on the proposal.

The AQB learned that the assurance that mass appraisal experience is compliant with USPAP STANDARDS 5 and 6 comes from the institutional design of an assessment office that operates under statutory or regulatory USPAP compliance requirements. It does not come from an individual signature at the bottom of a log. Assessment offices operate under statutory mandates to comply with STANDARDS 5 and 6, internal review and quality-assurance processes, progression and review structures within the office, and external oversight from state departments of revenue or equivalent agencies. In other words, compliance is institutional, not individual.

Given those safeguards, the question that remains is narrower: confirming that the applicant performed the work, and that it was performed within the assessment office's USPAP-compliant system. The AQB believes that State Appraiser Regulatory Agencies can make these determinations through the methods appropriate to their jurisdictions, such as direct verification with the office, narrative description from the applicant,

document review, or other methods the State Appraiser Regulatory Agency elects to use.

Accordingly, the Second Exposure Draft revises the verification framework in three respects:

- The provision is relocated from the Trainee Appraiser section of the *Criteria* to the Log-Based Experience Pathway, reflecting that it applies regardless of whether the applicant holds a Trainee Appraiser credential, an ad valorem credential, or no special credential;
- No signature is required: not from a Supervisory Appraiser and not from a chief assessing officer; and
- The applicant maintains the experience log, and the State Appraiser Regulatory Agency selects the verification method appropriate to its statutory environment.

XI. Standardize the Transaction Value Definition

The Licensed Residential classification's boundary, one-to-four residential work, is unchanged. The change here is limited to standardizing the definition of transaction value so that it matches the federal regulatory definition. This change is definitional only. It does not alter the scope of the credential, and it does not determine how transaction value is established in any particular assignment, which is governed by the federal framework rather than by these Criteria.

Proposed change to the *Criteria* (new proposed language is in underline while language proposed for removal is in strikethrough):

> *A. The Licensed Residential Real Property Appraiser classification applies to the appraisal of non-complex one-to-four residential units having a transaction value less than $1,000,000, and complex one-to-four residential units having a transaction value less than $400,000.*
>
> *B. Complex one-to-four unit residential property appraisal means one in which the property to be appraised, the form of ownership, or the market conditions are atypical.*
>
> *C. For non-federally related transaction appraisals, transaction value ~~shall~~ means the loan amount or market value, depending on the nature of the transaction.*
>
> *1. The classification's scope of practice includes the appraisal of vacant or unimproved land that is used ~~utilized~~ for one-to-four residential units, or for which the highest and best use is for one-to-four residential units.*
>
> *2. The classification does not include the appraisal of subdivisions for which a development analysis/appraisal is necessary.*

At the outset, discussing “transaction value” in the context of federal appraisal regulation is quite complex. Because of numerous constraints, the following analysis is only as brief as is reasonably possible.

Transaction Value is a complicated concept. Its definition shifts depending on: (1) how the underlying real estate transaction is characterized under Title XI, Federal Financial Institutions Regulatory Agency appraisal regulations, and other federal statutes and regulations; and (2) the nature of that real estate transaction. The definition of “Transaction Value” in this Exposure Draft corrects the pre-existing definition and is consistent with federal regulatory practice.

Previous iterations of the *Criteria*, including the 2026 edition, defined “Transaction Value” in the context of a Licensed Residential appraiser as:

> A. The Licensed Residential Real Property Appraiser classification applies to the appraisal of non-complex one-to-four residential units having a transaction value less than $1,000,000, and complex one-to-four residential units having a transaction value less than $400,000.
>
> B. Complex one-to-four unit residential property appraisal means one in which the property to be appraised, the form of ownership, or the market conditions are atypical.
>
> C. For non-federally related transaction appraisals, transaction value shall mean market value.
>
> 1. The classification includes the appraisal of vacant or unimproved land that is utilized for one-to-four residential units, or for which the highest and best use is for one-to-four residential units.
> 2. The classification does not include the appraisal of subdivisions for which a development analysis/appraisal is necessary.

The first and second paragraphs are correct. Under federal and state law, the scope of practice for Licensed Residential Appraisers is limited by real estate type, in this case, 1-4 residential units and by value (less than $1,000,000 and complex 1-4 residential units valued at less than $400,000). These limitations apply to all real estate appraisals performed by Licensed Residential Appraisers.

The first line of Paragraph C., however, is not accurate. It is inconsistent with the definition of “Transaction Value” in the Federal Financial Institutions Regulatory Agencies’ Appraisal Regulations. For example, the Board of Governors of the Federal Reserve System defines “Transaction value” as:

> 1. For loans or other extensions of credit, the amount of the loan or extension of credit;

2. For sales, leases, purchases, and investments in or exchanges of real property, the market value of the real property interest involved; and
3. For the pooling of loans or interests in real property for resale or purchase, the amount of the loan or the market value of the real property calculated with respect to each such loan or interest in real property.

This definition is applicable to both federally related transactions and non-federally related transactions. These terms are further defined in the Federal Financial Institutions Regulatory Agencies' regulations.

A couple of examples should illustrate why the first line of paragraph C. is inaccurate. First, a non-federally related transaction does not necessarily involve an extension of credit. For example, an appraisal may be needed to value an estate, a property-tax appeal, and other non-lending assignments. To further explore this, let's consider a fully paid off home involved in a divorce proceeding. The court or the parties calls in a Licensed Residential Appraiser to appraise the property. That appraiser's scope of practice is limited to a transaction value of less than $1 million. That transaction value *must* be the market value because no extension of credit exists. This result, of course, is consistent with the current version of C. above.

Second, let's take the same situation, but change it so that the home is not paid off and carries a loan balance of $350,000 owed to a federally regulated financial institution. That balance is below the $400,000 transaction value, thus defining the transaction as a non-federally related transaction.[28] The first line of C. would appear to dictate that the non-federally related transaction would be valued at the home's market value. That result would appear to be incorrect because a loan balance carried by a federally regulated financial institution exists.

Title XI's purpose, however, would indicate otherwise; transaction value should be the outstanding loan amount. As discussed at earlier in this Second Exposure Draft, Title XI's central purpose is to protect the U.S. Government from potential losses from fraudulent or abusive appraisal practices. In light of that purpose and the existing loan balance held by a federally regulated financial institution, it makes much more sense for the non-federally related transaction to be valued at the outstanding loan amount and not the market value, as required by the first line in current paragraph C.

In the end, the new definition of transaction value takes all this into consideration and corrects the existing inaccuracy, consistent with federal regulatory practice.

[28] The situation if further complicated by the need for the appraiser to determine whether or not the transaction is or is not a federally related transaction. If it is a federally related transaction, a full USPAP-compliant appraisal must be performed by the appraiser. If it is not, only an "evaluation" is required. A discussion of evaluations is beyond the scope of this Exposure Draft.

XII. Revise Fair Housing Course Name and Requirement

The subject remains required for every classification. The change reduces the hours and renames the course; it does not remove the requirement.

Summary of proposed changes in the *Criteria*:

> The qualifying-education requirement on this subject is reduced from eight hours to five hours. The examination is included within the five-hour total and is proportional to the course. The course is renamed to “Fair Housing Laws, Impartiality, and Objective Valuation Practice” to more accurately reflect its broader subject matter, and the recurring continuing-education version is converted to an optional elective.

The existing *Criteria* requires eight hours on this subject. The Second Exposure Draft reduces that to five hours. The course covers fair-housing law and the appraiser’s obligations of impartiality and objective valuation. The five-hour total is consistent with, and somewhat longer than, the fair-housing training many other licensed professions require, reflecting that the AQB course extends beyond fair-housing fundamentals to applied valuation content.

On the continuing-education side, the existing *Criteria* requires recurring continuing education on this subject. The Second Exposure Draft converts that recurring requirement to an optional elective. The course remains available, and an appraiser who elects to take it receives continuing education credit.

