



**VIRTUAL MEETING/TELECONFERENCE
REAL ESTATE APPRAISERS BOARD
Room 121C, 1400 East Washington Avenue, Madison
Contact: Tom Ryan (608) 266-2112
May 7, 2014**

The following agenda describes the issues that the Board plans to consider at the meeting. At the time of the meeting, items may be removed from the agenda. Please consult the meeting minutes for a record of the actions of the Board.

AGENDA

9:30 A.M.

OPEN SESSION – CALL TO ORDER – ROLL CALL

- A) Adoption of Agenda**
- B) Welcome New Members**
- C) Approval of Minutes of February 12, 2014 (5-9)**
- D) Appointments/Reappointments/Confirmations**
 - 1) Linda Steinke **(10)**
- E) Administrative Updates**
 - 1) Staff Updates
- F) Legislative/Administrative Rule Matters:**
 - 1) Status of Statute and Administrative Rule Matters
 - 2) Mandatory Appraiser Licensing Legislation
 - 3) Appraisal Management Company (AMC) Legislation
 - 4) Background Checks
- G) Real Estate Appraiser 2015 Licensing Changes – Board Discussion (11-30)**
 - 1) **APPEARANCE** – Carolann Puster, Division of Professional Credential Processing
- H) Association of Appraisal Regulatory Officials (AARO) Matters**
 - 1) Report by DLSC Attorney Sarah Norberg on the AARO Spring Conference **(31-92)**
 - a) **APPEARANCE** (optional) – Sarah Norberg, DLSC Attorney

- I) 2011-2013 Real Estate Appraiser Continuing Education Audit Report (93-97)**
 - 1) **APPEARANCE** – Peter Schramm, Department Continuing Education Specialist

- J) Level 1 Investigator Training Course (98-99)**

- K) Speaking Engagement(s), Travel, or Public Relation Request(s)**

- L) Items Added After Preparation of Agenda:
 - 1) Introductions, Announcements and Recognition
 - 2) Administrative Updates
 - 3) Education and Examination Matters
 - 4) Credentialing Matters
 - 5) Practice Matters
 - 6) Legislation/Administrative Rule Matters
 - 7) Liaison Report(s)
 - 8) Informational Item(s)
 - 9) Disciplinary Matters
 - 10) Presentations of Petition(s) for Summary Suspension
 - 11) Presentation of Proposed Stipulation(s), Final Decision(s) and Order(s)
 - 12) Presentation of Proposed Decisions
 - 13) Presentation of Interim Order(s)
 - 14) Petitions for Re-Hearing
 - 15) Petitions for Assessments
 - 16) Petitions to Vacate Order(s)
 - 17) Petitions for Designation of Hearing Examiner
 - 18) Requests for Disciplinary Proceeding Presentations
 - 19) Motions
 - 20) Petitions
 - 21) Appearances from Requests Received or Renewed
 - 22) Speaking Engagement(s), Travel, or Public Relation Request(s)

- M) Public Comments

CONVENE TO CLOSED SESSION to deliberate on cases following hearing (§ 19.85 (1) (a), Stats.); to consider licensure or certification of individuals (§ 19.85 (1) (b), Stats.); to consider closing disciplinary investigations with administrative warnings (§ 19.85 (1) (b), Stats. and § 440.205, Stats.); to consider individual histories or disciplinary data (§ 19.85 (1) (f), Stats.); and to confer with legal counsel (§ 19.85 (1) (g), Stats.).

N) Presentation and Deliberation on Proposed Stipulations, Final Decisions and Orders by the Division of Legal Services and Compliance (DLSC):

- 1) Jennifer J. Simpson – 14 APP 015 **(100-105)**
 - a) Case Advisor: Lawrence Nicholson
- 2) Mary P. Bushong – 14 APP 018 **(106-111)**
 - a) Case Advisor: Lawrence Nicholson
- 3) Brian W. Willard – 14 APP 020 **(112-117)**
 - a) Case Advisor: Lawrence Nicholson
- 4) Ryan D. Herlofsky – 14 APP 022 **(118-123)**
 - a) Case Advisor: Lawrence Nicholson
- 5) Beth M. Darst – 14 APP 024 **(124-129)**
 - a) Case Advisor: Lawrence Nicholson
- 6) Steven C. Ogasawara – 14 APP 025 **(130-135)**
 - a) Case Advisor: Lawrence Nicholson
- 7) Gary R. Krause – 14 APP 014 **(136-141)**
 - a) Case Advisor: Lawrence Nicholson
- 8) Carol A. Leygraaf – 14 APP 009 **(142-147)**
 - a) Case Advisor: Lawrence Nicholson

O) Monitoring Matters

- 1) Terrence R. Christ – Request for Modification **(148-161)**
- 2) Daniel R. Heffron – Request to Rescind Motion **(162-165)**

P) Presentation and Deliberation on Administrative Warnings

- 1) 14 APP 019 (R.T.M) **(166-167)**
- 2) 14 APP 021 (K.R.B.) **(168-169)**

Q) Case Status Report (170-171)

R) Case Closing(s)

- 1) 14 APP 011 (J.S.W.T.) **(172-174)**
- 2) 14 APP 012 (E.M.V.) **(175-177)**

S) Deliberation of Items Added After Preparation of the Agenda

- 1) Education and Examination Matters
- 2) Credentialing Matters
- 3) Disciplinary Matters
- 4) Monitoring Matters
- 5) Professional Assistance Procedure (PAP) Matters
- 6) Petition(s) for Summary Suspensions
- 7) Proposed Stipulations, Final Decisions and Orders
- 8) Administrative Warnings
- 9) Proposed Decisions
- 10) Matters Relating to Costs
- 11) Complaints
- 12) Case Closings
- 13) Case Status Report
- 14) Petition(s) for Extension of Time

- 15) Proposed Interim Orders
- 16) Petitions for Assessments and Evaluations
- 17) Petitions to Vacate Orders
- 18) Remedial Education Cases
- 19) Motions
- 20) Petitions for Re-Hearing
- 21) Appearances from Requests Received or Renewed

T) Consulting with Legal Counsel

RECONVENE TO OPEN SESSION IMMEDIATELY FOLLOWING CLOSED SESSION

U) Open Session Items Noticed Above not Completed in the Initial Open Session

V) Vote on Items Considered or Deliberated Upon in Closed Session, if Voting is Appropriate

W) Ratification of Licenses and Certificates

ADJOURNMENT

**REAL ESTATE APPRAISERS BOARD
MEETING MINUTES
February 12, 2014**

PRESENT: Marla Britton, Carl Clementi, Henry Simon, Lawrence Nicholson, Scott Brunner

PRESENT VIA GOTOMEETING: Sharon Fiedler

ABSENT: Jose Perez

STAFF: Tom Ryan, Executive Director; Pam Stach, Legal Counsel; Daniel Agne, Bureau Assistant; and other Department staff

CALL TO ORDER

Marla Britton, Chair, called the meeting to order at 9:41 A.M. A quorum of four (4) members was confirmed.

ADOPTION OF AGENDA

MOTION: Henry Simon moved, seconded by Carl Clementi, to adopt the agenda as published. Motion carried unanimously.

Lawrence Nicholson entered the meeting at 9:43 A.M.

Scott Brunner entered the meeting at 9:44 A.M.

APPROVAL OF MINUTES

MOTION: Henry Simon moved, seconded by Carl Clementi, to approve the minutes of November 13, 2013 as published. Motion carried unanimously.

Corrections:

- Add that a discussion was held on 165-SPS 85 during the Jan 21, 2014 teleconference.

MOTION: Carl Clementi moved, seconded by Scott Brunner, to approve the minutes of January 21, 2014 as amended. Motion carried unanimously.

ADMINISTRATIVE MATTERS

ELECTION OF OFFICERS

BOARD CHAIR

NOMINATION: Henry Simon nominated Marla Britton for the Office of Board Chair. Nomination declined by Marla Britton.

NOMINATION: Marla Britton nominated Lawrence Nicholson for the Office of Board Chair. Nomination carried.

Tom Ryan called for other nominations three (3) times.

Lawrence Nicholson was elected as Board Chair.

VICE CHAIR

NOMINATION: Marla Britton nominated Carl Clementi for the Office of Vice Chair. Nomination carried.

Tom Ryan called for other nominations three (3) times.

Carl Clementi was elected as Vice Chair.

SECRETARY

NOMINATION: Henry Simon nominated Scott Brunner for the Office of Secretary. Nomination carried.

Tom Ryan called for other nominations three (3) times.

Scott Brunner was elected as Secretary.

2014 ELECTION RESULTS	
Board Chair	Lawrence Nicholson
Vice Chair	Carl Clementi
Secretary	Scott Brunner

APPOINTMENT OF LIAISONS, ALTERNATES, AND DELEGATES

MOTION: Henry Simon moved, seconded by Carl Clementi, to approve the following appointments made by the Chair:

- 1) **Monitoring Liaison:** **Sharon Fiedler;**
(Carl Clementi as the Alternate)
- 2) **Continuing Education Liaison:** **Lawrence Nicholson;**
(Marla Britton as the Alternate)
- 3) **Credentialing Liaison:** **Carl Clementi;**
(Marla Britton as the Alternate)
- 4) **DLSC Liaison:** [NONE]
- 5) **Education and Exams Liaison:** **Lawrence Nicholson;**
(Carl Clementi as the Alternate)
- 6) **Legislative Liaison:** [NONE]
- 7) **Travel Liaison:** **Lawrence Nicholson;**
(Carl Clementi as the Alternate)
- 8) **Website Liaison:** **Scott Brunner;**
(Sharon Fiedler as the Alternate)
- 9) **Rules Liaison:** **Marla Britton;**
(Sharon Fiedler as the Alternate)
- 10) **Professional Assistance Procedure Liaison:** **Henry Simon;**
(Scott Brunner as the Alternate)
- 11) **ASC and AQB Liaison:** **Carl Clementi;**
(Sharon Fiedler as the Alternate)
- 12) **REA Application Advisory Committee Chair:** **Marla Britton;**
(Carl Clementi as the Alternate)
- 13) **Screening Panel:** [NONE]

Motion carried unanimously.

DELEGATED AUTHORITY MOTIONS

MOTION: Marla Britton moved, seconded by Henry Simon, to adopt the Roles and Authorities Delegated to the Monitoring Liaison and Department Monitor document as presented in today's agenda packet. Motion carried unanimously.

MOTION: Marla Britton moved, seconded by Scott Brunner, that the Board delegates authority to the Chair (or order of succession) to sign documents on behalf of the Board. In order to carry out duties of the Board, the Chair has the ability to delegate this signature authority for purposes of facilitating the completion of assignments during or between meetings. The Chair delegates the authority to the Executive Director to sign the name of the Chair (or order of succession) on documents as necessary. Motion carried unanimously.

MOTION: Scott Brunner moved, seconded by Carl Clementi, that, in order to facilitate the completion of assignments between meetings, the Board delegates its authority by order of succession to the Chair, highest ranking officer, or longest serving member of the Board, to appoint liaisons to the Department to act in urgent matters and to act when knowledge or experience in the profession is required to carry out the duties of the Board in accordance with the law. Motion carried unanimously.

ASSOCIATION OF APPRAISAL REGULATORY OFFICIALS (AARO) MATTERS

SPRING AARO CONFERENCE – APRIL 11-13, 2014 – SAN FRANCISCO, CA – BOARD CONSIDERATION

MOTION: Marla Britton moved, seconded by Henry Simon, to designate a Department representative to attend the Spring 2014 AARO Conference on April 11-13, 2014 in San Francisco, California, and to approve travel. Motion carried unanimously.

PUBLIC COMMENTS

Sherryl Andrus, Wisconsin Coalition of Appraisers, appeared before the Board to comment on Licensing Legislation.

CLOSED SESSION

MOTION: Carl Clementi moved, seconded by Henry Simon, to convene to Closed Session to deliberate on cases following hearing (s. 19.85(1) (a), Stats.; consider closing disciplinary investigations with administrative warning (s. 19.85(1)(b), Stats. and 440.205, Stats., to consider individual histories or disciplinary data (s. 19.85 (1)(f), Stats.; and, to confer with legal counsel (s. 19.85(1)(g), Stats.). The Chair read the preceding aloud. Roll Call Vote: Marla Britton- yes; Scott Brunner - yes; Carl Clementi - yes; Lawrence Nicholson - yes; Henry Simon – yes; Sharon Fiedler – yes. Motion carried unanimously.

The Board convened into Closed Session at 11:29 A.M.

RECONVENE TO OPEN SESSION

MOTION: Sharon Fiedler moved, seconded by Marla Britton, to reconvene in Open Session at 12:16 P.M. Motion carried unanimously.

MONITORING MATTERS – DELIBERATION

MOTION: Marla Britton moved, seconded by Scott Brunner, to accept the surrender of the right to automatically renew the credential of **Daniel R. Heffron, Jr.**, to practice as a licensed real estate appraiser in the State of Wisconsin. Prior to consideration of any application for relicensure, **Daniel R. Heffron, Jr.**, shall comply with all terms of the Final Decision and Order (0002295) issued on February 13, 2013. Motion carried unanimously.

MOTION: Marla Britton moved, seconded by Carl Clementi, to refer the matter of **Daniel R. Heffron, Jr.**, to the Real Estate Examining Board. Motion carried.

Scott Brunner voted No in the above matter.

MOTION: Marla Britton moved, seconded by Scott Brunner, to accept the surrender of the right to automatically renew the credential of **June Jackson** to practice as a licensed real estate appraiser in the State of Wisconsin. Prior to consideration of any application for relicensure, **June Jackson** shall comply with all terms of the Final Decision and Order (0001379) issued on February 22, 2012. Motion carried unanimously.

MOTION: Marla Britton moved, seconded by Henry Simon, to refer the matter of **June Jackson** to the appropriate credentialing authority for licensed insurance agents in Wisconsin. Motion carried.

Scott Brunner voted No in the above matter.

MOTION: Marla Britton moved, seconded by Sharon Fiedler, to grant the request of **Derek P. Prock (Licensed Appraiser)** for removal of the limitations and to reinstate his full license. Motion carried unanimously.

**VOTE ON ITEMS CONSIDERED OR DELIBERATED UPON IN CLOSED SESSION,
IF VOTING IS APPROPRIATE**

MOTION: Marla Britton moved, seconded by Carl Clementi, to affirm all Motions made and all Votes taken in Closed Session. Motion carried unanimously.

ADJOURNMENT

MOTION: Henry Simon moved, seconded by Marla Britton, to adjourn the meeting. Motion carried unanimously.

The meeting adjourned at 12:16 P.M.



SCOTT WALKER
OFFICE OF THE GOVERNOR
STATE OF WISCONSIN

P.O. Box 7863
MADISON, WI 53707

GOVERNOR'S APPOINTMENT

NAME: Ms. Linda Steinke

MAILING ADDRESS: [REDACTED]

E-MAIL ADDRESS: [REDACTED]

RESIDES IN: [REDACTED]

TELEPHONE: [REDACTED]

OCCUPATION: [REDACTED]

APPOINTED TO: Real Estate Appraisers Board
Certified Residential Appraise

TERM: A term to expire May 1, 2014

SUCCEEDS: Ms. Sharon Fielder

SENATE CONFIRMATION: Required

DATE OF APPOINTMENT: March 4, 2014

DATE OF NOMINATION: March 4, 2014

**State of Wisconsin
Department of Safety & Professional Services**

AGENDA REQUEST FORM

1) Name and Title of Person Submitting the Request: Daniel Agne, Bureau Assistant on behalf of Tom Ryan, Executive Director		2) Date When Request Submitted: 2/24/2014 Items will be considered late if submitted after 4:30 p.m. on the deadline date: § 8 business days before the meeting for paperless boards § 14 business days before the meeting for all others	
3) Name of Board, Committee, Council, Sections: Real Estate Appraisers Board			
4) Meeting Date: 5/7/14	5) Attachments: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	6) How should the item be titled on the agenda page?	
7) Place Item in: <input checked="" type="checkbox"/> Open Session <input type="checkbox"/> Closed Session <input type="checkbox"/> Both	8) Is an appearance before the Board being scheduled? <input checked="" type="checkbox"/> Yes (Fill out Board Appearance Request) <input type="checkbox"/> No	9) Name of Case Advisor(s), if required: Real Estate Appraiser Licensing Changes- Board Discussion	
10) Describe the issue and action that should be addressed: Discussion w/Carolann Puster of the Credentialing Division, regarding RE Appraiser licensing requirement changes taking effect 1/1/2015. See relevant DSPS webpages (included on subsequent pages of the agenda packet): http://dsps.wi.gov/Licenses-Permits/CertifiedGeneralAppraiser/CGAlicense http://dsps.wi.gov/Licenses-Permits/CertifiedResidentialAppraiser/CRAlicense http://dsps.wi.gov/Licenses-Permits/LicensedAppraiser/LAlicense http://dsps.wi.gov/Documents/Credentialing%20Forms/Business%20Application%20Forms/fm1749.pdf			
11) Authorization			
Daniel Agne _____ Signature of person making this request		_____ Date	
_____ Supervisor (if required)		_____ Date	
_____ Executive Director signature (indicates approval to add post agenda deadline item to agenda) Date			
Directions for including supporting documents: 1. This form should be attached to any documents submitted to the agenda. 2. Post Agenda Deadline items must be authorized by a Supervisor and the Policy Development Executive Director. 3. If necessary, Provide original documents needing Board Chairperson signature to the Bureau Assistant prior to the start of a meeting.			

