



THE APPRAISAL FOUNDATION
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Standards and Appraiser Qualifications*

APPRAISER QUALIFICATIONS BOARD

To: Interested Parties

From: Gary Taylor, Chair
Appraiser Qualifications Board

Date: May 2, 2008

Re: 2nd 2008 Exposure Draft of a Guide Note applying to the *Real Property Appraiser Qualification Criteria*

REQUEST FOR WRITTEN COMMENTS

Attached is the 2nd Exposure Draft of 2008 consisting of a proposed Guide Note applying to the *Real Property Appraiser Qualification Criteria*. The intent of this document is to obtain comments from appraisers, users of appraisal services, regulators, academicians, and the public.

Based on comments received from the 1st Exposure Draft of 2008, the AQB has elected not to proceed with the proposed Interpretation on the 7-Hour *National USPAP Update Course* completion requirements. Therefore, this Exposure Draft includes only the proposed Guide Note.

The AQB received many comments that supported issuance of the Guide Note. However, several responses expressed concern that the example of the experience log in the Guide Note was the only acceptable format. Clarifying language has been added to more clearly reflect the AQB's position that the sample log provided is only one possible option.

We encourage all interested parties to respond in writing to the Appraiser Qualifications Board (AQB) of The Appraisal Foundation before the written comment deadline of **June 2, 2008**. Oral comments will also be accepted at the AQB's public meeting in Atlanta, Georgia, on June 6, 2008.

Interested parties are invited to submit written comments on this Exposure Draft to:

AQB Comments, The Appraisal Foundation, 1155 15th Street, NW, Suite 1111, Washington, DC 20005. Comments may also be submitted by facsimile to (202) 347-7727 or via e-mail to comments@appraisalfoundation.org.

IMPORTANT NOTE: All written comments will be posted for public viewing, exactly as submitted, on the website of The Appraisal Foundation.

If you have any questions regarding this Exposure Draft, please contact The Appraisal Foundation at (202) 347-7722.



AQB GUIDE NOTE 6 (GN-6)

This Guide Note relates to the verification of experience credit as specified in the *Real Property Appraiser Qualification Criteria* that became effective on January 1, 2008.

Under “Criteria Applicable to All Appraiser Classifications” in the 2008 Criteria, Section V.G. (*Generic Experience Criteria*) reads as follows:

- G. *The verification for experience credit claimed by an applicant shall be on forms prescribed by the state certification/licensing agency, which shall include:*
1. *Type of property;*
 2. *Date of report;*
 3. *Address of appraised property;*
 4. ***Description of work performed by the trainee/applicant and scope of the review and supervision of the supervising appraiser;***
 5. *Number of actual work hours by the trainee/applicant on the assignment; and*
 6. *The signature and state certification number of the supervising appraiser if applicable. Separate appraisal logs shall be maintained for each supervising appraiser if applicable.*

(Bold added for emphasis)

As indicated above, the Criteria mandates that the forms used to verify experience credit include all of the identified items. Five of the six items listed are fairly self-explanatory; however, the AQB has received inquiries regarding the intent of item #4 above (the bolded text).

It is the intent of the AQB that the verification of experience clearly identifies three things under item #4:

- 1) A description of the work performed by the trainee or applicant;
- 2) The scope of the review performed by the supervising appraiser; and
- 3) The level of supervision performed by the supervising appraiser.

Although the scope of review and level of supervision performed by the supervising appraiser might appear to be redundant at first glance, they are not. For example, in certain assignments a supervising appraiser might determine that a lesser level of supervision is required, but that might not impact the level of review performed.

The AQB recognizes that assignments may differ significantly; therefore the level of review and supervision by the supervising appraiser may also differ from assignment to assignment. Also, depending on the assignments involved, it might be expected that the supervising appraiser's level of review and supervision diminish over time as the trainee/applicant gains competency.