Continuing reinforcement of an appraiser’s professional obligations of impartiality and objective valuation remains important. As a policy matter accompanying this proposed *Criteria* change, the AQB is considering whether the recurring *7-Hour National USPAP Continuing Education Course*, which credentialed appraisers are required to complete on a recurring basis, may reinforce those obligations as they arise under USPAP. Because those obligations fall within USPAP’s ETHICS RULE, any such treatment would stay within the USPAP course’s own subject matter and would not require the AQB-certified USPAP instructors to teach fair-housing law or other content outside of their area of instruction.

XIII. Remove the Continuing-Education Requirement for the Trainee Appraiser Credential

Continuing education relates directly to independently practicing a profession. Trainee Appraisers cannot independently practice and at all times must be supervised.

Summary of proposed change to the *Criteria*:

Trainee Appraisers would no longer be required to complete continuing education while holding that credential. Continuing education applies to Licensed Residential, Certified Residential, and Certified General appraisers and begins to accrue upon initial credentialing.

Continuing education exists to keep practitioners who are authorized to practice independently current in their knowledge and skill. A Trainee Appraiser does not practice independently. A Trainee Appraiser performs all appraisal work under the direct supervision of a Supervisory Appraiser, who is responsible for that work and for the trainee's development. The trainee is also in an active learning phase, in regular contact with current practice through the supervisory relationship. The conditions continuing education is designed to maintain are therefore already present, and the public is protected by the Supervisory Appraiser's oversight and responsibility. Requiring continuing education during the trainee phase would add nothing the structure of the credential does not already provide.

The existing *Criteria* leave this question ambiguous, which has produced inconsistent requirements across jurisdictions. The Second Exposure Draft resolves the ambiguity by providing that the continuing-education requirement begins upon initial credentialing as a Licensed Residential, Certified Residential, or Certified General appraiser. A Trainee Appraiser may, of course, voluntarily complete additional education at any time, and many applicants already do so as they prepare for the credential they are working toward.

XIV. Remove the Trainee Appraiser's Qualifying-Education Recency Limit

Completed qualifying education does not expire before an applicant applies, and the Trainee classification is brought into line with the other classifications, which carry no such limit.

Summary of proposed change to the *Criteria*:

The requirement that a Trainee Appraiser's qualifying education be completed within the five years preceding filing their application for a credential is removed.

The existing *Criteria* required a Trainee Appraiser's qualifying education to have been completed within the five years before application, a time period that does not apply to the Licensed Residential, Certified Residential, or Certified General classifications. The AQB found no basis for treating the Trainee Appraiser classification differently. Removing this five-year period eliminates a barrier that does not contribute to practice readiness.

XV. Additional Provisions and the Reassessment Process

A. Extension of Time Frames and Deadlines Due to Qualifying Circumstances

Summary of proposed change to the *Criteria*:

A new provision enables a State Appraiser Regulatory Agency to allow an applicant or credential holder additional time to meet any time frame or deadline established under the *Criteria* when the applicant or credential holder cannot comply with that time frame or deadline due to qualifying circumstances. “Qualifying Circumstances” is defined in the new Definitions section of the *Criteria*. The existing *Criteria* addresses extensions narrowly within the continuing education rules and in a dated General Interpretations provision applicable to military reservists called to active duty between 2011 and 2014.

The reassessment record made clear that applicants and credential holders periodically encounter circumstances (e.g., serious illness, military deployment, family responsibilities, natural disasters, and other events outside their control) that prevent their completion of a *Criteria* time frame or deadline. The new *Criteria* provision can provide relief to applicants and credential holders experiencing such circumstances.

The new provision would provide significant discretion to a State Appraiser Regulatory Agency regarding how to administer this proposal. It does, however, provide significant guardrails on how relief is awarded. The applicant or credential holder must notify the State Appraiser Regulatory Agency as soon as possible after determining that a time frame cannot be met. In addition, that notification must be made before the impending time frame or deadline expires. When the qualifying circumstances end, the individual must notify the State Appraiser Regulatory Agency within 10 business days that the circumstances no longer exist. The State Appraiser Regulatory Agency may then restart the applicable time frame, allowing the individual the remaining duration of the original period to complete the requirement.

Each State Appraiser Regulatory Agency retains discretion over the documentation required to claim an extension, its duration, and any conditions necessary to ensure compliance with the *Criteria* and state law.

B. Reciprocity and Credential Recognition

Summary of proposed change to the *Criteria*:

The existing reciprocity, temporary practice, and renewal language is consolidated into a single section, Reciprocity and Credential Recognition, with a plain-language

rewrite. A new continuing-education reciprocity provision is added: when an appraiser's continuing education has been completed and accepted by one State Appraiser Regulatory Agency, that completion may be recognized by other State Appraiser Regulatory Agencies as satisfying the continuing-education requirement under the *Criteria*, provided the courses were approved by the Course Approval Program or by a State Appraiser Regulatory Agency as meeting the requirements of the *Criteria*.

The plain-language rewrite consolidates language in connection with reciprocity, temporary practice, renewals, and applications for the same or lower-level credential in another jurisdiction that has been operating across multiple provisions of the existing *Criteria*. That rewrite, however, does not make any substantive changes. Existing credential holders in good standing in any jurisdiction remain recognized as in compliance with the current *Criteria* if they have passed an AQB-approved examination and have met all other pertinent requirements.

The new continuing education reciprocity provision removes duplicative continuing education requirements identified by appraisers credentialed in more than one jurisdiction. Under the existing *Criteria*, an appraiser credentialed in multiple jurisdictions must complete continuing education separately for each jurisdiction, even where the same approved courses would satisfy each state's State Appraiser Regulatory Agencies' requirements. The new provision allows (but does not require) a State Appraiser Regulatory Agency to recognize continuing-education credit earned in another jurisdiction, subject to the state's documentation and verification requirements.

C. Add a PAREA option at the Certified General Credential Level

Summary of proposed change to the *Criteria*:

Minimum Content Requirements for a Certified General PAREA program are added to the *Criteria*, parallel to the existing Minimum Content Requirements for Licensed Residential and Certified Residential PAREA programs.

PAREA has been operating at the Licensed Residential and Certified Residential credential levels under the existing *Criteria*. The Certified General credential, however, has not had an approved PAREA pathway, leaving only the Log-Based Experience Pathway and Practicum as the only ways to earn the necessary experience for earning the Certified General credential. The reassessment record identified this gap as a structural impediment to entry into the commercial-appraisal segment of the profession.

The Minimum Content Requirements for the Certified General PAREA program are structured along the same lines as the existing Licensed Residential and Certified Residential PAREA programs, with content calibrated to the Certified General scope of

practice. AQB-approved PAREA providers may apply to develop and deliver Certified General PAREA programs once the *Criteria* is adopted.

D. Supervisory Appraiser Provisions

Summary of proposed changes to the *Criteria*:

The Supervisory Appraiser Requirements section is reorganized with a plain-language rewrite. Substantive refinements include: the removal of the existing requirement that a Supervisory Appraiser personally inspect each property until the Trainee Appraiser is competent to do so; tightening the Supervisory Appraiser disciplinary look back period to the previous three years and clarifying that isolated administrative sanctions do not affect eligibility; clarifying the that the required Supervisory Appraiser/Trainee Appraiser Course must be taken before taking on any supervisory duties; and clearly specifying Supervisory Appraiser-to-Trainee Appraiser ratios.

The Supervisory Appraiser Requirements section has been the subject of sustained feedback. The existing *Criteria* require the Supervisory Appraiser to personally inspect each property until the Trainee Appraiser is competent to do so, a requirement that is operationally difficult to administer in many markets and is not always feasible. The Second Exposure Draft removes this requirement. The Supervisory Appraiser still remains responsible for signing and certifying that the appraisal complies with USPAP, reviewing and signing the Trainee Appraiser's appraisal reports as USPAP-compliant, and not providing supervision for property types or assignments beyond the Supervisory Appraiser's own capabilities under the USPAP COMPETENCY RULE.