BOARD APPEARANCE REQUEST FORM

Appearance Information

Board Name: Real Estate Appraisers Board

Board Meeting Date: 5/7/2014

Person Submitting Agenda Request: Daniel Agne

Person(s) requesting an appearance: Carolann Puster, Div of Professional Credential Processing

(NOTE: Contact information is not required for Department staff.)

Reason for Appearance: Discussion w/Carolann Puster of the Credentialing Division, regarding RE Appraiser licensing requirement changes taking effect 1/1/2015.

AppearanceContact Information

(NOTE: If the appearing party is represented by an attorney skip the "AppearanceContact Information" section and complete the "Attorney Contact Information" section.)

Mailing address:

Email address:

Telephone #:

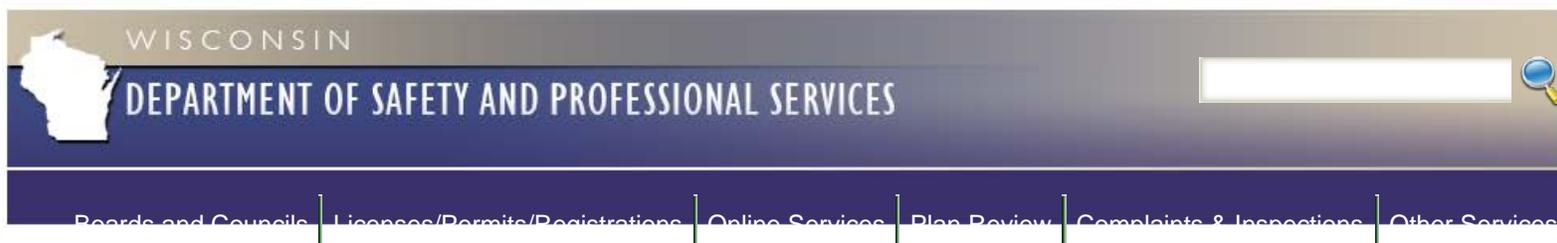
Attorney Contact Information

Attorney Name:

Attorney's mailing address:

Attorney's e-mail address:

Attorney's telephone #:



CERTIFIED GENERAL APPRAISER — LICENSE INFORMATION

2013 Wisconsin Act 124 was signed into law on January 23, 2014, requiring an applicant for real estate appraisal certification to be fingerprinted, effective January 24, 2014. The DSPS cannot issue new appraiser credentials until the applicant has been fingerprinted. Fingerprinting instructions are included in the license information below.

2008-2014 REQUIREMENTS

These requirements expire December 31, 2014. All Education, Examination and Experience requirements, Fees, and application forms must be COMPLETED and RECEIVED by the DSPS on or before December 31, 2014 in order to be considered. Regardless of postmark date, any applications RECEIVED by the DSPS on or after January 1, 2015 will be held to the 2015 requirements. See below for 2015 requirements.

All appraisal experience submitted must be reviewed by committee. Completed applications received after August 22, 2014 may not be reviewed until 2015.

To obtain a license by examination (for new appraisers not licensed by any state):

Submit fingerprints for a background check.

All applicants must submit fingerprints electronically for a background check. Schedule an appointment with Fieldprint, the Department's approved vendor, by visiting their web site at: www.FieldprintWisconsin.com

Use the Fieldprint code "FPWIAppraiser" when prompted. The cost for digital fingerprints will be \$39.25 and is expected at the time of reservation.

If you live outside Wisconsin you may electronically submit fingerprints at any Fieldprint site near you. You must use the Fieldprint code "FPWIAppraiser" when prompted.

Submit an application no more than 14 days after fingerprinting. A complete application includes:

- [Form #1749, Application for a Credential as a Real Estate Appraiser](#)
- [Form #2687, Authorization for Release of FBI Information](#)
- [Form #1750, Real Estate Appraisal Experience](#), _____ certifying 3,000 hours of appraisal experience acquired in no less than 30 months.
- [Form #2106, Real Estate Appraisal Experience Roster](#), documenting 3,000 hours of appraisal experience acquired in no less than 30 months.
- Evidence of 300 hours of approved appraiser education to the Department for review. [Click here to see a list of pre-license education courses approved by the Department.](#)
- Evidence of a bachelor's degree, or 30 credits in specific content areas.
- \$75.00 credential fee and \$75.00 examination fee.

Pass the national examination.

The Department will send an eligibility letter giving approval to make an appointment for the examination. Do not contact the test provider prior to receiving approval from the Department.

Education and experience must be completed prior to taking the AQB-approved national Uniform Licensing and Certification Examination.

Pass the exam administered by the department to test competency of Wisconsin statutes and rules governing the profession.

[Click here for more information about the state exam.](#)

Pay the national registry fee (to be determined after all requirements are met).

All requirements for a credential must be completed within 24 months of passing the national examination. Otherwise, you will be required to retake the national exam.

To obtain a license by reciprocity (for appraisers licensed by another state):

Submit fingerprints for a background check.

All applicants must submit fingerprints electronically for a background check. Schedule an appointment with Fieldprint, the Department's approved vendor, by visiting their web site at: www.FieldprintWisconsin.com

Use the Fieldprint code "FPWIAppraiser" when prompted. The cost for digital fingerprints will be \$39.25 and is expected at the time of reservation.

If you live outside Wisconsin you may electronically submit fingerprints at any Fieldprint site near you. You must use the Fieldprint code "FPWIAppraiser" when prompted.

Submit an application no more than 14 days after fingerprinting. A complete application includes:

- [Form #1749, Application for a Credential as a Real Estate Appraiser](#) _____
- [Form #2687, Authorization for Release of FBI Information](#)
- \$170.00 credential fee and \$75.00 exam fee

Pass the exam administered by the department to test competency of Wisconsin statutes and rules governing the profession.

[Click here for more information about the state exam.](#)

Pay the national registry fee (to be determined after all requirements are met).

To obtain a temporary license (only for appraisers licensed by another state):

Note: A temporary license is necessary only if the appraiser intends to use the titles described in [sec. 458.22 of Wisconsin statutes](#) for a single appraisal of a federally-related transaction. Please see [sec. SPS 81.03 of WI admin. codes](#) for complete details.

Submit an application. A complete application includes:

- [Form #1749, Application for a Credential as a Real Estate Appraiser](#)
- \$75.00 credential fee and the \$10.00 temporary permit fee.

To reinstate a license (for appraisers whose license has been expired more than 5 years):

Submit fingerprints for a background check.

All applicants must submit fingerprints electronically for a background check. Schedule an appointment with Fieldprint, the Department's approved vendor, by visiting their web site at: www.FieldprintWisconsin.com

Use the Fieldprint code "FPWIAppraiser" when prompted. The cost for digital fingerprints will be \$39.25 and is expected at the time of reservation.

If you live outside Wisconsin you may electronically submit fingerprints at any Fieldprint site near you. You must use the Fieldprint code "FPWIAppraiser" when prompted.

Submit an application no more than 14 days after fingerprinting. A complete application includes:

- [Form #1749, Application for a Credential as a Real Estate Appraiser](#) _____
- [Form #2687, Authorization for Release of FBI Information](#)
- \$170.00 renewal fee, \$25 late renewal fee, and \$75.00 exam fee

For each biennium that the license was expired, complete 28 hours of continuing education courses approved by the Department.

CE must include the most recent version of the 7-hour USPAP course.

Pass the exam administered by the department to test competency of Wisconsin statutes and rules governing the profession.

[Click here for more information about the state exam.](#)

Pay the national registry fee (to be determined after all requirements are met).

To renew a license:

[Click here to see the renewal information page.](#)

Federal Regulations: Title XI of the Financial Institutions Recovery, Reform and Enforcement Act of 1989, 12 U.S.C. 3331-3351.

2015 REQUIREMENTS

These requirements are effective January 1, 2015. Incomplete applications received prior to this date will be held to the 2015 requirements. Applicants having not completed and submitted all Education, Examination and Experience requirements, Fees, and Application forms prior to January 1, 2015 will be held to the 2015 Requirements, not the 2008-2014 Requirements. Regardless of postmark date, any applications RECEIVED by the DSPS on or after January 1, 2015 will be held to the 2015 requirements.

[Information from the Appraisal Qualification Board regarding new education requirements that will take effect 1/1/2015](#)

To obtain a license by examination (for new appraisers not licensed by any state):

Submit fingerprints for a background check.

All applicants must submit fingerprints electronically for a background check. Schedule an appointment with Fieldprint, the Department's approved vendor, by visiting their web site at: www.FieldprintWisconsin.com

Use the Fieldprint code "FPWIAppraiser" when prompted. The cost for digital fingerprints will be \$39.25 and is expected at the time of reservation.

If you live outside Wisconsin you may electronically submit fingerprints at any Fieldprint site near you. You must use the Fieldprint code "FPWIAppraiser" when prompted.

Submit an application no more than 14 days after fingerprinting. A complete application includes:

- [Form #1749, Application for a Credential as a Real Estate Appraiser](#)
- [Form #2687, Authorization for Release of FBI Information](#)
- [Form #1750, Real Estate Appraisal Experience](#), certifying 3,000 hours of appraisal experience acquired in no less than 30 months.
- [Form #2106, Real Estate Appraisal Experience Roster](#), documenting 3,000 hours of appraisal experience acquired in no less than 30 months.
- Evidence of 300 hours of approved appraiser education to the Department for review. These hours may be included in the required degree program. [Click here to see a list of pre-license education courses approved by the Department.](#)
- Evidence of a bachelor's degree or higher (in any field). [The college or university must be a degree-granting institution accredited by the commission on colleges, a national regional accreditation association or by an accrediting agency that is recognized by the U.S. secretary of education.](#)
- \$75.00 credential fee and \$75.00 examination fee.

Pass the national examination.

The Department will send an eligibility letter giving approval to make an appointment for the examination. Do not contact the test provider prior to receiving approval from the Department.

Pass the exam administered by the department to test competency of Wisconsin statutes and rules governing the profession.

[Click here for more information about the state exam.](#)

Pay the national registry fee (to be determined after all requirements are met).

All requirements for a credential must be completed within 24 months of passing the national examination. Otherwise, you will be required to retake the national exam.

To obtain a license by reciprocity (for appraisers licensed by another state):

Submit fingerprints for a background check.

All applicants must submit fingerprints electronically for a background check. Schedule an appointment with Fieldprint, the Department's approved vendor, by visiting their web site at: www.FieldprintWisconsin.com

Use the Fieldprint code "FPWIAppraiser" when prompted. The cost for digital fingerprints will be \$39.25 and is expected at the time of reservation.

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- [Form #2687, Authorization for Release of FBI Information](#)
- \$170.00 credential fee and \$75.00 exam fee

Pass the exam administered by the department to test competency of Wisconsin statutes and rules governing the profession.

[Click here for more information about the state exam.](#)

Pay the national registry fee (to be determined after all requirements are met).

To obtain a temporary license (only for appraisers licensed by another state):

Note: A temporary license is necessary only if the appraiser intends to use the titles described in [sec. 458.22 of Wisconsin statutes](#) for a single appraisal of a federally-related transaction. Please see [sec. SPS 81.03 of WI admin. codes](#) for complete details.

Submit an application. A complete application includes:

- [Form #1749, Application for a Credential as a Real Estate Appraiser](#)
- \$75.00 credential fee and the \$10.00 temporary permit fee.

To reinstate a license (for appraisers whose license has been expired more than 5 years):

Submit fingerprints for a background check.

All applicants must submit fingerprints electronically for a background check. Schedule an appointment with Fieldprint, the Department's approved vendor, by visiting their web site at: www.FieldprintWisconsin.com

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- \$170.00 renewal fee, \$25 late renewal fee, and \$75.00 exam fee

For each biennium that the license was expired, complete 28 hours of continuing education courses approved by the Department.

CE must include the most recent version of the 7-hour USPAP course.

Pass the exam administered by the department to test competency of Wisconsin statutes and rules governing the profession.

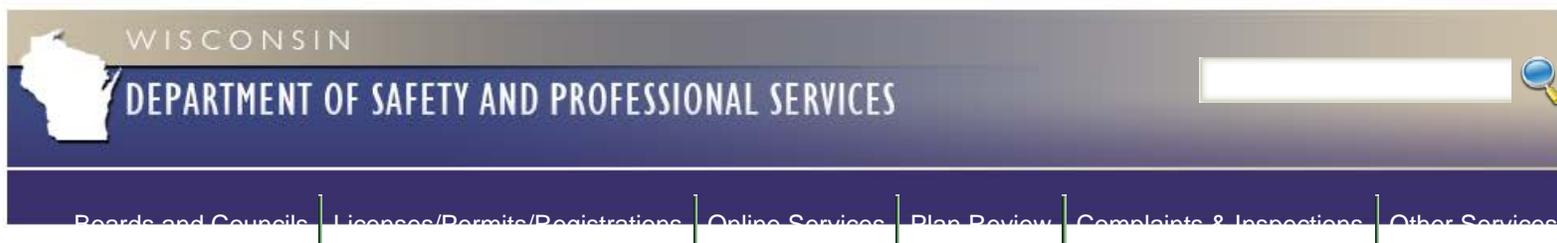
[Click here for more information about the state exam.](#)

Pay the national registry fee (to be determined after all requirements are met).

To renew a license:

[Click here to see the renewal information page.](#)

Federal Regulations: Title XI of the Financial Institutions Recovery, Reform and Enforcement Act of 1989, 12 U.S.C. 3331-3351.



CERTIFIED RESIDENTIAL APPRAISER – LICENSE INFORMATION

2013 Wisconsin Act 124 was signed into law on January 23, 2014, requiring an applicant for real estate appraisal certification to be fingerprinted, effective January 24, 2014. The DSPS cannot issue new appraiser credentials until the applicant has been fingerprinted. Fingerprinting instructions are included in the license information below.

2008-2014 REQUIREMENTS

These requirements expire December 31, 2014. All Education, Examination and Experience requirements, Fees, and application forms must be COMPLETED and RECEIVED by the DSPS on or before December 31, 2014 in order to be considered. Regardless of postmark date, any applications RECEIVED by the DSPS on or after January 1, 2015 will be held to the 2015 requirements. See below for 2015 requirements.

All appraisal experience submitted must be reviewed by committee. Completed applications received after August 22, 2014 may not be reviewed until 2015.

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- [Form #2687, Authorization for Release of FBI Information](#)
- [Form #1750, Real Estate Appraisal Experience, _____](#) certifying 2,500 hours of appraisal experience acquired in no less than 24 months.
- [Form #2106, Real Estate Appraisal Experience Roster](#), documenting 2,500 hours of appraisal experience acquired in no less than 24 months.
- Evidence of 200 hours of approved appraiser education to the Department for review. [Click here to see a list of pre-license education courses approved by the Department.](#)
- Evidence of a associates's degree, or 21 credits in specific content areas.
- \$75.00 credential fee and \$75.00 examination fee.

Pass the national examination.

The Department will send an eligibility letter giving approval to make an appointment for the examination. Do not contact the test provider prior to receiving approval from the Department.

Education and experience must be completed prior to taking the AQB-approved national Uniform Licensing and Certification Examination.

Pass the exam administered by the department to test competency of Wisconsin statutes and rules governing the profession.

[Click here for more information about the state exam.](#)

Pay the national registry fee (to be determined after all requirements are met).

All requirements for a credential must be completed within 24 months of passing the national examination. Otherwise, you will be required to retake the national exam.

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- [Form #1749, Application for a Credential as a Real Estate Appraiser](#) _____
- [Form #2687, Authorization for Release of FBI Information](#)
- \$170.00 credential fee and \$75.00 exam fee

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- \$75.00 credential fee and the \$10.00 temporary permit fee.

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- \$170.00 renewal fee, \$25 late renewal fee, and \$75.00 exam fee

For each biennium that the license was expired, complete 28 hours of continuing education courses approved by the Department.

CE must include the most recent version of the 7-hour USPAP course.

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To renew a license:

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- [Form #2106, Real Estate Appraisal Experience Roster](#), documenting 2,500 hours of appraisal experience acquired in no less than 24 months.
- Evidence of 200 hours of approved appraiser education to the Department for review. These hours may be included in the required degree program. [Click here to see a list of pre-license education courses approved by the Department.](#)
- Evidence of a bachelor's degree or higher (in any field). The college or university must be a degree-granting institution accredited by the commission on colleges, a national regional accreditation association or by an accrediting agency that is recognized by the U.S. secretary of education.
- \$75.00 credential fee and \$75.00 examination fee.

Pass the national examination.

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- [Form #1749, Application for a Credential as a Real Estate Appraiser](#)
- \$75.00 credential fee and the \$10.00 temporary permit fee.

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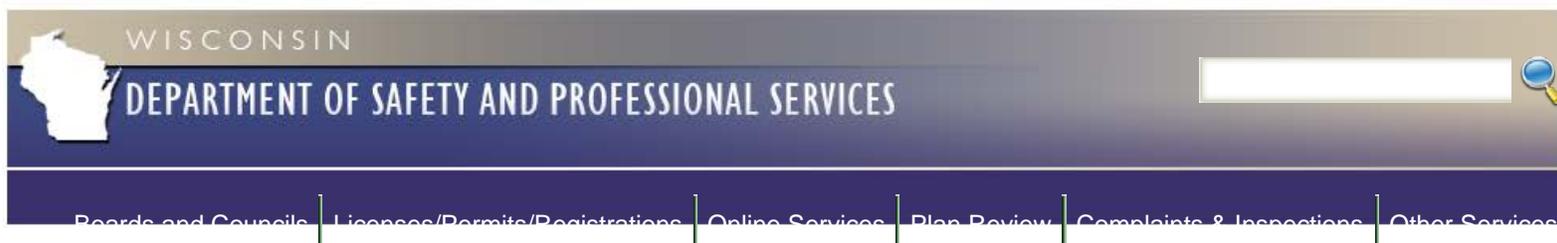
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To renew a license:

[Click here to see the renewal information page.](#)

Federal Regulations: Title XI of the Financial Institutions Recovery, Reform and Enforcement Act of 1989, 12 U.S.C. 3331-3351.



