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**VIRTUAL/TELECONFERENCE  
REAL ESTATE APPRAISERS BOARD  
Virtual, 4822 Madison Yards Way, Madison  
Contact: Tom Ryan (608) 266-2112  
June 3, 2025**

*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 description of the actions of the Board.*

**AGENDA**

**10:00 A.M.**

**OPEN SESSION – CALL TO ORDER – ROLL CALL**

- A. Adoption of Agenda (1-3)**
- B. Approval of Minutes of March 4, 2025 (4-7)**
- C. Reminders: Conflicts of Interest, Scheduling Concerns
- D. Introductions, Announcements, and Recognition
- E. 10:00 AM PUBLIC HEARING: Rule CR 25-025 for SPS 85, relating to Appraiser Experience Requirements (8-9)**
- F. 10:00 AM PUBLIC HEARING: Rule CR 25-026 for SPS 85 to 87, relating to the 2024 version of USPAP (10)**
- G. Administrative Matters – Discussion and Consideration**
  - 1) Department, Staff, and Board Updates
  - 2) Board Members – Term Expiration Dates
    - a. Coates, Jennifer M. – 5/1/2019
    - b. Figurski, Daniel J. – 5/1/2026
    - c. Klanderman, Ryan R. – 5/1/2026
    - d. Krueger, Christopher D. – 5/1/2028
    - e. Myers, Dennis – 5/1/2021
    - f. Rubow, Richard L. – 5/1/2023
    - g. Wagner, David J. – 5/1/2026
- H. Appraisal Foundation Updates to Appraisal Qualifications and Standards – APPEARANCE – Peter Fontana, Trustee, The Appraisal Foundation (11-74)**
- I. Administrative Rule Matters – Discussion and Consideration (75-90)**
  - 1) Final Rule Draft for SPS 85, Relating to Appraiser Experience Requirements (PAREA) **(76-85)**
  - 2) Final Rule Draft for SPS 85 to 87, Relating to USPAP **(86-89)**

3) Pending or possible Rulemaking projects **(90)**

J. Discussion and Consideration of Items Added After Preparation of Agenda

- 1) Introductions, Announcements and Recognition
- 2) Administrative Matters
- 3) Election of Officers
- 4) Appointment of Liaisons and Alternates
- 5) Delegation of Authorities
- 6) Education and Examination Matters
- 7) Credentialing Matters
- 8) Practice Matters
- 9) Legislative and Policy Matters
- 10) Administrative Rule Matters
- 11) Public Health Emergencies
- 12) Liaison Reports
- 13) Board Liaison Training and Appointment of Mentors
- 14) Informational Items
- 15) Division of Legal Services and Compliance (DLSC) Matters
- 16) Presentations of Petitions for Summary Suspension
- 17) Petitions for Designation of Hearing Examiner
- 18) Presentation of Stipulations, Final Decisions and Orders
- 19) Presentation of Proposed Final Decisions and Orders
- 20) Presentation of Interim Orders
- 21) Petitions for Re-Hearing
- 22) Petitions for Assessments
- 23) Petitions to Vacate Orders
- 24) Requests for Disciplinary Proceeding Presentations
- 25) Motions
- 26) Petitions
- 27) Appearances from Requests Received or Renewed
- 28) Speaking Engagements, Travel, or Public Relation Requests, and Reports

K. Public Comments

**CONVENE TO CLOSED SESSION to deliberate on cases following hearing (s. 19.85(1)(a), Stats.); to consider licensure or certification of individuals (s. 19.85(1)(b), Stats.); to consider closing disciplinary investigations with administrative warnings (ss. 19.85(1)(b), 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.).**

L. Deliberation on Division of Legal Services and Compliance (DLSC) Matters

- 1) **Proposed Stipulations, Final Decision and Orders**
  - a. 22 APP 048 and 23 APP 033 – Kyle M. Hoffmann **(91-98)**
  - b. 22 APP 049 and 22 APP 051 – Traci J. Fischer **(99-107)**
  - c. 22 APP 052 – Rachel L. Pader **(108-114)**
  - d. 22 APP 060 – Tami L. Hutto-Rollmann **(115-121)**

M. Deliberation of Items Added After Preparation of the Agenda

- 1) Education and Examination Matters
- 2) Credentialing Matters
- 3) DLSC Matters
- 4) Monitoring Matters

- 5) Professional Assistance Procedure (PAP) Matters
- 6) Petitions for Summary Suspensions
- 7) Petitions for Designation of Hearing Examiner
- 8) Proposed Stipulations, Final Decisions and Orders
- 9) Proposed Interim Orders
- 10) Administrative Warnings
- 11) Review of Administrative Warnings
- 12) Proposed Final Decisions and Orders
- 13) Matters Relating to Costs/Orders Fixing Costs
- 14) Case Closings
- 15) Board Liaison Training
- 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

N. Consulting with Legal Counsel

# **RECONVENE TO OPEN SESSION IMMEDIATELY FOLLOWING CLOSED SESSION**

O. Vote on Items Considered or Deliberated Upon in Closed Session if Voting is Appropriate

P. Open Session Items Noticed Above Not Completed in the Initial Open Session

# **ADJOURNMENT**

**NEXT MEETING: SEPTEMBER 2, 2025**

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MEETINGS AND HEARINGS ARE OPEN TO THE PUBLIC, AND MAY BE CANCELLED WITHOUT NOTICE.

Times listed for meeting items are approximate and depend on the length of discussion and voting. All meetings are held virtually unless otherwise indicated. In-person meetings are typically conducted at 4822 Madison Yards Way, Madison, Wisconsin, unless an alternative location is listed on the meeting notice. In order to confirm a meeting or to request a complete copy of the board's agenda, please visit the Department website at <https://dsps.wi.gov>. The board may also consider materials or items filed after the transmission of this notice. Times listed for the commencement of any agenda item may be changed by the board for the convenience of the parties. The person credentialed by the board has the right to demand that the meeting at which final action may be taken against the credential be held in open session. Requests for interpreters for the hard of hearing, or other accommodations, are considered upon request by contacting the Affirmative Action Officer or reach the Meeting Staff by calling 608-267-7213.

**VIRTUAL/TELECONFERENCE  
REAL ESTATE APPRAISERS BOARD  
MEETING MINUTES  
MARCH 4, 2025**

**PRESENT:** Jennifer Coates, Daniel Figurski, Christopher Krueger, Dennis Myers, Richard Rubow, David Wagner

**ABSENT:** Ryan Klanderman

**STAFF:** Tom Ryan, Executive Director; Joseph Ricker, Legal Counsel; Jacob Pelegrin, Administrative Rule Coordinator; Ashley Sarnosky, Board Administrative Specialist; and other DSPS Staff

**CALL TO ORDER**

Daniel Figurski, Chairperson, called the meeting to order at 10:00 a.m. A quorum was confirmed with six (6) members present.

**ADOPTION OF AGENDA**

**MOTION:** Dennis Myers moved, seconded by Jennifer Coates, to adopt the agenda as published. Motion carried unanimously.

**APPROVAL OF MINUTES OF NOVEMBER 5, 2024**

**MOTION:** David Wagner moved, seconded by Jennifer Coates, to approve the minutes of November 5, 2024, as published. Motion carried unanimously.

**ADMINISTRATIVE MATTERS**

**Election of Officers**

*Slate of Officers*

**NOMINATION:** Daniel Figurski nominated the 2024 slate of officers to continue in 2025. All officers accepted their nominations.

Tom Ryan, Executive Director, called for nominations three (3) times.

The Slate of Officers was elected by unanimous voice vote.

2025 ELECTION RESULTS	
Chairperson	Daniel Figurski
Vice Chairperson	Jennifer Coates
Secretary	Dennis Myers

## Appointment of Liaisons and Alternates

LIAISON APPOINTMENTS	
<b>Credentialing Liaison(s)</b>	Daniel Figurski <i>Alternate: Christopher Krueger</i>
<b>Education and Exams Liaison(s)</b>	Daniel Figurski <i>Alternate: Christopher Krueger</i>
<b>Monitoring Liaison(s)</b>	Richard Rubow <i>Alternate: Jennifer Coates</i>
<b>Professional Assistance Procedure Liaison(s)</b>	Jennifer Coates <i>Alternates: Ryan Klanderman</i>
<b>Legislative Liaison(s)</b>	David Wagner <i>Alternate: Dennis Myers</i>
<b>Travel Authorization Liaison(s)</b>	David Wagner <i>Alternate: Jennifer Coates</i>
<b>ASC and AQB Liaison(s)</b>	Christopher Krueger <i>Alternate: Daniel Figurski</i>
<b>REA Application Advisory Committee Chair</b>	Ryan Klanderman <i>Alternate: Daniel Figurski, David Wagner</i>
<b>Website Liaison(s)</b>	Jennifer Coates <i>Alternate: Dennis Myers</i>

## Delegation of Authorities

### 2025 Delegations

**MOTION:** Daniel Figurski moved, seconded by Jennifer Coates, to thank Alicia Kennedy and Ken Baranowski for their appearance at the November 5, 2024 meeting, and to express the Real Estate Appraisers Board's approval of the complaint screening process presented. Motion carried unanimously.

### Review and Approval of 2024 Delegations including new modifications

**MOTION:** Dennis Myers moved, seconded by Daniel Figurski, to reaffirm all delegation motions made in 2024, as reflected in the March 4, 2025 agenda materials, which were not otherwise modified or amended during the March 4, 2025 meeting. Motion carried unanimously.

## ADMINISTRATIVE RULE MATTERS

### **Preliminary Rule Draft for SPS 85, Relating to Appraiser Experience Requirements (PAREA)**

**MOTION:** Daniel Figurski moved, seconded by Richard Rubow, to acknowledge that the board was presented the Preliminary Rule Draft for SPS 85 relating to Appraiser Experience Requirements (PAREA), and that the board's 30-day comment period to submit comments to the department under s. 458.05 (2), Stats., begins on 3/4/2025. Motion carried unanimously.

### **CLOSED SESSION**

**MOTION:** Dennis Myers moved, seconded by Richard Rubow, to convene to Closed Session to deliberate on cases following hearing (s. 19.85(1)(a), Stats.); to consider licensure or certification of individuals (s. 19.85(1)(b), Stats.); to consider closing disciplinary investigations with administrative warnings (ss. 19.85(1)(b), 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.). Daniel Figurski, Chairperson, read the language of the motion aloud for the record. The vote of each member was ascertained by voice vote. Roll Call Vote: Jennifer Coates-yes; Daniel Figurski-yes; Christopher Krueger-yes; Dennis Myers-yes; and Richard Rubow-yes; David Wagner-yes. Motion carried unanimously.

The Board convened into Closed Session at 10:45 a.m.

## **DIVISION OF LEGAL SERVICES AND COMPLIANCE (DLSC) MATTERS**

### **Proposed Stipulations and Final Decision and Orders**

**MOTION:** Dennis Myers moved, seconded by David Wagner, to adopt/reject the Findings of Fact, Conclusions of Law and Order in the matter of disciplinary proceedings of the following cases:

1. 22 APP 014 & 24 APP 0026 – Terrence R. Christ
2. 22 APP 018 & 23 APP 024 – Terri L. Gleason
3. 22 APP 020, 23 APP 007, 24 APP 0007 – Donald J. Loos
4. 22 APP 034 & 23 APP 050 – Timothy J. Denman
5. 22 APP 036 – Brett C. Hanney
6. 22 APP 041 & 23 APP 006 – Geoffrey W. Dille
7. 22 APP 045 – Benjamin J. Larson
8. 22 APP 045 – Timothy E. Williamson
9. 22 APP 046 – Jeffery A. Mewhorter
10. 22 APP 047 – Mark A. Tralmer
11. 22 APP 050 – Harry N. Devitt
12. 22 APP 055 – Kerry S. Braun

Motion carried unanimously.

*Dennis Myers left at 11:00 a.m.*

## **Administrative Warnings**

### **22 APP 037 – M.J.R.**

**MOTION:** Daniel Figurski moved, seconded by Jennifer Coates, to issue an Administrative Warning in the matter of M.J.R., DLSC Case Number 22 APP 037. Motion carried unanimously.

## **Case Closings**

### **22 APP 047 – K.L.S.**

**MOTION:** Daniel Figurski moved, seconded by Jennifer Coates, to close DLSC Case Number 22 APP 047, against K.L.S., for Lack of Jurisdiction (L2). Motion carried unanimously.

### **RECONVENE TO OPEN SESSION**

**MOTION:** Richard Rubow moved, seconded by David Wagner, to reconvene into Open Session. Motion carried unanimously.

The Board reconvened into Open Session at 11:07 a.m.

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

**MOTION:** Jennifer Coates moved, seconded by Richard Rubow, to affirm all motions made and votes taken in Closed Session. Motion carried unanimously.

*(Be advised that any recusals or abstentions reflected in the Closed Session motions stand for the purposes of the affirmation vote.)*

### **ADJOURNMENT**

**MOTION:** Jennifer Coates moved, seconded by David Wagner, to adjourn the meeting. Motion carried unanimously.

The meeting adjourned at 11:09 a.m.

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

**AGENDA REQUEST FORM**

<b>1) Name and title of person submitting the request:</b> Jake Pelegrin Administrative Rules Coordinator		<b>2) Date when request submitted:</b> 5/27/25 <small>Items will be considered late if submitted after 12:00 p.m. on the deadline date which is 8 business days before the meeting</small>														
<b>3) Name of Board, Committee, Council, Sections:</b> Real Estate Appraisers Board																
<b>4) Meeting Date:</b> 6/3/25	<b>5) Attachments:</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<b>6) How should the item be titled on the agenda page?</b> 10:00AM Public Hearing on Rule CR 25-025 for SPS 85, relating to Appraiser Experience Requirements.  10:00AM Public Hearing on Rule CR 25-026 for SPS 85 to 87, relating to the 2024 version of USPAP.														
<b>7) Place Item in:</b> <input checked="" type="checkbox"/> Open Session <input type="checkbox"/> Closed Session	<b>8) Is an appearance before the Board being scheduled?</b> <i>(If yes, please complete <a href="#">Appearance Request</a> for Non-DSPS Staff)</i> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		<b>9) Name of Case Advisor(s), if required:</b> N/A													
<b>10) Describe the issue and action that should be addressed:</b>  Attachments: -Notices of public hearings																
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%; vertical-align: top;"><b>11)</b></td> <td style="width: 50%; vertical-align: bottom;"> <i>Jake Pelegrin</i> </td> <td style="width: 40%; text-align: right; vertical-align: bottom;"> <b>Authorization</b>                  5/27/25             </td> </tr> <tr> <td colspan="2" style="border-top: 1px solid black; border-bottom: 1px solid black;"> <b>Signature of person making this request</b> </td> <td style="border-top: 1px solid black; border-bottom: 1px solid black; text-align: right;"> <b>Date</b> </td> </tr> <tr> <td colspan="2" style="border-top: 1px solid black; border-bottom: 1px solid black;"> <b>Supervisor (if required)</b> </td> <td style="border-top: 1px solid black; border-bottom: 1px solid black; text-align: right;"> <b>Date</b> </td> </tr> <tr> <td colspan="3" style="border-top: 1px solid black; border-bottom: 1px solid black;"> <b>Executive Director signature (indicates approval to add post agenda deadline item to agenda)</b> </td> <td style="border-top: 1px solid black; border-bottom: 1px solid black; text-align: right;"> <b>Date</b> </td> </tr> </table>				<b>11)</b>	<i>Jake Pelegrin</i>	<b>Authorization</b> 5/27/25	<b>Signature of person making this request</b>		<b>Date</b>	<b>Supervisor (if required)</b>		<b>Date</b>	<b>Executive Director signature (indicates approval to add post agenda deadline item to agenda)</b>			<b>Date</b>
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<b>Directions for including supporting documents:</b> 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.																



## **Notice of Public Hearing**

The Department of Safety and Professional Services announces that it will hold a virtual public hearing on the rule revising SPS 85, relating to Appraiser Experience Requirements, at the time and place shown below.

### **Hearing Information**

Date: June 3, 2025

Time: 10:00 A.M.

Location: Information concerning the location of the hearing will be available at:

<https://dsps.wi.gov/Pages/BoardsCouncils/REA/Meetings.aspx>

### **Appearances at the Hearing and Submittal of Written Comments**

The rule may be reviewed and comments submitted at:

<http://docs.legis.wisconsin.gov/code/chr/hearings>.

Comments may also be submitted to Jake Pelegrin, Administrative Rules Coordinator, Department of Safety and Professional Services, Division of Policy Development, P.O. Box 8366, Madison, WI 53708-8366, or by email to [DSPSAdminRules@wisconsin.gov](mailto:DSPSAdminRules@wisconsin.gov).