The Supervisory Appraiser eligibility provisions have been tightened to specify that good standing (which now is defined in the *Criteria)* applies to the most recent three years, with disciplinary action affecting eligibility to practice during that period as the relevant disqualifier. Isolated administrative sanctions (e.g., late payment of fees, failure to timely renew a credential, failure to notify a regulatory office of a change in contact information, do not carry negative consequences).

The timing of the required Supervisory Appraiser/Trainee Appraiser Course is clarified to require completion before taking on any supervisory duties, addressing an ambiguity in the existing *Criteria* about whether the course is a one-time prerequisite or a per-trainee requirement.

The framework for State Appraiser Regulatory Agency–approved increased Supervisory Appraiser-to-Trainee ratios is more fully described. The existing three-trainee limit has not been changed; however, a State Appraiser Regulatory Agency may authorize a Supervisory Appraiser to oversee more than three Trainee Appraisers only under a State Appraiser Regulatory Agency–approved and administered oversight program

meeting the agencies' specific monitoring, verification, and communication requirements.

E. Expanded Definitions and Terminology Consistency

Summary of proposed change to the *Criteria*:

> The Definitions section of the *Criteria* has been expanded to formally define multiple terms that the existing *Criteria* used without being defined. Many new definitions now exist, including: Appraiser Qualifications Board (AQB), Appraisal Standards Board (ASB), Appraisal Subcommittee (ASC), Course Approval Program (CAP), Experience, Module, Practical Applications of Real Estate Appraisal (PAREA), State Appraiser Regulatory Agency, Supervisory Appraiser, Trainee Appraiser, The Appraisal Foundation (Foundation), Uniform Standards of Professional Appraisal Practice (USPAP©), and many more..

State Appraiser Regulatory Agency staff and other stakeholders identified terminology drift and undefined terms across the existing *Criteria* The lack of definitions has caused confusion. The Second Exposure Draft significantly expands the Definitions section to formalize many terms used throughout the *Criteria*, addressing the most frequently identified definitional gaps and reducing some confusion caused by similar terminology.

A guiding principle accompanies these definitions. The *Criteria* are written in terms of whether an applicant has met the requirements for a classification, not whether the applicant holds a credential. The distinction matters because the AQB sets the minimum qualifications for each classification, while a State Appraiser Regulatory Agency issues the credential. Stating each provision in terms of the requirements an applicant has met keeps it tied to what the AQB defines, rather than to the issuing of a credential, which is the state's role.

This keeps each requirement anchored to the AQB's minimum qualifications rather than what it takes for an applicant to obtain a State Appraiser Regulatory Agency-issued credential.

F. Guide Notes

Guide Notes are advisory and are not part of the *Criteria*. The Second Exposure Draft proposes the following changes to the Guide Notes that accompany the *Criteria*:

Guide Notes that are New

- Guide Note 12 is proposed as a new Guide Note. Guide Note 12 distinguishes the formal role of "Supervisory Appraiser," as that term is used in the *Criteria*, from the descriptive phrase "appraiser providing supervision" used in the general experience-log requirements. The distinction is necessary because experience

may be earned in contexts other than the formal Supervisory Appraiser/Trainee Appraiser relationship.

- Guide Note 13 is proposed as a new Guide Note. Guide Note 13 provides illustrations of how the recognized experience pathways may be combined toward -meeting an experience requirement. Guide Note 13 provides stakeholders illustrations of how combining could work.

Guide Notes Proposed for Retirement

- Guide Note 3 is proposed to be retired. The Guide Note appeared to conflict with, or did not directly reflect, the *Criteria*. The subject addressed by the Guide Note has been clarified and has incorporated directly into the *Criteria* by defining what it means to qualify as a Licensed Residential Appraiser, an accompanying footnote, and added definitions, including “transaction value.”
- Guide Note 10 is proposed to be retired. With the proposed removal of the college course and college degree retirements, this Guide Note would no longer be relevant.
- Guide Note 11 is proposed to be retired. Guide Note 11 (relating to PAREA delivery methods and techniques in training) has been overtaken by developments in instructional technology and contains recommendations that no longer function as guidance distinct from current PAREA practice. The substantive content of the *Criteria* and current PAREA approval framework address the same considerations more directly.

***Guide Notes Edited to Reflect the Proposed* Criteria**

- Guide Notes 1, 5, 6, and 9 are updated to reflect the proposed *Criteria*. The substantive content of these Guide Notes is preserved.

2. How This Reassessment Evolved and Came Together

The Second Exposure Draft is the product of a sustained period of public engagement, structured deliberation, and applied research. The remainder of this appendix documents how this was accomplished. This portion of the rationale serves generally as a record of the AQB’s process and source materials.

I. Timeline

The reassessment of the *Criteria* began in 2024 with a focused inquiry into the role of the college-degree requirement. From that starting point, the work proceeded through a

sequence of public concept papers and listening sessions, leading to the First Exposure Draft in December 2025 and to this Second Exposure Draft.

Milestone	Date
Concept Paper on the Assessment of College Degree Requirements (with Reference Material) released for public comment	May 2024
Concept Paper on Alternative Experience released for public comment	June 2025
First Exposure Draft released, together with the Concept Paper on the Skills-Based Pathway and the Concept Paper on the Examination-Only Pathway	December 3, 2025
Comment period on First Exposure Draft and accompanying concept papers closed	March 3, 2026
Second Exposure Draft issued	June 2026

II. The Comment Record

The reassessment produced 638 written comments across the issued concept papers and the First Exposure Draft. The breakdown by document is:

Document Released for Comment	Released	Written Comments Received
Concept Paper on the Assessment of College Degree Requirements (with supporting Reference Material)	May 2024	254
Concept Paper on Alternative Experience	June 2025	190
First Exposure Draft, together with the Concept Paper on the Skills-Based Pathway and the Concept Paper on the Examination-Only Pathway	December 3, 2025	194
Total written comments		**638**

Each comment received has been posted to The Appraisal Foundation's website, with names redacted upon request and consistent with the Foundation's policy on comments containing offensive or inappropriate content. The AQB has read every single comment,

III. How the AQB Worked through the Record

The volume and diversity of input collected during the reassessment was substantial. Comments, research findings, advisory council input, regulator feedback, and operational considerations arrived from multiple directions, often addressing the same questions from different angles and at different levels of evidentiary support. To organize that input fairly and evaluate it consistently, the AQB adopted a structured evaluation model developed in collaboration with the Foundation's decision-making consultant.

The evaluation model structures preparation but does not constrain deliberation. The AQB retains full authority over policy direction and final determinations. What the model does is organize complex information before discussion so that AQB can concentrate on making policy judgments rather than administrative sorting. The model has seven components:

- **Clarify.** Identify the substantive claim being made. Separate the underlying issue from tone, repetition, urgency, or the identity of the source. Group similar arguments to understand themes and frequency. The goal is to evaluate claims on their merits rather than on volume of commentary;
- **Locate.** Identify the level within the *Criteria* to which the claim belongs: foundational (core purpose and statutory authority), structural (the design of the requirement), or implementation (operational application and logistics);
- **Analyze.** Recognize whether a claim reflects a fact, an interpretation, a prediction, or a preference. Different types of claims warrant different forms of support. The model avoids holding all claims to the same evidentiary standard when their character differs;
- **Research.** Examine the supporting information and weigh it proportionally to the claim. The model recognizes distinctions among anecdotal experience, comment trends, job analysis findings, peer-licensing comparisons, and formal research, and aligns the depth of inquiry with the significance of the proposed change;
- **Inspect.** Evaluate alignment with the AQB's statutory authority and delegated role, consistency with the intended definition of the credential, operational feasibility for State Appraiser Regulatory Agencies, and the defensibility standards applicable to licensing bodies;
- **Track.** Confirm that the range of stakeholder perspectives is represented in the record. Distinguish frequency of commentary from diversity of perspective. Note areas where viewpoints are concentrated and where they may be limited or absent; and
- **Yield.** Articulate the outcome of deliberation, the level at which the issue was evaluated, the considerations that weighed most heavily, and the reasoning

supporting the determination. The model treats articulated rationale and an organized record of consideration as part of every decision.

