



**American School of Business**

*"Your Success Is Our Goal"*

194 Route 46 East, Fairfield, NJ 07004

P: 973-244-0333, F: 973-244-0246

[Info@americanschoolnj.com](mailto:Info@americanschoolnj.com) [www.AmericanSchoolNJ.com](http://www.AmericanSchoolNJ.com)

2010

**Real Estate, Appraisal, Insurance, Securities, Mortgage & Medical  
Licensing, Continuing Education, Exam Prep & Certification  
In-Class, On-Line & On-Site**

# ***Appraisal Students***

## **General Information Handout**

**Corporate Headquarters  
194 Route 46 East, Fairfield, NJ 07004**

**Office Hours  
Mondays & Tuesdays 8:30am-6:30pm  
Wednesday, Thursday & Friday  
8:30am-4:30pm**

**Phone 973-244-0333  
Fax 973-244-0246  
[www.americanschoolnj.com](http://www.americanschoolnj.com)**

**Now Celebrating 27 Years in Business !**



# American School of Business

*"Your Success Is Our Goal"*

194 Route 46 East, Fairfield, NJ 07004

P: 973-244-0333, F: 973-244-0246

[Info@americanschoolnj.com](mailto:Info@americanschoolnj.com) [www.AmericanSchoolNJ.com](http://www.AmericanSchoolNJ.com)

**Real Estate, Appraisal, Insurance, Securities, Mortgage & Medical  
Licensing, Continuing Education, Exam Prep & Certification  
In-Class, On-Line & On-Site**

## **Important Information Regarding Attendance And Completion of Your Appraisal Courses**

1. Each student is to be assigned a student ID number by the instructor. Please write your Student ID# in your textbook. You will be required to print the complete nine digit ID# on the Attendance Sheet during every session of class in order to get credit for being there.
2. If your name and Student ID# is not clearly printed on the Attendance Sheet, you will not be given credit for that class.
3. Credit cannot be given to any student who does not attend a full session whether it be day, evening or Saturday. Meaning no partial credit can be given to students who miss any portion of a session.
4. In order to complete each Appraisal Course you will need to:
  - a. Complete the required number of classroom hours for each course you have registered for. For example Introduction to Real Estate Appraisal is a 60 hour course.
  - b. Pass the final exam at the end of each course with at least a 75%
5. Guarantee of Satisfaction: You have one year from the date of enrollment to complete your course. If you do not complete the course within one year, you will have to re-register and begin accumulating the required hours again. If the above situation occurs, a discount of approximately 20% will be given off the current tuition within one year of expiration.
6. Students for Appraisal Courses are entitled to attend makeup classes at any of our day, evening or Saturday programs at any of our training centers.
7. Students will be provided a monthly course calendar outlining what topics are being covered during each session of class at each training center. You can obtain calendars for other locations by visiting us on our web site at [www.americanschoolnj.com](http://www.americanschoolnj.com). Once in our website go to the "**General Information**" tab and click on the selection for "**Existing Students Area Only**". From there click the sub-heading for "**Course Calendars**" From the Classroom Calendars page you will see a list of our current training centers. Choose a "**Training Center**" and the name of the course you are attending. i.e. "**Appraisal Licensing Courses**" The calendars are provided in an Adobe "PDF" file format. A free download of Adobe Reader is available by visiting [www.adobe.com](http://www.adobe.com).

**Now Celebrating 27 Years in Business !**



# Student Parking Guidelines

**\* Fairfield Training Center \***

Occasionally the American School of Business parking lot becomes overcrowded. When this happens we need all of our students to follow the following guidelines:

1. All cars must be parked in "lined" parking spots.
2. No student parking is permitted in the front of the building.
3. Parking on the grass or mulch is strictly prohibited.
4. DO NOT park in Employee designated areas.

## **Overflow Parking:**

When our parking lot is full you are asked to park on the side street next to Lombardi's Restaurant (Plog Drive). Lombardi's Restaurant is located behind our building on Fairfield Road.

Turn left out of the back of the American School of Business parking lot. Lombardi's restaurant is located on the right about 150 feet down the block.

***Cars parked by students in non-designated areas will be subject to tow & removal at the owner's expense!***



***Your Cooperation Is Greatly Appreciated!!!***

# TESTING / RE-TESTING SCHEDULES

## Training Center:

American School of Business  
194 Route 46 East – 2<sup>nd</sup> Floor, Fairfield, NJ 07004  
Phone: 973-244-0333

Directions are available by visiting our web-site at  
***www.americanschoolnj.com***

## Testing Schedule

**Mondays at 2:00 PM\***

(No one will be admitted after 2:15 PM)

AND

**Tuesdays Evenings at 5:00 PM\***

(No one will be admitted after 5:15 PM)

There is no cost for first time test takers.

There is a **\$10.00** testing fee for students who are re-testing

### **ITEMS NEED FOR TEST**

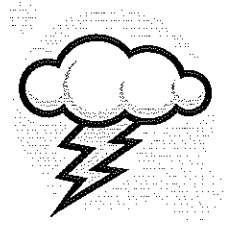
- **#2 Pencil**
- **Calculator**
- **Scrap Paper**

***NOTE:*** *Textbooks, materials and / or other personal belongings are NOT permitted in the testing rooms.*

\*Testing times are subject to change or cancel due to Holiday Schedules. Call for updated info.



## Inclement Weather Notice



In the event of inclement weather you should call The American School of Business at (973) 244-0333.

