MEETING AGENDA
TALCB Enforcement Committee
4th Floor, Stephen F. Austin State Office Building
1700 North Congress, Austin, Texas 78701

Monday, July 14, 2014, 9:00 a.m.

1. Call to order
2. Discussion and possible action regarding the review of application logs and the enforcement compliance process
3. Discussion and possible action regarding staff initiated complaints
4. Discussion regarding agenda items for future meetings
5. Discussion regarding future meeting dates
6. Adjourn

Example #3: A credential issued on August 15 that expires on December 31 of the following year would require 14 hours of continuing education to renew. (adopted, May 2006)

4. *State appraiser regulatory agencies may award continuing education credit to credentialed appraisers who attend a state appraiser regulatory agency meeting, under the following conditions:*

   Credit may be awarded for a single state appraiser regulatory agency meeting per continuing education cycle. The meeting must be open to the public and must be a minimum of two (2) hours in length. The total credit cannot exceed seven (7) hours.

   The state appraiser regulatory agency must ensure that the credentialed appraiser attends the meeting for the required period of time. (adopted, January 2007)

IV. Generic Examination Criteria

A new applicant not currently licensed or certified and in good standing in another jurisdiction, shall have up to 24 months, after approval by the state, to take and pass an AQB approved qualifying examination for the credential. Successful completion of the examination is valid for a period of 24 months, and the applicant must meet the requisite experience requirement within 24 months.

V. Generic Experience Criteria

A. Education may not be substituted for experience, except as shown below in Section D below.

B. The quantitative experience requirements must be satisfied by time spent on the appraisal process. The appraisal process 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.

C. Hours may be treated as cumulative in order to achieve the necessary number of hours of appraisal experience.
   1. Cumulative is defined as meaning that experience may be acquired over any time period.
   2. The following is an example of cumulative experience:

Year 1	200 Hours
Year 2	800 Hours
Year 3	600 Hours
Year 4	400 Hours
Year 5	500 Hours
Total	2500 Hours

D. There need not be a client in a traditional sense (i.e. a client hiring an appraiser for a business purpose) in order for an appraisal to qualify for experience, but experience gained for work without a traditional client cannot exceed 50% of the total experience requirement.

   Practicum courses that are approved by the AQB Course Approval Program or state appraiser regulatory agencies can satisfy the non-traditional client experience requirement. A practicum course must include the generally applicable methods of appraisal practice for the credential category. Content includes, but is not limited to: requiring the student to produce credible appraisals that utilize an actual subject property; performing market research, containing sales analysis; and applying and reporting the applicable appraisal approaches in conformity with USPAP. Assignments must require problem solving skills for a variety of property types for the credential category. Experience credit shall be granted for the actual classroom hours of instruction, and hours of documented research and analysis as awarded from the practicum course approval process.

E. An 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. 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 Standards 1, 2, 3, 4, 5, and/or 6, where the appraiser demonstrates proficiency in appraisal principles, methodology, procedures (development), and reporting conclusions.

F. Documentation in the form of reports, certifications, or file memoranda, or, if such reports and memoranda are unavailable for good cause, other evidence at the credentialing authority's discretion that the work is compliant with USPAP must be provided as part of the state experience verification process to support the experience claimed.

G. The verification for experience credit claimed by an applicant shall be on forms prescribed by the state certification/licensing agency, which shall include:

1. Type of property;
2. Date of report;
3. Address of appraised property;
4. Description of work performed by the trainee/applicant and scope of the review and supervision of the supervising appraiser;
5. Number of actual work hours by the trainee/applicant on the assignment; and
6. The signature and state certification number of the supervising appraiser if applicable. Separate appraisal logs shall be maintained for each supervising appraiser if applicable.

H. There is no maximum time limit during which experience may be obtained.

VI. Guide Notes (GN)

From time to time, the AQB may issue new interpretations to these *Criteria* (binding); or Guide Notes (advisory) on interpretations, or application of these qualification *Criteria*.