Comments must be received at or before the public hearing to be included in the record of rulemaking proceedings.

### **Initial Regulatory Flexibility Analysis**

The proposed rule will not have an effect on small businesses, as defined under s. 227.114 (1).

### **Agency Small Business Regulatory Coordinator**

The Department's Regulatory Review Coordinator may be contacted at

[Jennifer.Garrett@wisconsin.gov](mailto:Jennifer.Garrett@wisconsin.gov) or by calling (608) 266-2112.

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

**AGENDA REQUEST FORM**

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3) Name of Board, Committee, Council, Sections: Real Estate Appraisers Board			
4) Meeting Date: June 3, 2025	5) Attachments: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	6) How should the item be titled on the agenda page? Appraisal Foundation Updates to Appraisal Qualifications and Standards – APPEARANCE – Peter Fontana, Trustee, The Appraisal Foundation	
7) Place Item in: <input checked="" type="checkbox"/> Open Session <input type="checkbox"/> Closed Session		8) Is an appearance before the Board being scheduled? <i>(If yes, please complete <a href="#">Appearance Request</a> for Non-DSPS Staff)</i> <input checked="" type="checkbox"/> Yes Peter Fontana <input type="checkbox"/> No	9) Name of Case Advisor(s), if applicable: N/A
10) Describe the issue and action that should be addressed:  <p>The Appraisal Foundation is the United States' foremost authority on the valuation profession. The organization sets the Congressionally-authorized standards and qualifications for real estate appraisers, and provides voluntary guidance on recognized valuation methods and techniques for all valuation professionals. This work advances the profession by ensuring appraisals are independent, consistent, and objective. More information on The Appraisal Foundation is available at <a href="http://www.appraisalfoundation.org">www.appraisalfoundation.org</a>.</p> <p>Peter Fontana will discuss the upcoming changes to appraiser qualifications and standards, including the potential elimination of college credit requirements for Certified Residential credential seekers, and the impact and guidelines surrounding Artificial Intelligence and how it relates to USPAP.</p> <p>Attached are the concept papers that were released to the industry for public commentary / feedback.</p>			
11) <div style="text-align: center;">Authorization</div> <hr/> <div style="display: flex; justify-content: space-between;"> <span>Signature of person making this request</span> <span>Date</span> </div> <hr/> <div style="display: flex; justify-content: space-between;"> <span>Supervisor (Only required for post agenda deadline items)</span> <span>Date</span> </div> <hr/> <div style="display: flex; justify-content: space-between;"> <span>Executive Director signature (Indicates approval for post agenda deadline items)</span> <span>Date</span> </div> <hr/> <div style="background-color: #f0f0f0; padding: 5px;"> <p>Directions for including supporting documents:</p> <ol style="list-style-type: none"> <li>1. This form should be saved with any other documents submitted to the <a href="#">Agenda Items</a> folders.</li> <li>2. Post Agenda Deadline items must be authorized by a Supervisor and the Policy Development Executive Director.</li> <li>3. If necessary, provide original documents needing Board Chairperson signature to the Bureau Assistant prior to the start of a meeting.</li> </ol> </div>			

April 15, 2025

Dear State Regulator Community,

As key partners in strengthening public trust and upholding standards of excellence in the appraisal profession, The Appraisal Foundation has consistently supported state regulators with tools to carry out their enforcement authority. Today, we're taking that commitment a step further.

We are pleased to announce the formation of a State Harmonization Task Force focused on identifying and assisting states in removing unnecessary regulatory overlays that may be creating unintended barriers to entry into the profession—particularly in the area of mass appraisal.

This initiative is rooted in the Foundation's strategic plan, which calls for building a strong new generation of appraisers to further public trust in the profession. By working together to streamline state-level requirements that exceed AQB criteria, the Task Force aims to:

- Expand access to licensure
- Increase the number of qualified appraisers
- Align with the evolving needs of the profession

We know many states—both large and small—are already leading the way. We want to share their successes, provide resources and tools, and help more states modernize their approaches.

While the State Harmonization Task Force will ultimately focus on all licensure requirements that exceed the criteria, we are beginning with ad valorem experience and mass appraisal pathways. These areas represent an existing pool of highly qualified applicants who are ready to join the profession—and we want to help states recognize and leverage this opportunity.

Mass appraisers bring skill sets that are well-aligned with the evolving demands of the profession—from the increased use of data and analytics to the technological fluency expected in modern valuation practice. These competencies are especially relevant as the profession adapts to new methodologies and changing expectations. This Task Force isn't just highlighting the issues—we're developing solutions and practical steps to help states take action.

We'll be sharing more during the AARO Virtual Conference on April 28th. In the

meantime, we encourage you to look for a follow-up communication that will include resources, graphics, and opportunities to engage.

Together, we can make the profession more accessible, better aligned with today's needs, and prepared for the future.

Sincerely,

A handwritten signature in blue ink, appearing to read "Peter Fontana", with a stylized flourish at the end.

**Peter Fontana**  
Chair  
State Harmonization Task Force

# The Importance of Harmonizing State Qualification Criteria

**Only nine states in the US accept the AQB's minimum criteria without overlays. Today these overlays are creating barriers to entry that could prevent a new generation of appraisers from joining this dynamic profession.**



## **Losing key talent**

By creating additional barriers to entry, states risk losing out on young, talented workers who may be perfectly suited to the appraisal profession as they pursue careers with fewer regulatory burdens



## **Shrinking appraisal workforce**

As the appraiser workforce ages, more and more appraisers are retiring without new appraisers coming into the profession to fill that gap.



## **Economy at risk**

Fewer entrants and more retirements means more chance of there being a shortage of appraisers who can provide independent, unbiased opinions of value on housing transactions, potentially putting the state's economy at risk



## **Difficult to administer programs**

Overlays can make your state regulatory program more difficult to administer, creating challenges in applying regulatory tools and resources from the Foundation.

## How We Can Help!

**The Appraisal Foundation has created a State Harmonization Task Force aimed at assisting states in ensuring that their qualification criteria are in line with the AQB minimums and do not create unnecessary barriers to entry.**



## **Mass Appraisal**

Mass appraisal experience is already allowed under the AQB criteria. The task force can share examples of how this is implemented in other states.



## **Tools and Solutions**

The task force is made up of Foundation representatives and stakeholders across the profession to offer innovative tools and solutions to assist states in their work and help them solve their unique regulatory challenges.



## **Model Approaches**

As the task force continues its work, it can share model approaches that are working in other states and help tailor those approaches to meet the needs of each regulatory body.

**The  
Appraisal  
Foundation**

📍 1155 15th Street NW, Suite 1111,  
Washington, DC 20005-3517  
☎ 202.347.7722

✉ [info@appraisalfoundation.org](mailto:info@appraisalfoundation.org)  
🌐 <https://appraisalfoundation.org>

## **FREQUENTLY ASKED QUESTIONS**

### **What is mass appraisal?**

A mass appraisal is an appraisal assignment in which the Scope of Work involves valuing a universe of properties, versus an individual or fee appraisal assignment that values a single subject property.

The seven steps in the mass appraisal and individual or fee appraisal process are the same:

- Identify the problem;
- Set the Scope of Work;
- Gather data;
- Analyze the data;
- Determine Highest and Best Use;
- Apply appropriate valuation conclusions; and,
- Reconcile value indicators and report opinions.

### **How does USPAP reference mass appraisal?**

The Uniform Standards of Professional Appraisal Practices (USPAP) defines Mass Appraisal as the process of valuing a universe of properties as of a given date using standard methodology, employing common data, and allowing for statistical testing (USPAP 2024 Edition, page 5).

USPAP has two dedicated standards specifically for mass appraisal: Standard 5 – Mass Appraisal, Development and Standard 6 – Mass Appraisal, Reporting. Appraisers must adhere to USPAP Standards 5 and 6 in order to perform a credible and compliant mass appraisal assignment.

USPAP is produced by the Appraisal Standards Board (ASB) of The Appraisal Foundation (TAF). TAF not only recognizes mass appraisal but supports having mass appraisal experience accepted for state appraiser licensure and certification.

### **Does the ASC and AQB recognize mass appraisal experience?**

Yes. Mass appraisal is a valid and recognized form of appraisal experience under the Appraisal Subcommittee (ASC) policies and Appraisal Qualifications Board (AQB) requirements. According to ASC Policy Statements, Section C (Minimum Criteria), "Title XI requires States to adopt and/or implement all relevant AQB Criteria."

The applicable AQB Real Property Qualification Criteria can be found in Section V (Generic Experience Criteria), Paragraph F, which explicitly recognizes mass appraisal as an acceptable appraisal practice for experience credit. It states:

*"Acceptable real property appraisal practice for experience credit includes appraisal, appraisal review, appraisal consulting, and mass appraisal."*

### **Does mass appraisal experience count as AQB qualifying experience?**

Yes. The AQB states that mass appraisal experience would count towards qualifying experience credit for becoming a certified real estate appraiser. A credited hour of experience is defined as verifiable time spent in performing tasks in accordance with acceptable appraisal practice. Acceptable real property appraisal practice for experience credit includes appraisal, appraisal review, appraisal consulting, and mass appraisal.

The AQB mandates that real property appraisers seeking state licensure or certification must meet certain minimum experience requirements, including experience in mass appraisal, which can be obtained through individual property appraisals (for example, new construction or mass appraisals).

All experience must be obtained after January 30, 1989, and must be USPAP compliant. An applicant's experience must be in appraisal work conforming to USPAP Standards 1, 2, 3, 4, 5, and/or 6, where the appraiser demonstrates proficiency in appraisal principles, methodology, procedures, development, and reporting conclusions.

Qualifying experience can be demonstrated by providing:

- A representative sample of the applicant's work product that is analyzed for USPAP compliance by a knowledgeable and qualified person;
- A verifiable experience log containing data which includes:
  - Type of property;
  - Date of report;
  - Address of appraised property;
  - Description of work performed by the applicant and scope of the review and supervision of the supervising appraiser, if applicable;
  - Number of actual work hours by the applicant on the assignment; and,
  - The signature and state certification number of the supervising appraiser if applicable. Separate appraisal logs shall be maintained for each supervising appraiser, if applicable.

*(Source: Real Property Appraisal Qualification Criteria, Section V. -F. Generic Experience Criteria.)*



Under the provisions of Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA), the AQB establishes the Real Property Appraiser Qualification Criteria (Criteria), or the minimum education, experience and examination requirements for real property appraisers to obtain a state certification.

[https://appraisalfoundation.org/imis/TAF/About\\_Us/TAF\\_Boards\\_and\\_Panels/Appraiser\\_Qualifications\\_Board/TAF/Appraiser\\_Qualifications\\_Board.aspx?hkey=e82a999c-c8bb-4118-af4d-3d15fd7f799c](https://appraisalfoundation.org/imis/TAF/About_Us/TAF_Boards_and_Panels/Appraiser_Qualifications_Board/TAF/Appraiser_Qualifications_Board.aspx?hkey=e82a999c-c8bb-4118-af4d-3d15fd7f799c)

Each state can choose to develop requirements that exceed the minimum requirements set by the AQB. For example, the Florida Administrative Code R. 61J1-6.001 includes language describing aspects of the mass appraisal process that qualify as experience such as: “Developing a model structure to determine the contribution of the individual characteristics affecting value;”.

<https://casetext.com/regulation/florida-administrative-code/departments-61-department-of-business-and-professional-regulation/division-61j1-florida-real-estate-appraisal-board/chapter-61j1-6-experience-requirements/section-61j1-6001-experience-requirement>

### **How do state boards confirm or verify qualifying experience hours?**

Logged mass appraisal qualifying experience hours would be confirmed and verified in the same manner as individual or fee appraisal qualifying experience hours.

An experience log would be submitted by the applicant to the board. The experience log should capture minimum information, including:

- Effective date of appraisal;
- Type of property;
- Universe of properties appraised;
- A description of work;
- Scope of supervising appraiser’s review;
- Scope of supervising appraiser’s supervision;
- Total residential hours;
- Total non-residential hours; and,
- Total cumulative hours.

This log is signed by a supervisor or overseer in the same manner experience logs are signed by a supervisor for individual or fee appraisers. Examples of mass appraisal logs approved and currently being used by other states are available.

Once a signed log has been submitted, boards should proceed examining mass appraisal experience logs in the same manner used when evaluating single property experience logs.

**How does a state board determine a reasonable number of qualifying experience hours for each phase of a mass appraisal assignment?**

While the circumstances for each mass appraisal assignment will affect the result, the number of hours deemed reasonable for each phase (step) in the mass appraisal process should be determined by the Scope of Work for the assignment.

The suggestions below are predicated on the mass appraisal of a residential universe of properties; results may vary significantly for non-residential applications of mass appraisal. Ultimately, a state board should consider all relevant factors when awarding qualifying experience hours.

Factors that should be considered include, but are not limited to:

- The number of parcels within the universe of properties being appraised (how many residential properties within a particular market area or segmentation thereof, defining the universe to be appraised, identification of the problem to be solved)
  - 40 to 120 hours
- Locational and neighborhood delineation effort,
  - 40 to 160 hours - Technique dependent, can range from manual to Geographical Weighted Regression approaches
- The number of parcels requiring an inspection to ensure updated property characteristics
  - Exterior inspection only – 0.15 to 0.2 hours per property inspected
  - Interior and exterior inspection – 0.3 to 0.5 hours per property inspected
- The extent of market analysis required to be competent to complete the assignment and understand the empirical market forces that affect both the supply and demand of the universe of properties
  - 40 to 120 hours
- Determination of the Highest and Best Use for the universe (typically current use, and often controlled by a jurisdictional exception that limits other considerations of the highest and best use for the universe of parcels, i.e. “economic reality”)
  - 10 to 20 hours
- The application of the approaches to value - the Cost Approach and Sales Comparison Approach are typically considered, developed, and relied upon for mass appraisal purposes, the Income Approach may be relevant if certain market conditions exist, nuanced stratification might be necessary – i.e. is there an

adequate, statistically significant sample size for the market approach; how many special or complex residential parcels exist in the universe population

- 20 to 40 hours
- Source information verified for conducting a Cost Approach - review and application of replacement cost data from nationally recognized cost publications or local construction data, adjusted for local modifiers, and ultimately matched against the property identification schema and property characteristics for the universe in question
  - 40 to 120 hours
- Source information verified for conducting a Sales Comparison Approach - sales file finalized with an appropriate study period (years) selected, adequate information at the time of sale for each occurrence that must match the associated property characteristics for the universe in question
  - 40 to 240 hours – determined by frequency level
- Model specification and calibration specific to each of the approaches
  - 80 to 240 hours - determined by frequency and level of difficulty
- Iterative process once the models are specified and calibrated must occur thereafter
  - 20 to 40 hours
- Statistical testing of a holdout sample including advanced tests for Multiple Regression Analysis should then be conducted (VIF, Multi-Collinearity, Mann-Whitney, etc.)
  - 20 to 40 hours
- Once the models have been set to meet the baseline industry or jurisdictional standards for sales ratios, a review of all parcels should occur to ensure accuracy and general reasonableness and ensure there is a level of conformity to the valuations within the defined market segment
  - 0.05 to 0.10 hours per property
- Mass appraisal experience in the context of filed appeals for ad valorem purposes should also be considered and would typically occur after the mass appraisal effort
  - 1 to 8 hours per appeal - hours for each component of an appeal assignment can vary but typically reflect fee appraisal time standards

### **Are there states currently accepting mass appraisal hours?**

Yes, as of January 2025 there are currently 17 states accepting mass appraisal hours as work experience. Some of those states include Arizona, Arkansas, Colorado, Connecticut, Iowa, Michigan, Missouri, Montana, New Jersey, Oklahoma, Virginia, and Washington.