Our voice message service will indicate what locations and courses will be affected by the weather. Call no more than (2) two-hours prior to the start of your scheduled class time. Please, listen to the entire message.

### **PLEASE NOTE:**

Our staff does not make individual calls to our students for cancellations or delayed openings due to bad weather conditions. You must call us as indicated above.

Thank You,  
Management

**Order Today!**  
**800-288-5154**

# Appraisal Students

## Exam Preparation & Supplemental Materials!

### Question & Answer Textbook

- This best-selling exam guide contains over 1,000 questions to test and sharpen your appraisal knowledge.
- A must have for students seeking a successful career in the appraisal field.
- This exam-prep textbook features topics covering all items found on your state exam outlines, test-taking tips to help achieve top performance, as well as expanded chapter overviews that discuss the key concepts of each chapter.
- **COST for the Question & Answer Textbook: \$50**

### Question & Answer Software:

- All of the above items from the textbook are also available in an interactive software format. Some additional features of the software include: immediate feedback on why your answer is correct or incorrect; easily pinpoint areas requiring further review; receive audio feedback; receive progress reports; electronic flashcard reviews, a glossary of key appraisal terms for a quick vocabulary review, and more...
- **COST for Question & Answer Software: \$50**

### Key Point Audio Review CD's:

- This is a set of two audio review CD's that provides a quick and easy review of the key terms and important concepts found on your exam. These CD's reinforce information students learn in class, thereby increasing pass rates.
- **COST for Key Point Audio Review CD's: \$35**

### Appraisal Review Flash Cards:

- These two-sided flash card – derived from *Fundamentals of Real Estate Appraisal* – offer extra practice for students studying for their school and pre-licensing appraisal exams. A total of 615 cards cover all residential appraisal topics.
- **COST for Appraisal Review Flash Cards: \$35**

### Qualifier Plus IIIx Calculator

- Mortgage Loan Qualifying Calculator for Real Estate Pro's
- The Qualifier Plus IIIx helps you pre-qualify your clients so you can find them the most affordable mortgage.
- This calculator is the most easiest and complete real estate finance calculator on the market.
- Features include easy qualification, instant mortgage finance solutions, complete taxes and insurance for true PITI payments, automatic sales price & down payment calculations, easy amortization, balloon payments and more.
- **COST for the Calculator is: \$65**

### Laser Dimension Master & Pocket Dimension Master

- Ultrasonic Distance Measurer with laser Pointer that helps you see exactly where you are pointing
- Use the laser dimension master to measure interior distances with the press of a button.
- Just aim & shoot to get an instant digital readout, with 99% accuracy up to 50 feet.
- Take room measurements with the speed of sound, easy to read display, and two-position head
- **Cost for the Laser Dimension Master: \$50**
- **Cost for the Pocket Dimension Master \$35 (same as above without laser pointer)**

## How to Order

1. **Call 800-288-5154** to have your order shipped directly to your home or business.
2. **Mail** your order form with payment to: American School of Business, 194 Route 46, Fairfield, NJ 07004
3. **Fax** the below order form to 973-244-0246. Must include credit card information
4. Please Add **\$7.00** for Shipping & Handling

ORDER     Q&A Software             Q&A Textbook             Audio CD's             Flash Cards  
FORM:     Calculator                     Laser Dimension Master             Pocket Dimension Master

Name \_\_\_\_\_ Student ID# \_\_\_\_\_

Shipping Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ ZIP CODE \_\_\_\_\_

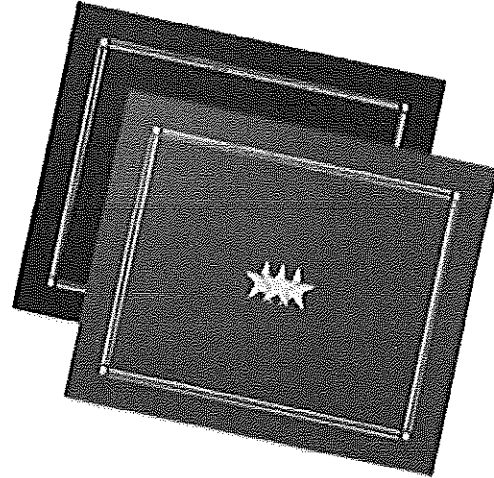
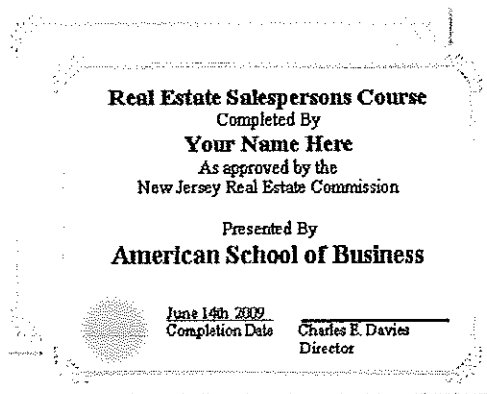
Day Phone \_\_\_\_\_ Evening Phone \_\_\_\_\_

Credit Card # \_\_\_\_\_ Exp. Date \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_

Amount Enclosed \$ \_\_\_\_\_ Signature \_\_\_\_\_ Date \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_

# Congratulations!

Be Proud Of Your Accomplishment.  
Display a Beautiful Gold Foiled Diploma  
With Impressive Certificate Jacket Today.