LICENSED APPRAISER – LICENSE INFORMATION

2013 Wisconsin Act 124 was signed into law on January 23, 2014, requiring an applicant for real estate appraisal certification to be fingerprinted, effective January 24, 2014. The DSPS cannot issue new appraiser credentials until the applicant has been fingerprinted. Fingerprinting instructions are included in the license information below.

2008-2014 REQUIREMENTS

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- [Form #2106, Real Estate Appraisal Experience Roster](#), documenting 2,000 hours of appraisal experience acquired in no less than 12 months.
- Evidence of 150 hours of approved appraiser education to the Department for review. [Click here to see a list of pre-license education courses approved by the Department.](#)
- \$75.00 credential fee and \$75.00 examination fee.

Pass the national examination.

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- \$170.00 renewal fee, \$25 late renewal fee, and \$75.00 exam fee

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STATEMENT OF ARREST OR CONVICTION: (Attach additional sheets if necessary)

- | | <u>YES</u> | <u>NO</u> |
|--|--------------------------|--------------------------|
| A. Have you ever been convicted of a misdemeanor or a felony, or operating while intoxicated (OWI), in this or any other state, or are criminal charges currently pending against you? If yes, complete and attach Form #2252. | <input type="checkbox"/> | <input type="checkbox"/> |
| B. Have you ever surrendered, resigned, canceled or been denied a professional license or other credential in Wisconsin or any other jurisdiction? If yes, give details on an attached sheet, including the name of the profession and the agency. | <input type="checkbox"/> | <input type="checkbox"/> |
| C. Has any licensing or other credentialing agency ever taken any disciplinary action against you, including but not limited to, any warning, reprimand, suspension, probation, limitation, or revocation? If yes, attach a sheet providing details about the action, including the name of the credentialing agency and date of action. | <input type="checkbox"/> | <input type="checkbox"/> |
| D. Is disciplinary action pending against you in any jurisdiction? If yes, attach a sheet providing details about pending action, including the name of the agency and status of action. | <input type="checkbox"/> | <input type="checkbox"/> |
| E. Have any suits or claims ever been filed against you as a result of professional services? If yes, submit a copy of the claim or suit and a copy of the final settlement or disposition. | <input type="checkbox"/> | <input type="checkbox"/> |
| F. Do you currently hold, or have you held in the past, any credential (license) issued by the Department of Safety and Professional Services or any of its Boards? | <input type="checkbox"/> | <input type="checkbox"/> |

If yes, what type of credential? _____

If in another name, what name? _____

Note: An arrest or conviction does not automatically disqualify an applicant. Consideration of the record by the board is subject to sec. 111.321, 111.322, and 111.335, Stats.

CERTIFICATION OF LEGAL STATUS - I declare under penalty of law that I am (check one):

_____ a citizen or national of the United States, or

_____ a qualified alien or nonimmigrant lawfully present in the United States who is eligible to receive this professional license or credential as defined in the Personal Responsibility and Work Opportunities Reconciliation Act of 1996, as codified in 8 U.S.C. §1601 et. seq. (PRWORA). For questions concerning PRWORA status, please contact the U.S. Citizenship and Immigration Services in the Department of Homeland Security at 1-800-375-5283 or online at <http://www.uscis.gov>.

AFFIDAVIT OF APPLICANT

I declare that I am the person referred to on this application and that all answers set forth are each and all strictly true in every respect. I understand that failure to provide requested information, making any materially false statement and/or giving any materially false information in connection with my application for a credential or for renewal or reinstatement of a credential may result in credential application processing delays; denial, revocation, suspension or limitation of my credential; or any combination thereof; or such other penalties as may be provided by law. I further understand that if I am issued a credential, or renewal or reinstatement thereof, failure to comply with the statutes and/or administrative code provisions of the licensing authority will be cause for disciplinary action.

Applicant Signature _____ Date ____ / ____ / _____

**State of Wisconsin
Department of Safety and Professional Services**

AGENDA REQUEST FORM

Name and Title of Person Submitting the Request: Meme Hilley, Paralegal on behalf of Attorney Sarah Norberg Division of Legal Services and Compliance	Date When Request Submitted: April 25, 2014
Items will be considered late if submitted after 4:30 p.m. and less than: <ul style="list-style-type: none"> ▪ 10 work days before the meeting for Medical Board ▪ 14 work days before meeting for all other boards 	

Name of Board, Committee, Council:

Real Estate Appraisers Board

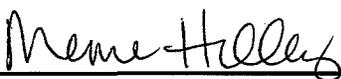
Board Meeting Date: May 7, 2014	Attachments: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	How should the item be titled on the agenda page? Report by Attorney Sarah Norberg on the Association of Appraiser Regulatory Officials Spring Conference
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Place Item in: <input checked="" type="checkbox"/> Open Session <input type="checkbox"/> Closed Session <input type="checkbox"/> Both	Is an appearance before the Board being scheduled? If yes, by whom? <input type="checkbox"/> Yes by If requested by the board, Sarah Norberg will attend. <input checked="" type="checkbox"/> No	Name of Case Advisor(s), if required:
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Describe the issue and action the Board should address:

Review the report prepared by Attorney Sarah Norberg on her attendance at the Association of Appraiser Regulatory Officials Spring Conference on April 11-13, 2014.

Authorization:

	4/25/14
Signature of person making this request	Date
Supervisor signature (if required)	Date
Executive Director signature (indicates approval to add late items to agenda)	Date

Directions for including supporting documents:

1. This form should be attached to any documents submitted to the agenda.
2. Post Agenda Deadline items must be authorized by a Supervisor and the Board's Executive Director.
3. If necessary, Provide original documents needing Board Chairperson signature to the Bureau Assistant prior to the start of a meeting.

**REPORT FROM THE
AARO 22ND ANNUAL SPRING CONFERENCE
SAN FRANCISCO, CA
APRIL 11-13, 2014**

FRIDAY, APRIL 11, 2014

1:30p-3:00p ASC & TAF Updates

ASC – Jim Park

- State Compliance Reviews (Title XI)
 - Guided by policy statements effective June 1, 2013, unless otherwise specified
 - New rating system:
 - Excellent – 2 yr. review cycle
 - Good – 2 yr. review cycle
 - Needs improvement – 2 yr. review cycle with additional monitoring
 - Not satisfactory – 1 yr. review cycle
 - Poor – Continuous monitoring (can lead to additional sanctions)

 - Four states have received excellent ratings under the new system:
 - Maine
 - Iowa
 - Oklahoma
 - Kansas
- National Registry
 - All states enter discipline; 27 states enter all appraiser data
 - Currently ~100,000 appraiser credentials
 - Down from peak of 121,000 in 2008
 - Decline is leveling off
 - Most decline in Licensed Appraiser credential
- Dodd-Frank
 - Established appraiser complaint national hotline
 - *Should contain link on our website*
 - Impact on State/Federal agency complaints minimal
 - AMC Regulation
 - Proposed rules issued April 9, 2014
 - Verify only Licensed/Certified Appraisers are used for FRTs
 - 36 mos. for states to comply although ASC may extend state compliance for an additional 12 mos.
 - Rulemaking Authority

- National Registry, information sharing, temporary practice, enforcement
 - More regulation
 - All appraisals shall be subject to review for compliance with USPAP
 - Automated valuation models (AVM)
- 2014 ASC Priorities
 - ASC Advisory Committee
 - Unique appraiser identifier number
 - AMC National Registry

TAF – David Bunton

- Investigator Training Steering Committee
 - Considering Board member, Legal staff training
 - *It was noted that WI hasn't sent anyone to the Level II Investigator Training – I am hoping to obtain Department approval to send our new staff appraiser in June 2014*
 - New Level III training
 - Report writing
 - Reporting findings in an administrative law setting
- Disciplinary Matrix updated to reflect 2014-15 USPAP (attached)
- Compilation of court cases citing USPAP
 - To include administrative law matters
 - Electronic format
 - Complimentary subscription for states
 - Planning task force created
- E-Library
 - Training videos
 - Videos of interest
 - To aid new Board members in understanding the regulatory system
 - Alliance for Valuation Education (www.avenew.org)
 - Non-profit
 - Course developer – initially for CE, later for QE
 - To survey state regulators for topics
 - First course should be available by mid-summer

AQB – Wayne Miller (see hand-out)

- Q&As – implementation of background checks postponed to January 2017
- 2014 exams are in operation
- College degree – approved programs allow for degree and QE simultaneously

ASB – Barry Shea (see hand-out)

- Exposure draft
 - Definition of “report” based upon “completion of an assignment” – considering linking report to signed certification
 - Communication of assignment results – loophole or tool?
 - Looking for way to address this; something should come out by the end of April 2014
 - Standard 3
 - Adding certification
 - Making it more consistent
 - Retirement of Statements on appraiser standards
 - Confidentiality Section of Ethics Rule
 - Q&As
 - Assignment results
 - Elimination of summary reports

APB – Rick Baumgardner

- Guidance of recognized values and techniques
- Identify where appraiser/appraiser users need additional information on a topic
- SME Panels – regulatory officials may put name in to serve on resource panels (application on website)

SATURDAY, APRIL 12, 2014

8:30a-10:00a Criminal History Reports and Background Checks – Defensible Decisions

Anne Petit – Ohio

- Defensible Decisions (see PowerPoint)

Alec Stone – California

- Background Checks
 - Who?
 - AQB – new applicants
 - Upgrades?
 - Reciprocals?
 - What?
 - Application process
 - Criminal acts outside of appraisal practice?
 - Why?
 - AQB requirement as of January 2017
 - Initial Process
 - AQB requires fingerprints and any other necessary identifying information

- AQB requirement – shall not issue license if applicant has been convicted of a felony in the last 5 yrs., etc.
- Is criminal history relevant?
 - Substantially related?
 - Schware, 353 US 232
 - Confidence in community
 - Honestly, fairly and ethically
 - DUIs
 - At work
 - 2 within 3 yrs.
 - Felony
 - Rehabilitation?
 - Passage of time
 - Restitution
 - Paid fines
 - Remorse
 - Defending decisions – use certified copies of court documents

Tim Doyle – National Multi-State Licensing Service (NMLS)

- NMLS can assist with processing background checks from the FBI – *only if agency regulating appraisers also regulates banking*

10:30a-12:00p Reducing Complaint Processing Times: Successful Complaint Reduction Plans and ASC Review Findings

Mark Mrnak – Texas

- TX intake/case handling process very similar to WI
- Contingent Dismissal Agreements
 - Similar to Deferred Prosecution Agreements in criminal matters
 - Dismissal contingent upon completion of education, mentoring, etc. – if successfully completed, matter is dismissed with a warning

Danitra Kourkounakis – Ohio

- Historical review of Ohio's ASC reviews

Elizabeth Seaters – California

- Screening vs. Investigation – scope of work
- “Fast Track”
 - If no significant violations, prior complaints for similar allegations and ethics violations – given letter of ed or AW (*unclear whether letter of ed/AW had to be approved by Board*)

1:15p-3:30p Mortgage Fraud Investigation

Rachel Dollar – Mortgage Fraud Blog

- Fannie Mae Investigations
 - Origination (#2 – Appraisal Fraud)
 - REO
 - Service
- Mortgage Asset Research Institute has noted large declines in appraisal/valuation fraud
- What are appraisers saying?
 - AMCs allow lenders to choose panels
 - They are told to reconsider value or a new appraisal will be requested
 - Price/turnaround time is the only criteria
 - Still feeling pressure to hit value

Brian Weber, SA, Complex Financial Crimes, FBI

- Mortgage Fraud cases
 - Loan original schemes (86%)
 - Schemes targeting distressed homeowners (14%)
 - Most common type of mortgage fraud in US in the property flip

Charles John Gunther, SSA, FBI

SUNDAY, APRIL 13, 2014

8:30a-9:45a Supervisor/Trainee Course Development & Maintenance

John Brenan – TAF (see hand-out)

Craig Steinley – South Dakota

- Supervisor/Training course
 - Designed to address problems:
 - Inconsistent experience logs
 - Insufficient knowledge re upgrade requirements
 - Supervisors charging for signatures
 - Preferable for courses to be held in city where regulator located so regulator can attend
 - Trainees have been appreciative of knowledge re upgrade requirements
 - Supervisors have been neutral/bothered until they see content and then they realize how little they know about upgrade requirements
 - AQB has established course content outline
 - Timed outline is not mandated
 - Jurisdiction-specific material can be added

- Topics beyond core requirements
 - Jurisdictional governance topics
 - Regulatory structure
 - How regulatory structure functions
 - Law – stats/regs
 - Upgrade procedures/timeframes
 - Required forms
 - Common USPAP violations
 - Examples of disciplinary actions
 - Working in other jurisdictions (for states who have a lot of dual licensees)
 - Jurisdictional supervisor/trainee topics
 - Credentialing requirements that exceed AQB criteria
 - Experience log – division of responsibilities
 - Reporting begin/end of relationship
 - What does training, guidance and direction supervision mean in jurisdiction
 - General topics
 - Workfile issues in assignments involving more than one appraiser – AO 31
 - Properly reporting significant appraiser assistance
 - Supervising requirements vs. mentoring/teaching skills
 - Business aspects of a supervisor appraiser
 - For what reasons should an individual terminate a supervisor/trainee relationship
- Presenting jurisdictional specific topics
 - Present as a separate add-on module (2nd half of course or 2 different courses)
 - Present with appropriate required topics (integrated)
 - More student friendly
 - More logical flow
- Developing course
 - Create jurisdictional requirements by regulation, let market forces develop/maintain course
 - A regulator developed course encourages delivery by a large group of providers
- Other considerations
 - AQB allows for CE
 - Testing optional
 - Supervisory Appraiser credential – additional certificate or endorsement to current certification

- Minimum requirements to be an approved supervisory appraiser mandated by 2015 criteria

10:00a-11:45a Regulatory Issues: Federal Legislation on Background Checks & The February AQB Exposure Draft

Tim Doyle – NMLS

John Brenan – TAF

- AQB Exposure draft
 - On April 11, 2014, AQB voted to extend requirement to implement background checks to January 1, 2017
 - Additional exposure draft to be issued in ~30 days
 - Hope issue to be resolved so as to allow states 2 yrs. to implement
 - Soliciting comments

Doug Oldmixon – Texas

- National background check must include connection to FBI
- Applicant not eligible unless they meet criteria
- “Shall evaluate and consider” is now “may”

1:15p-2:30p Regulatory Issues: Appraiser & AMC Regulatory Issues & Updates

Crispin Bennett – SVP/Chief Appraiser, First National Corp

- OCC collateral risk management review of lenders will have ripple effects – appraiser selection, quality monitoring
- New OCC handbook – CREL vs. USPAP
- March 24, 2014 proposed AMC rules
 - AMC affiliated with a creditor
 - Federally regulated AMC must follow minimum standards for state
 - Not required to register with state but must report to state for inclusion in National Registry
 - No limit to services provided in FRTs

Scott DiBiasio – Appraisal Institute

- October 2013 OCC Bulletin
 - Risk management guidance
 - Lenders responsible for actions and management of 3rd parties (including AMCs)
 - Many financial institutions might as well bring AMC function back in-house
- AMC market share from 80% to 60% or less

- 38 states have enacted comprehensive AMC registration and oversight between 2008-2013
 - MS – individual owners of more than 10% of an AMC must be of good moral character (subject to background checks)
 - KY – recovery fund (vs. surety bond)
 - AMCs prefer to pay into the fund as opposed to obtaining a surety bond
 - VA - \$100,000 surety bond requirement
- If regulated, add an AMC member to the Board
- Scope of AMC definition
 - Appraisal firms that have employee appraisers?
 - Appraisers vs. independent contractors?



THE APPRAISAL FOUNDATION

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

***Voluntary Disciplinary Action Matrix
Based on the 2014-15 edition of USPAP***

*****This is voluntary guidance intended to assist state appraiser regulatory agencies in enforcement cases.*****

**Developed by the Consistent Enforcement Task Force
of The Appraisal Foundation Board of Trustees**

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Updated Summer 2013

PURPOSE AND NATURE OF SANCTIONS

The purpose of appraiser discipline is to protect the public from appraisers who have not or will not ethically and competently perform their duties to their clients. The ultimate disposition of appraiser discipline should be public in cases of revocation, suspension and reprimand. Only in cases of minor misconduct should private discipline be imposed.

SANCTIONS

Revocation

Revocation terminates a person's status as a credentialed appraiser. Generally considered permanent, some states and jurisdictions may allow individuals with revoked credentials to reapply at some point in the future.

Suspension

The temporary removal of an appraiser's credential for a specified period of time.

- Short suspension: up to two months
- Medium suspension up to one year
- Significant suspension: more than one year

Formal Reprimand or Censure

A form of public discipline which declares the conduct of the appraiser improper, but does not limit the appraiser's right to work.

