

STATE OF WISCONSIN  
DEPARTMENT OF SAFETY AND PROFESSIONAL SERVICES

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

An 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:** N/A

**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.

**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, Office of Chief Legal Counsel, P.O. Box 14497, Madison, Wisconsin 53708-0497; telephone 608-267-0989; email at [DSPSAdminRules@wisconsin.gov](mailto:DSPSAdminRules@wisconsin.gov).

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TEXT OF RULE

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

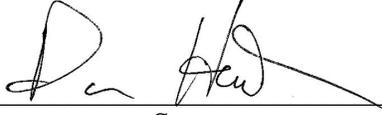
**SPS 85.115 Adoption of standards.** The Uniform Standards of Professional Appraisal Practice, ~~2020-2021~~2024, issued by the Appraisal Standards Board of The Appraisal Foundation, are incorporated by reference into chs. SPS 85 to 87.

**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, 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)

Dated 1/12/2026

Agency 

Secretary

Department of Safety and Professional Services