**Fill Out The Attached Order Form & Return To:**



**American School of Business**

*"Your Success is Our Goal"*

194 Route 46 East, Fairfield, NJ 07004



Mail your completed order form with your payment of \$20.00 or  
Fax your order to 973-244-0246 along with a Credit Card #  
Please allow 3 weeks for Shipping and Processing

NAME: \_\_\_\_\_

STUDENT ID# \_\_\_\_\_

MAILING ADDRESS \_\_\_\_\_

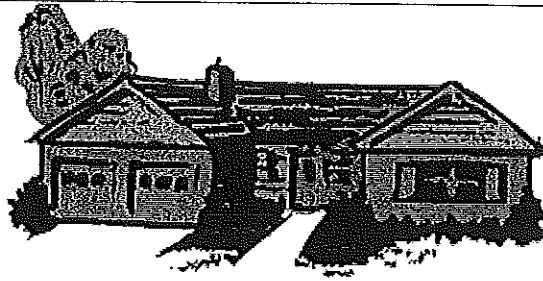
DAYTIME PHONE: \_\_\_\_\_

CREDIT CARD #: \_\_\_\_\_ EXP. DATE \_\_\_\_/\_\_\_\_



For Office use only: Amount Paid: \_\_\_\_\_ Ch# / Appr# \_\_\_\_\_

Date Completed: \_\_\_\_\_ Date Mailed: \_\_\_\_\_ Completed: \_\_\_\_\_



James Hsu, Executive Director  
P.O. Box 45032  
Newark, NJ 07101  
(973) 504-6480

## State Real Estate Appraiser Board

---

Questions concerning real estate appraisal, licensing and certification eligibility requirements, license verification or complaints may be addressed to the board office at P.O. Box 45032, Newark, NJ 07101.

*You can request the following from the board office:*

- 
- Applications for Licensure/Certification
  - Rules and regulations
  - Verification of License/Certification status
  - Complaint forms
  - Temporary Practice permits (for out of state appraisers)

## TRAINEE CHECKLIST

✓	Task or Requirement	Date Completed/ Notes
	Contacted State Appraiser Regulatory Agency to clarify if there are different or additional requirements and implementation scenario used in my state.	
	Completed 75 hours Qualifying Education as specified by the Core Curriculum, including 15 hour National USPAP Course and Examination (see <b>Course Matrix</b> ).	
	Maintained appraisal log. (See <b>Sample Appraisal Log</b> ). Does the state have its own format?	
	Completed additional state requirements, if any.	
	Received Trainee credential from state appraiser regulatory agency (if applicable).	

---

## *Apprentice Program*

The applicant shall be at least 18 years old.

The applicant shall be of good moral character.

The applicant shall have a high school diploma or its equivalent.

The applicant shall have completed a minimum of 75 classroom hours of courses related to Real Estate Appraising as follows:

- One course covering Basic Principles of Appraising at least 30 classroom hours in length;
- One course covering the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation (USPAP) at least 15 classroom hours in length completed within six months prior to the filing of the application for an apprentice permit; and
- Thirty classroom hours, where the length of the educational offering is at least 15 classroom hours, in a course or courses covering any or all of the following topics: influences on real estate value, legal considerations in appraisal, types of value, economic principles, real estate markets and analysis, valuation process property description, highest and best use analysis, appraisal statistical concepts, sales Comparison approach, site value, cost approach, income approach, valuation of partial interests, and appraisal standards and ethics.

The Board shall grant credit for the courses required pursuant to the above only if the individual has successfully completed an examination pertinent to that educational offering.

## LICENSED RESIDENTIAL REAL PROPERTY APPRAISER CHECKLIST

✓	Task or Requirement	Date Completed/ Notes
	Contacted State Appraiser Regulatory Agency to clarify if there are different or additional requirements and implementation scenario used in my state.	
	Completed 150 creditable hours of Qualifying Education as specified by Core Curriculum, including 15 hour National USPAP Course and Examination (see <b>Course Matrix</b> ).	
	Obtained two thousand (2,000) hours of experience in no fewer than 12 months (see <b>Sample Appraisal experience log</b> ) Does the state have its own format?	
	Completed additional state requirements, if any.	
	Successfully completed AQB approved Licensed Residential Real Property Appraiser Examination.	
	Received Licensed Residential Real Property Appraiser credential from state appraiser regulatory agency (if applicable).	

## *Residential License*

### **Educational Requirements:**

In order to be eligible to take the board-approved examination for licensure, applicants will be required to successfully complete a minimum of 90 classroom hours of courses in subjects related to real estate appraisal. The required 90 hours must include a course on the Uniform Standards of Professional Appraisal Practice which the applicant must have completed within 54 months prior to applying to take the examination.

### **Experience Requirements:**

In order to be eligible to take the board-approved examination for licensure, applicants must furnish documentation on forms provided by the board which demonstrate at least 2,000 hours of appraisal experience.

Acceptable appraisal experience includes, but is not limited to:

- fee and staff appraisal
  - ad valorem tax appraisal
  - review appraisal
  - appraisal analysis
- real estate counseling
- highest and best use analysis
- feasibility analysis

Only experience which complies with the Uniform Standards of Professional Appraisal Practice will qualify for consideration. Education may not be substituted for experience.