TRAINEE REAL PROPERTY APPRAISER

Please consult the **CRITERIA APPLICABLE TO ALL APPRAISER CLASSIFICATIONS** for additional requirements.

I. General

A. The scope of practice for the Appraiser Trainee Classification is the appraisal of those properties which the supervising Certified appraiser is permitted by his/her current credential and that the supervising appraiser is qualified to appraise.

B. The Appraiser Trainee shall be entitled to obtain copies of appraisal reports he/she prepared. The supervising appraiser shall keep copies of appraisal reports for a period of five years, or at least two years after final disposition of any judicial proceedings in which the appraiser provided testimony related to the assignment, whichever period expires last.

C. All Appraiser Trainees must comply with the COMPETENCY RULE of USPAP.

II. Examination:

There is no examination requirement for the Appraiser Trainee Classification, but the trainee shall pass examinations in the prerequisite courses in order to earn credit for core education courses.

III. Qualifying Education:

As the prerequisite for application, an applicant must have completed 75 creditable class hours as specified in the required Core Curriculum Appendix. Additionally, applicants must pass the Core Curriculum examinations and pass the *15-Hour National USPAP Course*, or its equivalent, and examination as part of the 75 creditable class hours.

QUALIFYING EDUCATION INTERPRETATION

1. *Appraisers holding a valid Licensed Residential Real Property Appraiser credential satisfy the educational requirements for the Trainee Real Property Appraiser credential.*

   Appraisers holding a valid Certified Residential Real Property Appraiser credential satisfy the educational requirements for the Trainee Real Property Appraiser credential.

   Appraisers holding a valid Certified General Real Property Appraiser credential satisfy the educational requirements for the Trainee Real Property Appraiser credential. (adopted, November 2006)

IV. Experience:

No experience is required as a prerequisite for the Appraiser Trainee Classification.

V. Training

A. The Appraiser Trainee shall be subject to direct supervision by a supervising appraiser in good standing, who shall be state certified.

B. The supervising appraiser shall be responsible for the training, guidance, and direct supervision of the Appraiser Trainee by:
   1. Accepting responsibility for the appraisal report by signing and certifying the report complies with USPAP;
   2. Reviewing and signing the Appraiser Trainee appraisal report(s); and
   3. Personally inspecting each appraised property with the Appraiser Trainee until the supervising appraiser determines the Appraiser Trainee is competent, in accordance with the COMPETENCY RULE of USPAP for the property type.

C. The Appraiser Trainee is permitted to have more than one supervising appraiser, but a supervising appraiser may not supervise more than three trainees, at one time, unless a state program in the licensing jurisdiction provides for progress monitoring, supervising certified appraiser qualifications, and supervision and oversight requirements for supervising appraisers.

D. An appraisal log shall be maintained by the Appraiser Trainee and the supervising appraiser jointly. At a minimum, the appraisal log requirements are:
   1. Type of property;
   2. Date of report;
   3. Address of appraised property;
   4. Description of work performed by the trainee and scope of the review and supervision of the supervising appraiser;
   5. Number of actual work hours by the trainee on the assignment; and
   6. The signature and state certification number of the supervising appraiser. Separate appraisal logs shall be maintained for each supervising appraiser if applicable.

E. The supervising certified appraiser shall be in good standing in the training jurisdiction and not subject to any disciplinary action within the last two years that affects the supervisor's legal eligibility to engage in appraisal practice.

AQB GUIDE NOTE 6 (GN-6)

AQB GUIDANCE FOR CRITERIA IMPLEMENTATION

THIS GUIDE NOTE RELATES TO THE VERIFICATION OF EXPERIENCE CREDIT AS SPECIFIED IN THE REAL PROPERTY APPRAISER QUALIFICATION CRITERIA THAT BECAME EFFECTIVE ON JANUARY 1, 2008.