The discipline this model brings to the reassessment mirrors the discipline an appraiser applies to a complex valuation: gathering data from multiple sources, distinguishing facts from interpretations from projections, weighing each source proportionally to its quality and relevance, and reconciling competing considerations through transparent reasoning. The model was developed through ongoing observation of the reassessment as it unfolded, and it is intended to be refined by AQB experience rather than imposed as a rigid procedure.

IV. Evaluating the Comment Record

The AQB worked with decision scientists (for example, the Decision Lab) and used artificial intelligence–assisted analysis to systematically extract every substantive claim raised across the written record. For each claim, the analysis identified the underlying idea proposed, the rationale offered in support of it, and the concerns expressed in connection with it. Approximately 67 distinct substantive claim categories were identified across the written record and organized into nine subject areas: regulatory structure and AQB role; workforce data and external conditions; practice readiness and purpose of qualification standards; education; experience; examination; supervisory and training models; alternative qualification pathways; and system-level interactions.

Each claim was then evaluated against a consistent set of considerations: the AQB's authority under Title XI (to set the minimum qualification requirements for state certification and licensing of real property appraisers, the minimum qualifications for Trainee Appraisers, and qualifications for Supervisory Appraisers); what the credential is designed to verify; the empirical record bearing on the claim (the 2025 National Job Analysis, AQB-approved national examination performance data, primary-source workforce and capacity data, and the Practice Readiness Research Brief); practice in comparable U.S. licensed professions; and operational feasibility for State Appraiser Regulatory Agencies.

The AQB's response to the record is reflected in the Second Exposure Draft and in this appendix.

V. Engagement Beyond Written Comment

The Appraisal Foundation maintains three advisory councils, each of which was engaged during the reassessment: the Industry Advisory Council (IAC); The Appraisal Foundation Advisory Council (TAFAC); and the Council to Advance Residential Equity (CARE). The most recent in-person session of the IAC included an immersive walkthrough of the proposed changes and the underlying engagement record.

The AQB also engaged directly with State Appraiser Regulatory Agencies, federal financial regulators, professional appraisal organizations, education providers, and individual appraisers practicing in traditional and non-traditional settings. Engagement took the form of listening sessions, structured feedback sessions, individual stakeholder meetings, and speaking engagements at industry, regulatory, and educational events. In addition, the AQB hosted public webinars on the reassessment process itself, including a walkthrough of the structured methodology used to organize and weigh public input. Every viewpoint expressed through these channels was captured and incorporated into the working record on which the AQB's deliberation drew.

VI. Research and Source Materials

The proposed changes are supported by a substantial body of research developed and made public over the course of the reassessment. The sections that follow describe the principal research streams the AQB reviewed, together with the documents in which that research is published.

A. Research Streams the AQB Reviewed

The AQB's substantive judgments draw on four primary streams of research, brought together in the Practice Readiness Research Brief and supplemented by AQB internal materials.

- **Federal statutory and regulatory record under Title XI.** The AQB reviewed Title XI and its legislative history, the appraisal regulations of the federal financial institutions' regulatory agencies (the Office of the Comptroller of the Currency, the Federal Reserve, the Federal Deposit Insurance Corporation, the National Credit Union Administration, and the Federal Housing Finance Agency), together with the Appraisal Subcommittee (the Consumer Financial Protection Bureau was not operational), the historical record of the Savings and Loan Crisis that gave rise to Title XI, and the federal-state architecture under which the AQB sets minimum qualifications and State Appraiser Regulatory Agencies issue credentials.
- **Licensing-assessment research literature.** The AQB reviewed the published research on how regulatory bodies verify professional competency at the point of credentialing. The frameworks the AQB drew on include Miller's pyramid of clinical competence, the work of Schmitt on layered ability in professional practice, the assessment-design literature of Schuwirth and van der Vleuten on the relationship between examination format and what is actually being measured, the research of Epstein and Hundert on professional competence as a multidimensional construct, Polanyi's work on tacit knowledge, and the part of professional ability that develops through practice and is difficult to capture through examination alone.

- **Survey of comparable U.S. licensed professions.** The AQB surveyed the qualification frameworks of nine other licensed professions[29] to identify how comparable regulators verify practice readiness at the entry credential level, the AQB's survey included medicine, nursing, engineering, accounting (CPA), psychology, social work, occupational therapy, aviation, and law. The survey identified several recurring patterns: tiered credentials with progressively expanding scope, structured supervised practice as the verification mechanism for higher tiers, and the consistent finding that more difficult examinations are not a substitute for verified experience when the credential signifies the ability to handle situations that an applicant has not yet encountered. This stream supports the AQB's rationale on which verification mechanisms are appropriate at which credential levels.
- **Preliminary scoping inquiry into alternative examination structures.** Because the examination-only concept paper drew sustained stakeholder interest, the AQB, in consultation with PSI Services LLC (the AQB's examination provider), conducted a preliminary scoping inquiry into the cost and structural characteristics of three alternative examination formats: an enhanced examination with embedded case simulations, a timed report-production examination, and a portfolio or practicum-style performance examination. The inquiry surveyed cost data, comparable program-development records (including the program-development cost record of PAREA), and the discontinuation history of comparable formats in other licensed professions. The inquiry's findings informed the AQB's conclusions on the feasibility, cost, and appropriateness of moving toward examination-only verification.

In addition to these streams, the AQB reviewed primary-source workforce and capacity data, the appraiser population demographic and economic data assembled in the 2024 Reference Material, the findings of the 2025 National Job Analysis, AQB-approved national examination performance data, and operational input from State Appraiser Regulatory Agencies.

B. Publicly Released Source Documents

The principal documents produced or made publicly available during the reassessment are listed below. Each is posted on the Foundation's website.

- **Reference Material for the Concept Paper on the Assessment of College Degree Requirements within the *Criteria*** (May 2024): A public research compendium covering the history of appraisal regulation in the United States, the federal-state regulatory framework, the structure of the *Real Property Appraiser Qualification Criteria*, the design of the AQB-approved national examination, the

[29] The ones chosen for surveying in-depth where the professions stakeholders most often requested the AQB to look to for how their licensing systems operate. In total, the AQB, considered information on nearly 1000 different professions.

experience requirement, the demographics and capacity of the appraiser population, the economic and regulatory environment in which the profession operates, and the historical and contemporary record on appraisal bias.

- **Concept Paper on the Assessment of College Degree Requirements within the *Criteria*** (May 2024) and the related public comment record.
- **Concept Paper on Alternative Experience** (June 2025) and the related public comment record.
- **First Exposure Draft of Proposed Changes to the *Criteria*** (December 3, 2025), released together with the Concept Paper on the Skills-Based Pathway and the Concept Paper on the Examination-Only Pathway, and the related public comment record.
- **2025 National Job Analysis findings** (November 2025; publicly released by the Foundation): Conducted by PSI Services LLC on behalf of the AQB, the Job Analysis surveyed 3,691 credentialed appraisers across all 50 states and the District of Columbia and identified the knowledge and tasks associated with appraisal practice at each credential level. This is the first public release of an AQB Job Analysis in the Foundation's history.
- **Practice Readiness Research Brief: Verification of Practice Readiness Prior to Independent Licensure** (May 2026): The AQB research brief integrating the four research streams described above.
- **Public webinars on the reassessment and on the deliberation process:** The Foundation has hosted public webinars throughout the reassessment, including walkthroughs of the methodology used to evaluate the public comment record.
- **Foundation newsletter and ongoing updates:** Regular updates on the reassessment have been published through the Foundation's newsletter throughout the period.

C. Workforce, Capacity, and Examination Data

The AQB reviewed primary-source workforce and capacity data assembled from the National Registry of the Appraisal Subcommittee, the Uniform Collateral Data Portal statistics published by Freddie Mac, the Current Population Survey and Occupational Employment and Wage Statistics of the U.S. Bureau of Labor Statistics, and AQB-approved national examination records. These sources informed the AQB's view of the entry pipeline, the distribution of credentials across States and credential levels, and the operational consequences of changes to the qualification framework.