# **STANDARDS 5 & 6**

## **Compliance Checklist**

## STANDARD 5 & 6 CHECKLIST

### APPRAISAL ASSIGNMENT

Address/Market Area/Property Description: \_\_\_\_\_

City: \_\_\_\_\_ County: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Legal Description: \_\_\_\_\_

Parcel Number: \_\_\_\_\_ Neighborhood ID: \_\_\_\_\_

Property Type: ☐ 1 unit ☐ 2 units ☐ 3-4 units ☐ 5+ units ☐ Commercial/Industrial

☐ Other (description): \_\_\_\_\_

Ownership: ☐ PUD ☐ Condo ☐ COOP ☐ Other: \_\_\_\_\_

### ORIGINAL WORK PRODUCT UNDER REVIEW

Purpose of Work Product: ☐ Ad Valorem Appraisal ☐ Valuation Defense ☐ Other: \_\_\_\_\_

Date of Work Product: \_\_\_\_\_ Effective Date of Value(s): \_\_\_\_\_ Total Pages in Product: \_\_\_\_\_

Date of Inspection(s): \_\_\_\_\_ Value Conclusion(s): \_\_\_\_\_

Comments:

### ORIGINAL APPRAISER INFORMATION

Name: \_\_\_\_\_ State Designation: \_\_\_\_\_

Certification/License #: \_\_\_\_\_ State: \_\_\_\_\_ Expiration Date: \_\_\_\_\_

Certification/License Issuing Agency: \_\_\_\_\_

Address: \_\_\_\_\_

Email Address: \_\_\_\_\_ Phone Number: \_\_\_\_\_

## STANDARD 5 & 6 CHECKLIST

### USE OF THIS CHECKLIST

This Standard 5 & 6 checklist will assist the \_\_\_\_\_ Board of Real Estate Appraisers with the evaluation of an ad valorem appraisal submission. The purpose of this evaluation is to identify and communicate any substantial errors or inadequacies where the submission does not meet the minimum requirements established within Standards 5 & 6 of the Uniform Standards of Professional Appraisal Practice.

### EVALUATOR INFORMATION

Name: \_\_\_\_\_ State Designation: \_\_\_\_\_

Certification/License #: \_\_\_\_\_ State: \_\_\_\_\_ Expiration Date: \_\_\_\_\_

Certification/License Issuing Agency: \_\_\_\_\_

Address: \_\_\_\_\_

Email Address: \_\_\_\_\_ Phone Number: \_\_\_\_\_

#	Has the appraiser...	USPAP References	Response			Comment if No or N/A
			Yes	No	N/A	
1	identified and correctly interpreted the appraisal problem and scope of work?	5-1(a) SOW	<input type="radio"/>	<input type="radio"/>		
2	identified the intended use of the appraisal, as well as the intended users (by name or type)?	5-2(a)(b) 6-2(a)(b)	<input type="radio"/>	<input type="radio"/>		
3	identified the type of value, definition of value, and the source of the value definition?	5-2(c) 6-2(e) SOW	<input type="radio"/>	<input type="radio"/>		
4	stated the opinion of value in terms of cash, terms equivalent to cash, or other precisely defined terms (if market value)?	5-2(c) 6-2(e)	<input type="radio"/>	<input type="radio"/>		

## STANDARD 5 & 6 CHECKLIST

#	Has the appraiser...	USPAP References	Response			Comment if No or N/A
			Yes	No	N/A	
5	identified and reported the effective date of the appraisal?	5-2(d) 6-2(d)	<input type="radio"/>	<input type="radio"/>		
6	identified and described the characteristics of the subject site and any improvements to the subject site?	5-2(e)(f)(g) 5-3 6-2(f)	<input type="radio"/>	<input type="radio"/>		
7	identified, analyzed, and reported on economic demand, physical, functional, and external market factors that may affect the appraisal?	5-2(f)(h) 5-3 5-4(a) 6-2 SOW	<input type="radio"/>	<input type="radio"/>		
8	identified the existing use of the real estate?	5-2(e)(f) 5-3	<input type="radio"/>	<input type="radio"/>		
9	identified and considered any personal property, trade fixtures, or intangible items that are not real property?	5-2(g) 5-3	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
10	identified the real property interest to be appraised?	5-2g(iv)(v) 6-2(f)	<input type="radio"/>	<input type="radio"/>		
11	identified and stated all assumptions and limiting conditions (including extraordinary assumptions, hypothetical conditions) that affect the analysis and conclusions of appraisal?	5-2(i)(j) 6-1(b)(c) 6-2(c)	<input type="radio"/>	<input type="radio"/>		

## STANDARD 5 & 6 CHECKLIST

#	Has the appraiser...	USPAP References	Response			Comment if No or N/A
			Yes	No	N/A	
12	considered any restrictions on the right to use the property?	5-2(e)(g) 5-3 6-2(f)	<input type="radio"/>	<input type="radio"/>		
13	considered the highest and best use of the real estate?	5-3 6-2(l)	<input type="radio"/>	<input type="radio"/>		
14	summarized the process of collecting, confirming, and reporting data?	5-2(k) 6-2(g)(j)	<input type="radio"/>	<input type="radio"/>		
15	employ recognized techniques for specifying and calibrating valuation models? (if applicable)	5-4(b)(c) 5-6 6-2(i)(k)	<input type="radio"/>	<input type="radio"/>		
16	when necessary for credible assignment results developed an opinion of value for the land and/or site?	5-3 5-5 a(iii) 5-6(b)(d)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
17	when necessary for credible assignment results collected, verified, analyzed, and reconciled the cost and depreciation of the improvements?	5-4 5-5 a(i) 5-6(a)(e) 5-7 6-2	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
18	when necessary for credible assignment results collected, verified, analyzed, and reconciled sales of comparable properties to support the sales comparison approach?	5-4 5-5 a(iv) 5-6(a) 5-7 6-1 6-2	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	



## STANDARD 5 & 6 CHECKLIST

#	Has the appraiser...	USPAP References	Response			Comment if No or N/A
			Yes	No	N/A	
19	when necessary for credible assignment results collected, verified, analyzed, and reconciled data from properties to support the income approach?	5-4 5-5 a(v) 5-5(c) 5-6(a)(c) 5-7 6-2	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
20	summarized the process used to reconcile the applicability, suitability, quality and quantity of data in the approaches in order arrive at the value conclusion?	5-7 6-2(n)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
21	supported the exclusion of any approaches to value that have been excluded from analysis?	5-7 6-2(f)(g)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
22	summarized portion(s) of work that involved significant appraisal assistance?	6-2(h)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
23	provided a copy of a signed certification? <b>NOTE:</b> A certification signed by the County Appraiser/Assessor complies with this requirement.	6-3	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	

## STANDARD 5 & 6 CHECKLIST

### CHECKLIST & EVALUATOR'S SUMMARY

Do any of the "No" responses from the USPAP reference section indicate a violation of USPAP's Ethic's Rule, Record Keeping Rule, Competency Rule, or Scope of Work Rule? ☐ Yes\* ☐ No

Which approaches to value were excluded from the report, if any? ☐ Income ☐ Cost ☐ Sales

Were any of the excluded approaches to value necessary for credible results? ☐ Yes\* ☐ No

**\* If you marked 'Yes' to any above question, please provide more information in the comment field below.**

Comments:

**NOTE:** This Standard 5 & 6 checklist is to be used in conjunction with the work product under review. Without the accompanying work product this analysis cannot be completely understood and should not be solely relied upon.

Additional comments:

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Name: \_\_\_\_\_

State Designation: \_\_\_\_\_

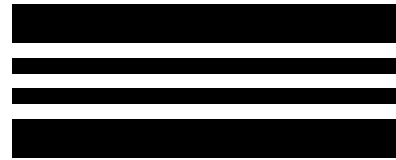
Certification or License #: \_\_\_\_\_

State: \_\_\_\_\_ Expiration Date: \_\_\_\_\_

# Sample Experience Logs



## Real Estate Appraisers Mass Appraisal Experience Log



Experience hours awarded to appraiser trainees working in assessment or mass appraisal must be compliant with USPAP Standards 5 and 6, (in some cases, USPAP Standards 1 and 2). The Mass Appraisal Experience Log is to be used for USPAP Standard 5 and 6 work product. If an applicant is also seeking credit for USPAP Standard 1 and 2 work product, that experience must be applied for using a Real Estate Appraisers Applicant/Trainee Experience Log.



Quantitative experience requirements may only be satisfied by time spent on the appraisal process. This consists of:

- analyzing factors that affect value;
- defining the problem;
- gathering and analyzing data;
- applying the appropriate analysis and methodology; and
- arriving at an opinion and correctly reporting the opinion in compliance with USPAP.

The mass appraisal experience being submitted by the trainee and supervisor must be a part of, or the entirety of, a work product intended to be compliant with USPAP Standard 5 and 6.

Allowed hours are found in The Law Relating to Real Estate Appraisers under WAC 308-125-075. A link to the laws and rules can be found on the Department of Licensing Appraiser's webpage ([www.dol.wa.gov/business/appraisers](http://www.dol.wa.gov/business/appraisers)).

Check the following boxes as they apply to the office you worked in while gaining your experience; example, in the normal course of producing your mass appraisal work product and in connection with each property appraised, the following elements are part of your office's process:

1. Identification of the properties to be appraised. . . . . ☐ Yes ☐ No
2. Are market areas of consistent behavior that applies to properties defined? . . . . . ☐ Yes ☐ No
3. Is there clear identification of characteristics (supply and demand) that affect the creation of value in that market area? . . . . . ☐ Yes ☐ No
4. Is the model structure developed in such a way that it reflects the relationship among the characteristics affecting value in the market area? . . . . . ☐ Yes ☐ No
5. Is the model structure calibrated in a manner that determines the contribution of the individual characteristics affecting value? . . . . . ☐ Yes ☐ No
6. Are the conclusions reflected in the model applied to the characteristics of the properties being appraised? . . . . . ☐ Yes ☐ No
7. Is a review performed on the mass appraisal results? . . . . . ☐ Yes ☐ No

Entries must be chronological in order. If a trainee has multiple supervisors, separate appraisal logs shall be maintained and submitted for each supervisory appraiser.

## Real Estate Appraisers Mass Appraisal Experience Log

TYPE or PRINT Trainee name		Log date from	Log date to	Hours requested this page*
Trainee license number	Supervisor name	Supervisor license number	*Applicants must enter actual hours, subject to maximums state in RCWs and WACs	

1. **Trainee** must: Enter the hours worked under each task in the columns that apply. Total the hours in the final 2 columns.
2. **Trainee** must: Prepare a separate log for each Supervisor and have each Supervisor follow instruction #3 below.
3. **Supervisor**: For each parts of each assignment, Supervisor to indicate whether they: **P**-Had primary responsibility; **C**-Co-appraised; **R**-Reviewed and approved

Dates of appraisal task (mm/dd/yy)	Geographical area or project ID number	Type of appraisal task	Property types per WAC 308-125-075	Number of parcels	T=trainee S=supervisor	Exterior or site inspections	Land/Lot valuations	Interior inspections	Highest and best use analysis	Sales research and analysis	Nbhd description and analysis	Income analysis	Cost analysis	Model (CAMA) specification	Model (CAMA) calibration	Statistical analysis	Final review/reconciliation	Comments on scope of review and level of supervision	Actual hours worked*	Allowed hours*
Sample 01/15/15 – 04/05/15	Sample NBHD 120	Sample Subdivisions	Sample SFRs 1.(a)	Sample 500	T	50	100			300	200					100	75	Trained on processes and reviewed analysis and work	825	3,000
					S	P	P			R	C					C/R	R			
					T															
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I declare under penalty of perjury under the law of Washington that the foregoing is true and correct.

I understand that any material misrepresentation shall be grounds for denial, suspension, revocation, and/or disciplinary action against my license.

**X**

Date and place signed

Trainee signature

APR-622-187 (R/9/21)WA Page 2 of 2

**X**

Date and place signed

Supervisor signature

**Montana Board of Real Estate Appraisers**

PO Box 200513

301 S Park, 4<sup>th</sup> Floor

Helena, MT 59620-0512

Phone: (406) 444-6880

Email: [dlibsdhelp@mt.gov](mailto:dlibsdhelp@mt.gov) Website: [realestateappraiser.mt.gov](http://realestateappraiser.mt.gov)**Instructions for  
Ad Valorem Tax Appraiser Applicant**

Below are the minimum requirements you must meet in order to be licensed in the state of Montana.

1. Submit a complete application – [24.207.502\(1\)](#)
2. Be of good moral character – [37-54-202\(1\)\(a\)](#)
3. Submit proof of required qualifying education – <http://boards.bsd.dli.mt.gov/rea#1> (Select the license level you wish to apply for. Click on the checklist for exam applicants for the qualifying education requirements).
4. Submit additional College level education for the license level you are applying for, if applicable - [Qualifying Education](#)
5. Submit the mass appraisal experience log, signed by your Montana DOR supervisor attesting that the experience you are claiming has been performed in compliance with USPAP Standards 5 and 6 -- <http://boards.bsd.dli.mt.gov/rea#1>.
6. Board staff will identify and direct you to submit 3 appraisal reports from the experience log for review for compliance with USPAP Standards 5 and 6.
7. Submit a demonstration report performed in compliance with USPAP Standards 1 and 2.
8. After your education and experience have been reviewed by Board staff you will be made eligible to test.
9. Successfully pass the AQB-approved Examination.
10. Submit fingerprints for the purpose of a fingerprint and background check – [37-54-202\(3\)](#)

**Checklist of Required Documents to Submit**

The following documents and additional forms are required in addition to the basic application. Some documents may be submitted directly by the applicant as part of the application. Others, such as transcripts, may need to be sent to the board directly from the source.

- ☐ Complete application
- ☐ Official license verification from states and jurisdictions in which the applicant holds or has ever held a professional license of any type
- ☐ Staff will check ASC Website (<https://www.asc.gov/Home.aspx>) for REA license verification
- ☐ Fingerprint Background Check
- ☐ Noncriminal Justice Applicants Rights form
- ☐ MT Mass Appraisal Experience log showing necessary hours for licensure
- ☐ Proof of completion of IAAO training and testing relevant to the category applied for
- ☐ Certificates of completion for required qualifying education courses
- ☐ Official transcript sent directly to the board from the college or university, if applicable
- ☐ Demonstration Report performed in compliance with USPAP Standards 1 and 2
- ☐ Examination score verified on national examination portal by staff
- ☐ Discipline Question "Yes" – Submit detailed explanation
- ☐ Discipline Question "Yes" – Submit discipline documents



**Application Fee(s)**

The following fee(s) must be submitted with your application. Online applicants can pay using a credit card or e-check. If you submit a paper application you must submit a check. Do not mail cash.

- ☐ \$515 application fee

**You can apply for a license online at <https://ebiz.mt.gov/POL/> or download a paper application from the website. Online application is recommended.**

**Please include a valid e-mail address with your application. E-mail is the department's primary form of communication.**

**If you have any questions about the application process or the licensing requirements please contact the Department of Labor and Industry Professional Licensing Bureau using the contact information at the top of this checklist.**

**Real Estate Appraiser Board  
 EXPERIENCE LOG**

- All experience must be acquired within the five-year period immediately preceding the date application is made.
- Any valuation that meets the definition of "evaluation" set forth in §54.1-2009 of the Code of Virginia **may not** be counted as experience toward licensure.