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

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

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

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

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

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

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

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

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

AGENDA ITEM 2

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

1/10/08	300 Capitol Avenue Washington, DC 20005	Retail Store	Neighborhood, subject and comp (sale and rental) data research and analyses, interior/exterior property inspection, cost/ sales comparison/ income approaches, final reconciliation n	Reviewed workfile and report, checked data and analyses in approaches to value utilized, discussed with applicant, co-signed appraisal report	Review of comparable data selection and analyses, did not physically inspect subject property	40
2/12/08	144 Elm Avenue Washington, DC 20005	Golf Course	Completed entire appraisal process	Reviewed workfile and report, verified subject sales history and all data and analyses in approaches to value utilized, discussed with applicant, co-signed appraisal report	Completed entire appraisal process	60

Thomas D. Trainee
Applicant/Trainee Appraiser

Sally A. Supervisor
Supervisory Appraiser

State
Certification No.

11. The equivalent of fourteen class hours of instruction in courses or seminars for each year during the period preceding the renewal is required. For example, a two-year continuing education cycle would require twenty-eight hours. The class hour requirement can be fulfilled at any time during the cycle.

12. AQB Certified USPAP Instructors successfully completing a *7-Hour Instructor Recertification Course* and exam (if required) within their current continuing education cycle have satisfied the *7-Hour National USPAP Update Course* continuing education requirement.

13. State appraiser regulatory agencies with the appropriate authority to do so, may place a credential holder in an "inactive status" in the event the state determines a deficiency in continuing education was due to extenuating circumstances.

    Prior to reactivation, credential holders in an inactive status must complete all required continuing education hours that would have been required if the credential holder was in an active status. The required hours must also include the most recent edition of a *7-Hour National USPAP Update Course* (or its AQB-approved equivalent).

    Waivers may not be granted to credential holders who have failed to meet the continuing education requirements.

    Deferrals may not be granted to credential holders, except in the case of individuals returning from active military duty, or individuals impacted by a state- or federally-declared disaster. State appraiser regulatory agencies may allow credential holders returning from active military duty to be placed in active status for a period of up to 90 days pending completion of all continuing education requirements. State appraiser regulatory agencies may allow credential holders impacted by a state- or federally-declared disaster that occurs within 90 days prior to the end of the continuing education cycle to remain (or be placed in) active status for a period of up to 90 days after the end of the credential holder's continuing education cycle, pending completion of all continuing education requirements.

14. Credentialed appraisers are required to complete continuing education for a partial year in a continuing education cycle as follows:

    For continuing education cycle periods of 185 days or more, 14 hours of continuing education is required.

    For continuing education cycle periods of less than 185 days, no hours of continuing education are required.

    Example #1: A credential issued on August 15 that expires on December 31 of the same year would not require any continuing education hours for that year.

    Example #2: A credential issued on May 15 that expires on December 31 of the same year would require 14 continuing education hours for that year.

    Example #3: A credential issued on August 15 that expires on December 31 of the following year would require 14 hours of continuing education to renew.

15. State appraiser regulatory agencies may award continuing education credit to credentialed appraisers who attend a state appraiser regulatory agency meeting, under the following conditions:
    a. Credit may be awarded for a single state appraiser regulatory agency meeting per continuing education cycle. The meeting must be open to the public and must be a minimum of two (2) hours in length. The total credit cannot exceed seven (7) hours; and
    b. The state appraiser regulatory agency must ensure that the credentialed appraiser attends the meeting for the required period of time.

IV. Generic Examination Criteria

A new applicant not currently licensed or certified and in good standing in another jurisdiction, shall have up to 24 months, after approval by the state, to take and pass an AQB-approved qualifying examination for the credential. Successful completion of the examination is valid for a period of 24 months.

V. Generic Experience Criteria

A. Education may not be substituted for experience, except as shown below in Section D below.

B. The quantitative experience requirements must be satisfied by time spent on the appraisal process. The appraisal process 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.