Quarterly Newsletter - June 2026

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 August 2026.

Community & Connection: Spring AARO Conference Success!

Our Spring AARO Conference was an absolute success! Set against a beautiful backdrop, the event provided fantastic opportunities for our community to connect, collaborate, and advance our shared knowledge.

We were privileged to hear from inspiring industry leaders who tackled the most pressing "hot topics" and trends shaping our profession today. The energy, insights, and networking conversations throughout the event were truly invaluable.

A Heartfelt Thank You

An event of this scale is only possible through collaboration. We want to extend our deepest gratitude to the Program Committee, speakers, and volunteers who worked tirelessly behind the scenes to make this event seamless.

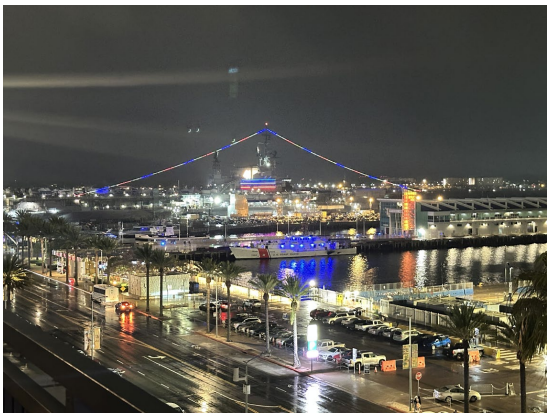
To Our Attendees: Your passion, engagement, and participation are what make the AARO community so incredibly vibrant. Thank you for showing up and sharing your expertise!

Highlights from the Event

- **Inspiring Sessions:** Industry leaders dove deep into the current trends and hot topics defining our field.
- **Invaluable Networking:** Members reconnected and forged new

professional bonds during our collaborative sessions.

- **The Silent Auction:** Beyond the professional insights, the silent auction proved to be a major highlight! It was an entertaining, high-energy night that gave everyone the perfect opportunity to let their hair down, have some fun, and simply enjoy each other's company.



AARO Conference Slideshow

What's Next? Our Fall 2026 Conference is Set!

As we look ahead to the next chapter of working together, we are thrilled to announce the details for our upcoming event.

Mark your calendars! We are officially heading to sunny Clearwater, Florida, for our Fall Conference. This event will be another incredible opportunity to

connect, share insights, and dive deep into our shared goals.

The Details at a Glance

- **Dates:** September 28 – 30, 2026
- **Location:** Clearwater, Florida
- **Hotel:** Sheraton Sand Key Resort
- **Objective:** Continued collaboration, innovation, and networking
- Reservation Link
- Stay Informed: Visit https://aaro.net/Events

Why Attend?

The Fall 2026 conference is designed to foster meaningful breakthroughs and strengthen our collaborative network. Plus, you'll get to do it all with Florida's beautiful coast as your view!

Stay Tuned: We are currently finalizing the agenda and speaker lineup. Registration details will hit your inbox soon—for now, please lock in those dates and book your hotel room so you don't miss out!

Call for Presentations: Share Your Expertise with the AARO Community

AARO is officially accepting presentation proposals for the Fall 2026 Conference! If you have insights, case studies, or innovative ideas to share, we want to hear from you.

- **Submission Deadline:** Monday, June 15, 2026

Call for Presentations **Presentation Proposal Form**

We can't wait to see you there!

Shape the Future of AARO: 2027 Leadership Nominations Now Open!

Are you ready to make a meaningful impact on the appraisal and AMC regulatory community? We are officially accepting nominations for the 2027 AARO Officers and Directors!

Leadership roles are open exclusively to representatives of our dues-paying member jurisdictions. If you are a member administrator, board member, legal counsel, or contract reviewer, we need your unique perspective. Self-nominations are encouraged!

- Election Date: Voting will take place during the Business Meeting at the Fall Conference (September 28-30, 2026, in Clearwater, Florida).
- Deadline to Submit: Friday, July 31, 2026

- How to Submit/Inquire: Email Brandy March at brandy.march@aaro.net

Open Positions & Eligibility Guidelines

Candidates may be nominated for any open Director or Officer position (any role not marked “N/A” on the nomination form). Unless noted below, individuals may be reappointed to their current roles or recommended for a new position.

Please review the following exceptions before submitting:

Positions Closed for Nominations

- President - The current President-Elect automatically ascends to this role.
- Immediate Past President - Dennis Badger will automatically fill this position.
- Current Directors (Terms Ongoing): Erin Dixson (Director 2), Bryn Kaelin (Director 5), and Russel Rice (Director 9).

Special Eligibility Notes:

- Larry Disney and Pete Fontana: Are not eligible for Director positions, but may be nominated for any Officer position (Secretary, Treasurer, Vice-President, President-Elect) or as an Alternate Director.

Bylaw Reminder: Both the individual making the nomination and the nominee must be active members from a dues-paying jurisdiction.

Nominiation Form

2026 OFFICERS & DIRECTORS

PRESIDENT – Dennis Badger, Kentucky

PRESIDENT-ELECT - Justin Barney, Utah

VICE PRESIDENT - Mark Smeltzer, Pennsylvania

TREASURER - Eric Brinton, Idaho

SECRETARY - MiChell Bird, Idaho

IMMEDIATE PAST PRESIDENT - Tom Veit, Kentucky

DIRECTORS

Larry Disney, Arkansas

Erin Dixson, Minnesota

Pete Fontana, Iowa

Angela Jemmott, California

Bryn Kaelin, Utah

Leon Lewis, District of Columbia

Ed Neelly, Mississippi

Fran Oreto, Florida

Russel Rice, West Virginia

Don Rodgers, North Carolina

ALTERNATE DIRECTORS

Nick Barker, Wyoming

Dave Cherner, Minnesota

Neva Conway, Alabama

Diana Piechocki, Arkansas

Jeremy Reed, Illinois

Highlighted States

Washington

Washington State Department of Licensing

Department of Licensing

PO Box 9030

Olympia, WA 98507-9030

Website

Washington is known for:

Nestled in the Pacific Northwest, Washington blends natural grandeur with massive global innovation. It is an agricultural titan and a tech and aerospace hub disguised as a scenic wonderland. It is famously the birthplace of major global brands like Starbucks, Microsoft, Amazon, and Boeing.

Fun Facts:

- **Bigger Than Niagara:** Snoqualmie Falls plunges 268 feet—dropping a striking 100 feet further down than Niagara Falls.
- **The Caffeine Catalyst:** The global coffee revolution erupted in 1971 from a single storefront in Seattle's Pike Place Market: the world's first Starbucks.
- **Ice & Fire:** The state's dramatic landscape features five active volcanoes (including Mount Rainier) alongside more glaciers than the other 47 contiguous states combined.
- **A Continental Rarity:** Breaking the myth of simple gloom, the Olympic Peninsula hoards enough rainfall to sustain the only temperate rainforest in the continental U.S.
- **First Pump:** Seattle permanently changed global transit by opening the world's very first service gas station in 1907.

Quick Facts:

- **The Boeing Behemoth:** The Boeing Everett factory is the largest building on Earth by volume, spanning a massive 4.3 million square feet.
- **Apple Empire:** Orchards here harvest over 10 billion apples annually, supplying roughly two-thirds of the entire United States.
- **Island Engineering:** Seattle's Duwamish Waterway is home to Harbor Island, the largest man-made island in the nation.
- **Crop Champion:** Washington grows 70% of America's hops and ranks #1 for sweet cherries, pears, and red raspberries.

Food Scene

Washington's food identity is fiercely local, combining fresh coastal hauls with rich agricultural valleys.

Ocean Treasures

- **Salmon & Dungeness Crab:** The crown jewels of local menus, featuring rich, alderwood-smoked wild salmon and sweet, delicate crab meat.
- **Geoduck:** Pronounced "gooey-duck," this giant, prehistoric-looking saltwater clam is a prized delicacy celebrated for its clean, sweet ocean flavor.