*Return to list of choices*

## CERTIFIED RESIDENTIAL REAL PROPERTY APPRAISER CHECKLIST

✓	Task or Requirement	Date Completed/ Notes
	Contacted State Appraiser Regulatory Agency to clarify if there are different or additional requirements and implementation scenario used in my state.	
	<p>Obtained Associate Degree, or higher, from an accredited college, junior college, community college, or university</p> <p><b>or</b></p> <p>Successfully passed total of at least 21 semester credit hours of collegiate subject matter courses in</p> <ul style="list-style-type: none"> <li>• English composition;</li> <li>• Principles of economics, micro or macro;</li> <li>• Finance;</li> <li>• Algebra, geometry or higher mathematics;</li> <li>• Statistics;</li> <li>• Introduction to Computers – word processing/spreadsheets; and</li> <li>• Business or real estate law.</li> </ul>	
	Completed 200 creditable hours of Qualifying Education as specified by Core Curriculum, including 15 hour National USPAP Course and Examination (see <b>Course Matrix</b> ).	
	Completed additional state requirements, if any.	
	Successfully completed AQB approved Certified Residential Real Property Appraiser Examination.	
	Obtained two thousand five hundred (2,500) hours of experience in no fewer than 24 months. (See <b>Sample Appraisal Log</b> ) Does the state have its own format?	
	Received Certified Residential Real Property Appraiser credential from state appraiser regulatory agency.	

## ***Residential Certification***

### **Educational Requirements:**

In order to be eligible to take the board-approved examination for residential certification, applicants will be required to successfully complete a minimum of at least 120 classroom hours of courses in subjects related to real estate appraisal. The 120 hours must include a course on the Uniform Standards of Professional Appraisal Practice which the applicant must have completed within 54 months prior to applying to take the examination. Classroom hours completed for the licensed classification may be included within the 120 hours required for residential certification.

### **Experience Requirements:**

In order to be eligible to take the board-approved examination for residential certification, applicants must furnish documentation on forms provided by the board which demonstrate at least 2500 hours of appraisal experience in no fewer than 24 months. Acceptable appraisal experience includes, but is not limited to:

- o fee and staff appraisal
- o ad valorem tax appraisal
- o review appraisal
- o appraisal analysis
- o real estate counseling
- o highest and best use analysis
- o feasibility analysis

Applicants must provide evidence of experience with two to four family properties. Only experience which complies with the Uniform Standards of Professional Appraisal Practice will qualify for consideration. Education may not be substituted for experience.

## CERTIFIED GENERAL REAL PROPERTY APPRAISER CHECKLIST

✓	Task or Requirement	Date Completed/ Notes
	Contacted State Appraiser Regulatory Agency to clarify if there are different or additional requirements and implementation scenario used in my state.	
	<p>Obtained Bachelors Degree, or higher, from an accredited college or university</p> <p style="text-align: center;"><b>or</b></p> <p>Successfully passed total of at least 30 hours of collegiate level subject matter courses in</p> <ul style="list-style-type: none"> <li>• English composition;</li> <li>• Micro economics;</li> <li>• Macro economics;</li> <li>• Finance;</li> <li>• Algebra, geometry or higher mathematics,</li> <li>• Statistics;</li> <li>• Introduction to Computers -- word processing/spreadsheets;</li> <li>• Business or real estate law, and</li> <li>• Two elective courses in accounting, geography, ag-economics, business management, or real estate.</li> </ul>	
	Completed 300 creditable hours as specified by Core Curriculum, including 15 hour National USPAP Course and Examination (See <b>Course Matrix</b> ).	
	Completed additional state requirements, if any.	
	Successfully completed AQB approved Certified General Real Property Appraiser Examination.	
	Obtained three thousand (3,000) hours of experience in no fewer than 30 months, of which, 1,500 must be in non-residential appraisal work. (See <b>Sample Appraisal Log</b> ) Does the state have its own format?	
	Received Certified General Real Property Appraiser credential from state appraiser regulatory agency.	

## ***General Certification***

### **Educational Requirements:**

In order to be eligible to take the board-approved examination for certification as a general real estate appraiser, an applicant shall be required to successfully complete (pass an examination) a minimum of 180 classroom hours of courses in subjects related to real estate appraisal. The required 180 classroom hours must include a course on the Uniform Standards of Professional Appraisal Practice which the applicant must have completed within 54 months prior to applying to take the examination. Classroom hours completed for the certified residential classification and licensed classification may be included within the 180 hours.

### **Experience Requirements:**

In order to be eligible to take the board-approved examination for general certification, applicants shall furnish documentation on forms provided by the board which demonstrate least 3000 hours of appraisal experience in no fewer than 30 months.

At least 50 percent of the required experience must be in non-residential appraisal work.

Acceptable appraisal experience includes, but is not limited to:

- o fee and staff appraisal
- o ad valorem tax appraisal
- o review appraisal
- o appraisal analysis



State of New Jersey

DEPARTMENT OF LAW AND PUBLIC SAFETY  
DIVISION OF CONSUMER AFFAIRS  
STATE REAL ESTATE APPRAISERS BOARD  
124 HALSEY STREET, 3RD FLOOR, NEWARK NJ

JAMES E. MCGREEVEY

PETER C. HARVEY  
*Acting Attorney General*  
RENI ERDOS  
*Director*

February 28, 2003

*Mailing Address:*  
P.O. Box 45032  
Newark, NJ 07101  
(973) 504-6480

Dear Licensee:

The New Jersey State Real Estate Appraisers Board is pleased to provide you with a copy of the (1) Board's current regulations as well as (2) the Appraiser Qualifications Board's (AQB) Criteria with the coinciding Board regulation and (3) the New National USPAP requirements.