The following page includes an example of an experience log that includes the information required by the Criteria. The attached is merely one possible example of an experience log. Any format that includes the items listed under Section V.G., *Generic Experience Criteria*, as specified in the *2008 Real Property Appraiser Qualification Criteria* is acceptable.

It should be noted that experience logs or other forms prescribed by a state appraiser regulatory agency to verify experience credit might appear very different, including requiring substantially more information than is identified in the example on the following page. However, as stated above, all forms must, at a minimum, include the items listed under Section V.G., *Generic Experience Criteria*, as specified in the *2008 Real Property Appraiser Qualification Criteria*.

Date of Report	Property Address, City, State, Zip	Type of Property (SFR, Condo, 2-4 Units)	Description Of Applicant's Work Performed	Scope of Supervising Appraiser's Review	Scope of Supervising Appraiser's Supervision	Number of Actual Hours Worked By Applicant
1/3/06	123 Oak Street Washington, DC 20005	SFR	Neighborhood, subject and comp data research and analyses, interior/exterior property inspection, cost/sales comparison approaches, final reconciliation	Reviewed workfile and report, verified subject sales history, checked data and analyses in approaches to value utilized, discussed with applicant, co-signed appraisal report	Completed entire appraisal process with applicant, including physical inspection of subject property (first SFR appraisal for applicant)	7
6/7/06	455 Pine Street Washington, DC 20005	SFR	Neighborhood, subject and comp data research and analyses, interior/exterior property inspection, cost/sales comparison approach, final reconciliation	Reviewed workfile and report, verified all comparable data and analyses, verified homeowner's association info, discussed with applicant, co-signed appraisal report	Oversight of comparable data selection and analyses, provided direction in site value analysis used in cost approach, did not physically inspect subject property	7
1/10/07	202 Spruce Street Washington, DC 20005	SFR	Neighborhood, subject and comp data research and analyses, interior/exterior property inspection, cost/sales comparison/ income approaches, final reconciliation	Reviewed workfile and report, checked data and analyses in approaches to value utilized, discussed with applicant, co-signed appraisal report	Review of comparable data selection and analyses, did not physically inspect subject property	10
1/24/07	115 Pennsylvania Ave. Washington, DC 20005	Retail Store	Neighborhood, subject and comp (sale and rental) data research and analyses, interior/exterior property inspection, cost/ sales comparison/ income approaches, final reconciliation	Reviewed workfile and report, verified subject sales history and all data and analyses in approaches to value utilized, discussed with applicant, co-signed appraisal report	Completed entire appraisal process with applicant, including physical inspection of subject property (first commercial appraisal for applicant)	30
8/14/07	200 S Broadway Washington, DC 20005	Retail Store	Neighborhood, subject and comp (sale and rental) data research and analyses, interior/exterior property inspection, cost/ sales comparison/ income approaches, final reconciliation	Reviewed workfile and report, verified subject sales history and all data and analyses in approaches to value utilized, discussed with applicant, co-signed appraisal report	Oversight of comparable data selection and analyses, provided direction in DCF analysis used in income approach, did not physically inspect subject property	40
1/10/08	300 Capitol Avenue Washington, DC 20005	Retail Store	Neighborhood, subject and comp (sale and rental) data research and analyses, interior/exterior property inspection, cost/ sales comparison/ income approaches, final reconciliation	Reviewed workfile and report, checked data and analyses in approaches to value utilized, discussed with applicant, co-signed appraisal report	Review of comparable data selection and analyses, did not physically inspect subject property	40
2/12/08	144 Elm Avenue Washington, DC 20005	Golf Course	Completed entire appraisal process	Reviewed workfile and report, verified subject sales history and all data and analyses in approaches to value utilized, discussed with applicant, co-signed appraisal report	Completed entire appraisal process	60

Thomas D. Trainee
Applicant/Trainee

Sally A. Supervisor
Supervising Appraiser

State
Certification No.