**INSTRUCTIONS FOR COMPLETING EXPERIENCE LOG**

Complete Property Address	Enter the complete address of the property being appraised.																														
Month & Year	Enter the month and year of completion for the assignment(s) listed in the second column.																														
Assignment Identification	Enter a description for the type of assignment separately (commonly used acronyms are acceptable).																														
Type of Property	Enter the appropriate <b>code number</b> for the type of property appraised. <table><tr><td>1</td><td>Single family, residential with exterior inspection</td><td>8</td><td>Industrial</td></tr><tr><td>2</td><td>Single family, residential with full inspection</td><td>9</td><td>Hotel, mote</td></tr><tr><td>3</td><td>Multi-family, 2 to 4 units</td><td>10</td><td>Office</td></tr><tr><td>4</td><td>Vacant lots, 1 to 4</td><td>11</td><td>Subdivision projects</td></tr><tr><td>5</td><td>Farms (non-income producing)</td><td>12</td><td>Land</td></tr><tr><td>6</td><td>Multi-family, 5 or more units</td><td>13</td><td>Other</td></tr><tr><td>7</td><td>Commercial</td><td></td><td></td></tr></table>	1	Single family, residential with exterior inspection	8	Industrial	2	Single family, residential with full inspection	9	Hotel, mote	3	Multi-family, 2 to 4 units	10	Office	4	Vacant lots, 1 to 4	11	Subdivision projects	5	Farms (non-income producing)	12	Land	6	Multi-family, 5 or more units	13	Other	7	Commercial				
1	Single family, residential with exterior inspection	8	Industrial																												
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5	Farms (non-income producing)	12	Land																												
6	Multi-family, 5 or more units	13	Other																												
7	Commercial																														
Property Value	Enter the appropriate <b>code number</b> for the dollar value of the property appraised. <table><tr><td>1</td><td>\$</td><td>0</td><td>-</td><td>\$</td><td>100,000</td></tr><tr><td>2</td><td>\$</td><td>100,001</td><td>-</td><td>\$</td><td>250,000</td></tr><tr><td>3</td><td>\$</td><td>250,001</td><td>-</td><td>\$</td><td>1,000,000</td></tr><tr><td>4</td><td>\$</td><td>1,000,001</td><td>-</td><td>\$</td><td>5,000,000</td></tr><tr><td>5</td><td></td><td>over</td><td>-</td><td>\$</td><td>5,000,000</td></tr></table>	1	\$	0	-	\$	100,000	2	\$	100,001	-	\$	250,000	3	\$	250,001	-	\$	1,000,000	4	\$	1,000,001	-	\$	5,000,000	5		over	-	\$	5,000,000
1	\$	0	-	\$	100,000																										
2	\$	100,001	-	\$	250,000																										
3	\$	250,001	-	\$	1,000,000																										
4	\$	1,000,001	-	\$	5,000,000																										
5		over	-	\$	5,000,000																										
Type of Involvement	Enter the appropriate <b>code number</b> that indicates your involvement on the appraisal assignment(s). Definitions of each category of involvement are printed in Part I of the Real Estate Appraiser Board Regulations. <table><tr><td>1</td><td>Fee/staff appraiser, sole appraiser</td></tr><tr><td>2</td><td>Fee/staff appraiser trainee, co-signer</td></tr><tr><td>3</td><td>Ad valorem</td></tr><tr><td>4</td><td>Reviewer</td></tr><tr><td>5</td><td>Real estate consulting</td></tr></table>	1	Fee/staff appraiser, sole appraiser	2	Fee/staff appraiser trainee, co-signer	3	Ad valorem	4	Reviewer	5	Real estate consulting																				
1	Fee/staff appraiser, sole appraiser																														
2	Fee/staff appraiser trainee, co-signer																														
3	Ad valorem																														
4	Reviewer																														
5	Real estate consulting																														
Hours on Assignment(s)	Enter each appraisal assignment and the total number of hours spent on the assignment.																														
Total hours of Assignment	Enter the total number of assignment hours for each page on the bottom of each page.																														
Supervisor Signature/ License Number	<b>Supervisor's signature and license number must be on each page</b> (only required for trainee applications and upgrade applications if you are working for another appraiser).																														
Description of work Performed by the Trainee/ Applicant	All trainees applying for an appraiser license must complete columns I thru X.																														



## Experience Log

Prior to entering information on this form, please make several photocopies of this blank form to ensure that you have additional forms to accommodate all your experience entries. Number the pages according to the total number submitted (i.e. 1 of 3, 2 of 3, etc.) in the right-hand corner

### USE THE INFORMATION ON PAGES 1 & 2 TO COMPLETE THE FOLLOWING TABLE

1. Name \_\_\_\_\_ Last \_\_\_\_\_ First \_\_\_\_\_ Middle \_\_\_\_\_ Generation \_\_\_\_\_
2. Provide **one** of the following identification numbers.  
☐ Social Security Number or ☐ Virginia DMV Control Number \*    -    -        
\* State law requires every applicant for a license, certificate, registration or other authorization to engage in a business, trade, profession or occupation issued by the Commonwealth to provide a social security number or a control number issued by the Virginia Department of Motor Vehicles.

3. Type of License applying for (check only **one**)  
☐ Certified General ☐ Certified Residential ☐ Licensed Residential

Complete Address of Property	Month & Year	Assignment Identification	Type of Property	Property Value	Type of Involvement	A - Applicant/Trainee	S - Supervisor	I. Site Inspection & Descriptions	II. Bldg. Inspection & Descriptions	III. Nbrd Description & Analysis	IV. Highest & Best Use Analysis	V. Research of Comp Sales & Analysis	VI. Income Analysis	VII. Cost Analysis	VIII. Meaningful Sales Analysis	IX. Final Reconciliation	X. Other (please attach explanation)	Hours on Assignment(s)
Example: 2500 W. Main St., Richmond, VA 23221	Sep-00	URAR	1	2	1	A	S	X	X	X	X	X						4
						A												
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<b>Total Hours of Assignment :</b>																		(per page 1)

By signing this page, the Supervisor certifies that the experience claimed on this log meets the relevant definition of experience in 18 VAC 130-20-10.

**Supervisor's Signature** (must sign each page) \_\_\_\_\_ Date \_\_\_\_\_ Supervisor's License No. 

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(only required for trainees or licensed/certified appraisers who are working under a Certified Residential or Certified General Appraiser)



# Concept Paper: Generative AI and Appraisal Standards – A Call for Stakeholder Input

**An Appraisal Standards Board's Concept Paper**  
**April 1, 2025**



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# Welcome

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We invite all stakeholders to participate in a crucial discussion regarding a matter of significant importance in our field: ***The Appraisal Standards Board (ASB) is seeking your feedback on the concept of developing guidance for utilizing Generative Artificial Intelligence (Generative AI) in appraisal practice.*** Generative AI tools create new text by predicting the most likely output in response to a given input. These tools achieve this by processing extensive datasets from online and/or proprietary sources. Some Generative AI tools are considered “self-improving,” as they adapt and refine their functionality through ongoing exposure to additional information. In appraisal practice, just as spreadsheet programs revolutionized the way appraisers calculate and organize data, Generative AI is emerging as a resource for handling common appraisal-related development and communication tasks. This effort requires our full commitment to understanding the nuances of this issue before reaching any potential conclusions.

We urge you to join us in this important endeavor by reading this Concept Paper so that you can prepare and provide your feedback and insights. In the following pages, you will find a brief background, followed by points to consider as you prepare your feedback, and a series of questions we would like you to reflect on.

Your participation at this early stage is essential, and we sincerely appreciate any feedback you choose to share with us as we explore this topic.

If you have any questions, please contact the Board at [ASB@appraisalfoundation.org](mailto:ASB@appraisalfoundation.org).

Nicholas D. Pilz  
Chair, Appraisal Standards Board

## Join the Conversation

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The Appraisal Standards Board (ASB) will host a Public Meeting on April 23, 2025, from 1:00 pm ET. The Board will use this time to discuss the concept paper. Register [here](#) to attend the Public Meeting.

All interested parties are encouraged to comment in writing to the ASB before the deadline of **May 31, 2025**. Each member of the ASB will thoroughly read and consider all comments.

## Send Your Comments by May 31, 2025

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To submit your responses to question and comments, please visit:  
<https://www.surveymonkey.com/r/ASBComments>.

While for ease of processing, we prefer you use the SurveyMonkey for your comments, if you are unable to provide your comments via SurveyMonkey, you may also email [ASB@appraisalfoundation.org](mailto:ASB@appraisalfoundation.org).

# Background

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USPAP was developed in 1986–87 to establish a single set of nationally recognized minimum appraisal standards, replacing the varying standards previously maintained by individual appraiser membership organizations. This effort aimed to enhance public trust in appraisal practice by ensuring consistency, reliability, and clarity, thereby addressing the confusion and potential conflicts that arose from differing standards. While the mission of USPAP remains the same, it has evolved to address changes in markets, technology, and the appraisal profession. To uphold this mission, the Appraisal Standards Board (ASB) continually reviews and updates USPAP, guided by feedback and suggestions from appraisers and stakeholders.

In response to public questions regarding the use of artificial intelligence in appraisal assignments, particularly Generative AI tools, the ASB issued a Q&A in January 2024 (click [here](#) to view this document). The Q&A addresses how AI tools can be integrated into appraisal practice while maintaining compliance with USPAP. The ASB clarified that although AI tools, including Generative AI, can assist with data analysis and communication of assignment results, it cannot replace an appraiser's judgment. As such, appraisers remain responsible for confirming that AI-generated outputs result in credible assignment results and comply with USPAP's ETHICS and COMPETENCY RULES, particularly in safeguarding confidentiality and avoiding reliance on potentially biased or inaccurate AI outputs.

To seek stakeholder feedback on this topic, the ASB hosted a virtual public forum on September 12, 2024, titled **Artificial Intelligence and USPAP: Shaping Future Standards and Ethics Forum**. This forum brought together experts with various niches of expertise on artificial intelligence to discuss the implications of AI on appraisal practice. The goal was to inform both the ASB and the public on these evolving issues and determine the next course of action. A recording of the forum is available on the Appraisal Foundation's YouTube channel for those interested in reviewing the discussion [here](#).

The ASB has carefully evaluated the application of Generative AI tools in appraisal practice within the framework of existing USPAP requirements and continues to monitor developments in this area. This document identifies current USPAP requirements the ASB considers relevant to AI, to assist appraisers and stakeholders in understanding how these standards apply. The ASB is seeking public feedback to identify if there are potential gaps and to suggest topics for further guidance. While this document specifically references Generative AI, stakeholders are encouraged to consider the broader implications of Artificial Intelligence, including tools that support or affect appraisal-related analyses, conclusions, or processes.

# Questions for You on Existing Guidance

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Each stakeholder has a unique perspective on the application of Generative AI in appraisal practice. While not all stakeholders are appraisers, their insights remain valuable. The ASB welcomes feedback from all interested parties.

To encourage broad participation, we begin with general questions allowing all interested respondents to express concerns and perspectives on the role of Generative AI in appraisal practice. While some of the questions are worded in a way that would resonate more with specific stakeholders, respondents can choose to answer any one or more of the questions, regardless of their stakeholder group (e.g., appraisers, regulators, users of appraisal services).

Immediately following the questions are explanations of how USPAP addresses this topic, and other facts and information.

## GENERAL QUESTION FOR ALL STAKEHOLDERS

- Do you believe additional guidance on the use of Generative AI in appraisal practice is needed at this time?
- What concerns do you have about the use of Generative AI in appraisal practice and its impact on public trust?
- Are there gaps in existing USPAP requirements and/or guidance that should be addressed to clarify the use of Generative AI in appraisal practice?
- Should Advisory Opinion 37 (Computer Assisted Valuation Tools) be revised to address Generative AI, replaced entirely, or kept as is with separate guidance developed to specifically address Artificial Intelligence tools, including those that incorporate automated processes that may inform or shape appraisal-related tasks?

## FOR APPRAISERS

- How is Generative AI currently being used, or being considered for use, in your appraisal practice, and what challenges do you face in maintaining compliance with USPAP?

## FOR REGULATORS AND FINANCIAL INSTITUTIONS

- What challenges do regulators encounter in overseeing the use of Generative AI in appraisals?



## ALL USERS OF APPRAISAL SERVICES

- How do you see Generative AI being used (or considered for use) in appraisals, and what concerns do you have regarding its impact on reliability and decision-making?

## Existing USPAP Requirements

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The integration of Generative AI in appraisal practice raises important questions about how appraisers can maintain compliance with established standards while leveraging new technologies. While Generative AI tools have the potential to enhance efficiency and support analytical processes, their integration into the appraisal process must align with the foundational principles of USPAP. This section outlines existing USPAP requirements that relate to Generative AI, providing a foundation for discussion on whether additional requirements or guidance may be necessary.

Below is an overview of current USPAP requirements and how these requirements address Generative AI tools in appraisal practice.

### ETHICS RULE

The ETHICS RULE sets forth the requirements for integrity, impartiality, objectivity, independent judgment, and ethical conduct. The Conduct and Confidentiality sections are particularly relevant to this discussion and are examined in greater detail below.

#### Conduct Section

Generative AI tools often acknowledge their potential for producing errors. Without exercising independent judgment or verifying accuracy, reliance on a Generative AI tool's output could result in misleading outcomes. As such, an appraiser who relies solely on the output of a Generative AI tool risks violating the Conduct section of the ETHICS RULE.

The following excerpt from the Conduct section of the ETHICS RULE highlights the requirements particularly relevant to this discussion:

- *An appraiser must perform assignments with impartiality, objectivity, and independence, and without accommodation of personal interests.*
  - *An appraiser... must not communicate assignment results with the intent to mislead or to defraud;*
  - *An appraiser... must not perform an assignment in a grossly negligent manner.*

## Confidentiality Section

Appraisers using Generative AI must maintain compliance with the Confidentiality section of the ETHICS RULE by safeguarding all confidential information. Before inputting sensitive client data into a Generative AI tool, appraisers must evaluate the tool's data security measures, terms of use, and potential risks of unauthorized access or disclosure. If the Generative AI tool operates on external servers or retains inputs for training, there is a heightened risk of exposure. Appraisers should assess these risks and comply with all applicable confidentiality requirements, ensuring they do not inadvertently disclose confidential information. Additionally, appraisers are responsible for confirming that the tool does not inadvertently share confidential information across assignments, potentially breaching client confidentiality. Ultimately, the appraiser is responsible for taking reasonable measures to protect client information while using Generative AI in compliance with the Confidentiality section of the ETHICS RULE.

The following excerpt from the Confidentiality section of the ETHICS RULE highlights the requirements particularly relevant to this discussion:

- *An appraiser must act in good faith with regard to the legitimate interests of the client in the use of confidential information and in the communication of assignment results.*
- *An appraiser must be aware of, and comply with, all confidentiality and privacy laws and regulations applicable in an assignment.*
- *An appraiser must take reasonable steps to safeguard access to confidential information and assignment results by unauthorized individuals, whether such information or results are in physical or electronic form.*

## RECORD KEEPING RULE

The RECORD KEEPING RULE establishes the workfile requirements for appraisal and appraisal review assignments. If Generative AI is used as part of developing an appraisal or writing an appraisal report, the appraiser is responsible for maintaining records in compliance with USPAP. This includes ensuring that all relevant documentation is properly retained in the workfile. Because Generative AI outputs may not be replicable, merely referencing the use of Generative AI may not meet USPAP's record-keeping requirements. Appraisers must be competent in the tools they use and are responsible for ensuring that any AI-generated output relied upon is properly documented in compliance with USPAP.

The following excerpt from the RECORD KEEPING RULE highlights the requirements particularly relevant to this discussion:

- *true copies of all written reports, documented on any type of media...*

- ... all other data, information, and documentation necessary to support the appraiser’s opinions and conclusions and to show compliance with USPAP, or references to the location(s) of such other data, information, and documentation.

## COMPETENCY RULE

The COMPETENCY RULE presents pre-assignment and assignment conditions for knowledge and experience. While Generative AI tools can assist an appraiser, they cannot serve as a substitute for an appraiser's professional judgment. Ultimately, it is the appraiser’s responsibility to apply their judgment to clearly and accurately set forth the appraisal in a manner that will not be misleading. Appraisers need to understand the capabilities, limitations, and potential risks associated with Generative AI tools they use. The appraiser needs to verify the accuracy and reliability of the Generative AI outputs before incorporating them into the appraisal or appraisal report.

Excerpts from the COMPETENCY RULE highlight key requirements and guidance related to appraiser competency, including a comment from the *Being Competent* section that provides further clarification on factors affecting competency:

*An appraiser must... (1) be competent to perform the assignment; (2) acquire the necessary competency to perform the assignment; or (3) decline or withdraw from the assignment. In all cases, the appraiser must perform competently when completing the assignment.*

*Perfection is impossible to attain, and competence does not require perfection. However, an appraiser must not render appraisal services in a careless or negligent manner. This Rule requires an appraiser to use due diligence and due care.*

Additionally, the Comment from the “Being Competent” section of the ETHICS RULE:

Comment: Competency may apply to factors such as, but not limited to, an appraiser’s familiarity with a specific type of property or asset, a market, a geographic area, an intended use, specific laws and regulations, or an analytical method. If such a factor is necessary for an appraiser to develop credible assignment results, the appraiser is responsible for having the competency to address that factor or for following the steps outlined below to satisfy this COMPETENCY RULE.

## SCOPE OF WORK RULE

The SCOPE OF WORK RULE presents obligations related to problem identification, research, and analyses. Limitations or risks associated with the use of Generative AI, such as, for example, potential inaccuracies, hallucinations, or incomplete data, may be considered and addressed as part of the appraiser’s scope of work. The appraiser is responsible for the assignment results, even when Generative AI is utilized, confirming the scope of work meets or exceeds the expectations of parties who are regularly

intended users for similar assignments and what an appraiser's peers would be in the same or similar assignment.

The following excerpt from the SCOPE OF WORK RULE highlights the requirements particularly relevant to this discussion:

*For each appraisal and appraisal review assignment, an appraiser must:*

- 1. identify the problem to be solved;*
- 2. determine and perform the scope of work necessary to develop credible assignment results; and*
- 3. disclose the scope of work in the report.*

*The scope of work must include the research and analyses that are necessary to develop credible assignment results.*

*Comment:* *The scope of work is acceptable when it meets or exceeds:*

- *the expectations of parties who are regularly intended users for similar assignments; and*
- *what an appraiser's peers' actions would be in performing the same or a similar assignment.*

*The report must contain sufficient information to allow the client and other intended users to understand the scope of work performed. The information disclosed must be appropriate for the intended use of the assignment results.*

## STANDARDS

The STANDARDS establish the requirements for appraisal and appraisal review and the manner in which each is communicated. The STANDARDS are clear that it is the responsibility of the appraiser and not a tool the appraiser uses to "... *correctly complete research and analyses necessary to produce a credible appraisal*"<sup>1</sup> and "... *communicate each analysis, opinion, and conclusion in a manner that is not misleading*."<sup>2</sup>

The STANDARDS each contain overarching requirements addressing the appraiser's obligations.

