



Memo from the Board to Nebraska Real Property Appraisers

September 24, 2013

Mandatory Credentialing for Real Property Appraiser Experience Credit

By Tyler Kohtz, Director

The Appraisal Subcommittee of the Federal Financial Institutions Examination Council ("ASC"), the federal entity that is charged with monitoring the requirements for certification and licensing established by the states, recently completed an audit of the Nebraska Real Property Appraiser Board ("Board"). One of the Policy Managers for the ASC brought attention to the language found in the Real Property Appraiser Act ("Act"), and questioned the Board's practice of not requiring a credential for experience credit awarded to an applicant for credentialing as a licensed, certified residential, or certified general real property appraiser.

The Board's Director researched the language cited by the ASC Policy Manager, and prepared a report for the Board to review at its regular meeting on August 22, 2013. The report concluded that in order for experience to be acceptable to the Board, it must be obtained as part of any act or process, performed for a fee or other valuable consideration, involved in developing an appraisal or preparing an appraisal report. If one engages in any act or process of developing an analysis, opinion, or conclusion relating to the value of specified interests or aspects of identified real estate or identified real property for a fee or other valuable consideration, he or she must be credentialed under the Act; therefore, only experience hours obtained as a real property appraiser meets the statutory requirements for experience. If one does not hold a credential as a licensed residential, certified residential, or certified general real property appraiser, one must hold a credential as a trainee real property appraiser.

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After considering this information at its meeting, the Board implemented Board Policy 13-12, which says:

Appraisal experience obtained for credentialing as a Licensed Residential, Certified Residential, or Certified General Real Property Appraiser must be acquired as a credentialed Real Property Appraiser as January 1, 2014. Credentialing as a Real Property Appraiser is not required for any experience obtained prior to January 1, 2014.

The deadline for obtaining a credential as a trainee real property appraiser for the purpose of acquiring experience for credentialing as a licensed residential, certified residential, or certified general real property appraiser shall be January 1, 2014. Any experience obtained after January 1, 2014, must be as a credentialed real property appraiser. Any experience obtained by an individual that is not a real property appraiser will not be accepted by the Board, and may lead to additional action by the Board. All experience obtained outside of the State of Nebraska, must be obtained in compliance with the Nebraska Real Property Appraiser Act.

If you are currently training or supervising a person that does not currently hold a credential, please ensure that he or she submits a trainee real property appraiser application to the Board for review prior to 5 p.m. on Friday, December 7, 2013 to be placed on the Board's December agenda. An application for supervisory appraiser approval must be submitted along with the trainee real property appraiser applicant for board review. Please remember the following to be approved as a supervisory appraiser for a trainee real property appraiser:

- The supervisory appraiser must be a certified appraiser in good standing.
- The supervisory appraiser is responsible for the training and direct supervision of the trainee real property appraiser by accepting responsibility for the appraisal report by signing and certifying the report is in compliance with the Uniform Standards of Professional Appraisal Practice ("USPAP").
- The supervisory appraiser must personally inspect each appraised property with the trainee real property appraiser as is consistent with his or her scope of practice until the supervisory appraiser determines that the trainee real property appraiser is competent in accordance with the competency rule of USPAP.
- The supervisory appraiser must keep copies of all appraisal reports for a period of five years, or at least two years after final disposition of any judicial proceedings in which the appraiser provided testimony related to the assignment, whichever period expires last.
- A supervisory appraiser may not supervise more than three trainee real property appraisers at one time.
- An appraisal log must be maintained by the trainee real property appraiser and supervisory appraiser jointly, and be on a form approved by the Board.

In addition, please ensure that the applicant for the trainee real property appraiser credential has met all the requirements for credentialing prior to submitting an application to the Board. To meet the requirements for credentialing as a trainee real property appraiser, the applicant must:

- Be at least nineteen years of age;
- Hold a high school diploma or a certificate of high school equivalency or have education acceptable to the board;
- Not have been convicted of any felony or, if so convicted, have had his or her civil rights restored;
- Have completed no fewer than seventy-five hours in board approved courses of study, which include the 15-hour National Uniform Standards of Professional Appraisal Practice Course, 30-hour Basic Appraisal Principles Course, and 30-hour Basic Appraisal Procedures Course; no experience or examination is required.

If a trainee real property appraiser remains in the classification in excess of two years, the trainee shall be required in the third and successive years to successfully complete no fewer than fourteen hours of instruction in courses or seminars for each year of the period preceding the renewal. The hours for qualifying education courses completed by trainee real property appraiser may be applied to the required number of continuing education hours. The trainee real property appraiser must also complete the seven-hour National Uniform Standards of Professional Appraisal Practice Update Course at least once every two years, beginning at the date the trainee real property appraiser credential is awarded.

The trainee real property appraiser application can be found on the Board's website at www.appraiser.ne.gov under "Links" on the right hand side of the page. Select the hyperlink named "Nebraska Residential Forms and Information." Inside this hyperlink is the "Supervisor/Trainee Registration Form," along with the "Residential Experience Log Form." In addition, the report reviewed by the Board may also be found on the Board's website. Select the hyperlink named "Mandatory Credentialing for Real Property Appraiser Experience Credit Board Report" found on the main page. Please contact the Board's office with any questions regarding mandatory credentialing for real property appraiser experience credit at 402-471-9015, or feel free to email any employee of the Board.