Please note that the Board has adopted the AQB Criteria into the current educational, experiential and continuing educational regulations for trainees, licensed real estate appraisers and certified residential and certified general appraisers. For your convenience, the enclosed guidelines of the AQB criteria references the corresponding Board regulations.

Since the Board's current educational and experiential rules mirror the AQB's standards, the Board advises that each licensee or certificate holder should have the opportunity to visit the AQB website at [www.appraisalfoundation.org](http://www.appraisalfoundation.org) for the future changes.

On January 1, 2003 the New National USPAP education requirements became effective. The enclosed Notice to New Jersey Licensed/Certified Appraisers explains which USPAP courses the Board will accept in order to comply with this requirement for the biennial renewal period January 1, 2004 to December 31, 2005.

\* Finally, please be advised that pursuant to N.J.A.C. 13:40A-7.(6) Trainee real estate appraisers shall use the full designation "trainee real estate appraiser" followed by their permit number. No abbreviation shall be permitted.

Should you have any questions please contact the Board office at (973) 504-6480.

Very truly yours,  
New Jersey State Real Estate  
Appraisers Board

James Hsu  
Executive Director

w/enc.



# EXECUTIVE SUMMARY OF THE 2008 REAL PROPERTY APPRAISER QUALIFICATION CRITERIA

As a result of a three-year endeavor that included numerous public meetings around the country and six exposure drafts, the Appraiser Qualifications Board (AQB) adopted revisions to the *Real Property Appraiser Qualification Criteria* in February 2004.

Knowing the possible impact the changes to the *Criteria* could have on regulators, educational providers, and practitioners, the AQB wanted to ensure ample lead time for implementation. Accordingly, the effective date for implementation of the new *Criteria* was set as January 1, 2008, almost four years after adoption.

## Key Components of the *Criteria* and How They Are Changing

The major components of the *Criteria* are qualifying education, experience, examination, and continuing education. It is perhaps easiest to first cover what is **not changing**.

### Continuing Education

The continuing education requirement of the equivalent of fourteen class hours each year remains unchanged. In addition, the requirement that individuals must successfully complete the *7-Hour National USPAP Update Course* or its equivalent every two calendar years as part of the overall fourteen class hour requirement remains in effect.

### Examination

All individuals seeking to become a State Licensed, State Certified Residential or State Certified General appraiser must successfully pass an examination administered by the jurisdiction awarding the credential. The examination requirements have not changed; although, it should be noted that the AQB is in the process of developing new Uniform State Appraiser Examinations, which will be implemented concurrently with the effective date of the new *Criteria*.

What is **changing**:

### Experience

There is only one change regarding experience. At the present time, the experience requirement for the Licensed Residential Real Property Appraiser Classification is 2,000 hours.

Effective January 1, 2008, the experience requirement for that classification will be 2,000 hours in no fewer than 12 months.

### Qualifying Education

The most significant changes in the new *Criteria* relate to qualifying education. The changes fall into the following categories:

1. There are college-level course requirements for the Certified Residential and Certified General classifications;
2. The required number of classroom hours in appraisal education has increased significantly in all three licensure classifications; and
3. There are minimum classroom hours of coverage requirements for specific topic areas, which are known as modules.

### College Course Requirements

For the first time, there are now college-level course requirements for the certified classifications.

**Certified Residential:** Associates degree or higher; in any field of study; or, in lieu of the required degree, twenty-one (21) semester credit hours covering the following subject matter courses: English Composition; Principles of Economics (Micro or Macro); Finance; Algebra, Geometry or, higher mathematics; Statistics; Introduction to Computers: Word Processing/ Spreadsheets; and Business or Real Estate Law.

**Certified General:** Bachelors degree or higher; in any field of study; or, in lieu of the required degree, thirty (30) semester credit hours covering the following subject matter courses: English Composition; Principles of Economics (Micro or Macro); Finance; Algebra, Geometry or higher mathematics; Statistics; Introduction to Computers: Word Processing/ Spreadsheets; Business or Real Estate Law; and two (2) elective courses in accounting, geography, agricultural economics, business management, or real estate.

## Classroom Hours

In addition to the college-level course requirements, the appraisal education classroom hour requirement has increased for the State Licensed, State Certified Residential and State Certified General classifications. The Trainee classification remains unchanged at 75 classroom hours. The number of appraisal education classroom hours to become a State Licensed appraiser has increased from 90 hours to 150 hours; Certified Residential has increased from 120 hours to 200 hours; and, Certified General classification has increased from 180 hours to 300 hours.

## Required Core Curriculum

At the present time, individuals seeking to become an appraiser may select courses covering material that appears on a topic list in the current *Criteria*. Because there is no guidance regarding the amount of coverage (classroom hours) for each topic, there have been considerable inconsistencies in the education received by appraisers holding similar state credentials. The emphasis has been on the total number of classroom hours, rather than on the amount of coverage in specific topics.

There is now a Required Core Curriculum for each appraiser classification. Examples of Required Core Curriculum modules include Basic Appraisal Principles, Basic Appraisal Procedures, Residential Market Analysis and Highest and Best Use, and the National USPAP Course.

Accompanying the listing of modules is the specific number of classroom hours for each module. **It is important to note that these modules are subject matter areas and not necessarily the names of courses.**

The AQB has issued a Guide Note to assist in understanding the expected content coverage expected under each module.