Orchard Gold

- **Cosmic Crisp Apples:** A sweet-tart, slow-to-brown variety engineered by Washington State University that has taken the apple world by storm.
- **Rainier Cherries:** Named after the state's highest peak, these yellow-and-red blushed gems are exceptionally sweet and a highlight of summer.

Street Eats & Cult Classics

- **The Seattle Dog:** A legendary late-night staple featuring a grilled sausage slathered with warm cream cheese and piled with grilled onions.
- **Seattle Teriyaki:** A distinct local culture serving charred, sweet-and-savory glazed meats alongside white rice and diner-style macaroni salad.
- **Cougar Gold Cheese:** A sharp, crumbly white cheddar aged inside a tin can, perfected by Washington State University's creamery.
- **Marionberry Pie:** A rich, complex blackberry hybrid baked into a flaky, tart summer dessert that locals obsess over.

West Virginia

West Virginia Real Estate Appraiser Board

405 Capitol Street, Suite 906

Charleston, WV 25301

Website

West Virginia is known for:

West Virginia, known as the "Mountain State," is famous for its stunning Appalachian landscape, rich coal-mining heritage, and pivotal role in the American Civil War. It stands out as the only U.S. state entirely within the Appalachian Mountain range, offering premier outdoor adventures like whitewater rafting and hiking.

Fun Facts

Fascinating Firsts & Records

- **Higher Than D.C.:** The gold-gilded dome of the West Virginia State Capitol stands at 293 feet, making it taller than the U.S. Capitol dome.
- **Pioneering Services:** West Virginia birthed the world's first brick-paved street (Charleston, 1870), the nation's first Rural Free Delivery mail service (Charles Town, 1896), and the first official Mother's Day observance (Grafton, 1908).
- **The Coal House:** In Williamson, the Tug Valley Chamber of Commerce building is uniquely constructed from 65 tons of hand-cut bituminous coal.
- **Mega Diamond:** The largest alluvial diamond ever found in North America—the 34.48-carat "Punch Jones" diamond—was discovered in Peterstown in 1928.

Nature & Science Wonders

- **Ancient Geography:** The paradoxically named New River is actually one of the oldest rivers on Earth and flows backward (south to north). Additionally, an ancient ocean—the Iapetus Sea—remains trapped deep underground as a briny aquifer.
- **Nature's Refrigerator:** Ice Mountain naturally vents freezing air year-round, which early settlers used to preserve food.
- **Deep Space Listener:** Pocahontas County houses the Green Bank Observatory, home to the world's largest fully steerable radio telescope.

Quick Facts

- **Statehood:** Admitted on June 20, 1863, as the 35th U.S. state.
- **The Mountain State:** It is the only state nestled entirely within the Appalachian Mountains.
- **Capital & Largest City:** Charleston.
- **State Gem:** *Lithostrotionella*, a fossilized coral left behind from when the region was covered by a shallow sea.
- **Political Trivia:** Cecil Underwood holds the unique record of being both

West Virginia's youngest governor (age 34 in 1956) and its oldest (elected at 74 in 1996).

Food Scene

Born from the resourcefulness of hardworking miners and the bounty of the Appalachian wilderness, West Virginia's culinary heritage is pure comfort.

- **The Pepperoni Roll:** Invented in 1927 as a durable, no-refrigeration-needed lunch for coal miners, this official state food features soft yeast rolls stuffed with pepperoni that melts into the bread during baking.
- **Wild Ramps:** Foraged in the spring, these wild mountain leeks pack a pungent garlic-onion punch and are traditionally fried with potatoes or eggs.
- **"Molly Moochers" (Morel Mushrooms):** These elusive, honeycomb-textured wild mushrooms are prized by foragers for their earthy, nutty flavor and are best enjoyed pan-fried in butter.
- **Soup Beans & Skillet Cornbread:** The ultimate Appalachian comfort food. Pinto or navy beans are slow-simmered with smoky ham hocks and served with a crispy wedge of cast-iron cornbread.
- **Biscuits and Gravy:** Flaky, oversized biscuits smothered in rich, peppery sausage gravy are a breakfast institution here, popularized by local legends like Tudor's Biscuit World.
- **Golden Delicious Apple:** Discovered as a chance seedling on a Clay County hillside in 1905, this sweet, crisp apple is West Virginia's gift to the world and its official state fruit.

Wisconsin

Department of Safety and Professional Services

4822 Madison Yards Way

Madison, WI 53705

Website

Wisconsin is known for:

Wisconsin is affectionately known as "America's Dairyland". Alongside producing a massive portion of the nation's milk and cheese, it holds a rich history of quirky inventions—like the first ice cream sundae and the iconic foam Cheesehead—and boasts a fantastic, hearty food culture.

Fun Facts

- **The Ultimate Sundae:** In 1881, a sweet-toothed customer in Two Rivers asked for chocolate syrup on their ice cream—and the legendary ice cream sundae was born.
- **Barbie & Bikes:** Wisconsin is the birthplace of **Harley-Davidson** motorcycles (Milwaukee, 1903) and the fictional hometown of the world-famous **Barbie** (Willows).
- **Global Flavors:** Surprising but true: Walworth, Wisconsin, is home to the world's largest soy sauce production plant, run by Kikkoman.
- **Epic Party Vibes:** Milwaukee hosts **Summerfest**, a massive music festival that floods the city with around 2,500 performers.

Quick Facts

- **The Power Centers:** While **Madison** keeps the gears turning as the state capital, **Milwaukee** reigns as the largest city.
- **The "Badger" Backstory:** The state animal isn't just a furry creature; the nickname actually honors early 19th-century lead miners who lived in underground dugouts.
- **Early Education:** America's very first kindergarten opened its doors in Watertown back in 1856.

Food Scene

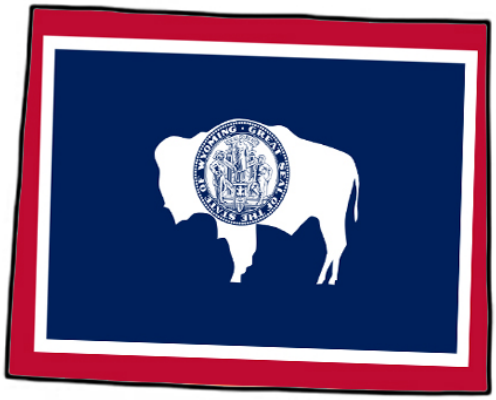
- **Squeaky Cheese Curds:** These bite-sized cheddar chunks are a local obsession. Eat them fresh for the signature "squeak," or enjoy them battered and deep-fried.
- **Beer-Bathed Brats:** The ultimate tailgate food. Locals boil these sausages in a savory mix of beer and onions before tossing them on the grill.
- **Friday Fish Fry:** A legendary weekly tradition. Restaurants statewide serve up golden, batter-dipped perch or walleye alongside potato pancakes and rye bread.
- **Butter Burgers & Kringles:** For dessert and decadence, try a burger with a heavily butter-toasted bun, followed by a **Kringle**—a flaky, fruit-filled, oval Scandinavian pastry made famous in Racine.

WYOMING

Wyoming Real Estate Commission

2617 E Lincolnway, Suite H

Cheyenne, Wyoming 82002



Webiste

Wyoming is known for:

As America's least populated state, Wyoming offers endless room to breathe, deeply anchored in cowboy culture and a spirit of rugged independence. It is a land of historic firsts—proudly home to the world's very first national park—where the untamed frontier meets a distinct culinary scene. Here, hearty wild game pairs perfectly with legendary Wild West delicacies, serving up a true taste of freedom.