For example, STANDARD 1 states that in developing a real property appraisal, an appraiser must:

- (a) be aware of, understand, and correctly employ those recognized methods and techniques that are necessary to produce a credible appraisal...*
- (b) not commit a substantial error of omission or commission that significantly affects an appraisal...*

<sup>1</sup> For example, see Standard 1 (lines 491-493).

<sup>2</sup> For example, see Standard 2 (lines 630-631).

- (c) not render appraisal services in a careless or negligent manner, such as by making a series of errors that, although individually might not significantly affect the results of an appraisal, in the aggregate affects the credibility of those results...*

For example, STANDARD 2 states that in reporting a written or oral real property appraisal, each report must:

- (a) clearly and accurately set forth the appraisal in a manner that will not be misleading...*  
*(b) contain sufficient information to enable the intended user(s) of the appraisal to understand the report properly...*  
*(c) clearly and accurately disclose all assumptions, extraordinary assumptions, hypothetical conditions, and limiting conditions used in the assignment...*

## Existing Guidance

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Guidance can be issued as Questions and Answers (Q&As), Frequently Asked Questions (FAQs), or Advisory Opinions (AOs). Guidance issued by the Appraisal Standards Board does not establish new standards or interpret existing standards. In addition to the noted Q&A above, other guidance can be found in Advisory Opinion 18, *Use of an Automated Valuation Model (AVM)* and Advisory Opinion 37, *Computer Assisted Valuation Tools* in the Guidance and Reference Manual (GRM). However, the ASB recognizes that these Advisory Opinions were issued prior to the existence of the Generative AI tools. As such, this measure of public outreach remains in focus to ensure proper application of USPAP with the overall objective of maintaining public trust in appraisal practice.

## Feedback

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Written comments on this concept paper can be submitted by mail and email. Please submit your comments by Monday, May 31, 2025.

Respondents should be assured that each member of the ASB will thoroughly read and consider all comments. Comments are also welcome at the public meeting on April 23<sup>rd</sup>, 2025.

Please note that no specific changes to USPAP or guidance are being proposed at this time.

Mail: Appraisal Standards Board

The Appraisal Foundation  
1155 15<sup>th</sup> Street, NW, Suite 1111  
Washington, DC 20005

Email: [ASB@appraisalfoundation.org](mailto:ASB@appraisalfoundation.org)

**IMPORTANT NOTE: All written comments will be posted for public viewing on The Appraisal Foundation’s website exactly as submitted to the ASB. Names may be redacted upon request.**

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

# **Additional Experience Options: Should They Have a Place in Appraiser Qualifications?**

**An Appraiser Qualification Board's Concept Paper**

**March 13, 2025**



**The Appraisal  
FOUNDATION™**

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

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# Welcome

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We invite all stakeholders to participate in a crucial discussion regarding a matter of significant importance in our field: ***whether additional experience should have a place in meeting the qualifications for credentials as a real property appraiser.*** As one of the stewards of the appraisal profession's qualifications, we are examining the requirements in the Real Property Appraiser Qualifications Criteria (*Criteria*). This effort requires our full commitment to understanding the nuances of this issue before reaching any potential conclusions.

We urge you to join us in this important endeavor by reading this Concept Paper so that you can prepare and provide your feedback and insights. In the following pages, you will find a brief summary of how we are considering this reassessment of qualification criteria, followed by points to consider as you prepare your feedback, a high-level explanation of the *Criteria's* experience requirements (and their history), and a series of questions we would like you to reflect on.

Your participation at this early stage is essential, and we sincerely appreciate any feedback you choose to share with us as we explore this topic.

***Lastly, a Note on Terminology:*** *As we embark on this discussion, we want to clarify a shift in how we're framing this concept. In previous communications, we referred to this idea as "alternative experience." After refining our approach for this Concept Paper, we've renamed it "additional experience" to better reflect its purpose: expanding the types of experience that can count toward the Criteria's requirements, in addition to what is currently allowed. This isn't a wholly new concept—it builds on past conversations with you, our stakeholders, and we're eager to hear your thoughts on this evolution.*

If you have any questions, please contact the Board at [AQB@appraisalfoundation.org](mailto:AQB@appraisalfoundation.org).

Jerry Yurek  
Chair, Appraiser Qualifications Board

## Join the Conversation

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The Appraisal Qualifications Board (AQB) will host a Public Meeting to discuss current projects on April 10, 2025 from 1:00 pm - 2:30 pm ET. The Board will use this time to discuss current projects as well as discuss the concept paper. Register [here](#) to attend the Public Meeting.

All interested parties are encouraged to comment in writing to the AQB before the deadline of May 9, 2025. Each member of the AQB will thoroughly read and consider all comments.

## Send Your Comments by May 9, 2025

To submit your responses to questions and comments, please visit:

<https://www.surveymonkey.com/r/AQBComments>

For ease of processing, we prefer you use the SurveyMonkey for your comments, if you are unable to provide your comments via SurveyMonkey, you may also email

[AQB@appraisalfoundation.org](mailto:AQB@appraisalfoundation.org).

# Reassessing the *Criteria*

## Project Overview

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In 2023, the Appraiser Qualifications Board (AQB) initiated a comprehensive review of the *Real Property Appraiser Qualification Criteria (Criteria)*. This review aims to ensure that qualification requirements for appraisers remain relevant and reflective of the evolving needs of the profession, advancements in technology, and shifts in the regulatory landscape. The goal is to align with the expectations of stakeholders and the public regarding the qualifications of newly credentialed appraisers.

To guide this effort, the AQB developed a phased work plan with clear milestones, designed to ensure meaningful progress while allowing flexibility in outcomes.

The project is structured around three main phases:

- **Phase One:** Reassessing the role of college degree requirements and related qualifications within the *Criteria*.
- **Phase Two:** Exploring the potential of allowing additional experience, such as experience from related professions, as a pathway to meet qualifications within the *Criteria*.
- **Phase Three:** Evaluating the structure and requirements of the National Exams for appraiser credentials.

**Additional Note Clarifying "Additional Experience":** Throughout this reassessment, you may notice we've shifted terminology from "alternative experience," used in earlier discussions, to "**additional experience**." This change reflects our intent to broaden the scope of qualifying experience beyond the current *Criteria*, adding new pathways while preserving existing standards. This concept has been part of our ongoing dialogue with stakeholders, and this paper represents the next step in refining how we define and integrate it.

## Phase One: College Requirements

Phase One focused on revisiting the necessity and relevance of college degree requirements. Stakeholders expressed concerns and advocated for their removal, prompting the AQB to carefully examine the issue. The AQB concluded there is a valid reason to consider eliminating college-related requirements; however, determining whether this is the correct course of action requires further study.

To advance this exploration, the AQB is preparing to conduct an Occupational Analysis—a systematic process to collect and analyze data about the duties, skills, and qualifications needed for the appraisal profession. This analysis will provide a comprehensive understanding of the competencies required for various appraiser roles and will inform any potential changes to the *Criteria*. Appraisers and stakeholders should anticipate the release of this survey in early spring.

## Phase Two: Additional Experience

With Phase One complete and the occupational analysis underway, the AQB has now turned its focus to Phase Two: exploring the concept of additional experience as part of the qualification process. Currently, all qualifying experience must come from USPAP-compliant appraisal reports. Some stakeholders have suggested that relevant experience from other professions, such as real estate, construction, or finance could potentially serve as an additional experience to meet certain requirements.

This phase will examine the viability of integrating additional experience into the *Criteria*, assessing its potential to complement the existing pathways to credentialing. As with Phase One, the AQB's exploration of this topic is not intended to pre-determine outcomes. Instead, this Concept Paper is an invitation for stakeholders to engage in discussion, provide feedback, and share perspectives. Any consideration of changes to the *Criteria*, including the potential for additional experience will be guided by a commitment to maintaining public trust, upholding rigorous standards, and ensuring that any new pathway remains substantive and meaningful.

## An Open and Collaborative Approach

The AQB remains committed to transparency and public engagement throughout this project. Stakeholder input is crucial at every stage, and the AQB will continue to issue discussion drafts, host listening sessions, and solicit diverse viewpoints.

Note that the AQB's overall goal of this reassessment project is to explore:

**Whether the *Real Property Appraiser Qualification Criteria* includes only essential qualification requirements.**

Concept Paper – Additional Experience Options: Should They Have a Place in Appraiser Qualifications?

At the conclusion of this project, the AQB will be able to conclude if any adjustments to the *Criteria* are necessary, and if they are, they will have relevant research and logic to back up proposed changes.

# Exploring Additional Experience Pathways

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***A note on "additional experience":** As we explore this topic, we've updated our terminology from "**alternative experience**," used in past discussions, to "**additional experience**." This shift emphasizes that we're proposing to expand the types of experience that can satisfy the *Criteria*'s requirements, supplementing rather than replacing current pathways. This builds on ideas we've previously shared, now clarified through this paper's framework.*

Over the years, the question of whether additional ways to meet experience requirements should be considered has come up repeatedly. This concept, referred to as "additional experience," represents a form of experience that differs from how the Appraiser Qualifications Board (AQB) currently defines it in the *Criteria*. Specifically, it refers to experience that could be recognized toward meeting qualification requirements, even though it does not align with the current pathways to qualified experience.

The AQB has traditionally defined experience based on demonstrating the ability to competently complete the appraisal process, ensuring that individuals possess the foundational skills, knowledge, and competencies necessary to promote professionalism and public trust in the valuation profession. As currently outlined in the *Criteria*, experience must meet the following standards:

- **Timing:** All experience must be obtained after January 30, 1989.
- **USPAP Compliance:** The work must comply with the Uniform Standards of Professional Appraisal Practice (USPAP).
- **Scope of Work:** Experience must involve appraisal work conforming to Standards 1, 2, 3, 4, 5, and/or 6, where the appraiser demonstrates proficiency in appraisal principles, methodology, procedures (development), and reporting conclusions.

These requirements create a clear and rigorous framework for gaining experience, ensuring appraisers develop critical skills and abilities. However, this structure has traditionally limited experience to work directly tied to completing appraisals. This approach overlooks the possibility that foundational knowledge and skills—separate from qualifying education—can also be gained through related professional activities outside direct appraisal work. For example, activities such as real estate sales, property data analysis, or market research may contribute to a broader understanding of valuation concepts. While these experiences do not replace qualifying education or direct appraisal experience, they could offer a structured way to develop relevant

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competencies that support an individual's readiness to complete USPAP-compliant appraisal work. As such, the role of foundational knowledge in appraiser qualifications merits further exploration.

Recent advancements, such as Practical Applications of Real Estate Appraisal (PAREA) and adjustments to practicum experience pathways, reflect the AQB's commitment to exploring innovative ways to meet experience requirements while maintaining rigorous standards. These initiatives have demonstrated new possibilities for how experience can be recorded, evaluated, and assessed.

Currently, for trainees, a requirement across all experience pathways—Supervisor-Trainee, PAREA, and Practicum—is that each includes oversight by a qualified appraiser. This ensures when appraisers-in-training are completing appraisal related work and assignments, they are developing their skills under the guidance of a credentialed professional. Any additional experience model would represent a fundamental departure from this structure, as it would not necessarily (though it might) involve direct supervision. This distinction is critical in evaluating whether such a pathway could maintain public trust and ensure competency.

Therefore, building on these insights, the AQB has identified two potential approaches for additional experience that could merit inclusion in the *Criteria*: "Foundational Knowledge" and "Establishing Equivalency Between Standards."

While this topic has been explored in the past, trial and error, feedback, and a deeper understanding of what USPAP-compliant experience entails have provided fresh perspectives. These insights suggest that additional experience could be approached in a way that enhances public trust, aligns with rigorous standards, and ensures it is a meaningful and substantive pathway.

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# Your Input Is Needed!

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To fully explore the viability of additional experience, we invite you to provide input on several key questions outlined on the next page. These questions are designed to help evaluate how such pathways might fit into the *Criteria*.

***For additional context or clarification on the key issues to consider as you prepare your feedback, please refer to the appendices, which contain important, detailed proposals and information.***

## Questions for You

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### Questions on Additional Experience

#### 1. Value of Additional Experience

- Should all qualifying experience for appraiser credentials be limited to completing USPAP-compliant appraisal reports, or should certain types of appraisal-related or non-appraisal-specific experience also be considered?
  1. If you believe certain appraisal-practice related experience—such as developing a scope of work, conducting market analysis, performing highest and best use studies, inspection (physical or visual) or researching depreciation—should count, even if it does not result in a final appraisal report or is not part of an appraisal or appraisal review assignment, please explain why and what safeguards should apply.
  2. If you believe that relevant experience from outside the appraisal profession—such as market analysis performed by real estate brokers, site selection by engineers or urban planners, or other valuation-related work—should count toward qualifications, please explain your rationale and what types of experience should be considered.
  3. If you believe that only direct USPAP-compliant appraisal work should qualify, explain why.



## 2. Safeguards and Risks

- What safeguards should be in place to ensure any additional experience enhances preparation for appraisal work without lowering standards?

## 3. Balancing Standards and Flexibility

- What are the key benefits or risks of allowing additional experience to count toward qualification?

## **Questions on “Foundational Knowledge” and “Standards Equivalency” Concepts**

## 4. Viability of “Foundational Knowledge”

- Do you see the “Foundational Knowledge” option included in the appendices of this concept paper as viable? If so, what changes or safeguards would you suggest?
- Do you see the “Standards Equivalency” option included in the appendices of this concept paper as viable? If so, what changes or safeguards would you suggest?

## 5. Practical Considerations

- How might incorporating “Foundational Knowledge” or “Standards Equivalency” supplemental experience impact the pathway to becoming an appraiser, both positively and negatively?
- What portion of the total required experience hours (e.g., a percentage or specific number of hours) do you think should be allowed to count as ‘Foundational Knowledge’ experience, and why? Please explain your reasoning, considering how this balance might affect competency, public trust, and accessibility to the appraisal profession.

## **Final, General Question**

## 6. Experience Hours

- Do you consider the total number of experience hours required for any (or all) of the credential levels to be too many or too few? If yes, why and what rationale do you have for increasing or decreasing the required number of experience hours? If no, please provide your rationale.

## Send Your Comments by May 9, 2025

To submit your responses to question and comments, please click on this Survey Monkey link: <https://www.surveymonkey.com/r/AQBComments>

While for ease of processing, we prefer you use the SurveyMonkey for your comments, if you are unable to provide your comments via SurveyMonkey, you may also email [AQB@appraisalfoundation.org](mailto:AQB@appraisalfoundation.org).

# APPENDIX A

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## Understanding Experience Requirements in the *Criteria*: History, Framework, and Rationale

### *Historical Context: Why USPAP Compliance Is the Cornerstone*

Before the Uniform Standards of Professional Appraisal Practice (USPAP) were implemented in 1989, the appraisal profession lacked a unified set of standards. Different organizations and states followed varying guidelines, leading to inconsistencies in appraisal practice. This created significant risks for financial institutions, property owners, and public trust. The Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) of 1989 brought USPAP into federal law, mandating compliance for appraisers involved in federally related transactions.

The implementation of USPAP established a single, national standard for appraisal practice. This ensured that appraisers across the country followed consistent ethical, procedural, and technical guidelines. To meet the public trust mandate, appraisers must not only learn USPAP in theory through qualifying education and exams but also demonstrate the ability to apply USPAP in practice by completing compliant appraisal assignments. This principle has guided the design of the experience requirements in the Real Property Appraiser Qualification Criteria (*Criteria*) ever since.

### What Defines Appraisal Experience?

Appraisal experience, as defined in the *Criteria*, is much more than the completion of tasks. It encompasses engagement in the full appraisal process, which includes:

1. **Analyzing factors that affect value.**
2. **Defining the problem and determining the scope of work.**
3. **Gathering and analyzing data.**
4. **Applying appropriate methods and techniques.**
5. **Arriving at an opinion of value.**
6. **Reporting results in compliance with USPAP.**

This comprehensive approach ensures that appraisers develop a deep, practical understanding of the entire process, preparing them for real-world scenarios and fostering confidence in their ability to perform independently.