Letter of Warning

Also called an admonition or a private reprimand. It is a form of non-public discipline which informs the appraiser that the conduct was improper, not warranted or otherwise unacceptable. It does not limit the appraiser's right to work.

Fines; Assessment of costs; Restitution

Some states may allow fines or assessment of costs to be imposed as a form of sanction. Generally the fines/costs are sent to the state. Restitution is typically provided to the harmed party or parties.

- Fine: A sum of money required to be paid as a penalty for a violation.
Small, Moderate and Large
- Costs of enforcement activities.
- Restitution is payment to those harmed by the appraiser's actions

Corrective or remedial education

Education aimed to correct or improve deficient skills in a specific area.

Probation

A period of time during which the appraiser and/or the appraiser's work may be more closely scrutinized.

- short probation: up to six months
- medium probation: up to one year
- significant probation: more than one year

Monitoring

A period of time in which an appraiser's work is subject to additional review by the State Appraiser Regulatory Agency.

Restriction on scope of practice

A period of time in which an appraiser is prohibited from performing certain types of appraisal assignments. The discipline could also include a restriction on supervising other appraisers.

Levels of Sanctions

LEVEL	VIOLATION	SANCTION
I	Minor violations that do not involve the Ethics Rule or Competency Rule.	Letter of warning or equivalent; censure; corrective education (CE or QE); small fine; or any combination of above.
II	Technical errors or carelessness where appraiser would benefit from education and that do not involve the Ethics Rule or Competency Rule.	Formal Reprimand or equivalent; corrective education (CE or QE that cannot be used for CE for renewal); short probation; monitoring; small to moderate fine; or any combination of above.
III	Minor violations of the Ethics Rule and/or Competency Rule. Other violations that rise to the level of affecting the creditability of an assignment.	Formal Reprimand or equivalent; corrective education (QE that cannot be used for CE for renewal); short suspension; medium probation; monitoring; restriction on scope of practice, area of practice or ability to supervise; moderate fine; payment of restitution and/or costs; or any combination of above.
IV	Significant violations, including violations of the Ethics Rule and/or Competency Rule.	Formal Reprimand or equivalent; significant amount of corrective education (QE that cannot be used for CE for renewal); significant suspension; significant probation; monitoring; restriction on scope of practice, area of practice or ability to supervise; large fine; down grade of credential; successful completion of national exam; payment of restitution and/or costs; or any combination of above.
V	Significant Ethics Rule and/or Competency Rule violations or willful violations.	Revocation or Voluntary Surrender in lieu of disciplinary action with or without large fine, payment of restitution and/or costs.

NOTES:

- *This chart is intended to be used in conjunction with the attached Aggravating and Mitigating Circumstances.*
- *The potential Sanction in the chart is an average sanction where aggravating and mitigating circumstances balance each other.*
- *Where aggravating circumstances outweigh mitigating circumstances, the level of sanction will increase, and vice versa.*

AGGRAVATING AND MITIGATING CIRCUMSTANCES

AGGRAVATING CIRCUMSTANCES

An aggravating circumstance is any factual information or evidence regarding the appraiser or the violation that might result in an increased sanction. Aggravating circumstances include:

- Prior disciplinary history
- Number of appraisals involved in the case
- Number of total violations involved in the case
- Pattern of similar violations
- Significant financial harm to a lending institution, a consumer or others
- Refusal to reissue a corrected appraisal report when warranted
- Evidence that the violation was willful or intentional
- Evidence that the violation was grossly negligent
- Failure to exercise due diligence in the supervision of others
- Refusal to acknowledge violation
- Lack of cooperation with investigation
- Submission of false statements or evidence, or other deceptive practices (e.g., creating or adding to work file after complaint filed)
- Intimidation of or threats to witnesses or others involved with the investigation

MITIGATING CIRCUMSTANCES

A mitigating circumstance is any information or evidence regarding the appraiser or the violation that might result in a decreased sanction. Mitigating circumstances include:

- Length of time since the date of violation
- No prior disciplinary history
- No other complaints currently pending against licensee
- No pattern of similar offenses
- No evidence that the violation was willful or intentional
- No evidence that the violation was grossly negligent
- License level at the time of violation
- Licensee was under the supervision of another appraiser at the time (e.g., trainees)
- Additional education taken and/or experience gained after violation occurred
- Cooperation with investigation
- Little or no financial harm to consumer or others

- Timely mitigation of financial loss
- Reissuance of a corrected appraisal report before the complaint was filed
- Understanding and acknowledgement of violation
- Personal problems such as physical, mental or emotional problems at the time of the violation that have since been addressed

EXAMPLE OF THE APPLICATION OF LEVELS AND AGGRAVATING AND MITIGATING CIRCUMSTANCES

The following are generic examples of how to apply sanction levels and aggravating and mitigating circumstances.

When determining an appropriate sanction, the highest level of sanction should be considered unless substantial mitigating circumstances exist.

Example 1:

An appraiser accepted an appraisal assignment in an area where he is not geographically competent, failed to notify the client that he was not geographically competent and failed to take the necessary steps to become competent. As a result, he produced an appraisal that was not supported by market data.

With no aggravating or mitigating circumstances, the sanction would be Level III.

Example 1A:

Assume in the above scenario that there are no aggravating circumstances and that the following **mitigating** circumstances exist:

- a. The appraisal was done 3 years ago and the appraiser now has achieved competency in that market and others.
- b. The appraiser has no prior disciplinary history.
- c. The appraiser cooperated with the investigation.
- d. Since the appraisal was completed, the appraiser has taken additional education that will help him avoid this issue in the future.

Based on these circumstances, the sanction would be Level I or Level II.

Example 1B:

Assume in the above scenario that there are no mitigating circumstances and that the following **aggravating** circumstances exist:

- a. The appraiser has been disciplined for similar conduct in the past.
- b. The appraiser had already taken education designed to address this issue before he did the appraisal in question.
- c. As a result of the violation, there was significant financial harm to the lender and the consumer.

Based on these circumstances, the sanction would be Level IV or Level V.

Example 2:

An appraiser performs an appraisal where she used inappropriate comparable sales with inadequate and unsupported adjustments, resulting in an inflated opinion of value. This is one of several appraisals she has performed for a lender where all properties were sold by the same investor.

With no aggravating or mitigating circumstances, the sanction would be Level IV.

Example 2A:

Assume in the above scenario that there are no aggravating circumstances and that the following **mitigating** circumstances exist:

- a. The appraiser was under severe emotional stress at the time the appraisals were performed due to the illness of a child.
- b. The appraiser had been licensed for only 8 months when she did the assignments.

Based on these circumstances, the sanction would be Level II or Level III.

Example 2B:

Assume in the above scenario that there are no mitigating circumstances and that the following **aggravating** circumstances exist:

- a. There are 10 appraisals involved in this case.
- b. The appraiser altered the engagement letters in her work files before sending them the state regulatory agency by removing the “value needed” from them.
- c. The appraiser did not cooperate with the investigation, refusing to meet with the investigator or to provide more information when requested.

Based on these circumstances, the sanction would be Level V.

Example 3:

An appraiser states in his certification on an appraisal that he inspected the interior and exterior of the subject property, when in fact he only drove by the property. As a result, he stated that the subject property was in average condition when it was actually in poor condition and essentially uninhabitable. He did not use any extraordinary assumptions or hypothetical conditions in the assignment. He knew that the lender required an interior inspection.

With no aggravating or mitigating circumstances, the sanction would be Level IV.

Example 3A:

Assume in the above scenario that there are no aggravating circumstances and that the following **mitigating** circumstances exist:

- a. The appraiser took the 15-hour National USPAP course after the appraisal was done but before the complaint was received.
- b. The appraiser cooperated with investigation and acknowledged his error.
- c. The loan never went through, so there was little or no financial harm to the consumer or others.

Based on these circumstances, the sanction would be Level III.

Example 3B:

Assume in the above scenario that there are no mitigating circumstances and that the following **aggravating** circumstances exist:

- a. The violation was intentional.
- b. The appraiser has been licensed since 1991.
- c. When confronted with the issue by the lender, the appraiser refused to inspect the subject property and reissue a new appraisal report.

Based on these circumstances, the sanction would be Level V.

Example 3C:

Assume in the above scenario that there are **both** the mitigating circumstances in Example 3A and the aggravating circumstances in Example 3B. The sanction, therefore, would be anywhere from Level III to Level V.

Based on these circumstances, it would appear that the aggravating circumstances are more serious and outweigh the mitigating circumstances, thus the sanction would be Level IV or Level V.

Example 4:

An appraiser values the subject property at \$120,000. Among the findings:

- The subject had sold one month prior to the effective date of the appraisal for \$80,000, but the appraisal stated that the property had not sold within the past thirty six months.
- The appraisal states that the subject property contains 2400 square feet of gross living area when it actually has only 1200 square feet of finished area and an unfinished, below grade basement.
- The appraiser used comparable sales that contained 2300 – 2800 square feet, which resulted in an inflated appraised value.
- The photographs of the subject property in the appraisal report were of a ranch with a fully finished basement. The appraiser states that his trainee sent the wrong photos with the appraisal.
- Although the trainee did most of the work on the assignment, the appraiser did not mention the trainee's assistance in the report.
- The workfile, which was kept electronically, contained only a copy of the engagement letter and the invoice. The appraiser could not find the appraisal or any of the supporting documentation.

Discussion:

In this scenario, there are several violations of the Ethics Rule, such as conduct and record keeping, and violations of Standards 1 and 2. In determining an appropriate sanction, one would start at the lowest level violation (Level II for record keeping) and consider the highest level violation (Level V for preparing a fraudulent appraisal or communicating results in a misleading or fraudulent manner).

Example 4A:

Assume in the above scenario that there are no aggravating circumstances and that the following **mitigating** circumstances exist:

- a. There are no other complaints pending or previous disciplinary actions against the appraiser and there is no indication that there has been a pattern of similar offenses.
- b. It appears that the trainee altered the report after the appraiser signed it. It also appears that the trainee deleted the appraisal and supporting documentation for the assignment from the work file.
- c. The appraiser acknowledged that he failed to supervise his trainee.

Based on these circumstances, the sanction would be Level IV or possibly even Level III.

Example 4B:

Assume in the above scenario that there are no mitigating circumstances and that the following **aggravating** circumstances exist:

- a. There were several violations in the case.
- b. The loan was made and went into foreclosure. The lender subsequently sold the property for \$65,000.
- c. His failure to supervise his trainee was grossly negligent as he knew his trainee had altered his reports in the past.

Based on these circumstances, the sanction would be Level V.

Voluntary Disciplinary Action Matrix
Based on the 2014-15 edition of USPAP

	Type of Violation(s)	2014-15 USPAP Citation(s)	Examples	SANCTION (also refer to the sanction matrix and aggravating and mitigating circumstances)		
				1st offense	2nd offense	3rd offense
	ETHICS RULE					
	Failure to perform valuation services ethically while acting as an appraiser.	Ethics Rule	Intentionally preparing a fraudulent appraisal.	Level V		
	Misrepresentation of role.	Ethics Rule, Conduct				
		Example #1	Preparing an appraisal while pursuing a bid for the subject property without proper disclosure.	Level III	Level IV	Level V
		Example #2	Resolving as an expert without proper experience.	Level II	Level III	Level IV
		Example #3	Acting as unbiased party when there is an interest in the property.	Level IV	Level V	
	Willfully or knowingly fails to comply with the RECORD KEEPING RULE	Ethics Rule		Level IV	Level V	
	Conduct Section					
	Being an advocate for the client's interests.	Conduct & Management				
		Example #1	Inflating the value to benefit a client's position in litigation.	Level IV	Level V	
		Example #2	Selecting only comparable sales that support the contract price when there are more appropriate sales available.	Level III	Level IV	Level V
	Accepting an appraisal assignment that includes the reporting of predetermined opinions and conclusions.	Conduct	Accepting an assignment when the engagement letter specifies that the value must exceed a certain amount.	Level III	Level IV	Level V
	Relying upon any unsupported characteristic of race, national origin, gender, marital status, familial status, age, receipt of public assistance income, handicap, or unsupported conclusion that homogeneity of such characteristics is necessary to maximize value.	Conduct	Assuming that a subdivision where most of the properties are owned by individuals from a certain country will not be desirable to the general market.	Level II	Level III	Level IV
	Allowing an employee or other person to communicate a misleading or fraudulent appraisal report.	Conduct	Knowing that an employee will issue an appraisal report with an inflated opinion of value that is based on incorrect square footage for the subject property.	Level IV	Level V	
	Communicating assignment results with the intent to mislead or to defraud.	Conduct		Level V		
		Example #1	Using a large portion of another appraiser's report without permission.	Level III	Level IV	Level V

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	Type of Violation(s)	2014-15 USPAP Citation(s)	Examples	SANCTION (also refer to the sanction matrix and aggravating and mitigating circumstances)		
				1st offense	2nd offense	3rd offense
		Example #2	Intentionally leaving out the fact that the subject property is listed for sale and substantially less than the contract amount.	Level IV	Level V	
		Example #3	Intentionally stating property was inspected under false pretense.	Level IV	Level V	
	Failure to disclose things of value in connection with the procurement of an assignment.	Conduct	Failing to report any gratuity outside of the fee typically charged by the appraiser.	Level IV	Level V	
	Criminal Conduct	Conduct				
		Example #1	Being convicted of a crime that does not result in incarceration.	Level IV	Level V	
		Example #2	Being convicted of a crime that does result in incarceration.	Level V		
	Failure to disclose interest with respect to the subject property.	Conduct	Issuing a report where the intended use of the appraisal assignment is for an auction and the appraiser plans to bid on the property at auction.	Level III	Level IV	Level V
	Failure to disclose to the client that services were provided by the appraiser regarding the subject property within the three years immediately preceding the date of the assignment.	Conduct	Failing to inform a client prior to accepting an assignment that the appraiser performed an appraisal of the subject property for another client two weeks ago.	Level II	Level III	Level IV
Management Section						
	Failure to disclose payment of undisclosed fees, commissions, or things of value in connection with the procurement of the assignment.	Management	Paying a real estate broker \$50 for each appraisal assignment the broker arranges but failing to report that in the report.	Level II	Level IV	Level V
	False, deceptive or misleading advertising.	Management		Level IV	Level V	Level V
		Example #1	Advertising that an appraiser who is also a real estate agent will include an appraisal and fee for mortgage lending purposes when a broker fee will be received from closing.	Level II	Level IV	Level V
		Example #2	Advertising that an appraiser's firm guarantees the value of the client will not owe the appraiser a fee.	Level IV	Level V	
	Accepting an assignment when the employment and/or fee to be paid is contingent upon the opinion, conclusion, or valuation reached.	Management				
		Example #1	Charging a fee based upon a particular value conclusion.	Level IV	Level V	
		Example #2	Charging a fee based upon the appraised value.	Level IV	Level V	
	Accepting an assignment based on the attainment of a stipulated result.	Management	Agreeing that the appraiser will not be paid unless the loan closes (in an appraisal done for financing) or the property taxes are reduced (in an appraisal done to challenge a revaluation).	Level II	Level III	Level IV

Voluntary Disciplinary Action Matrix
Based on the 2014-15 edition of USPAP

	Type of Violation(s)	2014-15 USPAP Citation(s)	Examples	SANCTION (also refer to the sanction matrix and aggravating and mitigating circumstances)		
				1st offense	2nd offense	3rd offense
	Attaching the signature of another appraiser without that appraiser's consent.	Management	Attaching an appraiser's signature to a report while the appraiser is on vacation without the consent of the appraiser.	Level III	Level IV	
Confidentiality Section						
	Violation of Appraiser-Client Confidentiality	Confidentiality				
		Example #1	Revealing the name of a client to a third party when the client had requested the appraiser not disclose the client name or identity.	Level I or II	Level III or IV	Level V
		Example #2	Supplying a copy of an appraisal report to a borrower who was not an intended user when the lender had gone out of business.	Level II	Level III	Level IV
		Example #3	Sending sample appraisal reports to potential clients without that client's permission and without redacting confidential information of assignment details.	Level I	Level II	Level III
RECORD KEEPING RULE						
	Failure to retain required work files for 5 years commencing on the date signed or 2 years after the final disposition of any litigation the appraisal or report may be involved in.	Record Keeping	Resubmitting 4 years after the appraisal was signed, but destroying the file 6 years after it was signed.	Level II or III	Level IV	Level V
	Failure to produce workfile when required.	Record Keeping				
		Example #1	Failure to provide the workfile to a state enforcement agency when requested.	Level III	Level IV	Level V
		Example #2	Failure to provide the workfile to someone who has provided significant professional assistance in the completion of the assignment.	Level III	Level IV	Level V
	Failure to maintain necessary data, information, and documentation in the workfile.	Record Keeping		Level II or III	Level IV	Level V
		Example #1	Keeping only the last revision of an appraisal report and not the original.	Level I	Level II	Level III
		Example #2	Paraphrasing or oral appraisal report by resubmitting in court and then failing to maintain a primary or transcript of the testimony.	Level II	Level III	Level IV
	Willfully or knowingly fails to comply with the obligations of the RECORD KEEPING RULE	Ethics		Level IV	Level V	
COMPETENCY RULE						
	Failure to determine whether the appraiser is competent to perform an assignment prior to accepting the assignment.	Competency				