Fun Facts

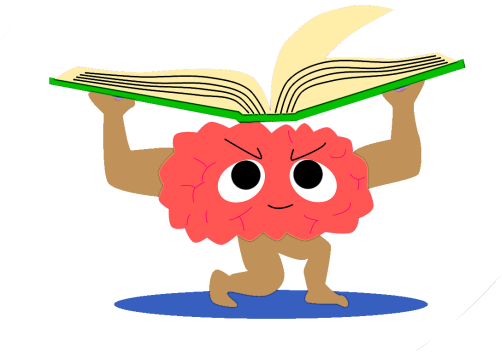
- **The Equality Pioneer:** Wyoming was the first U.S. territory to grant women the right to vote and hold office (1869)—years ahead of the rest of the country.
- **A Land of Firsts:** It boasts the world's very first National Park (**Yellowstone**, 1872) and America's first National Monument (**Devils Tower**, 1906).
- **Built for Speed:** The state is home to the American pronghorn, a critter that clocks in as the second-fastest land mammal on Earth.
- **Wide-Open Spaces:** About half of Wyoming is public land, leaving endless room to roam.

Quick Facts

- **Population:** Under 600,000 residents, making it the least-populated state in the nation.
- **Capital: Cheyenne**, famous for hosting the massive Cheyenne Frontier Days rodeo.
- **Nicknames:** *The Equality State* and *The Cowboy State*.

Food Scene

- **Wild West Delicacies:** If you're feeling brave, try **Rocky Mountain Oysters** (deep-fried bull testicles). Locals swear they taste just like chicken!
- **Game & Catch:** Lean **bison** burgers and steaks dominate local menus, while pristine mountain streams serve up fresh **cutthroat and rainbow trout**.
- **Fry Bread Tacos:** A regional favorite featuring fluffy, deep-fried Native American dough piled high with savory taco toppings.



Upgrade Your Brain: Did you know . . . ?

The Sharp Mind | Your Cognitive Update

When we think about wellness, we usually focus from the chin down. We count our steps, obsess over macros, and sweat it out at the gym. But what about the three-pound command center orchestrating your entire life?

This quarter, we are diving deep into the mechanics of your mind—and serving up a few frictionless, daily habits to keep your mental gears spinning faster and smoother.

Inside the Control Room: What the Science Says

To optimize your mental performance, you have to understand the hardware. Here is what modern neuroscience reveals about the powerhouse between your ears:

- **The Brain Demands a Workout:** It might not be made of muscle fibers, but your brain thrives on the exact same principles. Introducing your mind to novel, complex skills floods the tissue with oxygen, ramps up circulation, and triggers the birth of fresh neural pathways.
- **Sleep is a Cellular Janitor:** While you are deep in dreamland, your brain

cells physically contract to allow cerebrospinal fluid to sweep through. This nightly rinse literally scrubs away toxic protein debris—the very plaques associated with cognitive decline. Skip sleep, and the trash piles up.

- **The Multitasking Myth:** Your brain is biologically incapable of processing two complex thoughts simultaneously. When you think you are multitasking, you are actually "context-switching"—rapidly toggling back and forth. This constant friction drains your mental battery and tanks your accuracy.
- **Linguistic Architecture:** Picking up a second language structurally modifies your brain, visibly thickening its gray matter. Consider it an insurance policy for your mind, building a robust "cognitive reserve" that pushes back against the aging process.

4 Micro-Habits for Maximum Mental Clarity

Upgrading your intellect doesn't require a lifestyle revolution. Sneak these rapid, neuro-stimulating challenges into your weekly routine to spark some serious mental friction:

1. Make Some Noise

Pick up an instrument, even if you play it terribly. Strumming a few chords or tapping out a melody forces your mind to simultaneously manage tactile coordination, audio processing, and pattern decoding. It is the ultimate full-system workout for your cortex.

2. Swap Your Grip

Brush your teeth, pour your morning coffee, or navigate your phone with your non-dominant hand. That instant wave of awkwardness you feel? That is a dormant hemisphere of your brain being forced awake to wire new connections.

3. Get Intellectually Lost

Ditch your GPS on the weekends. Navigating an unfamiliar neighborhood or exploring a new park marries low-impact cardio with spatial reasoning—one of the single most potent combinations for cognitive longevity.

4. Disrupt Your Routine

Driving the same streets every day sends your brain straight into a vegetative autopilot mode. Break the pattern. Taking an alternative route to the office forces your hippocampus to activate, sharpening your spatial memory and focus.

Your mind thrives on the unexpected. What is one tiny routine you will disrupt today to give your brain something new to chew on?

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 next ASC quarterly meeting is scheduled for June 18th, 2026, at 1:00 p.m. EDT.

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 Discussions and Exposure Drafts

Get up to speed:

- Exposure Draft - Proposed New Advisory Opinion 41, Use of Technology in an Appraisal or Appraisal Review Assignment.

Appraisal Qualification Board (AQB):

Get up to speed:

- Exposure Draft - Proposed Changes to the Criteria,
- Concept Paper - Skills Based Examination Pathway,
- 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: February 4, 2026)

Stay informed with the latest information - Sign up for key policy, technology, and product updates.

FREDDIE MAC:

Seller/Servicer 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 Chair

Bryn Kaelin Vice Chair

Brandy March Managing Director

Program Committee Members

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

Brandy March
Association of Appraiser Regulatory Officials
7800 Falls of Neuse Road #99483
Raleigh, NC 27615, US

Appraiser Capacity

Updated June 2026

Freddie Mac SINGLE-FAMILY

Q.320

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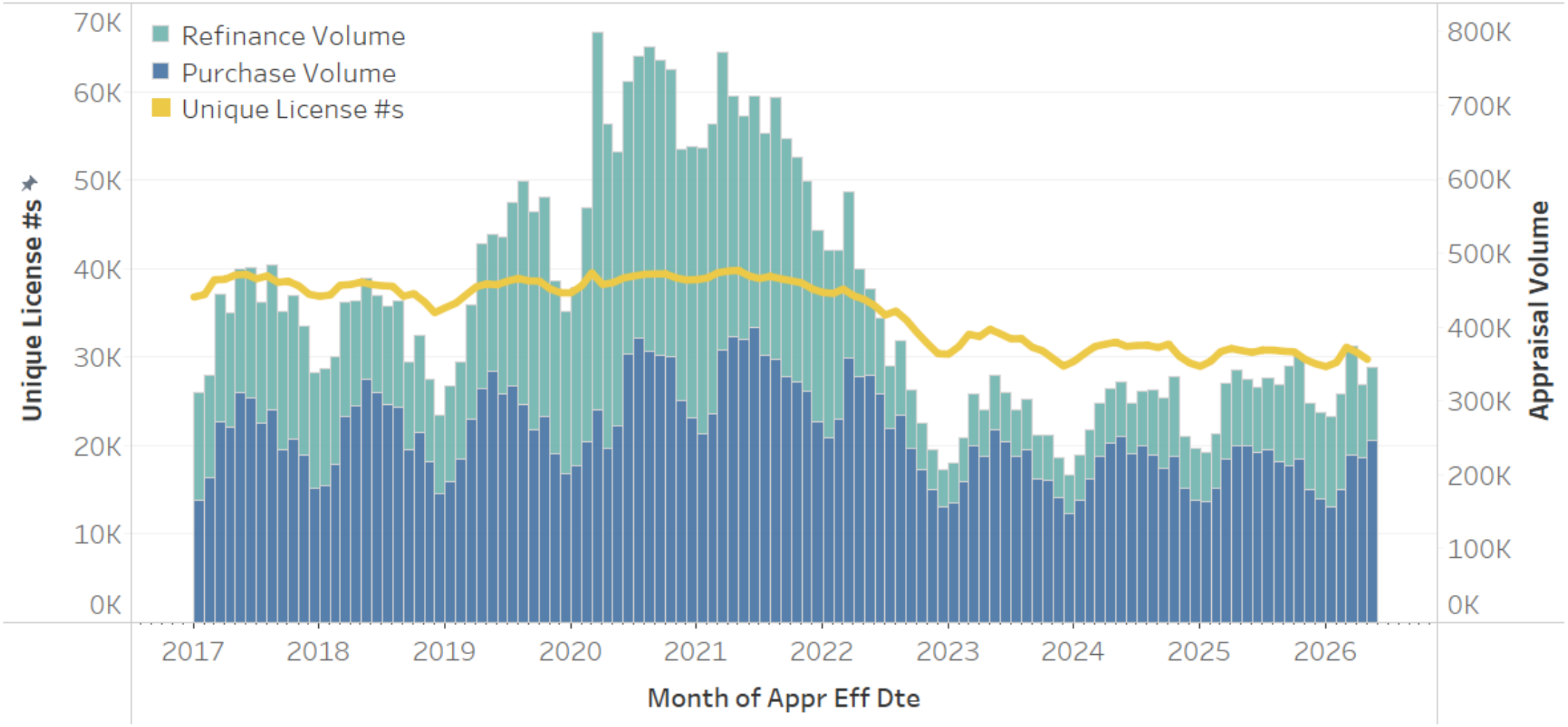
UCDP Appraisal Volume



Unique appraiser license numbers in UCDP, per month. Volume includes all form types (not limited to 1004/70). January 2017 to May 2026.