C. Hours may be treated as cumulative in order to achieve the necessary number of hours of appraisal experience.
   1. Cumulative is defined as meaning that experience may be acquired over any time period.
   2. The following is an example of cumulative experience:

Year 1	200 Hours
Year 2	800 Hours
Year 3	600 Hours
Year 4	400 Hours
Year 5	500 Hours
Total	**2,500 Hours**

D. There need not be a client in a traditional sense (i.e. a client hiring an appraiser for a business purpose) in order for an appraisal to qualify for experience, but experience gained for work without a traditional client cannot exceed 50% of the total experience requirement.

   Practicum courses that are approved by the AQB Course Approval Program or state appraiser regulatory agencies can satisfy the non-traditional client experience requirement. A practicum course must include the generally applicable methods of appraisal practice for the credential category. Content includes, but is not limited to: requiring the student to produce credible appraisals that utilize an actual subject property; performing market research, containing sales analysis; and applying and reporting the applicable appraisal approaches in conformity with USPAP. Assignments must require problem solving skills for a variety of property types for the credential category. Experience credit shall be granted for the actual classroom hours of instruction, and hours of documented research and analysis as awarded from the practicum course approval process.

E. An 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. 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 Standards 1, 2, 3, 4, 5, and/or 6, where the appraiser demonstrates proficiency in appraisal principles, methodology, procedures (development), and reporting conclusions.

F. Documentation in the form of reports, certifications, or file memoranda, or, if such reports and memoranda are unavailable for good cause, other evidence at the credentialing authority's discretion that the work is compliant with USPAP must be provided as part of the state experience verification process to support the experience claimed.

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

H. There is no maximum time limit during which experience may be obtained.

VI. Background Checks

A. All candidates for a real property appraiser credential must undergo background screening. State appraiser regulatory agencies shall, at a *minimum*, obtain fingerprints of the individual, in digital form if practicable, and any appropriate identifying information for submission to the Federal Bureau of Investigation and/or any governmental agency or entity authorized to receive such information in connection with a State and national background check.

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

C. State appraiser regulatory agencies must ensure that all candidates for a real property appraiser credential do not possess a background that could call into question public trust. State appraiser regulatory agencies must take proper steps to ensure those applicants found to possess a background which calls into question the applicant's ability to maintain public trust are not issued a real property appraiser credential. State appraiser regulatory agencies shall not issue a real property appraiser credential if:

1. The applicant has had an appraiser license or certification revoked in any governmental jurisdiction within the five (5) year period immediately preceding the date of application.

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

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

D. Additional background issues that a state appraiser regulatory agency shall evaluate and consider prior to issuing (or taking disciplinary action against) a real property appraiser credential include, but are not limited to:

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

2. Civil judicial actions against the individual in connection with financial services-related activities, dismissals with settlements, or judicial findings that the individual violated financial services-related statutes or regulations, except for actions dismissed without a settlement agreement;

3. Actions or orders by a State or Federal regulatory agency or foreign financial regulatory authority that:
   a. Found the individual to have made a false statement or omission or been dishonest, unfair or unethical; to have been involved in a violation of a financial services-related regulation or statute; or to have been a cause of a financial services-related business having its authorization to do business denied, suspended, revoked, or restricted;
   b. Are entered against the individual in connection with a financial services-related activity;
   c. Denied, suspended, or revoked the individual's registration or license to engage in a financial services-related activity; disciplined the individual or otherwise by order prevented the individual from associating with a financial services-related business or restricted the individual activities; or
   d. Barred the individual from association with an entity or its officers regulated by the agency or authority or from engaging in a financial services-related business;

4. Final orders issued by a State or Federal regulatory agency or foreign financial regulatory authority based on violations of any law or regulation that prohibits fraudulent, manipulative, or deceptive conduct;

5. Revocation or suspension of the individual's authorization to act as an attorney, accountant, or State or Federal contractor; and

6. Customer-initiated financial services-related arbitration or civil action against the individual that required action, including settlements, or which resulted in a judgment.