## *The Importance of Verification and Oversight*

### **Early Challenges and Lessons Learned**

Initially, experience verification was minimal. Appraisers would submit logs of completed assignments, and states often relied solely on attestations without reviewing specific work. Over time, it became clear this approach lacked sufficient oversight, leading to abuse and inconsistencies. For example, some trainees gained credit for work that was never properly completed or USPAP-compliant.

In response, the AQB and state regulatory bodies introduced stricter verification measures, balancing the need for accountability with practicality. These measures ensure that appraisers can demonstrate proficiency without overwhelming state resources.

### **Current Verification Mechanisms**

1. **Logs:** Trainees must maintain detailed logs that document their work, including the type of property, date of the report, address, description of work performed, and hours spent on the assignment. These logs are essential for tracking the trainee's progression.
2. **Sampling Reports:** Rather than reviewing every assignment, states typically select a sample (e.g., three reports) for detailed review. This ensures the trainee's work reflects USPAP compliance and competency while minimizing administrative burden.
3. **Supervisor Oversight:** Supervisors play a critical role in ensuring trainees complete USPAP-compliant assignments. Supervisors must sign off on logs confirming the trainee's work, adding an additional layer of accountability.

### **Pathways to Gaining Experience**

There are currently three primary pathways for appraisers to gain the required experience:

1. **Supervisor-Trainee Model:**
  - Trainees work under the direct supervision of a qualified appraiser.
  - All appraisal reports completed during this time are for actual clients and subject to real-world scrutiny.
  - Supervisors ensure reports meet USPAP standards before submission to clients.

## 2. PAREA (Practical Applications of Real Estate Appraisal):

- PAREA offers a controlled, simulated environment where trainees complete at least three USPAP-compliant appraisal reports.
- The program is pre-approved by the AQB, ensuring consistency and oversight.
- Participants learn in structured modules, mastering each component of the appraisal process before moving to the next.

## 3. Practicum Courses:

- Practicum courses combine classroom learning with supervised practical experience.
- These courses must also result in USPAP-compliant reports, verified by qualified supervisors.

### *Balancing Accountability with Practicality*

A key challenge in designing and enforcing experience requirements is finding the right balance between accountability and practicality:

- **State Resources:** States have limited staff and must balance experience verification with practical constraints. The Supervisor-Trainee Model is the most time-consuming, requiring logs and report reviews by regulators. PAREA, by contrast, has a minimal regulatory burden, as completion is verified through a certificate of completion (unless a state imposes additional requirements).

Any supplemental experience must not be more burdensome than any of the current methods to remain feasible for state regulators.

- **Enforcement Mechanisms:** By requiring supervisors and programs like PAREA and practicum courses to confirm USPAP compliance, the system creates multiple layers of accountability without adding excessive bureaucracy.
- **Legal and Compliance Requirements:** Federal law mandates and clients often require USPAP compliance for appraisers. This legal framework underpins the *Criteria* and ensures public trust in the appraisal profession.

### *Risks of Additional Experience Models*

Proposals to allow non-USPAP-compliant experience (e.g., work in related fields like real estate or property management) must address significant risks:

- **Public Trust:** Deviating from USPAP compliance undermines the profession's credibility and consistency.
- **Competency:** Appraisers who lack USPAP-compliant experience may not fully understand the ethical, procedural, and technical standards required in their work.
- **Regulatory Oversight:** States would face greater challenges in verifying nontraditional experience, increasing the risk of inconsistencies and abuse.

For any additional experience pathway to be viable, it must reinforce public trust, adhere to rigorous standards, and provide a meaningful and substantive route.

### *Why USPAP Compliance Matters*

Experience requirements are not just about logging hours; they are about ensuring appraisers can apply USPAP in real-world scenarios. This involves rigorous verification, supervision, and documentation processes designed to uphold the profession's integrity and maintain public trust. Any proposed changes to these requirements must carefully consider their impact on legal obligations, state resources, and the profession's core mission.

The current system, while not without challenges, reflects decades of lessons learned. It is designed to balance the need for thorough oversight with the practical realities of training and certifying competent appraisers. Ensuring USPAP compliance remains the cornerstone of the *Criteria*, safeguarding the credibility of appraisers and the appraisal process.

### *Submitting Ideas for Additional Experience*

If you are considering submitting an idea for additional experience pathways, it's important to approach the topic thoughtfully and address the key considerations outlined here. Be sure to explain how your proposal would maintain or enhance USPAP compliance, uphold public trust, and ensure appraisers develop the competencies required by federal law. Additionally, consider the practical implications for state regulators, supervisors, and trainees, as well as the mechanisms needed to verify and enforce the experience. In other words, should some additional non-valuation experience satisfy a portion of the experience required to obtain a credential?

While additional ideas are welcome, to be seriously considered, they must be grounded in a clear understanding of the current framework and the reasons it exists. By addressing these elements thoughtfully and constructively, you can contribute meaningfully to the ongoing evolution of the profession while respecting the core principles that have guided it for decades.

## APPENDIX B

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### The Exploration of the Concept and Details of Experience Over Time

As outlined above, appraisal experience is defined and judged through a structured process, with layers of oversight to ensure credibility and USPAP compliance. Over time, the system has evolved to address inadequacies and gaps, leading us to the current point of considering additional experience models. While additional experiences have been discussed in the past, the lack of feasible solutions prevented significant progress. However, recent developments, particularly with programs like PAREA, have changed the landscape, providing new opportunities for rethinking the approach. Additionally, the practicum allowance was expanded from covering only 50% of the required experience to now allowing 100%, further demonstrating a shift toward structured additions to traditional experience pathways.

One of the most important lessons learned through PAREA's development is the power of structured programs. Unlike the supervisor-trainee model, where experience is shaped by the varying assignments that come up day-to-day, PAREA offers a consistent, comprehensive curriculum. It ensures that all participants are taught the same essential skills and complete a well-defined program, offering a level of standardization previously unavailable.

In addition to PAREA, advancements in education and technology have reshaped what's possible. When discussions about additional experience began years ago, synchronous and asynchronous education were not widely accepted or feasible at the necessary scale. Today, advancements in virtual education platforms, combined with improvements in tools including appraisal software, aerial imagery, and digital measurement technologies, have dramatically expanded the capabilities for remote and virtual training. These changes make it possible for trainees to achieve exceptional levels of training in a virtual or remote environment, engaging with the complete appraisal process in ways that were unimaginable even a decade ago.

Moreover, through PAREA and practicum programs, the industry has gained clarity on the mechanics of documenting and teaching the appraisal process. Policies and practices have been refined, providing a more structured approach to addressing issues including compliance, supervision, and skill mastery. These advancements demonstrate that additional experience models, which once seemed impractical, are now more achievable than ever.

This section isn't intended to dive into every detail of the discussions and research held over the years, rather it highlights the philosophical shift: as methods for gaining experience have expanded and matured, the conversation about additional experience

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is no longer theoretical. It is grounded in real-world solutions that account for the modern tools and training methodologies available today. With programs like PAREA and practicums coming to fruition in the last few years proving that rigorous training and consistency can be achieved outside of the “traditional supervisor-trainee model,” the possibility of exploring broader definitions of experience is more viable than ever before.



# APPENDIX C

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## “Foundational Knowledge” Concept

### Explanation

The **Foundational Knowledge** concept would allow a yet to be determined amount of general real estate-related experience to count toward the total appraisal experience requirement. This recognizes that critical skills and insights relevant to appraisal practice can be developed outside of USPAP-compliant assignments, through diverse experiences such as market analysis, compliance reviews, property data collection, and real estate management.

This concept acknowledges the practical reality that appraisal-related knowledge can come from a wide variety of backgrounds. Instead of seeking exact equivalencies or rigid comparisons for every potential qualifying activity, this framework emphasizes flexibility and feasibility. The goal is to create a practical, adaptable requirement that recognizes the value of foundational knowledge without imposing excessive bureaucratic complexity.

The Foundational Knowledge concept addresses the transitional phase between completing qualifying education (QE) and gaining direct appraisal experience. This phase involves developing or refining essential skills—such as understanding forms, data sources, market-specific practices, and analytical tools—that are critical for effectively engaging in the appraisal process. It also acknowledges that some individuals may already enter the profession with this type of knowledge. By offering state regulatory agencies discretion, this approach ensures that training standards are upheld while providing a structured way for trainees to bridge this critical learning period or demonstrate their readiness to fully engage in the appraisal process.

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### How It Works

#### 1. Premise of Foundational Knowledge:

Foundational Knowledge would be connected to appraisal practice (see the table called “What Might Constitute Foundational Knowledge” later in this document).

Foundational Knowledge refers to the essential skills, concepts, and practical insights that support an individual’s development into a competent appraiser. While qualifying education (QE) provides a theoretical foundation in economic principles, valuation methodologies, and regulatory frameworks, it does not

necessarily expose aspiring appraisers to the practical tools, research techniques, and industry-specific skills they will need in the field.

This type of knowledge can come from both appraisal-related tasks that do not result in a USPAP-compliant appraisal report and broader real estate or analytical experiences that develop relevant competencies. It includes activities such as market trend analysis, property data research, zoning and land use studies, economic data interpretation, and the use of valuation technology. Additionally, it may involve experience from adjacent professions—such as real estate brokerage, construction, property management, or finance—where individuals gain transferable skills in property evaluation, market analysis, or regulatory compliance.

Foundational Knowledge serves as a bridge between theoretical education and hands-on appraisal practice, ensuring that aspiring appraisers build a well-rounded skill set that supports valuation work, even if the experience itself is not gained through USPAP compliant appraisals.

## **2. Yet-to-be-determined experience hours allowed:**

- A certain number of foundational knowledge hours will be allowed as part of the total experience requirement.
- These hours are optional and may be incorporated into different pathways, including pre-trainee work experience, supervised foundational activities under a qualified appraiser, or appraisal practicum programs.

## **3. Pathways for Gaining Foundational Knowledge Hours:**

- **Activities Conducted Under a Qualified Appraiser Supervisor:**
  - Individuals working under a qualified appraiser supervisor may count foundational knowledge hours toward their required total, based on state-approved criteria.
  - States will determine how to allocate hours for qualifying activities, however, the AQB could provide general guidance, so states feel comfortable making these decisions.
  - In other words, working under a supervisor does not mean foundational knowledge credits towards experience is unavailable—trainees can still develop skills such as learning appraisal software, using spreadsheets for data analysis, etc.

- **Activities Conducted Under a Practicum Program with a Qualified Supervisor:**
  - Practicum programs may allocate a yet-to-be-determined number of foundational knowledge hours as part of their structured curriculum, offering lessons or activities designed to build foundational skills.
  - Examples of activities include:
    - Learning property research tools.
    - Understanding market trends.
    - Developing data analysis skills.
- **Activities Conducted Within a PAREA Program with a Qualified Mentor:**
  - Any additional credit of foundational knowledge hours is **not applicable to PAREA programs**, as these programs are already self-contained and provide all required experience through an integrated, comprehensive structure.
- **Learning and Experience Outside of PAREA, Practicum or Supervisory/Trainee Programs:**
  - Foundational knowledge may also be gained through work-based experience outside of structured supervision or mentorship.
  - Examples may include:
    - Gaining experience in real estate data collection, zoning research, or regulatory analysis.
    - Working as a real estate agent over a period of time.
    - Learning to and using appraisal-related technology, mapping tools, or financial modeling software.

#### 4. Possible Examples of Foundational Knowledge may include:

- **Real Estate Knowledge:**
  - Managing rental properties, and leasing.

- Conducting Comparative Market Analyses (CMAs).
- Experience related to property construction, zoning, and land use.
- **Non-Appraisal-Related Work:**
  - Compliance reviews tied to property values or transactions.
  - Market analysis for real estate trends or property performance.
  - Collecting and/or analyzing property data from public records or property data listing services.
  - Measuring properties and documenting physical characteristics.
- **Broader Real Estate Roles:**
  - Work in fields like property insurance, mortgage lending, or title work.
  - Experience in urban planning, economic development, or similar professions.

## 5. State Flexibility with a Foundational Knowledge List:

- States are required<sup>1</sup> to create a **Foundational Knowledge List** outlining:
  - The specific activities they recognize as counting towards foundational credits.
  - The corresponding yet-to-be-determined number of hours awarded for each activity.
    - A sample list is provided at the end of this section.
- **Why Flexibility Is Critical:**
  - The Foundational Knowledge concept is not about creating an exhaustive or overly prescriptive list of activities.
  - It acknowledges the diversity of experiences that can build foundational appraisal-related knowledge.

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<sup>1</sup> The AQB would issue guidance on how to develop this.

- Requiring rigid, one-to-one equivalencies across every activity would create an overly burdensome system for both applicants and regulators. Instead, this concept relies on general reasoning and fairness to ensure states can recognize meaningful contributions without excessive bureaucracy.

## 6. Integration with Practicum Programs:

- Practicum programs may incorporate appraisal-focused lessons or tasks that support foundational knowledge and are directly tied to the valuation process.
- These lessons are not Qualifying Education courses but serve as practical exercises that build competencies necessary for completing appraisals—such as understanding different data sources, evaluating the strengths and limitations of various research techniques, or learning how to analyze market trends specific to the type of property being appraised.
- The intent is not to introduce unrelated real estate topics, such as standalone courses on property management or real estate sales, but rather to provide deeper practical knowledge that enhances the appraisal process.
- While current practicum models focus on completing full appraisal assignments, this allows for a structured way to introduce foundational knowledge that supports valuation work without departing from the core purpose of the program.

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## What It Means

By allowing a yet-to-be-determined number of foundational knowledge credits, this concept ensures the majority of required experience hours remain dedicated to USPAP-compliant appraisal work. At the same time, it provides a practical acknowledgment of the wide range of experiences that contribute to developing the skills and insights necessary for appraisal practice.

This approach reflects a balance between rigor and flexibility. By empowering states to define and award these hours, the profession can accommodate diverse backgrounds and training pathways while maintaining high standards. Foundational knowledge recognizes that not all learning occurs within rigid appraisal assignments and offers an opportunity for aspiring appraisers to gain credit for meaningful, real-world experiences.

## What Might Constitute Foundational Knowledge

*This is a sample list for reference only—it is not a finalized or exhaustive list. It is intended to provide a general idea of the types of activities the AQB may consider as Foundational Knowledge, but no determinations have been made.*

Activity	Foundational Knowledge Gained	Connection to Appraisal Practice
<b>Real Estate Transactions</b>	Serving as a real estate agent or broker in client transactions.	Develops understanding of market participants, transaction structures, and factors influencing property value.
<b>Property Management</b>	Full-time property management, including operational oversight, leasing, and maintenance.	Provides insight into property performance, rent trends, and factors affecting income-producing properties.
<b>Market Analysis</b>	Conducting Comparative Market Analyses (CMAs) or evaluating market trends for property valuations.	Enhances ability to analyze market data, determine competitive positioning, and support Highest and Best Use (HBU) analysis.
<b>Data Collection</b>	Collecting property data (e.g., public records, MLS, tax rolls) for analysis.	Builds competency in gathering and verifying property characteristics, ownership history, and market data.
<b>Property Measuring</b>	Measuring properties and documenting physical characteristics for valuation purposes.	Develops accuracy in property descriptions and supports understanding of types of real property improvements and compliance with measurement standards (e.g., ANSI).
<b>Compliance Review</b>	Reviewing real estate compliance documents related to property value or transactions.	Enhances understanding of zoning, land use restrictions, and legal factors influencing valuation.
<b>Construction and Zoning Familiarity</b>	Gaining experience in understanding building plans, zoning regulations, or construction processes.	Improves ability to assess property feasibility, highest and best use, and conformity with market standards.
<b>Driving and Market Observation</b>	Driving neighborhoods or markets to understand trends, property types, or how location impacts value.	Supports site inspections, neighborhood analysis, and external influences affecting marketability.
<b>Software and Tools Training</b>	Learning appraisal-related software (e.g., ACI, Total), GIS, or Excel for valuation tasks.	Builds efficiency in data management, valuation modeling, and report preparation.
<b>Property Research and Analysis</b>	Researching public records, zoning data, or neighborhood analysis to support property evaluations.	Strengthens ability to verify data sources, analyze trends, and support valuation conclusions.
<b>Experience in Adjacent Professions</b>	Work in adjacent fields like property insurance, mortgage lending, title work, or urban planning.	Provides exposure to risk assessment, underwriting considerations, and regulatory influences on real estate.
<b>Supervised Foundational Tasks</b>	Tasks under an appraiser supervisor (e.g., learning software, discussing valuation concepts, reviewing data).	Reinforces key skills such as market research, valuation methodologies, and appraisal reporting.