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	Type of Violation(s)	2014-15 USPAP Citation(s)	Examples	SANCTION (also refer to the sanction matrix and aggravating and mitigating circumstances)		
				1st offense	2nd offense	3rd offense
		Example #1	Accepting an assignment to appraise a folk song without having the requisite competency to do so.	Level III	Level IV	Level V
		Example #2	Accepting an assignment to appraise a wetlands area for the EPA without the necessary knowledge or understanding of federal laws and regulations applying to restrictions on the uses of wetlands.	Level III	Level IV	Level V
	Failure to disclose the lack of knowledge or experience to the client before accepting the assignment.	Competency	Accepting an assignment to appraise a dirt road without informing the client that the appraiser has never done anything similar before.	Level III	Level IV	Level V
	Failure to take all the steps necessary or appropriate to complete the assignment competently.	Competency				
		Example #1	Accepting an assignment in an unfamiliar market without having access to data sources for comparable sales.	Level II	Level III	Level IV
		Example #2	Accepting an assignment in an unfamiliar market where there are several niche markets that would be unknown to anyone outside the area.	Level II	Level III	Level IV
	Failure to describe the lack of knowledge and/or experience and the steps taken to complete the assignment competently in the report.	Competency	Accepting an assignment in an unfamiliar market and associating with a local appraiser, but failing to explain the process in the report.	Level III	Level IV	Level V
	Failing to withdraw from an assignment when it is discovered that the appraiser lacks the required knowledge and experience to complete the assignment competently.	Competency	Accepting an assignment with the understanding that the appraiser would be able to obtain experts with knowledge and experience in a specific appraisal methodology needed but not being able to obtain such experts and completing the assignment in an incompetent manner as a result.	Level IV	Level V	
SCOPE OF WORK RULE						
	Failure to gather and analyze information about assignment elements that are necessary to properly identify the problem to be solved.	Scope of Work				
		Example #1	Appraising a property subject to plans and specifications for a property under construction when the client wants it done "AS-IS".	Level II	Level III	Level IV
		Example #2	Accepting an appraisal assignment without first asking about all intended users and their unique needs and conditions imposed by those intended users.	Level II	Level III	Level IV

Finalized ~ Summer 2013

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Voluntary Disciplinary Action Matrix
Based on the 2014-15 edition of USPAP

	Type of Violation(s)	2014-15 USPAP Citation(s)	Examples	SANCTION (also refer to the sanction matrix and aggravating and mitigating circumstances)		
				1st offense	2nd offense	3rd offense
	Failure to determine and perform the research and analysis necessary to develop credible assignment results.	Scope of Work				
		Example #1	Using three comparable sales in the sales comparison analysis when the client requires four or more.	Level II	Level III	Level IV
		Example #2	Performing a drive-by appraisal on an older property that has been abandoned, without determining from the client what type of inspection is required for the intended use of the report.	Level II	Level III	Level IV
	Allowing assignment conditions to limit the scope of work to such a degree that the assignment results are not credible.	Scope of Work				
		Example #1	Using only properties that sold within 16 months of the effective date of the assignment, per the client's instructions, even though those properties were not comparable to the subject.	Level III	Level IV	Level V
		Example #2	Performing a drive-by appraisal on a newly constructed property without the use of an extraordinary assumption or hypothetical condition, per the client's instructions, when an occupancy permit has not been issued.	Level III	Level IV	Level V
	Allowing the intended use of an assignment or a client's objectives to cause the assignment results to be biased.	Scope of Work				
		Example #1	Appraising a subject property for tax purposes then appraising it for the same party on the same effective date at three times the value of the appraisal for a condemnation case.	Level IV	Level V	
		Example #2	Choosing comparable sales that support the sales contract, and not sales that are most comparable to the subject.	Level IV	Level V	
	Failing to disclose sufficient information in the report to allow intended users to understand the scope of work performed.	Scope of Work				
		Example #1	Failing to disclose that a hypothetical condition was used in an appraisal.	Level II	Level III	Level IV
		Example #2	Failing to disclose that the appraiser signing the appraisal did not inspect the subject property, but that he relied on an inspection performed by another.	Level III	Level IV	Level V

Voluntary Disciplinary Action Matrix
Based on the 2014-15 edition of USPAP

	Type of Violation(s)	2014-15 USPAP Citation(s)	Examples	SANCTION (also refer to the sanction matrix and aggravating and mitigating circumstances)		
				1st offense	2nd offense	3rd offense
JURISDICTIONAL EXCEPTION RULE						
	Failure to identify or cite the law or regulation that precludes compliance with USPAP.	Jurisdictional Exception	Appraising a property for a state agency that requires, by law, the appraiser to use a specific form to report the appraisal, but not citing the law that precludes compliance with Standard 2 of USPAP.	Level II	Level III	Level IV
	Failure to comply with the law or regulation that precludes compliance with USPAP.	Jurisdictional Exception	Appraising a property for a federal agency that requires, by law, an appraiser to report a value on a specific form, but then sending a letter reporting value instead of the required form.	Level III	Level IV	Level V
STANDARD 1						
	Failure to comply with Standards Rule 1-1.	SR 1-1				
	Failure to be aware of, understand, and correctly employ recognized methods and techniques necessary to produce credible assignment results.	SR 1-1(a)				
		Example #1	An appraiser failed to utilize the sales comparison approach to value an appraising single-family residence in a neighborhood consisting of recent, proximate, similar, comparable sale properties.	Level III or IV	Level V	
		Example #2	An appraiser developed an opinion of market value without analyzing and adjusting for sales concessions that existed in the comparable sales.	Level III or IV	Level V	
	Committing a substantial error of omission or commission that significantly affects an appraisal.	SR 1-1(b)				
		Example #1	An appraiser failed to apply any discounting to account for the absorption of vacant space in a retail store which was only 15% occupied and was not anticipated to reach stabilized occupancy for 4 years.	Level IV	Level V	
		Example #2	An appraiser provided an opinion of the leasehold interest in a property when the bundle of rights being appraised was the leased fee interest.	Level IV	Level V	
		Example #3	An appraiser miscalculated the square footage of a home basing the opinion of value on 4800 square feet when the home only consisted of 1000 square feet.	Level III or IV	Level V	

Finalized ~ Summer 2013

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This is voluntary guidance intended to assist state appraiser regulatory agencies in enforcement cases.

Voluntary Disciplinary Action Matrix
Based on the 2014-15 edition of USPAP

	Type of Violation(s)	2014-15 USPAP Citation(s)	Examples	SANCTION (also refer to the sanction matrix and aggravating and mitigating circumstances)		
				1st offense	2nd offense	3rd offense
	Rendering appraisal services in a careless or negligent manner by making a series of errors that, in the aggregate, affect the credibility of the assignment results.	SR 1-1(c)				
		Example #1	An appraiser inaccurately describes the subject property's floor covering type or window installation and type of heating. The appraiser also misstates the subject property's year built, type of location, and topography.	Level II or III	Level III or IV	Level V
	Failure to comply with Standards Rule 1-2.	SR 1-2				
		Example #1	An appraiser identifies that no appraisal is being used for mortgage finance purposes when it is actually being used for a divorce-related proceeding.	Level II or III	Level III or IV	Level V
		Example #2	An appraiser fails to identify that the appraisal is based on a lot split being considered by the property owner that has not yet occurred.	Level III or IV	Level V	
		Example #3	An appraiser fails to perform the sales comparison approach although it was necessary for credible assignment results.	Level IV	Level V	
	Failure to comply with Standards Rule 1-3.	SR 1-3				
		Example #1	An appraiser fails to recognize that the major employer in the region has announced that it will be closing, which has resulted in declining market values in the area.	Level III or IV	Level V	
		Example #2	An appraiser fails to consider the subject property's zoning in developing an opinion of the highest and best use.	Level III or IV	Level V	
	Failure to comply with Standards Rule 1-4.	SR 1-4				
		Example #1	An appraiser develops a cost approach but does not develop an opinion of the site value using an appropriate method or technique.	Level II or III	Level III or IV	Level V
		Example #2	In providing an opinion on several contiguous buildable lots, an appraiser simply adds together the value of the individual parcels to arrive at an overall opinion of value.	Level II or III	Level III or IV	Level V
		Example #3	In performing an appraisal for the purposes of a divorce, an appraiser does not analyze the location value of the personal property included in the sale prices.	Level III or IV	Level V	

Voluntary Disciplinary Action Matrix
Based on the 2014-15 edition of USPAP

	Type of Violation(s)	2014-15 USPAP Citation(s)	Examples	SANCTION (also refer to the sanction matrix and aggravating and mitigating circumstances)		
				1st offense	2nd offense	3rd offense
	Failure to comply with Standards Rule 1-5.	SR 1-5				
	Example #1	SR 1-5(a)	An appraiser fails to analyze the current market conditions of sales on the subject property, even though it was available during the normal course of business.	Level II or III	Level III or IV	Level V
	Example #2	SR 1-5(b)	An appraiser fails to analyze the fact that the subject property sold 18 months prior for an amount 30% above its current pending sale price.	Level IV	Level V	
	Failure to comply with Standards Rule 1-6.	SR 1-6				
	Example #1	SR 1-6(a)	In the sales comparison approach, an appraiser simply adds the adjusted value of the three comparable sales used and divides by three for an indicated value, even though some sales were far better indicators of value than others.	Level III or IV	Level V	
	Example #2	SR 1-6(b)	An appraiser is asked by a builder to perform an appraisal only using the sales comparison approach, however, the home is newly constructed in an area where no sales are abundant and cost figures are readily available. Because the builder requested only a sales comparison approach, the appraiser gives no consideration to the cost approach in rendering a final opinion of value.	Level III or IV	Level V	
	STANDARD 2					
	Failure to clearly and accurately set forth the appraisal in a manner that is not misleading.	SR 2-1(a)				
	Example #1		Preparing a Restricted Appraisal Report knowing that there are more intended users than just the client.	Level III	Level IV	Level V
	Failure to contain sufficient information to enable the intended user(s) of the appraisal to understand the report properly.	SR 2-1(b)				
	Example #1		Preparing a cost approach solely at the client's request even though the results were not meaningful. Failing to report that the cost approach was given no weight in the final reconciliation and why.	Level I	Level II	Level III

Voluntary Disciplinary Action Matrix
Based on the 2014-15 edition of USPAP

	Type of Violation(s)	2014-15 USPAP Citation(s)	Examples	SANCTION (also refer to the sanction matrix and aggravating and mitigating circumstances)		
				1st offense	2nd offense	3rd offense
	Example # 2		An appraiser submitted a written appraisal assignment to a client. The appraisal report, which was signed by the appraiser, contained a statement that the appraiser included a summary of each adjustment, including the paired sales analysis, applied within the sales comparison approach. However, the report contents included only a listing of sales or five adjustments for each sale, without a summary of analysis or reasoning.	Level I	Level II	Level III
	Failure to clearly and accurately disclose all assumptions, extraordinary assumptions, hypothetical conditions, and limiting conditions used in the assignment.	SR 2-1(c)				
	Failure to prepare a written real property appraisal report under one of the following two options and prominently state which option is used: Appraisal Report, or Restricted Appraisal Report.	SR 2-2				
	Example # 1		An appraiser submitted the results of an appraisal assignment on a form listed as "Multi-Purpose Appraisal/Assignment Report." Although the depth of reported information was summarized, there was no identification of the reporting option used.	Level I	Level II	Level III
	Example # 2		An appraiser sent a text message to his client notifying him of his final value conclusion. No other information was included.	Level III	Level IV	Level V
	In an Appraisal Report, failure to include content consistent with the intended use of the report.	SR 2-2(a)				
	In an Appraisal Report, failure to state the identity of the client and any intended users by name or type.	SR 2-2(a)(i)				
	Example # 1		An appraiser was engaged by a local attorney to complete an appraisal assignment to use in litigation. The appraiser submitted an appraisal in the form of an Appraisal Report to the judge and identified "Court" as the client and named no intended users.	Level II	Level III	Level IV
	In an Appraisal Report, failure to state the intended use of the report.	SR 2-2(a)(ii)				

Voluntary Disciplinary Action Matrix
Based on the 2014-15 edition of USPAP

	Type of Violation(s)	2014-15 USPAP Citation(s)	Examples	SANCTION (also refer to the sanction matrix and aggravating and mitigating circumstances)		
				1st offense	2nd offense	3rd offense
	In an Appraisal Report, failure to summarize information sufficient to identify the real estate involved in the appraisal, including the physical and economic property characteristics relevant to the assignment.	SR 2-2(a)(iii)				
	Example # 1		An appraiser was engaged to develop an opinion of market value for a property that had a building that had been partially destroyed by a recent fire. The engagement agreement requested an Appraisal Report that would be used for insurance settlement purposes. The insurance company requested that the appraiser describe the "as-is" condition of the building interior. The appraiser delivered a report containing only a statement that the building interior exhibited significant damage.	Level I	Level II	Level III
	In an Appraisal Report, failure to state the real property interest appraised.	SR 2-2(a)(iv)				
	In an Appraisal Report, failure to state the type and definition of value and its source.	SR 2-2(a)(v)				
	In an Appraisal Report where development of a reasonable exposure time is required, failure to state that opinion of exposure time.	SR 2-2(a)(v)				
	In an Appraisal Report, failure to state the effective date of the appraisal and the date of the report.	SR 2-2(a)(vi)				
	In an Appraisal Report, failure to summarize the scope of work used to develop the appraisal.	SR 2-2(a)(vii)				
	Example # 1		An Appraisal Report of a site that take in an eminent domain proceeding did not include the scope of work used to develop the appraisal.	Level I	Level II	Level III
	In an Appraisal Report, failure to summarize the information analyzed, the appraisal methods and techniques employed, and the reasoning that supports the analyses, opinions, and conclusions. Failure to explain exclusion of any of the approaches to value.	SR 2-2(a)(viii)				

Voluntary Disciplinary Action Matrix
Based on the 2014-15 edition of USPAP

	Type of Violation(s)	2014-15 USPAP Citation(s)	Examples	SANCTION (also refer to the sanction matrix and aggravating and mitigating circumstances)		
				1st offense	2nd offense	3rd offense
	In an Appraisal Report, failure to state the use of the real estate existing as of the date of value and the use of the real estate reflected in the appraisal.	SR 2-2(a)(ix)				
	In an Appraisal Report, when an opinion of highest and best use was developed by the appraiser, failure to summarize the support and rationale for that opinion.	SR 2-2(a)(x)				
	Example #1		An Appraisal Report of a tract of land with a large commercial building did not include the support and rationale for the highest and best use opinion of multi-family residential development.	Level II	Level III	Level IV
	In an Appraisal Report, failure to clearly and conspicuously: • state all extraordinary assumptions and hypothetical conditions; and • state that their use might have affected the assignment results.	SR 2-2(a)(xi)				
	In an Appraisal Report, failure to include a signed certification in accordance with Standards Rule 2-3.	SR 2-2(a)(xii)				
	In a Restricted Appraisal Report, failure to include content consistent with the intended use of the report.	SR 2-2(b)				
	In a Restricted Appraisal Report, failure to state the identity of the client by name or type. Failure to state a prominent use restriction that limits use of the report to the client and warns that the appraiser's opinions and conclusions set forth in the report may not be understood properly without additional information in the appraiser's work file.	SR 2-2(b)(i)				

Voluntary Disciplinary Action Matrix
Based on the 2014-15 edition of USPAP

	Type of Violation(s)	2014-15 USPAP Citation(s)	Examples	SANCTION (also refer to the sanction matrix and aggravating and mitigating circumstances)		
				1st offense	2nd offense	3rd offense
	Example # 1		An appraiser was requested by a judge to complete an assignment of market value for property settlement purposes with instructions that the judge would be the client and there would be two additional intended users. Upon completion of the assignment, a written report was submitted that was labeled "Restricted Appraisal Report." The report did not include a prominent use restriction.	Level III	Level IV	Level V
	In a Restricted Appraisal Report, failure to state the intended use of the report.	SR 2-2(b)(ii)				

Voluntary Disciplinary Action Matrix
Based on the 2014-15 edition of USPAP

	Type of Violation(s)	2014-15 USPAP Citation(s)	Examples	SANCTION (also refer to the sanction matrix and aggravating and mitigating circumstances)		
				1st offense	2nd offense	3rd offense
	In a Restricted Appraisal Report, failure to state information sufficient to identify the real estate involved in the appraisal.	SR 2-2(b)(iii)				
	In a Restricted Appraisal Report, failure to state the real property interest appraised.	SR 2-2(b)(iv)				
	In a Restricted Appraisal Report, failure to state the type of value and cite the source of its definition.	SR 2-2(b)(v)				
	In a Restricted Appraisal Report where development of a reasonable exposure time is required, failure to state that opinion of exposure time.	SR 2-2(b)(v)				
	In a Restricted Appraisal Report, failure to state the effective date of the appraisal and the date of the report.	SR 2-2(b)(vi)				
	In a Restricted Appraisal Report, failure to state the scope of work used to develop the appraisal.	SR 2-2(b)(vii)				
	In a Restricted Appraisal Report, failure to state the appraisal methods and techniques employed, state the value opinion(s) and conclusion(s) reached, and reference the work file. Failure to explain the exclusion of an approach to value.	SR 2-2(b)(viii)				
	Example # 1		A Restricted Appraisal Report on a new residential dwelling was delivered to a client. The cost approach to value was not reported and there was no explanation for its exclusion.	Level I	Level II	Level III
	In a Restricted Appraisal Report, failure to state the use of the real estate existing as of the date of value and the use of the real estate reflected in the appraisal.	SR 2-2(b)(ix)				

Voluntary Disciplinary Action Matrix
Based on the 2014-15 edition of USPAP

	Type of Violation(s)	2014-15 USPAP Citation(s)	Examples	SANCTION (also refer to the sanction matrix and aggravating and mitigating circumstances)		
				1st offense	2nd offense	3rd offense
	In a Restricted Appraisal Report, when an opinion of highest and best use was developed by the appraiser, failure to state that opinion.	SR 2-2(b)(x)				
	In a Restricted Appraisal Report, failure to clearly and conspicuously: <ul style="list-style-type: none"> • state all extraordinary assumptions and hypothetical conditions; and • state that their use might have affected the assignment results. 	SR 2-2(b)(xi)				
	Example #1		Although the Restricted Appraisal Report included an extraordinary assumption that a building could be placed upon the site and a hypothetical condition that zoning approval must be obtained to do so, there was no statement that the assumption and the condition might have affected the assignment results developed.	Level II	Level III	Level IV
	In a Restricted Appraisal Report, failure to include a signed certification in accordance with Standards Rule 2-3.	SR 2-2(b)(xii)				
	Failure to include in each written appraisal report a signed certification with content similar to the one in SR 2-3.	SR 2-3				
	Example #1		A certified appraiser failed to include in the certification a statement regarding significant real property assistance. A trainee provided significant real property assistance on the report.	Level II	Level III	Level IV
	In an oral appraisal report, failure to address to the extent possible and appropriate, the substantive matters set forth in SR 2-2(a).	SR 2-4				
	Example #1		An appraiser reported an opinion of value verbally to his client with no other documentation. The state appraiser regulatory agency investigator was informed by the appraiser that the assignment was considered ongoing and not complete. Therefore, there was no requirement to create written documentation until the client acknowledged completion.	Level III	Level IV	Level V



Appraiser Qualifications Board

Q&A

Vol. 5, No. 2

December 2013

The Appraiser Qualifications Board (AQB) of The Appraisal Foundation establishes the minimum education, experience and examination requirements for real property appraisers to obtain a state license or certification. The AQB Q&A is a form of guidance issued by the AQB to respond to questions raised by appraisers, enforcement officials, users of appraisal services and the public to illustrate the applicability of the Real Property Appraiser Qualification Criteria and Interpretations of the Criteria in specific situations and to offer advice from the AQB for the resolution of appraisal issues and problems. The AQB Q&A may not represent the only possible solution to the issues discussed nor may the advice provided be applied equally to seemingly similar situations. AQB Q&A does not establish new Criteria. AQB Q&A is not part of the Real Property Appraiser Qualification Criteria. AQB Q&A is approved by the AQB without public exposure and comment.