The 2008 *Criteria* can be found on pages 28-40 of this booklet.

The AQB has developed the following two options for state appraiser regulators to implement the *Criteria* changes:

**'Firm Date' Scenario:** Any credential issued by a state appraiser regulatory body on or after January 1, 2008, must be in compliance with *all components* of the new AQB *Real Property Appraiser Qualification Criteria*.

Under this scenario, it would not matter when an applicant completed his or her education, examination and experience; if the credential is issued after January 1, 2008, the applicant must meet the requirements for **all components** of the new *Criteria*.

**'Segmented' Scenario:** The requirements are broken down into three segments (or components): Education, Experience, and Examination. An applicant would have to meet the *Criteria* in effect at the time he or she completes a particular component or segment. Any component completed prior to January 1, 2008, would satisfy the current *Criteria*, while any component not completed by January 1, 2008, would have to conform to the new *Criteria*.

For example, an applicant for a Certified General credential completes all of the currently required 180 hours of qualifying education and passes the state's Certified General examination in 2007, but does not possess the required 30 months and 3,000 hours of experience. Since the applicant completed the education and examination components prior to January 1, 2008, he or she would be deemed to have satisfied those components. Therefore, the only component which the applicant would have to satisfy under the new *Criteria* would be experience (which, in this case, is no different than the current *Criteria*).

## IMPORTANT CHANGES TO APPRAISER QUALIFICATIONS

On February 20, 2004, the Appraiser Qualifications Board of The Appraisal Foundation adopted changes to the Real Property Appraiser Qualification Criteria that will become effective on January 1, 2008. These changes represent the minimum national requirements that each state must implement for individuals applying for a real estate appraiser license or certification as of January 1, 2008. The changes include increased required education, which is summarized as follows:

Category	Current Requirements <sup>1</sup>	1/1/08 Requirements <sup>1,2</sup>	1/1/08 College-Level Course Requirements <sup>3</sup>
License	90 hours	150 hours	None
Certified Residential	120 hours	200 hours	Associate degree or higher. In lieu of the required degree, Twenty-one (21) semester credit hours covering the following subject matter courses: English Composition; Principles of Economics (Micro or Macro); Finance; Algebra, Geometry or higher mathematics; Statistics; Introduction to Computers – Word Processing/Spreadsheets; and Business or Real Estate Law.
Certified General	180 hours	300 hours	Bachelors degree or higher. In lieu of the required degree Thirty (30) semester credit hours covering the following subject matter courses: English Composition; Micro Economics; Macro Economics; Finance; Algebra, Geometry or higher mathematics; Statistics; Introduction to Computers – Word Processing/Spreadsheets; Business or Real Estate Law; and two (2) elective courses in accounting, geography; ag-economics; business management; or real estate.

1 Hours required include completion of the 15-hour National USPAP Course (or its equivalent).

2 Hours required include specific core curriculum courses and hours – please see the Real Property Appraiser Qualification Criteria for details.

3 College-level courses and degrees must be obtained from an accredited college or university.

Please note that individual states may adopt requirements more stringent than the national requirements, and may opt to impose those requirements prior to January 1, 2008. Therefore, applicants for a real estate appraisal license or certification should always check with their state for individual requirements.

The Appraiser Qualifications Board intends to issue additional guidance regarding implementation of the revised Criteria in the near future. Please be sure to check our website at [www.appraisalfoundation.org](http://www.appraisalfoundation.org) for the latest information. Questions regarding the national requirements can be directed to The Appraisal Foundation, 1029 Vermont Avenue, NW, Suite 900, Washington, DC, 20005; online at [www.appraisalfoundation.org](http://www.appraisalfoundation.org); or, via phone at (202) 347-7722.

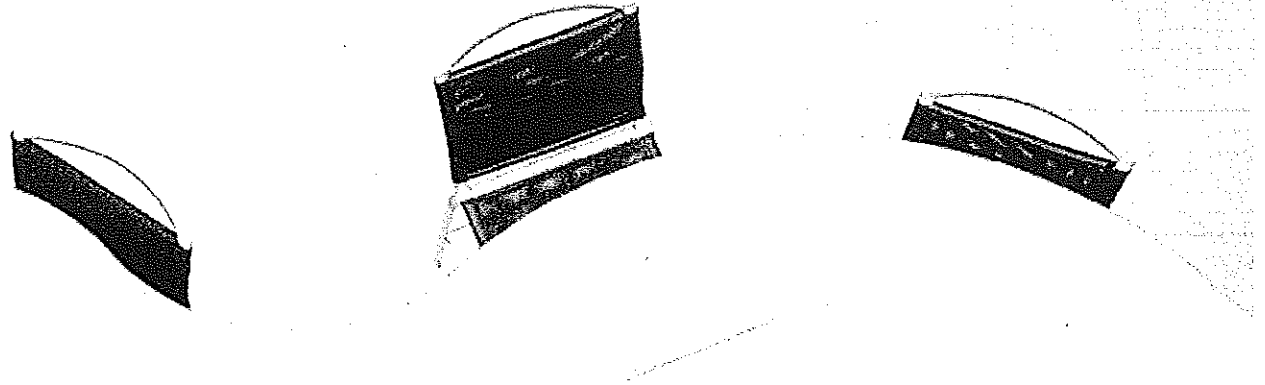


**THE APPRAISAL FOUNDATION**

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

**APPRAISER QUALIFICATIONS BOARD**

# 2006 USPAP AND SCOPE OF WORK



The 2006 Edition of USPAP reflects extensive changes resulting from the Appraisal Standards Board (ASB) examination of the proper role of the scope of work and departure concepts in the appraisal process. This material provides answers from the ASB regarding some of the most common questions about these changes.