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# APPENDIX D

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## “Standards Equivalency” Concept

### Introduction

The Standards Equivalency proposal is designed to address situations where appraisers have gained substantial experience under standards other than USPAP (Uniform Standards of Professional Appraisal Practice), such as the International Valuation Standards (IVS). This concept acknowledges the global nature of the appraisal profession and the potential for highly qualified professionals from other countries or sectors to bring valuable expertise to the U.S. appraisal field.

While USPAP compliance is the core standard for appraisal practice in the U.S., establishing equivalency between other standards like IVS and USPAP offers a pathway for experienced appraisers to demonstrate their competency without requiring redundant experience. This proposal ensures that any transition to USPAP standards maintains the rigor and integrity of the profession.

### Why Consider Standards Equivalency?

#### **Understanding USPAP Compliance:**

USPAP compliance involves more than simply adhering to general appraisal standards. It requires:

- A clear enforcement mechanism to evaluate compliance.
- Consistent judgment of reports against an established standard.
- Training for those who evaluate the reports to ensure consistent application of the standard.

Without these mechanisms, experience under non-USPAP standards cannot easily be judged or verified.

#### **International Context:**

Feedback has highlighted the challenge for experienced international appraisers who have worked under IVS or similar standards. These professionals often have substantial formal education and practical experience but have not practiced within the USPAP framework.

IVS and USPAP share many similarities, and the Appraisal Foundation has issued the USPAP to IVS Equivalency Document, which explains how the two standards correlate. Concept Paper – Additional Experience Options: Should They Have a Place in Appraiser Qualifications?

This document demonstrates that transitioning from IVS to USPAP is feasible without significant conceptual gaps.

### **A Practical Approach:**

The proposed program recognizes the practical reality that states may lack the resources to fully train their staff in IVS standards.

Instead, it creates a structured process for applicants to demonstrate their understanding of USPAP by converting their IVS-compliant reports into USPAP-compliant ones.

### **Program Details**

#### **Eligibility:**

- Applicants must provide evidence of completing the required hours of appraisal work under IVS or another AQB-approved standard.
- The log of appraisal hours must clearly document the scope and nature of the work performed.

#### **Report Conversion Process:**

- The applicant will be required to convert three randomly selected IVS-compliant appraisal reports into USPAP-compliant appraisal reports.
- The converted reports must:
  - Identify the state as the client (a non-traditional client scenario).
  - Reflect the USPAP standards and requirements for appraisal development and reporting.

#### **Credit for Experience Hours:**

- As a starting point for discussion, experience hours completed under IVS or another AQB-approved standard may be credited on an hour-per-hour basis toward the total required experience hours, provided the applicant successfully converts selected reports to USPAP compliance for review and approval or rejection by the state regulatory agency. This approach recognizes the value of prior appraisal experience while ensuring alignment with USPAP standards through the conversion process.



**State Review:**

- The state regulatory agency will review:
  - The original IVS-compliant reports.
  - The USPAP-compliant reports.
  - The applicant's written explanations.
- This review ensures that applicants not only understand the differences between the two standards but can also apply that understanding in practice.

**Written Explanation:**

- The applicant must submit a written explanation for each converted report detailing:
  - The differences between the original IVS report and the USPAP-compliant report.
  - The specific changes made to align the report with USPAP requirements.

**Approval of Equivalency Standards:**

- The Appraiser Qualifications Board (AQB) must approve any equivalency between USPAP and another standard (e.g., IVS).
- The AQB's review process will:
  - Evaluate the equivalency document to ensure compatibility between the two standards.
  - Require a formal proposal and review fee to assess the viability of establishing equivalency between the standards.

**Equivalency Document Development:**

- Currently, the USPAP to IVS Equivalency Document provides the foundation for this process.
- Future equivalency documents may be developed and approved by the AQB as needed.

**Benefits of the Proposal****Supports Global Competency:**

- This proposal allows qualified professionals with international experience to transition into the U.S. system without unnecessary duplication of work.

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**Maintains Rigor:**

- The conversion process ensures that all appraisers practicing in the U.S. understand and can apply USPAP standards.

**Flexibility for States:**

- States retain the ability to implement this program based on their regulatory needs and capacity.

**Resource-Efficient:**

- By requiring applicants to perform the conversion and provide detailed explanations, states can leverage the applicant's expertise rather than bear the full burden of training staff on IVS standards.

**Implementation Considerations****Training for State Reviewers:**

- States may need minimal training to familiarize reviewers with IVS standards and equivalency documents.

**Applicant Fees:**

- Applicants may be required to pay a processing fee to cover the cost of report reviews and evaluations.

**Timeline for AQB Approvals:**

- The AQB will establish a process and timeline for reviewing and approving additional equivalency documents.

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

**AGENDA REQUEST FORM**

<b>1) Name and title of person submitting the request:</b> Jake Pelegrin Administrative Rules Coordinator		<b>2) Date when request submitted:</b> 5/21/25 <small>Items will be considered late if submitted after 12:00 p.m. on the deadline date which is 8 business days before the meeting</small>													
<b>3) Name of Board, Committee, Council, Sections:</b> Real Estate Appraisers Board															
<b>4) Meeting Date:</b> 6/3/25	<b>5) Attachments:</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<b>6) How should the item be titled on the agenda page?</b> <b>Administrative Rule Matters – Discussion and Consideration</b> 1. Final Rule Draft for SPS 85, Relating to Appraiser Experience Requirements (PAREA) 2. Final Rule Draft for SPS 85 to 87, Relating to USPAP 3. Pending or possible rulemaking projects													
<b>7) Place Item in:</b> <input checked="" type="checkbox"/> Open Session <input type="checkbox"/> Closed Session	<b>8) Is an appearance before the Board being scheduled?</b> <i>(If yes, please complete <a href="#">Appearance Request</a> for Non-DSPS Staff)</i> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		<b>9) Name of Case Advisor(s), if required:</b> N/A												
<b>10) Describe the issue and action that should be addressed:</b> Attachments: -Clearinghouse reports and final rule drafts -Rules progress chart															
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%; border-bottom: 1px solid black; vertical-align: bottom;"><b>11)</b></td> <td style="width: 50%; border-bottom: 1px solid black; vertical-align: bottom;"> <div style="text-align: center;"><i>Jake Pelegrin</i></div> </td> <td style="width: 40%; border-bottom: 1px solid black; vertical-align: bottom;"> <div style="text-align: center;"><b>Authorization</b></div> </td> </tr> <tr> <td style="border-bottom: 1px solid black; vertical-align: bottom;">Signature of person making this request</td> <td style="border-bottom: 1px solid black; vertical-align: bottom;"></td> <td style="border-bottom: 1px solid black; vertical-align: bottom; text-align: right;">5/21/25</td> </tr> <tr> <td style="border-bottom: 1px solid black; vertical-align: bottom;">Supervisor (if required)</td> <td style="border-bottom: 1px solid black; vertical-align: bottom;"></td> <td style="border-bottom: 1px solid black; vertical-align: bottom; text-align: right;">Date</td> </tr> <tr> <td colspan="2" style="border-bottom: 1px solid black; vertical-align: bottom;">Executive Director signature (indicates approval to add post agenda deadline item to agenda)</td> <td style="border-bottom: 1px solid black; vertical-align: bottom; text-align: right;">Date</td> </tr> </table>				<b>11)</b>	<div style="text-align: center;"><i>Jake Pelegrin</i></div>	<div style="text-align: center;"><b>Authorization</b></div>	Signature of person making this request		5/21/25	Supervisor (if required)		Date	Executive Director signature (indicates approval to add post agenda deadline item to agenda)		Date
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<b>Directions for including supporting documents:</b> 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.															



# Wisconsin Legislative Council

## RULES CLEARINGHOUSE

**Scott Grosz**  
Clearinghouse Director

**Margit Kelley**  
Clearinghouse Assistant Director

**Anne Sappenfield**  
Legislative Council Director

### CLEARINGHOUSE REPORT TO AGENCY

[THIS REPORT HAS BEEN PREPARED PURSUANT TO S. 227.15, STATS. THIS IS A REPORT ON A RULE AS ORIGINALLY PROPOSED BY THE AGENCY; THE REPORT MAY NOT REFLECT THE FINAL CONTENT OF THE RULE IN FINAL DRAFT FORM AS IT WILL BE SUBMITTED TO THE LEGISLATURE. THIS REPORT CONSTITUTES A REVIEW OF, BUT NOT APPROVAL OR DISAPPROVAL OF, THE SUBSTANTIVE CONTENT AND TECHNICAL ACCURACY OF THE RULE.]

#### CLEARINGHOUSE RULE **25-025**

AN ORDER to create SPS 85.120 (20m), 85.700 (1) (cm), (dm), and (em) and (4) relating to appraiser experience requirements.

Submitted by **DEPARTMENT OF SAFETY AND PROFESSIONAL SERVICES**

04-04-2025 RECEIVED BY LEGISLATIVE COUNCIL.

04-28-2025 REPORT SENT TO AGENCY.

SG:PW

**LEGISLATIVE COUNCIL RULES CLEARINGHOUSE REPORT**

This rule has been reviewed by the Rules Clearinghouse. Based on that review, comments are reported as noted below:

1. STATUTORY AUTHORITY [s. 227.15 (2) (a)]

Comment Attached YES ☐ NO ☒

2. FORM, STYLE AND PLACEMENT IN ADMINISTRATIVE CODE [s. 227.15 (2) (c)]

Comment Attached YES ☐ NO ☒

3. CONFLICT WITH OR DUPLICATION OF EXISTING RULES [s. 227.15 (2) (d)]

Comment Attached YES ☐ NO ☒

4. ADEQUACY OF REFERENCES TO RELATED STATUTES, RULES AND FORMS  
[s. 227.15 (2) (e)]

Comment Attached YES ☐ NO ☒

5. CLARITY, GRAMMAR, PUNCTUATION AND USE OF PLAIN LANGUAGE [s. 227.15 (2) (f)]

Comment Attached YES ☒ NO ☐

6. POTENTIAL CONFLICTS WITH, AND COMPARABILITY TO, RELATED FEDERAL  
REGULATIONS [s. 227.15 (2) (g)]

Comment Attached YES ☐ NO ☒

7. COMPLIANCE WITH PERMIT ACTION DEADLINE REQUIREMENTS [s. 227.15 (2) (h)]

Comment Attached YES ☐ NO ☒



# Wisconsin Legislative Council

## RULES CLEARINGHOUSE

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### CLEARINGHOUSE RULE 25-025

#### Comments

**[NOTE: All citations to “Manual” in the comments below are to the Administrative Rules Procedures Manual, prepared by the Legislative Council Staff and the Legislative Reference Bureau, dated November 2020.]**

#### 5. Clarity, Grammar, Punctuation and Use of Plain Language

- a. In SECTION 1, consider using the defined term “AQB” instead of “Appraiser Qualifications Board”. [s. 1.07 (2) (d), Manual.]
- b. In SECTIONS 2 and 3, consider whether “AQB-approved” is necessary because that phrase is incorporated into the definition of PAREA.
- c. In SECTION 2, consider specifying which experience requirement is relevant for the second sentence or combining the first and second sentences to connect the second sentence more clearly to experience claimed under s. SPS 85.310. Also, consider referencing the code provision that requires non-residential property experience hours, which appears to be s. SPS 85.330 (3), Wis. Adm. Code.
- d. In SECTION 3, consider specifying which experience requirement is relevant for the second sentence or combining the first and second sentences to connect the second sentence more clearly to experience claimed under s. SPS 85.410. Also, consider creating an additional new paragraph in s. SPS 85.700 (1) for the content of the third sentence.
- e. In SECTION 5, consider amending the first sentence to make the exception to the roster of appraisal experience depend on the experience hours being summarized within the coursework of the program. For example, consider stating that “...submitted to the department when the experience hours are summarized with the coursework of the program...”, rather than “...since these will be summarized...”. Also, consider inserting “who is” after “85.510” and replace “s.” with “ss.”.

STATE OF WISCONSIN  
DEPARTMENT OF SAFETY AND PROFESSIONAL SERVICES

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IN THE MATTER OF RULEMAKING : PROPOSED ORDER OF THE  
PROCEEDINGS BEFORE THE : DEPARTMENT OF SAFETY  
DEPARTMENT OF SAFETY AND : AND PROFESSIONAL SERVICES  
PROFESSIONAL SERVICES : ADOPTING RULES  
: (CLEARINGHOUSE RULE 25-025)  
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PROPOSED ORDER

A proposed order of the Department of Safety and Professional Services to **create** SPS 85.120 (20m), 85.700 (1) (cm), ~~85.700 (1) (dgm)~~, ~~(dr)~~, ~~85.700 (1) (em)~~, and ~~85.700 (4)~~ relating to Appraiser Experience Requirements.

Analysis prepared by the Department of Safety and Professional Services.

ANALYSIS

**Statutes interpreted:** Sections 458.06 (3) (e) and (4) (e), and 458.08 (3) (e), Stats.

**Statutory authority:** Sections 458.03 (1) (b) and 458.085, Stats.

**Explanation of agency authority:**

Section 458.03 (1) (b), Stats., provides that the department shall "...promulgate rules establishing criteria for the approval of educational and continuing educational programs and courses of study for appraisers and establishing criteria for the approval of the courses required under ss. 458.06 (2) (d) and 458.08 (2) (d)."

Section 458.085 Stats., provides that "The department shall promulgate rules establishing all of the following: (1) Educational requirements for general and residential appraiser certification and for appraiser licensure under this subchapter. (2) Experience requirements for general and residential appraiser certification and for appraiser licensure under this subchapter. (3) Continuing education requirements for renewal of certificates issued under this subchapter."

**Related statute or rule:** N/A

**Plain language analysis:**

The proposed rule implements the Practical Applications of Real Estate Appraisal (PAREA) program for partial experience credit for applicants seeking a credential to perform appraisals in Wisconsin. PAREA is designed to offer practical experience in a virtual environment combining appraisal theory and methodology in real-world simulations. This experience can be provided through a wide range of online and virtual reality technologies. PAREA provides an alternative to the traditional supervisor and trainee model for experience for credentialed appraisers which has been a barrier to entering this field.

**Summary of, and comparison with, existing or proposed federal regulation:**

The Financial Institutions Reform, Recovery, and Enforcement Act, 12 U.S.C. 3331 et seq., (Title XI) was enacted in 1989. As outlined in Section 1116 or 12 U.S.C. 3345, every state certified appraiser must meet the minimum criteria for certification issued by the Appraisal Qualifications Board which is empowered by the Appraisal Subcommittee. The criteria and guide for PAREA were adopted by the Appraisal Qualification Board in October 2020. All PAREA programs must follow the PAREA Implementation Policies which were adopted by the Appraisal Qualification Board in December 2020.

**Summary of public comments received on statement of scope and a description of how and to what extent those comments and feedback were taken into account in drafting the proposed rule: N/A****Comparison with rules in adjacent states:**

**Illinois:** Rules of the Illinois Department of Financial and Professional Regulation address the practice of real estate appraisal in Illinois (68 Ill. Adm. Code 1455). The rules do not currently include PAREA to count as experience for certification.

**Iowa:** Rules of the Iowa Real Estate Appraiser Examining Board address the practice of real estate appraisal in Iowa [193F IAC 1 to 17]. The rules include PAREA to be used as experience for certification as residential and general appraisers, under the criteria of the Appraisal Qualifications Board [193F IAC 5.8(543D) and 6.8(543D)].

**Michigan:** Rules of the Michigan Department of Licensing and Regulatory Affairs address the practice of real estate appraisal in Michigan [Mich. Admin. Code, R 339.23101 to R 339.23405]. The rules include PAREA to be used as experience for certification as appraisers [Mich. Admin. Code, R 339.23203 (b)].

**Minnesota:** The Minnesota Statutes, Sections 82B.021 to 82B.24, address the practice of real estate appraisal in Minnesota. The statutes adopt all education, examination, and experience requirements established by the Appraiser Qualifications Board to apply to certified appraisers in Minnesota (Minnesota Statutes, Section 82B.095, Subd. 3). PAREA is an option to be fully certified within those requirements. The applicant must complete the required qualifying education prior to starting the PAREA program and must also pass the national licensing and certification exam for the appropriate credential level.

**Summary of factual data and analytical methodologies:**

The proposed rules were developed, in consultation with the Real Estate Appraisers Board, by reviewing the education, examination, and experience requirements established by the Appraiser Qualifications Board as they relate to PAREA. SPS 85 to 87 were reviewed to determine the appropriate method to incorporate PAREA.



**Analysis and supporting documents used to determine effect on small business or in preparation of economic impact analysis:**

The proposed rules were posted for a period of 14 days to solicit public comment on economic impact, including how the proposed rules may affect businesses, local government units, and individuals. No comments were received.