EXPERIENCE

Question:

I am a practicing real estate appraiser and prepare my appraisals in compliance with USPAP STANDARD 1. However, I am not required to report the results of my appraisals in compliance with USPAP STANDARD 2. Can I still receive credit for experience for the hours I spent in the development process of the appraisals?

Response:

No. There is no allowance for an appraisal that is prepared in compliance with STANDARD 1 but not reported in accordance with STANDARD 2. The term “partially USPAP compliant” does not exist in the *Real Property Appraiser Qualification Criteria*. In order to earn experience credit, appraisals **must** be prepared and reported in compliance with STANDARDS 1 and 2.

EDUCATION

Question:

I am currently a real property appraiser seeking a credential in my jurisdiction. I do not have a high school diploma, but have obtained an Associate's degree and a Bachelor's degree from an accredited university. Will I be able to obtain my real property credential without having a high school diploma?

Response:

Yes, the *Criteria* do not require a high school diploma or equivalent. However, please note that individual states or credentialing jurisdictions may adopt more stringent requirements. It is incumbent on the candidate to check with the state appraiser regulatory agency in which they plan to seek a credential

2015 REAL PROPERTY APPRAISER QUALIFICATION CRITERIA-RELATED ISSUES

BACKGROUND CHECKS

I work for a state appraiser regulatory agency. I understand that background checks are required of all applicants for a new credential as of January 1, 2015. However, I have several questions and would appreciate clarification:

Question #1:

It appears states are prohibited from issuing a credential to applicants that have convictions in certain areas. One of these areas includes an applicant's "general fitness" for licensure. What exactly does this mean?

Response #1:

Section VI(C) of the 2015 *Real Property Appraiser Qualification Criteria* (*Criteria*) prohibits states from issuing a credential to applicants when:

1. *The applicant has had an appraiser license or certification revoked in any governmental jurisdiction within the five (5) year period immediately preceding the date of application.*
2. *The applicant has been convicted of, or pled guilty or nolo contendere to, a felony in a domestic, or foreign court:*
 - a. *during the five (5) year period immediately preceding the date of the application for licensing or certification; or*
 - b. *at any time preceding the date of application, if such felony involved an act of fraud, dishonesty, or a breach of trust, or money laundering.*

3. *The applicant has failed to demonstrate character and general fitness such as to command the confidence of the community and to warrant a determination that the appraiser will operate honestly, fairly, and efficiently within the purposes of these Criteria.* (Bold added for emphasis)

It is impractical, and likely impossible, to compile a list of every specific circumstance where an applicant *must* be denied a credential. The verbiage in Section VI(C)(3) is intended to provide states with the ability to deny a credential based on “public trust.” States have latitude to determine, based on their own guidelines, whether or not an applicant falls into this category and should be denied a credential.

For example, let’s say an applicant had a fairly recent misdemeanor conviction for forgery and upon review of the matter the state discovered that the case involved the applicant forging appraisal reports, using another appraiser’s name and signature without his or her knowledge. Because the conviction is not a felony, it does not fall under Sections VI(C)(1) or VI(C)(2). However, the direct applicability of the applicant’s conviction to the appraisal business causes great concern for a state. After thoroughly examining the issue it’s possible that the state may opt to decline the application, citing Section VI(C)(3) as the basis.

Question #2:

Are states also required to decline a credential when an applicant is found to have background issues listed in Section VI(D)?

Response #2:

No. The language in Section VI(D) requires a state to “evaluate and consider” the following:

1. *Convictions of any criminal offense involving dishonesty, breach of trust, or money laundering against the individual or organizations controlled by the individual, or agreements to enter into a pretrial diversion or similar program in connection with the prosecution for such offense(s);*
2. *Civil judicial actions against the individual in connection with financial services-related activities, dismissals with settlements, or judicial findings that the individual violated financial services-related statutes or regulations, except for actions dismissed without a settlement agreement;*
3. *Actions or orders by a State or Federal regulatory agency or foreign financial regulatory authority that:*
 - a. *Found the individual to have made a false statement or omission or been dishonest, unfair or unethical; to have been involved in a violation of a financial services-related regulation or statute; or to have been a cause of a financial services-related business having its authorization to do business denied, suspended, revoked, or restricted;*
 - b. *Are entered against the individual in connection with a financial services-related activity;*

- c. *Denied, suspended, or revoked the individual's registration or license to engage in a financial services-related activity; disciplined the individual or otherwise by order prevented the individual from associating with a financial services-related business or restricted the individual activities; or*
- d. *Barred the individual from association with an entity or its officers regulated by the agency or authority or from engaging in a financial services-related business;*
4. *Final orders issued by a State or Federal regulatory agency or foreign financial regulatory authority based on violations of any law or regulation that prohibits fraudulent, manipulative, or deceptive conduct;*
5. *Revocation or suspension of the individual's authorization to act as an attorney, accountant, or State or Federal contractor; and*
6. *Customer-initiated financial services-related arbitration or civil action against the individual that required action, including settlements, or which resulted in a judgment.*

State appraiser regulatory agencies implementing background checks for the first time may wish to perform a thorough review of any state-specific statutes, regulations, or policies that may affect how such issues are viewed. States may also want to make inquiries of other (non-appraiser) agencies within their own state for guidance in this area. And lastly, states may also want to check with other states that have been performing background checks on appraisers to see if they can offer any additional guidance.

Question #3:

Section VI(D)(2) refers to convictions in a foreign court. Are states required to submit an applicant's fingerprints to other countries to ensure there are no foreign convictions? If not, how does a state find out whether there are any foreign convictions?

Response #3:

Section VI(A) states:

*State appraiser regulatory agencies shall, **at a minimum**, obtain fingerprints of the individual, in digital form if practicable, and any appropriate identifying information for submission to the Federal Bureau of Investigation and/or any governmental agency or entity authorized to receive such information in connection with a State and national background check. (Bold added for emphasis)*

As can be seen from the language above, a state's minimum obligation is to obtain fingerprints for submission to the FBI and/or a governmental agency or entity authorized to receive such information.

Because the *Criteria* do not mandate any additional searches, one option for states may be to ask applicants to "self-report." States may decide to create forms where applicants are required to answer questions regarding their background, which could include any issues related to foreign convictions. If an applicant answered "yes," a state could require the applicant to provide additional information to assist the state in determining the applicant's fitness for licensure.

EXAMINATION

Question:

I am a practicing real property appraiser in a jurisdiction that allows appraisers to take the *National Uniform Licensing and Certification Examination* prior to completing the experience requirements. I understand the results of successfully passing the examination are valid for a period of 24 months following the date of notification. If I successfully pass the examination on or prior to December 31, 2014, will I be able to obtain my certification in 2015 without having to meet all of the other requirements that become effective as of January 1, 2015?

Response:

No. Any applicant for a credential on or after January 1, 2015 must meet all the 2015 *Criteria*. However, the *Criteria* do not require you to re-take the examination if you have passed it within the 24 months prior to the state's final approval of your education (college and qualifying education) and experience. Please note that individual states or credentialing jurisdictions may adopt more stringent requirements. It is incumbent on the candidate to check with the state appraiser regulatory agency in which they plan to seek a credential.

SUPERVISORY ISSUES

Question:

I am a practicing real property appraiser and I was disciplined by my state regulatory agency five (5) years ago. I am currently in good standing in that jurisdiction and want to know if I am eligible to become a supervisor or supervise a new Trainee as of January 1, 2015?

Response:

If an individual wishes to either become a supervisor or supervise a new Trainee as of January 1, 2015, the *Criteria* would require a state to review the three-year period immediately preceding the individual's application/request to become a supervisor. The 2015 *Criteria* require Supervisory Appraisers to be "state-certified and in 'good standing' in the jurisdiction in which the Trainee Appraiser practices for a period of at least three (3) years. Supervisory Appraisers shall not have been subject to any disciplinary action within any jurisdiction within the last three (3) years that affects the Supervisory appraiser's legal eligibility to engage in appraisal practice. A Supervisory Appraiser subject to a disciplinary action would be considered to be in 'good standing' three (3) years after the successful completion/termination of the sanction imposed against the appraiser."

Example: An individual wishes to become a Supervisory Appraiser (or supervise a new Trainee) on July 1, 2015. However, this individual had a 60-day suspension, ending on March 31, 2014. This individual would not be able to become a Supervisory Appraiser (or supervise a new Trainee) until March 31, 2017 (three years after the end date of the disciplinary action).

An individual who is already a supervisor but receives a disciplinary sanction prior to January 1, 2015, would not automatically lose his or her ability to supervise the Trainee(s) on January 1,

2015. However, if a jurisdiction precludes an individual from supervising due to the sanction, the individual would have to comply with all Supervisory Appraiser criteria as of January 1, 2015.

If a state issues a sanction which is essentially a "lifetime" action, that individual would be precluded from being a supervisor for any new Trainees after January 1, 2015.

Please note that individual states or credentialing jurisdictions may adopt more stringent requirements. It is incumbent on the candidate to check with the state appraiser regulatory agency in which they plan to supervise a trainee.

The reader is advised that in all cases, the above responses are based upon the minimum Criteria adopted by the AQB. Individual states can adopt more stringent requirements. Please check with the state appraiser regulatory agency in your state to confirm their specific requirements.

The AQB Q&A is posted on The Appraisal Foundation website (www.appraisalfoundation.org)

For further information regarding AQB Q&A, please contact:

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USPAP Q&A

2014-15 USPAP Q&A

Issue Date: January 14, 2014

The Appraisal Standards Board (ASB) of The Appraisal Foundation develops, interprets, and amends the Uniform Standards of Professional Appraisal Practice (USPAP) on behalf of appraisers and users of appraisal services. The USPAP Q&A is a form of guidance issued by the ASB to respond to questions raised by appraisers, enforcement officials, users of appraisal services and the public to illustrate the applicability of USPAP in specific situations and to offer advice from the ASB for the resolution of appraisal issues and problems. The USPAP Q&A may not represent the only possible solution to the issues discussed nor may the advice provided be applied equally to seemingly similar situations. USPAP Q&A does not establish new standards or interpret existing standards. USPAP Q&A is not part of USPAP and is approved by the ASB without public exposure and comment.

2014-01: ETHICS RULE – CONFIDENTIALITY **“Verifying” Completion of an Appraisal**

Question:

I have received inquiries from various companies regarding appraisals I have completed for others. Typically, I receive a letter that includes the address of a property I previously appraised, along with the effective date of my appraisal, and my appraised value. The letter asks me to confirm that the information agrees with my records, and also asks me to confirm that my appraisal was performed without violating any appraiser independence requirements. Since the company requesting the information was not my client, does USPAP allow me to comply with such requests for information?

Response:

No. Unless you have received permission from your client, you may not communicate *assignment results* or *confidential information* (both, as defined in USPAP) to this third party (or any other entity that your client did not authorize).

The appraised value of a property is clearly part of an appraiser’s *assignment results*, as are any of the appraiser’s opinions or conclusions that are specific to that assignment. Additional examples of assignment results may include the appraiser’s opinion of highest and best use, condition of the property, and opinion of reasonable exposure time, just to name a few.

2014-15 USPAP Q&A

January 14, 2014

Acknowledging the fact that you performed an appraisal on a property is not prohibited by USPAP. However, in this instance, acknowledging assignment results or confidential information without permission from the client is prohibited.

There are also instances where appraisers contractually agree with some clients to not disclose the fact that an appraisal was performed; in such cases the appraiser's contractual obligation would preclude the appraiser from disclosing even the fact that an appraisal was performed.

2014-02: ETHICS RULE – CONFIDENTIALITY

Assignment Results

Question:

The definition of *assignment results* in the 2014-15 edition of USPAP appears to have been expanded to include more than just the appraiser's final opinion of value. Is this true and if so, what other items are considered part of an appraiser's *assignment results*?

Response:

No, the change in the definition of *assignment results* in the 2014-15 edition of USPAP is not intended to increase the types of things that qualify as *assignment results*. Some appraisers mistakenly believed the definition in the prior versions of USPAP was limited only to the final opinion of value (in an appraisal assignment). However, while it cited value as an example of assignment results, the definition included all of an appraiser's opinions or conclusions specific to the assignment.

Other examples of assignment results include, but are not limited to, the appraiser's: opinion of the quality of construction; opinion of reasonable exposure time; indicated value by the cost, sales comparison, or income approaches; and absorption or capitalization rate.

2014-03: APPRAISAL REPORTING – USE AND FORMAT ISSUES

Fannie Mae Form 1004

Question:

I appraise residential properties and use the Fannie Mae 1004 (URAR) appraisal report form. I'm aware the 2014-15 USPAP requires me to label my reports as an "Appraisal Report" (or "Restricted Appraisal Report"). But my appraisal software program won't let me change the report type from the old "Summary Appraisal Report" to the newly-required "Appraisal Report". Does that mean my reports do not comply with USPAP?

Response:

No. The Comment to Standards Rule 2-2 states, in part:

*An appraiser may use any other label **in addition to**, but not in place of, the label set forth in this Standard for the type of report provided. (Bold added for emphasis.)*

Therefore, use of the label "Summary Appraisal Report" does not violate USPAP, unless use of that label in a specific report results in that report being misleading.

2014-04: APPRAISAL REPORTING – CERTIFICATION AND SIGNATURES **Use of Certification with Form 1004D/442**

Question:

My client has asked me to update an appraisal that I completed for them eight months ago and submit the report on the Fannie Mae Form 1004D/Freddie Mac Form 442. Does this assignment require a certification regarding the prior service?

Response:

Yes. Because an appraisal update is a new appraisal assignment, regardless of the form used to report the results, the report must include a certification disclosing whether you have provided a service regarding the subject property in the three years prior to accepting the new assignment.

Each real property appraisal report, including those for update assignments, must include a signed certification that, at a minimum, addresses the items specified in Standards Rule 2-3. The certification in the prior report cannot be incorporated by reference, since it would not be possible to have certified in the past that the work done in the present meets all of the requirements to which the appraiser must certify.

2014-05: APPRAISAL REPORTING – CERTIFICATION AND SIGNATURES **Use of Certification with Form 1004D/442**

Question:

My client has asked me to re-inspect the property and provide them with a certification of completion for an appraisal that I completed for them eight months ago and submit the report on the Fannie Mae Form 1004D/Freddie Mac Form 442. The assignment does not include an updated value opinion. Does this assignment require a certification regarding the prior service?

Response:

No. Because this is neither an appraisal nor appraisal review assignment, USPAP does not require a certification. Although a disclosure of the prior service is required at the time of accepting this assignment, no certification is required. The Conduct section of the ETHICS RULE states in part:

In assignments in which there is no appraisal or appraisal review report, only the initial disclosure to the client is required.

2014-06: USPAP COMPOSITION STRUCTURE AND COMPLIANCE
Applicable Edition of USPAP

Question:

The new edition of USPAP became effective on January 1, 2014. I prepared an appraisal with an effective date in December 2013; however, my date of report was in January 2014. Which edition of USPAP applies – the 2012-13 edition or the 2014-15 edition?