VII. Interpretations and Guide Notes (GN)

From time to time, the AQB may issue Interpretations to the Criteria (binding); or Guide Notes (advisory) on interpretations or application of the *Criteria*.

AGENDA ITEM 2

REAL PROPERTY APPRAISER CLASSIFICATIONS

TRAINEE REAL PROPERTY APPRAISER

Please consult the **CRITERIA APPLICABLE TO ALL APPRAISER CLASSIFICATIONS** for additional requirements

I. General

A. The Trainee Appraiser classification is intended to incorporate any documented non-certified/non-licensed real property appraisers who are subject to the *Real Property Appraiser Qualification Criteria*. Recognizing that individual credentialing jurisdictions may use different terminologies, "Trainee Appraisers" include, but are not limited to: registered appraisers, apprentice appraisers, provisional appraisers, or other similar designations created by state appraiser regulatory agencies.

B. The scope of practice for the Trainee Appraiser classification is the appraisal of those properties which the state-certified Supervisory Appraiser is permitted by his/her current credential and that the Supervisory Appraiser is competent to appraise.

C. The Trainee Appraiser, as well as the Supervisory Appraiser, shall be entitled to obtain copies of appraisal reports and/or permitted appropriate access and retrieval arrangements for all workfiles for appraisals in which he or she participated, in accordance with the RECORD KEEPING RULE of USPAP.

D. All Trainee Appraisers must comply with the COMPETENCY RULE of USPAP for all assignments.

II. Examination

There is no examination requirement for the Trainee Appraiser classification, but the Trainee Appraiser shall pass the appropriate end-of-course examinations in all of the prerequisite courses in order to earn credit for those courses.

III. Qualifying Education

A. As the prerequisite for application, an applicant must have completed 75 creditable hours of qualifying education as specified in the *Required Core Curriculum*. Additionally, applicants must pass the course examinations and pass the *15-Hour National USPAP Course* (or its AQB-approved equivalent) and examination as part of the 75 creditable hours. All qualifying education must be completed within the five (5) year period prior to the date of submission of a Trainee Appraiser application.

B. Appraisers holding a valid Licensed Residential Real Property Appraiser credential satisfy the educational requirements for the Trainee Appraiser credential.

C. Appraisers holding a valid Certified Residential Real Property Appraiser credential satisfy the educational requirements for the Trainee Appraiser credential.

D. Appraisers holding a valid Certified General Real Property Appraiser credential satisfy the educational requirements for the Trainee Appraiser credential.

IV. Experience

No experience is required as a prerequisite for the Trainee Appraiser classification.

V. Training

A. The Trainee Appraiser shall be subject to direct control and supervision by a Supervisory Appraiser in good standing, who shall be state-certified. A Trainee Appraiser is permitted to have more than one Supervisory Appraiser.

B. The Supervisory Appraiser shall be responsible for the training, guidance, and direct control and supervision of the Trainee Appraiser by:
   1. Accepting responsibility for the appraisal by signing and certifying the appraisal complies with USPAP;
   2. Reviewing and signing the Trainee Appraiser appraisal report(s); and
   3. Personally inspecting each appraised property with the Trainee Appraiser until the Supervisory Appraiser determines the Trainee Appraiser is competent to inspect the property, in accordance with the COMPETENCY RULE of USPAP for the property type.

C. The Trainee Appraiser is permitted to have more than one Supervisory Appraiser, but a Supervisory Appraiser may not supervise more than three (3) Trainee Appraisers, at one time, unless a program in the state appraiser regulatory jurisdiction provides for progress monitoring, supervising certified appraiser qualifications, and supervision and oversight requirements for Supervisory Appraisers.

D. An appraisal experience log shall be maintained jointly by the Supervisory Appraiser and the Trainee Appraiser. It is the responsibility of both the Supervisory Appraiser and the Trainee Appraiser to ensure the appraisal experience log is accurate, current and complies with the requirements of the Trainee Appraiser's credentialing jurisdiction. At a minimum, the appraisal log requirements are:
   1. Type of property;
   2. Date of report;
   3. Address of appraised property;
   4. Description of work performed by the Trainee Appraiser and scope of the review and supervision of the Supervisory Appraiser;
   5. Number of actual work hours by the Trainee Appraiser on the assignment; and
   6. The signature and state certification number of the Supervisory Appraiser. Separate appraisal logs shall be maintained for each Supervisory Appraiser, if applicable.