**1** What are the major changes in the 2006 USPAP related to the scope of work and departure concepts?

The biggest changes are elimination of the DEPARTURE RULE and introduction of the SCOPE OF WORK RULE. The most visible change in appraisal practice is the discontinued use of the terms "Complete" and "Limited" to describe the appraisal process. There are numerous related changes, but these are the main focus.

**2** What is scope of work?

In basic terms, the scope of work is the work an appraiser performs to develop assignment results. USPAP defines "scope of work" as the *type and extent of research and analyses in an assignment*. Note that this definition excludes reporting.

**3** How is USPAP affected by the changes related to scope of work?

USPAP required extensive editing to incorporate the new SCOPE OF WORK RULE and to delete references to the DEPARTURE RULE and the related terms Binding Requirement, Specific Requirement, Complete Appraisal and Limited Appraisal.

**4** Will the changes in the 2006 USPAP change the steps an appraiser takes in developing assignment results from what is done now?

No. The SCOPE OF WORK RULE has no requirements that were not in USPAP before. It's a matter of emphasis. The process of problem identification and the development of an appropriate scope of work, both previously-existing USPAP requirements, are emphasized more in the SCOPE OF WORK RULE and the 2006 USPAP.

**5** If the requirements for the development process have not changed, then what has?

USPAP now provides a set of minimum standards for all appraisal, appraisal review and appraisal consulting assignments. This simplifies understanding the development process. Further, there is greater emphasis on

the scope of work disclosure in the report to provide intended users with an understanding of the appraiser's actions in arriving at assignment conclusions.

**6** Do the changes affect all types of assignments (appraisals, appraisal reviews and appraisal consulting) and all disciplines (real property, personal property and intangible property, including business interests)?

Yes.

**7** How are scope of work and departure different?

The departure process addresses only a single dimension of the appraisal process (the completion of what was labeled a Specific Requirement). However, the scope of work determination addresses the decision to perform a particular analysis (the work addressed by a particular Standards Rule) and, if it is performed, the extent of research and analysis completed in performing it.

**8** What happened to Binding and Specific Requirements?

The labels were removed. The Standards Rules were re-written to show when appraisers need to complete the work without reference to a label.

**9** Has any advice been issued to help understand the SCOPE OF WORK RULE and its use?

Yes, the ASB issued two new Advisory Opinions:

- AO-29 *An Acceptable Scope of Work*
- AO-28 *Scope of Work Decision, Performance, and Disclosure*

## SCOPE OF WORK AND DEVELOPMENT OF ASSIGNMENT RESULTS

**10** Will appraisers need to go through a complicated decision process before starting an assignment?

Not any more than under the 2005 USPAP. At the beginning of an assignment, appraisers will communicate with the client to gather the information needed for problem identification

and then determine the scope of work appropriate to address the problem. This is the same process appraisers go through at the beginning of an assignment under the 2005 USPAP.

**11** Are there new development requirements?

No. The fundamentals of the appraisal process have not been changed. A development process that was appropriate under the 2005 USPAP is appropriate under the 2006 USPAP. And a development process that was not appropriate under the 2005 USPAP is not appropriate under the 2006 USPAP.

**12** How does an appraiser know if the scope of work is adequate?

The same way appraisers know now. Appraisers will continue to use their training, experience and judgment to determine a scope of work that produces credible assignment results.

**13** Can the scope of work change during the course of an assignment?

Yes. This is a common occurrence and USPAP recognizes that determining the scope of work is an ongoing process in an assignment.

## SCOPE OF WORK AND THE CLIENT

**14** Who determines the scope of work?

It is the appraiser's responsibility to determine and perform the appropriate scope of work.

**15** What input does the client have to the scope of work decision?

Client input is part of the appraisal process. Communication with the client is required to establish most of the information necessary for problem identification and scope of work determination.

**16** Is a scope of work specified by the client acceptable?

It is if that scope of work allows the appraiser to develop credible assignment results. If the scope of work specified by the client does not allow the development of credible assignment results, the appraiser needs to discuss changing the scope of work or withdraw from the assignment.

**17** Does USPAP require client approval for the scope of work decision?

No. The DEPARTURE RULE requirement that the client agree "that the performance of a limited appraisal service would be appropriate" has been removed from USPAP and the SCOPE OF WORK RULE does not have any specific requirements for client approval. However, the SCOPE OF WORK RULE recognizes the client's role in problem identification and scope of work determination.

**18** If a client wants to order a "limited" appraisal, how can this be done (easily)?

Since the term Limited Appraisal is no longer defined, the client needs to communicate to the appraiser the assignment conditions under which the appraisal is to be performed. These might include required turnaround time, degree of inspection and approaches to be developed. After considering the client's description, it is up to the appraiser to determine if an adequate scope of work can be developed.

**19** Is it a violation of USPAP to continue to use the labels "Complete" and "Limited" in the report?

No. It is not a violation to use labels or terms that are not included in USPAP.

Since the concept of departure will not exist after 2006 USPAP is effective, the report would probably be clearer if those labels were replaced with an explanation of the scope of work applied. However, if the report clearly communicates the scope of work, use of the labels would not violate USPAP.