Response:

The 2014-15 edition applies, because the date of the report was on or after January 1, 2014. The effective date of the appraisal has no bearing on which edition of USPAP applies.

The USPAP Q&A is posted on The Appraisal Foundation website (www.appraisalfoundation.org). The ASB compiles the USPAP Q&A into the USPAP Frequently Asked Questions (USPAP FAQ) for publication with each edition of USPAP. In addition to incorporating the most recent questions and responses issued by the ASB, the USPAP FAQ is reviewed and updated to ensure that it represents the most recent guidance from the ASB. The USPAP Frequently Asked Questions can be purchased (along with USPAP and USPAP Advisory Opinions) by visiting the "Foundation Store" page on The Appraisal Foundation website (<https://commerce.appraisalfoundation.org>)

For further information regarding USPAP Q&A, please contact:

John S. Brenan, Director of Appraisal Issues

The Appraisal Foundation
1155 15th Street, NW, Suite 1111
Washington, DC 20005

(202) 624-3044

(202) 347-7727 fax

john@appraisalfoundation.org



Department of Commerce
Division of Real Estate & Professional Licensing

**Defensible Decisions
In Administrative Regulation**
AARO Conference – April 12, 2014
Anne M. Petit, Superintendent

The Application Process

ODRE Requirement:

- State & National background checks
- Applicants receive an "additional instructions" form
- Application form
 - Ethical & legal questions
 - Opportunity to provide explanation
 - Opportunity to prove ORC 4763.05(C)(1)

Ethical & Legal Questions

ETHICAL CONDUCT AND LEGAL HISTORY

- Please attach a complete explanation for any questions answered "YES."
- Questions concerning professional licenses apply to all professional licenses, certifications or registrations regardless of profession.

Ethical & Legal Questions

- 1. Have you ever been disciplined in any manner by any public entity or professional or trade association for any violation of any professional licensing law, regulation or ethical rule?
- 2. Have you ever been refused or denied any professional license, certificate or registration by any public entity?
- 3. Have you ever had any professional license, certificate or registration revoked, suspended or limited in any way for any reason?

Ethical & Legal Questions

- 4. Have you ever been notified by any public entity or professional or trade association that you were under investigation for any violation of any professional licensing law, regulation or ethical rule?
- 5. Are you presently the subject of any unsatisfied judgments?
- 6. Have you ever been convicted of, plead guilty to or been granted intervention in lieu of conviction for any unlawful conduct excluding minor traffic violations?
- 7. Have you ever been scheduled to sit for the Ohio Appraiser Examination? If yes, indicate month and year.

Review & Recommendation

Be Consistent In Your Process:

- Staff review & recommendation to Superintendent
- Legal review – critical in questionable situations
- Superintendent reviews all application material

Considerations:

- Felony versus Misdemeanor
- Degree of conviction or prior discipline
- What has been done before??
- If challenged, has it been upheld or overturned??

What Happens To Denials?

- A Superintendent's denial is an appealable decision
- Applicant may appeal to the Board
- Staff & AAG preparation
 - Same process as an enforcement case
 - Defending position/reason for denial
- In rare cases, Superintendent will offer supportive commentary during hearing

Ohio Real Estate Appraiser Board

Structure:

- Five members
 - Four practitioners
 - At least two Certified General
 - One also a RE Broker
 - One public member

Considerations:

- Felony versus Misdemeanor
- Degree of conviction or prior discipline
- What has been done before??
- If challenged, has it been upheld or overturned??

public mbr has historically been an attorney.

Ohio Real Estate Appraiser Board

Structure:

- Five members
 - Four practitioners
 - At least two Certified General
 - One also a RE Broker
 - One public member

What They Hear:

- Application denials
- Hearing officer (ALJ) reports
- Settlement agreements



Ohio Real Estate Appraiser Board

Appealable Matters:

- Quasi-judicial deliberations
- Motion and vote on the record

What ISN'T Appealable?

- Matters of law
 - Education requirements
 - Experience requirements
- Cases where appeal is waived

appeal is waived in
settlement matters.

Elements of Defensible Decisions

Applicant's Due Process:

- Continuances – Reasonable, Fair
- Ample time given to make case

Discipline or Conviction History:

- Satisfied sanctions
- Time elapsed with no other violations
- Revocation is a high hurdle to overcome

Elements of Defensible Decisions

Facts of Criminal Conviction:

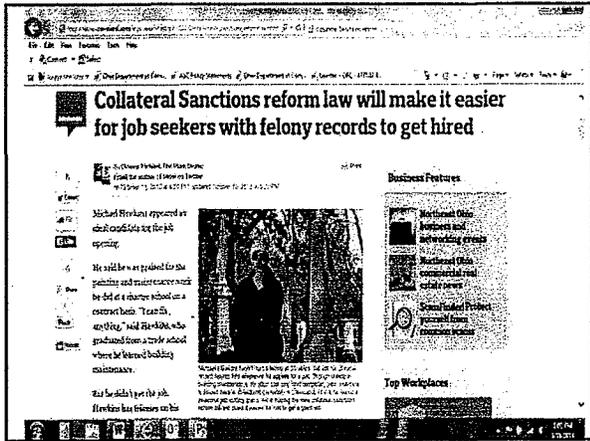
- Ohio considers both felony AND certain misdemeanors
- Time elapsed since conviction
- All court ordered sanctions satisfied
- Type of Offense
- Mitigating or aggravating circumstances
- Character witnesses
- Attitude, presentation, productive contribution to community

Elements of Defensible Decisions

Due Diligence:

- Properly crafted denial
- Proper service
- Proper hearing
- Proper Order
- Consistency & reasonableness of denials

These elements provide a solid basis for a denial that, in most cases, can be defended in court.





Department of Commerce
Division of Real Estate & Professional Licensing

Questions?

Anne M. Petit, Superintendent
Ohio Division of Real Estate & Professional Licensing
anne.petit@com.ohio.gov 614.466.3411

Follow us on:
Twitter: @OHDIVRealEstate
Facebook: "Like" Superintendent Anne Petit



Department of Commerce
Division of Real Estate & Professional Licensing

Checklist of Considerations for a Defensible Decision

“Honest, Truthful, and of Good Reputation”

1. Criminal record, if any
2. Employment record, especially since order or lapse in credential or conviction
3. Nature of the offense
4. Number of offenses
5. Type of victim (institution or person)/Number of victims
6. With whom was the applicant previously affiliated (if license lapsed/revoked)?
7. Did the applicant satisfy previous sanctions?
8. Any remaining unsatisfied civil judgments from offense?
9. Did the applicant appear for hearing or have a compelling reason why s/he did not?
10. Were letters of support/recommendation provided? Were they recently dated & signed?
11. Length of time since offense
12. Where did the offense occur (in-state versus out-of-state)
13. Was prior discipline disclosed voluntarily or uncovered by the Division?
14. Does the applicant “own” the offense/conviction or still deny/defend it?
15. What level credential are they seeking?
16. Any open or incomplete investigations prior to discipline/disclosure of conviction/application?
17. Does the applicant have credential in other states and/or other industries? When obtained?
Was disclosure made (if applicable)?
18. Did the victim/complainant testify? What was that testimony? (victim impact statement)
19. What type of work are they planning to do? On their own? With a firm? (gets to supervision)
20. If offense took place in another state, why are they here?

Overall, has demonstrated that the applicant has met the requirements of Ohio Revised Code 4763.05(H)(2)

Ohio Revised Code 4763.05(C)

An applicant for an initial certificate, registration, or license shall be at least eighteen years of age, **honest, truthful, and of good reputation** and shall present satisfactory evidence to the superintendent that the applicant has successfully completed any education requirements the board prescribes by rule. (emphasis added)

Ohio Revised Code 4763.05(H)(2)

The superintendent shall not issue...to any person who has been convicted of or pleaded guilty to any criminal offense involving theft, receiving stolen property, embezzlement, forgery, fraud, passing bad checks, money laundering, or drug trafficking, or any criminal offense involving money or securities, including a violation of an existing or former law of this state, any other state, or the United States that substantially is equivalent to such an offense. However, if the applicant has pleaded guilty to or been convicted of such an offense, the superintendent shall not consider the offense **if the applicant has proven to the superintendent, by a preponderance of the evidence**, that the applicant's activities and employment record since the conviction show that the applicant is **honest, truthful, and of good reputation**, and there is no basis in fact for believing that the applicant will commit such an offense again. (emphasis added)

APPRAISER QUALIFICATIONS BOARD



THE APPRAISAL FOUNDATION

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

SUPERVISORY APPRAISER/TRAINEE APPRAISER EDUCATION

Q&AS

Question 1:

I am currently a credentialed Trainee Appraiser. Am I required to take a Supervisory Appraiser and Trainee Appraiser course prior to January 1, 2015, in order to remain a Trainee Appraiser?

Response:

While the AQB encourages existing Trainee Appraisers to take the course, the 2015 *Real Property Appraiser Qualification Criteria* do not require currently-credentialed Trainee Appraisers to do so (i.e., you are “grandfathered” from the AQB’s perspective). However, check with your state appraiser regulatory agency, since it may adopt more stringent requirements.

Question 2:

I am currently a Supervisory Appraiser of a Trainee Appraiser. Am I required to take a Supervisory Appraiser and Trainee Appraiser course prior to January 1, 2015, in order to continue to supervise Trainee Appraisers?

Response:

While the AQB encourages existing Supervisory Appraisers to take the course, the 2015 *Real Property Appraiser Qualification Criteria* do not require current Supervisory Appraisers to do so (i.e., you are “grandfathered” from the AQB’s perspective). However, check with your state appraiser regulatory agency, since it may adopt more stringent requirements.

Please note however, if you seek to serve as a Supervisory Appraiser of any additional Trainee Appraiser(s) after the implementation date (e.g., January 1, 2015) you must fulfill all of the 2015 *Criteria* requirements to become a Supervisory Appraiser at that time.

Question 3:

I am a state appraiser regulatory official and I have reviewed the AQB course content outline for the required 2015 Supervisory Appraiser/Trainee Appraiser course. Does the AQB require a minimum or maximum length for this course?

Response:

The AQB has not established a minimum or maximum timeframe for this course offering. The intent of the course is to cover areas of general applicability to all Supervisory Appraiser/Trainee Appraiser relationships, and to allow each state to consider including material specific to the local jurisdiction regarding state law and/or areas of practice eliciting the highest number of disciplinary actions/complaints.

Question 4:

I am a state appraiser regulatory official. A course provider submitted a 2015 Supervisory Appraiser/Trainee Appraiser course for Continuing Education (CE) approval. Does the AQB allow this course to be utilized for appraiser CE?

Response:

Yes, upon review and approval by the state appraiser regulatory agency, a Supervisory Appraiser/Trainee Appraiser course may be utilized for CE for existing credential holders. However, the 2015 *Real Property Appraiser Qualification Criteria* prohibit the course from being utilized as counted toward Qualifying Education (QE).

Question 5:

I am an education provider and noticed that the majority of the course content in Section III of the Supervisory Appraiser/Trainee Appraiser Course Outline, Qualification and Credentialing Entities, is currently contained within the first section of the *15-Hour National USPAP Course*.

Will there a copyright problem if an education provider incorporates a large part of that material into the course so long as credit is given in footnotes and course content references?

Response:

Provided proper attribution to the *15-Hour National USPAP Course* is provided in the Supervisory Appraiser/Trainee Appraiser Course, there is not a problem incorporating material from the *15-Hour National USPAP Course* into the Supervisory Appraiser/Trainee Appraiser Course.

Education Providers

I am an education provider planning to create a course that meets the minimum requirements under the Course Content Outline promulgated by the AQB for the Supervisory Appraiser/Trainee Appraiser course. I would like to submit the base course

(that includes the national minimum requirements, not the state rules/regulations) to the AQB's Course Approval Program (CAP) for approval for use in multiple jurisdictions, and then allow states to write add-on modules covering any state-specific requirements. I have three questions:

Question 1:

Will the AQB, through its Course Approval Program, review and approve a course under the above scenario as meeting the minimum base requirements?

Response:

Yes. The AQB recognizes that a Supervisory Appraiser/Trainee Appraiser course must cover the required elements of the Course Content Outline. As such, a course that earns CAP approval will have an additional statement to this effect.

Question 2:

In prior Q&As on this topic, the AQB affirmed there is no minimum or maximum course length for the Supervisory Appraiser/Trainee Appraiser course. If my base course is approved through CAP for 6 hours, and I offer the course in a state that has adopted a 3-hour course requirement, can my course be presented in a 3-hour format in that state?

Response:

No; not based on the CAP approval. CAP approves a course as submitted; therefore, material cannot be added or omitted from the presentation of the course. In this case, you would have to create a 3-hour course for that particular state and seek separate approval from CAP or directly from that state appraiser regulatory agency.

Question 3:

Are education providers required to submit Supervisory Appraiser/Trainee Appraiser courses to the CAP for approval?

Response:

No. States can approve courses directly, provided the state verifies the course includes all of the required elements of the course content outline developed by the AQB.



TO: All Interested Parties

FROM: Wayne R. Miller, Chair
Appraiser Qualifications Board

RE: **Proposed Revision to the 2015 Real Property Appraiser Qualification Criteria**

DATE: February 26, 2014

After an 18-month period during which five exposure drafts were released for public comment, the Appraiser Qualifications Board (AQB) adopted changes to the *Real Property Appraiser Qualification Criteria (Criteria)* in December 2011. The effective date of the overall *Criteria* change is January 1, 2015.

In recent months, as states have worked to make the necessary revisions to laws and regulations to implement the changes in the *Criteria*, the AQB has received additional feedback on the language in the *Criteria* surrounding Background Checks.

Please see the rationale for the proposed change to the 2015 *Criteria* on Page 4 of this document and the proposed changes to the *Criteria* language beginning on Page 5.

All interested parties are encouraged to comment in writing to the AQB before the deadline of April 9, 2014. Respondents should be assured that each member of the AQB will thoroughly read and consider all comments. Comments are also invited at the AQB public meeting in San Francisco, California on April 11, 2014.

Written comments on this exposure draft can be submitted by mail, email and facsimile.

Mail: Appraiser Qualifications Board
The Appraisal Foundation
1155 15th Street, NW, Suite 1111
Washington, DC 20005

Email: aqbcomments@appraisalfoundation.org

Facsimile: (202) 347-7727

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

The Appraisal Foundation reserves the right not to post written comments that contain offensive or inappropriate statements.

If you have any questions regarding the attached exposure draft, please contact Magdalene Vasquez, Qualifications Administrator at The Appraisal Foundation, via e-mail at magdalene@appraisalfoundation.org or by calling (202) 624-3074.

**Exposure Draft of Proposed Revision to the 2015
*Real Property Appraiser Qualification Criteria (Criteria)***

**Issued February 26, 2014
Comment Deadline: April 9, 2014**

This exposure draft begins with a rationale for the proposed changes. The rationale is identified as such and does not have line numbering. Where proposed changes to the *Criteria* are noted, the exposure draft contains line numbers. This difference is intended to distinguish for the reader those parts that explain the changes from the proposed changes themselves.

When commenting on the exposure draft, it is very helpful to reference the line numbers, fully explain the reasons for concern or support, provide examples or illustrations, and suggest any alternatives or additional issues the AQB should consider.

Where text is to be deleted from what currently appears in the 2015 *Real Property Appraiser Qualification Criteria*, that text is shown as ~~strikeout~~. For example: ~~This is strikeout text proposed for deletion.~~ Text added to what currently appears in the 2015 *Real Property Appraiser Qualification Criteria* is underlined. For example: This is text proposed for insertion.

Proposed Revision to the Requirement for Background Checks

RATIONALE

The AQB adopted language setting forth a requirement that new applicants for a real property appraiser credential must undergo an FBI (or similar) state and national background check. The language the AQB adopted was derived verbatim from the Secure and Fair Enforcement for Mortgage Licensing Act of 2008, otherwise known as the S.A.F.E. Act, which mandates minimum standards, in part, for licensing and registration as a state-licensed loan originator.

The AQB has recently received feedback regarding the language adopted, which sets forth specific tasks for the State Appraiser Regulatory Agencies to perform. The feedback suggests that the Background Check requirements place obligations on the State Appraiser Regulatory Agencies, instead of applicants for a real property appraiser credential, as the balance of the Criteria sets forth.

As a result of this feedback, the AQB is proposing to adopt changes to the language as indicated herein.

Given the timing of this exposure draft and the limited time State Appraiser Regulatory Agencies will have to react to these changes (if adopted by the AQB), the AQB proposes to delay the implementation of the Background Check provision in the 2015 Real Property Appraiser Qualification Criteria until January 1, 2017.