**Fiscal Estimate and Economic Impact Analysis:**

The Fiscal Estimate and Economic Impact Analysis are attached.

**Effect on small business:**

These rules do not have an economic impact on small businesses, as defined in s. 227.114 (1), Stats. The Department's Regulatory Review Coordinator may be contacted at Jennifer.garrett@wisconsin.gov or (608) 266-2112.

**Agency contact person:**

Jake Pelegrin, Administrative Rules Coordinator, Department of Safety and Professional Services, Division of Policy Development, 4822 Madison Yards Way, P.O. Box 8366, Madison, Wisconsin 53708-8366; telephone 608-267-0989; email at DSPSAdminRules@wisconsin.gov.

**Place where comments are to be submitted and deadline for submission:**

Comments may be submitted to Jake Pelegrin, Administrative Rules Coordinator, Department of Safety and Professional Services, Division of Policy Development, 4822 Madison Yards Way, P.O. Box 8366, Madison, Wisconsin 53708-8366, or by email to DSPSAdminRules@wisconsin.gov. Comments must be received on or before the public hearing, scheduled for June 3, 2025, to be included in the record of rule-making proceedings.

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TEXT OF RULE

SECTION 1. SPS 85.120 (20m) is created to read:

**SPS 85.120 (20m)** "PAREA" means Practical Applications of Real Estate Appraisal, a virtual educational training program approved by the ~~AQB~~~~praiser Qualifications Board~~ designed to offer practical experience in a simulated and controlled environment.

SECTION 2. SPS 85.700 (1) (cm) is created to read:

**SPS 85.700 (1) (cm)** For experience claimed under s. SPS 85.310, an applicant who has completed an ~~AQB-approved~~ Licensed Residential PAREA program may receive 33 percent of the required experience hours toward the certified general credential. For experience claimed under s. SPS 85.310, a ~~An~~ applicant who has completed an ~~AQB-approved~~ Certified Residential PAREA program may receive 50 percent of the required experience hours toward the certified general credential. In both of these cases, these hours are not eligible toward the non-residential property ~~required~~-experience hours required under s. SPS 85.330 (3).

SECTION 3. SPS 85.700 (1) (d~~gm~~) is created to read:

**SPS 85.700 (1) (d~~gm~~)** For experience claimed under s. SPS 85.410, an applicant who has completed ~~an AQB-approved~~ Licensed Residential PAREA program may receive 67 percent of the required experience hours toward the certified residential credential. ~~For experience claimed under s. SPS 85.410, a~~ An applicant who has completed ~~an AQB-approved~~ Certified Residential PAREA program may receive 100 percent of the required experience hours toward the certified residential credential.

SECTION 4. SPS 85.700 (1) (dr) is created to read:

**SPS 85.700 (1) (dr)** For experience claimed under s. SPS 85.510, an applicant who has completed ~~an AQB-approved~~ Licensed Residential or Certified Residential PAREA program may receive 100 percent of the required experience hours toward the licensed appraiser credential.

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SECTION ~~5~~4. SPS 85.700 (1) (e~~em~~) is created to read:

**SPS 85.700 (1) (e~~em~~)** Notwithstanding par. (e), a PAREA program may be claimed as experience hours that are either non-client or with a client.

SECTION ~~6~~5. SPS 85.700 (4) is created to read:

**SPS 85.700 (4)** Notwithstanding sub. (3), experience hours claimed from a PAREA program do not need to be included in a roster of appraisal experience submitted to the department; ~~since these will be~~ when the experience hours are summarized within the coursework of the program. An applicant applying for certification or licensure under s. SPS 85.310, 85.410, or 85.510 ~~who is~~ using experience hours from a PAREA program shall submit to the department the certificate of completion from each PAREA program.

SECTION ~~7~~6. EFFECTIVE DATE. The rules adopted in this order shall take effect on the first day of the month following publication in the Wisconsin Administrative Register, pursuant to s. 227.22 (2) (intro.), Stats.

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(END OF TEXT OF RULE)  
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# Wisconsin Legislative Council

## RULES CLEARINGHOUSE

**Scott Grosz**  
Clearinghouse Director

**Margit Kelley**  
Clearinghouse Assistant Director

**Anne Sappenfield**  
Legislative Council Director

### CLEARINGHOUSE REPORT TO AGENCY

[THIS REPORT HAS BEEN PREPARED PURSUANT TO S. 227.15, STATS. THIS IS A REPORT ON A RULE AS ORIGINALLY PROPOSED BY THE AGENCY; THE REPORT MAY NOT REFLECT THE FINAL CONTENT OF THE RULE IN FINAL DRAFT FORM AS IT WILL BE SUBMITTED TO THE LEGISLATURE. THIS REPORT CONSTITUTES A REVIEW OF, BUT NOT APPROVAL OR DISAPPROVAL OF, THE SUBSTANTIVE CONTENT AND TECHNICAL ACCURACY OF THE RULE.]

#### CLEARINGHOUSE RULE **25-026**

AN ORDER to amend SPS 85.115, relating to the Uniform Standards of Professional Appraisal Practice.

Submitted by **DEPARTMENT OF SAFETY AND PROFESSIONAL SERVICES**

04-04-2025 RECEIVED BY LEGISLATIVE COUNCIL.

04-22-2025 REPORT SENT TO AGENCY.

MSK:PW

**LEGISLATIVE COUNCIL RULES CLEARINGHOUSE REPORT**

This rule has been reviewed by the Rules Clearinghouse. Based on that review, comments are reported as noted below:

1. STATUTORY AUTHORITY [s. 227.15 (2) (a)]

Comment Attached YES ☐ NO ☒

2. FORM, STYLE AND PLACEMENT IN ADMINISTRATIVE CODE [s. 227.15 (2) (c)]

Comment Attached YES ☒ NO ☐

3. CONFLICT WITH OR DUPLICATION OF EXISTING RULES [s. 227.15 (2) (d)]

Comment Attached YES ☐ NO ☒

4. ADEQUACY OF REFERENCES TO RELATED STATUTES, RULES AND FORMS  
[s. 227.15 (2) (e)]

Comment Attached YES ☐ NO ☒

5. CLARITY, GRAMMAR, PUNCTUATION AND USE OF PLAIN LANGUAGE [s. 227.15 (2) (f)]

Comment Attached YES ☐ NO ☒

6. POTENTIAL CONFLICTS WITH, AND COMPARABILITY TO, RELATED FEDERAL  
REGULATIONS [s. 227.15 (2) (g)]

Comment Attached YES ☐ NO ☒

7. COMPLIANCE WITH PERMIT ACTION DEADLINE REQUIREMENTS [s. 227.15 (2) (h)]

Comment Attached YES ☐ NO ☒



# Wisconsin Legislative Council

## RULES CLEARINGHOUSE

**Scott Grosz**  
Clearinghouse Director

**Margit Kelley**  
Clearinghouse Assistant Director

**Anne Sappenfield**  
Legislative Council Director

### CLEARINGHOUSE RULE 25-026

#### Comments

**[NOTE: All citations to “Manual” in the comments below are to the Administrative Rules Procedures Manual, prepared by the Legislative Council Staff and the Legislative Reference Bureau, dated November 2020.]**

#### **2. Form, Style and Placement in Administrative Code**

a. Consider whether the current note following s. SPS 85.115 should be included and revised in the proposed rule. It appears that only 2024 Standards 1-4 are available for free online.

b. In the rule summary’s plain language analysis for the proposed rule, consider providing a description of the effect of incorporating by reference an updated version of the Uniform Standards of Professional Appraisal Practice. The analysis should help a reader understand the content and effect of the change. For example, are there substantive changes from the 2020-2021 edition to the 2024 edition that would affect professional appraisal practice? [s. 1.01 (2) (b), Manual.]

STATE OF WISCONSIN  
DEPARTMENT OF SAFETY AND PROFESSIONAL SERVICES

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IN THE MATTER OF RULEMAKING : PROPOSED ORDER OF THE  
PROCEEDINGS BEFORE THE : DEPARTMENT  
DEPARTMENT OF SAFETY AND : ADOPTING RULES  
PROFESSIONAL SERVICES : (CLEARINGHOUSE RULE 25-026)  
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PROPOSED ORDER

A proposed order of the Department of Safety and Professional Services to **amend** SPS 85.115 and (Note), relating to the Uniform Standards of Professional Appraisal Practice.

Analysis prepared by the Department of Safety and Professional Services.  
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ANALYSIS

**Statutes interpreted:** Section 458.24, Stats.

**Statutory authority:** Section 458.24, Stats.

**Explanation of agency authority:**

Section 458.24, Stats.: “The department may promulgate rules establishing standards for appraisal practice. In promulgating rules under this section, the department shall consider including as part or all of the standards part or all of the “Uniform Standards of Professional Appraisal Practice” established by the appraisal standards board of the appraisal foundation. The department shall periodically review the “Uniform Standards of Professional Appraisal Practice” and, if appropriate, revise the rules promulgated under this section to reflect revisions to the “Uniform Standards of Professional Appraisal Practice.””

**Related statutes or rules:**

Section 458.19, Stats., provides requirements for appraisal practice. Specifically, an appraiser is required to include all of the following in each appraisal report prepared by the appraiser:

- If the appraiser has not conducted an on–site inspection of the real estate for which the appraisal report is prepared, a statement must be included that the appraiser has not done so.
- If any buildings or dwelling units are located on the real estate for which the appraisal report is prepared and the appraiser has not conducted an on–site inspection of both the exterior and the interior of each building or dwelling unit, a statement must be included that the appraiser has not done so.
- If the appraisal report pertains to residential real estate, the appraiser’s opinion of the highest and best use of the real estate must be included.

**Plain language analysis:**

Section SPS 85.115 is updated to incorporate by reference into chapters SPS 85 to 87 the Uniform Standards of Professional Appraisal Practice (USPAP), 2024, issued by the Appraisal Standards Board of The Appraisal Foundation. The 2024 edition of USPAP contains updates that do not significantly affect or change professional appraisal practice in Wisconsin. It contains updates that require that appraisers be knowledgeable about and follow federal laws that apply to the appraiser or the assignment. Language relating to supported and unsupported conclusions in the Conduct section was deleted. The words “and other transfers” were added in numerous places after the word “sales” to make clear that appraisers should analyze prior sales and transfers, even if the transfer is not considered a true sale. The 2024 edition of USPAP retires the definition of Assignment Elements, Misleading, and Relevant Characteristics. It modified the definition of Appraiser, Personal Inspection, and Workfile.

Adoption of the 2024 edition of USPAP is required to maintain compliance with the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA), 12 U.S.C. 3331 et seq., (Title XI), described below. Adoption of the 2024 edition is also important for the state’s appraisal industry to function in line with current standards and practices and without unnecessary confusion.

**Summary of, and comparison with, existing or proposed federal statutes and regulations:**

The Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA), 12 U.S.C. 3331 et seq., (Title XI) was enacted in 1989. Under FIRREA, insured financial institutions and insured credit unions are required to obtain the services of a state certified or licensed appraiser for appraisals conducted in connection with “federally related transactions.”

Under FIRREA, all appraisals conducted in connection with federally related transactions must be written appraisals performed in accordance with generally accepted appraisal standards as evidenced by the appraisal standards promulgated by the Appraisal Standards Board of the Appraisal Foundation and subject to appropriate review for compliance with the Uniform Standards of Professional Appraisal Practice. The regulations in the proposed rule will comply with the provisions of FIRREA.

**Comparison with rules in adjacent states:**

**Illinois:**

Rules of the Illinois Department of Financial and Professional Regulation address the practice of real estate appraisal in Illinois [68 Ill. Adm. Code 1455]. The rules incorporate by reference with no later amendments or editions the 2020-2021 Uniform Standards of Professional Appraisal Practice issued by the Appraisal Standards Board of The Appraisal Foundation [68 Ill. Adm. Code 1455.240].

**Iowa:**

Rules of the Iowa Real Estate Appraiser Examining Board address the practice of real estate appraisal in Iowa [193F IAC 1 to 17]. The rules adopt the Uniform Standards of Professional Appraisal Practice issued by The Appraisal Foundation [193F IAC 1.1(1)].

### **Michigan:**

Rules of the Michigan Department of Licensing and Regulatory Affairs address the practice of real estate appraisal in Michigan [Mich Admin Code, R 339.23101 to R 339.23405]. The rules reference the Uniform Standards of Professional Appraisal Practice, and specifically provide [Mich Admin Code, R 339.23104] the following individuals are exempt from the appraisal review and development requirements of Standard 3:

- A member of the Board of Real Estate Appraisers who is performing an investigation or testifying at an adjudicatory hearing on behalf of the Department.
- A member of the Board of Real Estate Appraisers who is serving in the capacity of a reviewer while reviewing the work experience of an applicant for licensure.
- An investigator employed by or retained by the Department who is performing an investigation or testifying at an adjudicatory hearing.

### **Minnesota:**

The Minnesota Statutes, Sections 82B.021 to 82B.24, address the practice of real estate appraisal in Minnesota. The statutes define “standards of professional practice” to mean the Uniform Standards of Professional Appraisal Practice of the Appraisers Standards Board of The Appraisal Foundation in effect as of January 1, 1991, or other versions of the standards designated by the Commissioner of the Department of Commerce [Minnesota Statutes, Section 82B.021, Subdivision 26].

### **Summary of factual data and analytical methodologies:**

The proposed rules were developed, in consultation with the Real Estate Appraisers Board, by reviewing the 2024 edition of USPAP. Standards incorporated by reference in the proposed rule have been submitted to the Attorney General and approved pursuant to s. 227.21 (2), Stats.

### **Analysis and supporting documents used to determine effect on small business or in preparation of economic impact analysis:**

The proposed rules were posted for a period of 14 days to solicit public comment on economic impact, including how the proposed rules may affect businesses, local government units, and individuals. No comments were received.

### **Fiscal Estimate and Economic Impact Analysis:**

The Fiscal Estimate and Economic Impact Analysis are attached.

### **Effect on small business:**



These rules do not have an economic impact on small businesses, as defined in s. 227.114 (1), Stats. The Department's Regulatory Review Coordinator may be contacted at [Jennifer.Garrett@wisconsin.gov](mailto:Jennifer.Garrett@wisconsin.gov) or (608) 266-2112.

**Agency contact person:**

Jake Pelegrin, Administrative Rules Coordinator, Department of Safety and Professional Services, Division of Policy Development, P.O. Box 8366, Madison, Wisconsin 53708-8366; telephone 608-267-0989; email at [DSPSAdminRules@wisconsin.gov](mailto:DSPSAdminRules@wisconsin.gov).

**Place where comments are to be submitted and deadline for submission:**

Comments may be submitted to Jake Pelegrin, Administrative Rules Coordinator, Department of Safety and Professional Services, Division of Policy Development, P.O. Box 8366, Madison, WI 53708-8366, or by email to [DSPSAdminRules@wisconsin.gov](mailto:DSPSAdminRules@wisconsin.gov). Comments must be received on or before the public hearing to be included in the record of rule-making proceedings.

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TEXT OF RULE

SECTION 1. SPS 85.115 and (Note) are amended to read:

**SPS 85.115 Adoption of standards.** The Uniform Standards of Professional Appraisal Practice, ~~2020-2021~~2024, issued by the Appraisal Standards Board of The Appraisal Foundation, are incorporated by reference into chs. SPS 85 to 87.

**Note:** Copies of the standards are on file in the offices of the ~~department and the~~ legislative reference bureau. A copy of the standards may be purchased from the organization listed ~~or may be reviewed on the organization's website, at~~ [www.appraisalfoundation.org](http://www.appraisalfoundation.org), ~~at no cost.~~

SECTION 2. EFFECTIVE DATE. The rules adopted in this order shall take effect on the first day of the month following publication in the Wisconsin Administrative Register, pursuant to s. 227.22 (2) (intro.), Stats.

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(END OF TEXT OF RULE)

**Real Estate Appraisers Board**

<b>Clearinghouse Rule Number</b>	<b>Scope #</b>	<b>Scope Expiration</b>	<b>Code Chapter Affected</b>	<b>Relating clause</b>	<b>Current Stage</b>	<b>Next Step</b>
CR 25-025	072-23	4/2/2026	SPS 85	Appraiser Experience Requirements (PAREA)	Discuss Clearinghouse comments and hold public hearing.	Submit final rule draft to Governor and then Legislature for their review.
CR 25-026	006-24	7/22/2026	SPS 85 to 87	Relating to the 2024 version of Uniform Standards of Professional Appraisal Practice (USPAP)	Discuss Clearinghouse comments and hold public hearing.	Submit final rule draft to Governor and then Legislature for their review.