## CREDIBLE ASSIGNMENT RESULTS

**20** Why did the ASB introduce a definition for the term "credible"?

Use of the term "credible" is not new. "Credible" was a central concept in USPAP prior to the 2006 USPAP, but it is more prominent in the 2006 USPAP.

**21** How is the new definition different from what is in a dictionary?

The new USPAP definition of credible, *worthy of belief*, is not really different from common usage. The context for use of the term in USPAP is explained in the Comment to the definition: *credible assignment results require support, by relevant evidence and logic, to the degree necessary for the intended use.*

**22** What's important to know about "credible"?

Whether or not assignment results are credible is always measured in the context of the intended use of the assignment. This means that credibility is relative, not absolute. Assignment results that are credible for one intended use may not be credible for another intended use.

## SCOPE OF WORK AND REPORTING

**23** Does the SCOPE OF WORK RULE introduce any new reporting requirements?

No. The SCOPE OF WORK RULE does emphasize that the appraiser must report the scope of work performed in the assignment, but this requirement has been in USPAP for many years.

The requirement to report the scope of work takes on greater significance because intended users rely on this disclosure to understand the research and analyses performed in the assignment, rather than relying on the simple (and potentially misleading) labels Complete Appraisal and Limited Appraisal.

**24** If the scope of work changes during an assignment, which scope of work should appraisers explain in the report?

Appraisers should explain the scope of work actually performed in the development process.

**25** Is a separate section in the report needed for the scope of work description?

No. USPAP does not dictate where information must be included in reports. The scope of work performed may be described in one section or throughout the report.

**26** Does the report need to explain what wasn't done in an assignment?

Possibly. In addition to the disclosure of research and analyses performed, disclosure of research and analyses not performed might be needed to allow users of the report to understand your scope of work. The

report must explain why the cost approach, sales comparison approach or income approach was not developed. It may also be necessary to disclose other research and analysis not performed.

**27** Have the reporting labels been deleted from USPAP?

No. The report types identified in USPAP have not changed. Self-Contained Report, Summary Report and Restricted Use Appraisal Report are still the report options for real and personal property appraisals. Appraisal Report and Restricted Use Appraisal Report are still the report options for business or intangible asset appraisals.

## OTHER QUESTIONS

**28** Are appraisers prepared for the 2006 USPAP?

Yes. While some education regarding the new structure of USPAP and the modified requirements will be required, appraisers have been dealing with varied scopes of work (for example, exterior only inspections vs. interior and exterior inspections) for many years now.

The 2006 USPAP does not introduce any major new requirements. The requirement to determine and disclose the scope of work is a requirement of the 2005 USPAP, as is the requirement to develop credible assignment results. Appraisers already possess the knowledge and skills needed to complete assignments under the SCOPE OF WORK RULE.

**29** How can clients prepare for the 2006 USPAP?

Clients can review their policies, procedures, guidelines and correspondence for use of the terms "departure," "Complete Appraisal" and "Limited Appraisal" to describe the appraisal process. Because these terms are not defined in the 2006 USPAP, consideration should be given to replacing the terms with specific instructions that describe the type of services requested. Since the appraisal report types (Self-Contained, Summary and Restricted Use) have not changed in the 2006 USPAP, there is no need to modify current practices related to appraisal documentation.

**30** Do the new Fannie Mae forms comply with the 2006 USPAP?

Forms cannot comply with USPAP. Appraisers comply with USPAP by meeting the relevant development and reporting requirements. The ultimate responsibility for USPAP compliance in an assignment lies with the appraiser, not the form.

## CONTACTING THE APPRAISAL STANDARDS BOARD

The ASB invites commentary on USPAP from all interested parties. If you have any comments, questions or suggestions regarding USPAP, please contact the ASB.

Appraisal Standards Board  
The Appraisal Foundation  
1105 15th Street, NW, Suite 1111  
Washington, DC 20005  
Phone: 202-347-7722 / Fax: 202-347-7727  
E-mail: [asb@appraisalfoundation.org](mailto:asb@appraisalfoundation.org) / Web: [www.appraisalfoundation.org](http://www.appraisalfoundation.org)

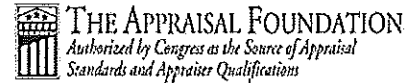


THE APPRAISAL FOUNDATION  
Authorized by Congress as the Source of Appraisal  
Standards and Appraiser Qualifications

APPRAISAL STANDARDS BOARD

# Appraiser Qualifications Board

---



## National Uniform Exam Content Outlines (effective 1/1/08)

Domain	Lic. App	Cert. Res	Cert. Gen
I. Influences on RE Value	5%	5%	5%
II. Legal Considerations	5%	5%	4%
III. Types of Value	5%	5%	6%
IV. Economic Principles	5%	5%	6%
V. Real Estate Markets & Analysis	4%	4%	5%
VI. Property Description	11%	11%	10%
VII. Highest and Best Use Analysis	9%	9%	9%
VIII. Appraisal Math and Statistics*	3%	3%	4%
IX. Sales Comp Approach	15%	15%	10%
X. Site Value	5%	5%	4%
XI. Cost Approach	9%	9%	6%
XII. Income Approach	7%	7%	15%
XIII. Valuation of Partial Interest	1%	1%	1%
XIV. Appraisal Standards and Ethics	16%	16%	15%

\* For the Licensed Real Property Appraiser Classification, *The Real Property Appraiser Qualification Criteria* refers to this domain as Appraiser Statistical Concepts.