CRITERIA APPLICABLE TO ALL APPRAISER CLASSIFICATIONS

1 **VI. Background Checks**

2 A. ~~All candidates~~ new applicants for a real property appraiser credential, who are not currently
3 licensed or certified and in good standing in another jurisdiction, must undergo background
4 screening. ~~State appraiser regulatory agencies shall, at a minimum, obtain fingerprints of the~~
5 ~~individual, in digital form if practicable, any appropriate identifying information for~~
6 ~~submission to the Federal Bureau of Investigation and/or any governmental agency or entity~~
7 ~~authorized to receive such information in connection with a State and national background~~
8 ~~check. Applicants shall provide, at a minimum, fingerprints (in digital form if practicable)~~
9 ~~together with any appropriate identifying information for submission, to the Federal Bureau~~
10 ~~of Investigation and/or any governmental agency or entity authorized to perform such~~
11 ~~background checks.~~

12 B. ~~In addition to all applicants for new credentials, state appraiser regulatory agencies are~~
13 ~~strongly encouraged to perform background checks on existing credential holders as well.~~

14 ~~CB. State appraiser regulatory agencies must ensure that a~~ All candidates applicants for a real
15 property appraiser credential ~~do~~ shall not possess a background that could call into question
16 public trust. ~~State appraiser regulatory agencies must take proper steps to ensure those~~
17 ~~applicants found to possess a background which calls into question the applicant's ability to~~
18 ~~maintain public trust are not issued a real property appraiser credential. State appraiser~~
19 ~~regulatory agencies~~ Applicants shall not issue be eligible for a real property appraiser
20 credential if:

- 21 1. The applicant has had an appraiser license or certification revoked in any governmental
22 jurisdiction within the five (5) year period immediately preceding the date of application.
- 23 2. The applicant has been convicted of, or pled guilty or *nolo contendere* to, a felony in a
24 domestic, or foreign court:
- 25 a. during the five (5) year period immediately preceding the date of the application for
26 licensing or certification; or
- 27 b. at any time preceding the date of application, if such felony involved an act of fraud,
28 dishonesty, or a breach of trust, or money laundering.
- 29 3. The applicant has failed to demonstrate character and general fitness such as to command
30 the confidence of the community and to warrant a determination that the appraiser will
31 operate honestly, fairly, and efficiently ethically within the purposes of these *Criteria*.

32 ~~DC. Additional background issues that a state appraiser regulatory agency shall~~ may be
33 evaluated and considered prior to an applicant issuing receiving ~~(or taking disciplinary action~~
34 ~~against)~~ a real property appraiser credential include, but are not limited to:

- 35 1. Convictions of any criminal offense involving dishonesty, breach of trust, or money
36 laundering against the individual or organizations controlled by the individual, or
37 agreements to enter into a pretrial diversion or similar program in connection with the
38 prosecution for such offense(s);

- 39 2. Civil judicial actions against the individual in connection with financial services-related
40 activities, dismissals with settlements, or judicial findings that the individual violated
41 financial services-related statutes or regulations, except for actions dismissed without a
42 settlement agreement;
- 43 3. Actions or orders by a State or Federal regulatory agency or foreign financial regulatory
44 authority that:
- 45 a. Found the individual to have made a false statement or omission or been dishonest,
46 unfair or unethical; to have been involved in a violation of a financial services-related
47 regulation or statute; or to have been a cause of a financial services-related business
48 having its authorization to do business denied, suspended, revoked, or restricted;
- 49 b. Are entered against the individual in connection with a financial services-related
50 activity;
- 51 c. Denied, suspended, or revoked the individual's registration or license to engage in a
52 financial services-related activity; disciplined the individual or otherwise by order
53 prevented the individual from associating with a financial services-related business or
54 restricted the individual activities; or
- 55 d. Barred the individual from association with an entity or its officers regulated by the
56 agency or authority or from engaging in a financial services-related business;
- 57 4. Final orders issued by a State or Federal regulatory agency or foreign financial regulatory
58 authority based on violations of any law or regulation that prohibits fraudulent,
59 manipulative, or deceptive conduct;
- 60 5. Revocation or suspension of the individual's authorization to act as an attorney,
61 accountant, or State or Federal contractor; and
- 62 6. Customer-initiated financial services-related arbitration or civil action against the
63 individual that required action, including settlements, or which resulted in a judgment.



UPCOMING CHANGES TO REAL PROPERTY APPRAISER QUALIFICATIONS

On December 9, 2011, the Appraiser Qualifications Board of The Appraisal Foundation adopted changes to the *Real Property Appraiser Qualification Criteria* that will become effective January 1, 2015. These changes represent minimum national requirements that each state must implement no later than January 1, 2015.

OVERVIEW OF CHANGES

<p>National Uniform Licensing and Certification Examinations</p>	<p>Education <u>and</u> experience must be completed prior to taking the AQB-approved <i>National Uniform Licensing and Certification Examination</i>.</p>
<p>Background Checks</p>	<p>All candidates for a real property appraiser credential must undergo background screening. State appraiser regulatory agencies are <i>strongly</i> encouraged to perform background checks on <i>existing</i> credential holders as well.</p>
<p>College Degree Acceptance and Core Curriculum Requirements</p>	<p>Credit towards qualifying education requirements may be obtained via the completion of a degree program in Real Estate from an accredited degree-granting college or university provided the college or university has had its curriculum reviewed and approved by the AQB.</p>
<p>Deletion of the Segmented Approach to Criteria Implementation</p>	<p>States had the option to implement the 2008 <i>Real Property Appraiser Qualification Criteria</i> via the “segmented approach.” This implementation option will no longer be valid effective January 1, 2015.</p>
<p>Restriction on Continuing Education Course Offerings</p>	<p>Aside from complying with the requirements to complete the <i>7-Hour National USPAP Update Course</i> (or its AQB-approved equivalent), appraisers may not receive credit for completion of the same continuing education course offering within an appraiser’s continuing education cycle.</p>
<p>Distance Education Requirements</p>	<p>A <i>written, proctored</i> examination is required for all qualifying education distance course offerings. The term <i>written</i> refers to an examination that might be written on paper or administered electronically on a computer workstation or other device.</p>
<p>Revisions to Subtopics in Guide Note 1 (GN-1) and Continuing Education Topics</p>	<p>Added topics on green building (qualifying and continuing education), seller concessions (qualifying and continuing education) and developing opinions of real property value in appraisals that also include personal property and/or business value (continuing education only).</p>

COLLEGE LEVEL EDUCATION REQUIREMENT CHANGES

CLASSIFICATION	CURRENT REQUIREMENTS	1/1/15 REQUIREMENTS
Trainee Appraiser	None	None
Licensed Residential Appraiser	None	30 semester credit hours of college-level education from an accredited college, junior college, community college, or university OR an Associate's degree or higher (in any field).
Certified Residential Appraiser	21 semester credit hours in specified collegiate subject matter courses from an accredited college or university OR an Associate's degree or higher.	Bachelor's degree or higher (in any field) from an accredited college or university.
Certified General Appraiser	30 semester credit hours in specific collegiate subject matter courses from an accredited college or university OR a Bachelor's degree or higher.	Bachelor's degree or higher (in any field) from an accredited college or university.

*These requirements are effective for individuals seeking a real property appraiser credential *after* January 1, 2015. However, in some cases, the requirements may also apply to *existing* real property appraisers (for example, a state may require a credentialed appraiser to meet the new Criteria if he or she moves from a state that does not have reciprocity with that state. Or some states may require appraisers seeking to change their credential level to meet all of the 2015 Criteria prior to obtaining the new credential). **Credentialed appraisers are urged to contact the applicable state appraiser regulatory agencies if they are contemplating relocation or changing credential levels.**

SUPERVISORY APPRAISER AND TRAINEE APPRAISER REQUIREMENT CHANGES

SUPERVISORY APPRAISER	TRAINEE APPRAISER
State-certified Supervisory Appraiser shall be in good standing with the training jurisdiction and not subject to any disciplinary action within the last three (3) years that affects the Supervisory Appraiser's legal ability to engage in appraisal practice. Shall have been state certified for a minimum of three (3) years prior to being eligible to become a Supervisory Appraiser.	All qualifying education must be completed within the five (5) year period prior to the date of submission of an application for a Trainee Appraiser credential.
A Supervisory Appraiser may not supervise more than three Trainee Appraisers at one time, unless a state program in the licensing jurisdiction provides to progress monitoring, supervising certified appraiser qualifications, and supervision oversight requirements for Supervisory Appraisers.	A Trainee Appraiser is permitted to have more than one Supervisory Appraiser.
Shared responsibility to ensure the appraisal experience log for the Trainee Appraiser is accurate, current, and complies with the requirements of the Trainee Appraiser's credentialing jurisdiction.	
Both the Trainee Appraiser and Supervisory Appraiser shall be required to complete a course that, at a minimum, complies with the specifications for course content established by the AQB. The course will be oriented toward the requirements and responsibilities of Supervisory Appraisers and expectations for Trainee Appraisers. The course must be completed by the Trainee Appraiser prior to obtaining a Trainee Appraiser credential, and completed by the Supervisory Appraiser prior to supervising a Trainee Appraiser.	

**State of Wisconsin
Department of Safety and Professional Services**

AGENDA REQUEST FORM

1) Name and Title of Person Submitting the Request: Peter Schramm, CE Specialist		2) Date When Request Submitted: 4/16/2014	
		Items will be considered late if submitted after 5 p.m. and less than: <ul style="list-style-type: none"> ▪ 8 business days before the meeting for paperless boards ▪ 14 business days before meeting for all others 	
3) Name of Board, Committee, Council, Section: Real Estate Appraisers Board			
4) Meeting Date: 5/7/2014	5) Attachments: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	6) How should the item be titled on the agenda page? 2011-2013 Real Estate Appraiser Continuing Education Audit Report	
7) Place Item in: <input checked="" type="checkbox"/> Open Session <input type="checkbox"/> Closed Session <input type="checkbox"/> Both	8) Is an appearance before the Board being scheduled? <input checked="" type="checkbox"/> Yes (Fill out Board Appearance Request) <input type="checkbox"/> No	9) Name of Case Advisor(s), if required:	
10) Describe the issue and action that should be addressed: - Presentation of the results of the continuing education compliance audit for the 2011-2013 biennium			
11) Authorization			
Peter Schramm		4/16/2014	
Signature of person making this request		Date	
Jill M. Remy		4/23/2014	
Supervisor (if required)		Date	
Executive Director signature (indicates approval to add post agenda deadline item to agenda)		Date	
Directions for including supporting documents: 1. This form should be attached to any documents submitted to the agenda. 2. Post Agenda Deadline items must be authorized by a Supervisor and the Policy Development Executive Director. 3. If necessary, provide original documents needing Board Chairperson signature to the Bureau Assistant prior to the start of a meeting.			

BOARD APPEARANCE REQUEST FORM

Appearance Information

Board Name: Real Estate Appraisers Board

Board Meeting Date: 5-7-2014

Person Submitting Agenda Request: Peter Schramm

Person(s) requesting an appearance: Peter Schramm

(NOTE: Contact information is not required for Department staff.)

Reason for Appearance: Presentation of 2011-2013 Real Estate Appraiser Continuing Education Compliance Audit Report

Appearance Contact Information

(NOTE: If the appearing party is represented by an attorney skip the "Appearance Contact Information" section and complete the "Attorney Contact Information" section.)

Mailing address:

Email address:

Telephone #:

Attorney Contact Information

Attorney Name:

Attorney's mailing address:

Attorney's e-mail address:

Attorney's telephone #:

2011-2013 Real Estate Appraiser Continuing Education Compliance Audit Report

SUMMARY OF FINDINGS

- Licensed Appraiser (reg type 4): 27 were randomly selected for audit; 25 of 27 in compliance – 92.59%
- Certified Residential Appraiser (reg type 9): 106 randomly selected for audit; 98 of 106 in compliance – 92.45%
- Certified General Appraiser (reg type 10): 59 randomly selected for audit; 53 of 59 in compliance – 89.83%

Total compliance rate for randomly selected auditees: 176 of 192 in compliance – 91.66%

- License holders added by DLSC due to CE non-compliance in 2009-2011 CE audit: 15 of 17 in compliance – 88.23%

Total compliance rate for combined randomly selected and DLSC targeted auditees: 191 of 209 in compliance – 91.38%

Audit Completion Timeline:

- First audit letter mailed to auditees on 1/21/2014 with a deadline of 1/31/2014 for receipt of CE documentation.
 - Second letter (final notice) sent via certified mail on 1/31/2014 to auditees who had not responded, with a deadline of 2/5/2014 for receipt of CE documentation.
-

A) Registration Type 4-Licensed Appraiser

Of 27 licensees audited, two (2) were not in compliance, representing a 92.59% compliance rate. Following are the reasons for non-compliance:

- One (1) licensee completed their required USPAP update after the biennium and did not submit other completed courses.
- One (1) licensee returned the certified mail receipt on 2/3/14, but no CE completion documentation was submitted.

2011-2013 Real Estate Appraiser Continuing Education Compliance Audit Report

B) Registration Type 9-Certified Residential Appraiser

Of 106 licensees audited, eight (8) were not in compliance, representing a 92.45% compliance rate. Following are the reasons for non-compliance:

- Five (5) licensees completed courses out of the biennium;
 - Four (4) completed courses after the conclusion of the biennium on 12/14/2013
 - One (1) submitted certificates for courses from the previous biennium. They later submitted courses to make up the hours that were short, but these courses were completed after the conclusion of the 2011-2013 biennium.
- Two (2) licensees completed courses that had not been approved by the Department;
 - One (1) has begun to complete courses to make up the deficient hours (courses taken after the 2011-2013 biennium)
 - One (1) completed three courses not approved by the Department and thus was short 21 hours; cited medical hardship as to why they could not submit further information by the audit deadline.
- One (1) did not respond to either audit letter.

C) Registration Type 10-Certified General Appraiser

Of 59 licensees audited, six (6) were not in compliance, representing an 89.83% compliance rate. Following are the reasons for non-compliance:

- Two (2) licensees completed courses that had not been approved by the Department; courses were approved in Illinois, but AQB compliance of the courses could not be determined/verified.
- Two (2) licensees completed courses after the conclusion of the biennium (12/14/2013).
- Two (2) licensees did not provide any CE documentation;
 - One (1) returned the certified mail receipt on 2/3/2014, but did not submit any CE documentation.
 - One (1) did not respond to either audit letter.

2011-2013 Real Estate Appraiser Continuing Education Compliance Audit Report

D) Department of Legal Services and Compliance (DLSC) Additions - license holders targeted by DLSC due to their non-compliance in the 2009-2011 CE audit

Of 17 licensees added by DLSC who renewed their license for the 2011 – 2013 biennium, two (2) were not in compliance, representing an overall 88.23% compliance rate.

4-Licensed Appraiser - DLSC added three (3) licensees to the audit list;

- All three (3) licensees were in compliance – 100% compliance

9-Certified Residential Appraiser - DLSC added ten (10) licensees to audit list

- Eight (8) licensees were in compliance – 80% compliance
 - Two (2) licensee was not in compliance; both submitted courses that they had submitted to DLSC during review of their non-compliance for the 2009-2011 CE audit.

10-Certified General Appraiser - DLSC added four (4) licensees to the audit list

- All four (4) licensees were in compliance – 100% compliance

**State of Wisconsin
Department of Safety & Professional Services**

AGENDA REQUEST FORM

1) Name and Title of Person Submitting the Request: Daniel Agne, Bureau Assistant On behalf of Tom Ryan, Executive Director		2) Date When Request Submitted: 4/3/14 Items will be considered late if submitted after 12:00 p.m. on the deadline date: ▪ 8 business days before the meeting for paperless boards	
3) Name of Board, Committee, Council, Sections: Real Estate Appraisers Board			
4) Meeting Date: 5/7/14	5) Attachments: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	6) How should the item be titled on the agenda page? Informational Item – Investigator Training Course	
7) Place Item in: <input checked="" type="checkbox"/> Open Session <input type="checkbox"/> Closed Session <input type="checkbox"/> Both	8) Is an appearance before the Board being scheduled? <input type="checkbox"/> Yes (Fill out Board Appearance Request) <input checked="" type="checkbox"/> No	9) Name of Case Advisor(s), if required:	
10) Describe the issue and action that should be addressed: See the next page for info on a Level 1 Investigator Training Course put on by TAF, AARO, and ASC.			
11) Authorization			
Daniel Agne			
Signature of person making this request			Date
Supervisor (if required)			Date
Executive Director signature (indicates approval to add post agenda deadline item to agenda) Date			
Directions for including supporting documents: 1. This form should be attached to any documents submitted to the agenda. 2. Post Agenda Deadline items must be authorized by a Supervisor and the Policy Development Executive Director. 3. If necessary, Provide original documents needing Board Chairperson signature to the Bureau Assistant prior to the start of a meeting.			

The Appraisal Foundation (TAF) and the Association of Appraiser Regulatory Officials (AARO), with funding from the Appraisal Subcommittee (ASC), have once again formed a partnership to offer training to state investigators in 2014. The goal of the training is to promote greater consistency in the evaluation and investigation of complaints received about appraisers nationwide.

We invite any interested investigator in your state to attend our Level 1 (beginner). This 2 1/2 day course will be offered once in 2014.

Level 1 Investigator Training Course

Date: May 19-21 (Monday-Wednesday)

Location: Baltimore, MD

Prerequisite: Must be a state investigator, administrator, legal counsel, or support staff. USPAP knowledge *strongly* recommended but not required

Deadline to Register: Monday, May 4, 2014

The course will be offered at no cost to state investigators. In addition, transportation to the course as well as lodging and meals will be reimbursed by the Foundation in accordance with our travel policy.

Each state will be able to send up to **two** state investigators who have never previously attended the courses. Additional spaces will be opened up once registration is complete so be sure to request that additional names be added to the waiting list, if necessary.

Please send the name, email address and phone number of interested investigators from your state to [REDACTED]

[REDACTED]. Upon receipt, we will provide these individuals with the registration and lodging information.

The Foundation will also be offering a Level 2 and new this year a Level 3 course for state investigators. More information about the dates and locations for these courses will be provided in the next few weeks. Please only respond to the Level 1 course at this time.

Thank you,
The Appraisal Foundation