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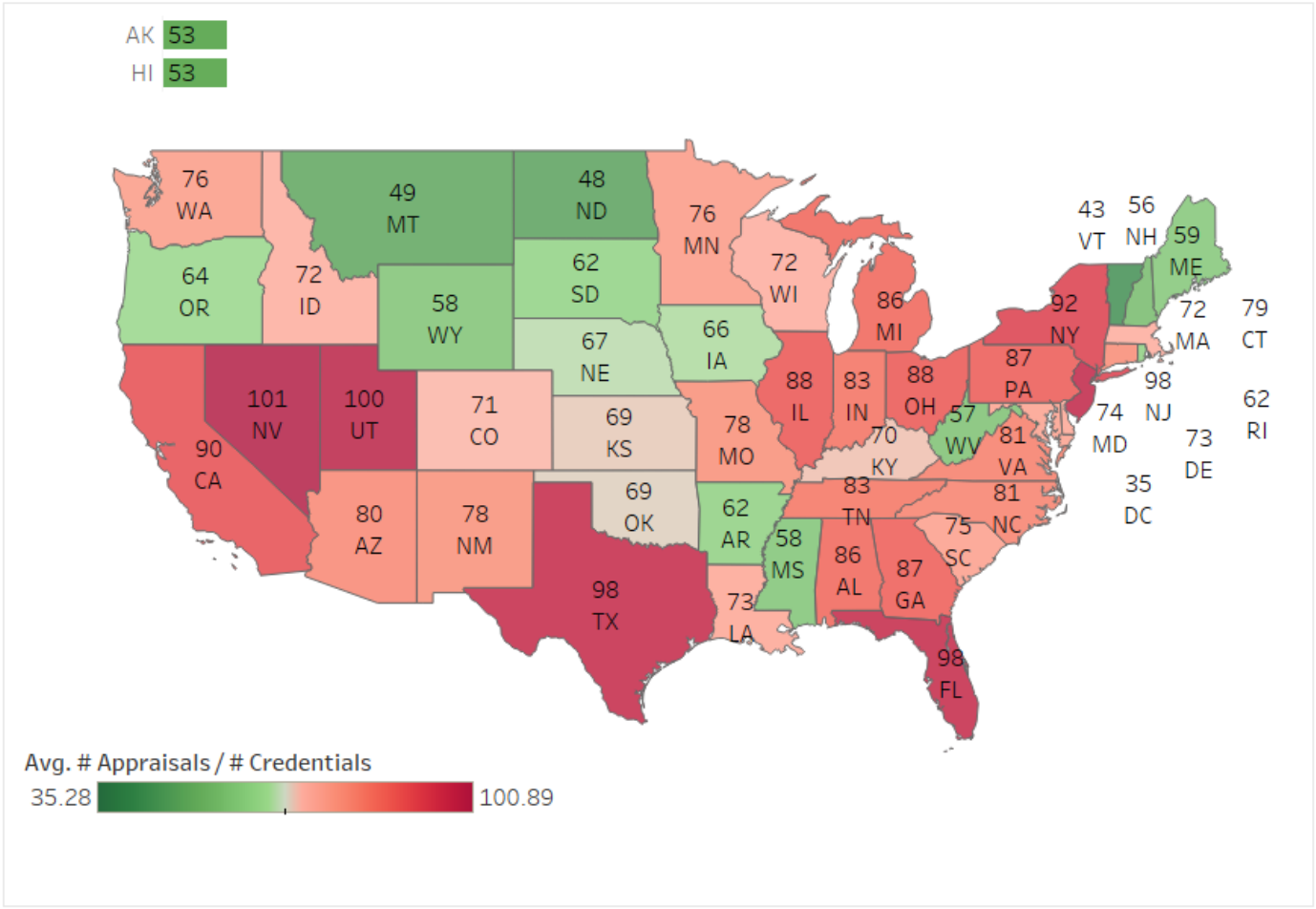
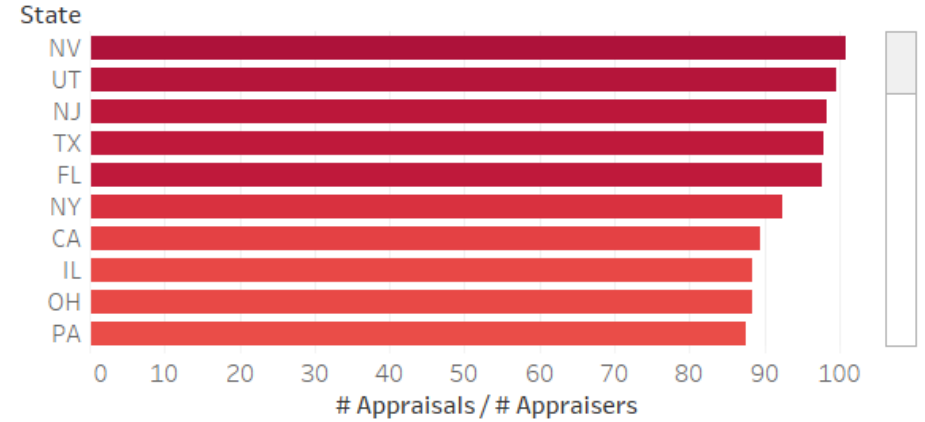
GSE Appraisals per Appraiser – State View

2026 Avg. GSE Appraisals per Appraiser (2026 YTD as of 5/31/2026)

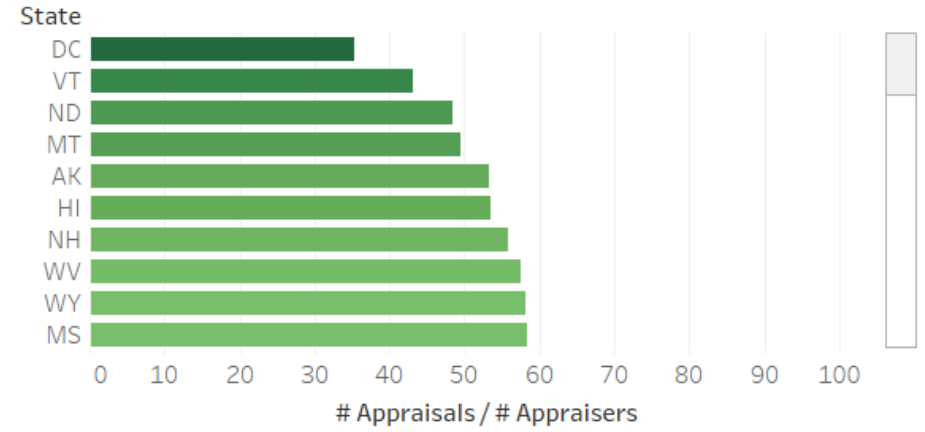


Based on unique appraiser license #s in UCDP. Appraisal and license volume for all form types (not limited to 1004/70).

Appraisals per Appraiser (Top 10 HIGHEST)



Appraisals per Appraiser (Top 10 LOWEST)



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