E. The state-certified Supervisory Appraiser shall be in good standing in the training jurisdiction and not subject to any disciplinary action within the last three (3) years that affects the Supervisory Appraiser's legal eligibility to engage in appraisal practice.

F. Trainee Appraisers shall be required to complete a course that, at minimum, complies with the specifications for course content established by the AQB, which is specifically oriented to the requirements and responsibilities of Supervisory Appraisers and Trainee Appraisers. The course must be completed by the Trainee Appraiser prior to obtaining a Trainee Appraiser credential from the individual credentialing jurisdiction. Further, the Trainee Appraiser course is not eligible towards the 75 hours of qualifying education required.*

*Please refer to the Supervisory Appraiser / Trainee Appraiser Course Objectives and Outline in this booklet for more information.

AQB GUIDE NOTE 6 (GN-6)

AQB GUIDANCE FOR CRITERIA IMPLEMENTATION

THIS GUIDE NOTE RELATES TO THE VERIFICATION OF EXPERIENCE CREDIT AS SPECIFIED IN THE REAL PROPERTY APPRAISER QUALIFICATION CRITERIA.

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

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

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

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

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

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

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

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

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

AGENDA ITEM 2

Date of Report	Property Address, City, State, Zip	Type of Property (SFR, Condo, 2-4 Units)	Description Of Applicant's Work Performed	Scope of Supervising Appraiser's Review	Scope of Supervising Appraiser's Supervision	Number of Actual Hours Worked By Applicant
1/3/08	123 Oak Street Washington, DC 20005	SFR	Neighborhood, subject and comp data research and analyses, interior/ exterior property inspection, cost/sales comparison approaches, final reconciliation	Reviewed workfile and report, verified subject sales history, checked data and analyses in approaches to value utilized, discussed with applicant, co-signed appraisal report	Completed entire appraisal process with applicant, including physical inspection of subject property (first SFR appraisal for applicant)	7
6/7/08	455 Pine Street Washington, DC 20005	SFR	Neighborhood, subject and comp data research and analyses, interior/ exterior property inspection, cost/ sales comparison approach, final reconciliation	Reviewed workfile and report, verified all comparable data and analyses, verified homeowner's association info, discussed with applicant, co-signed appraisal report	Oversight of comparable data selection and analyses, provided direction in site value analysis used in cost approach, did not physically inspect subject property	7
1/10/09	202 Spruce Street Washington, DC 20005	SFR	Neighborhood, subject and comp data research and analyses, interior/exterior property inspection, cost/ sales comparison/ income approaches, final reconciliation	Reviewed workfile and report, checked data and analyses in approaches to value utilized, discussed with applicant, co-signed appraisal report	Review of comparable data selection and analyses, did not physically inspect subject property	10
1/24/09	115 Pennsylvania Ave. Washington, DC 20005	Retail Store	Neighborhood, subject and comp (sale and rental) data research and analyses, interior/exterior property inspection, cost/ sales comparison/ income approaches, final reconciliation	Reviewed workfile and report, verified subject sales history and all data and analyses in approaches to value utilized, discussed with applicant, co-signed appraisal report	Completed entire appraisal process with applicant, including physical inspection of subject property (first commercial appraisal for applicant)	30
8/14/09	200 S Broadway Washington, DC 20005	Retail Store	Neighborhood, subject and comp (sale and rental) data research and analyses, interior/exterior property inspection, cost/ sales comparison/ income approaches, final reconciliation	Reviewed workfile and report, verified subject sales history and all data and analyses in approaches to value utilized, discussed with applicant, co-signed appraisal report	Oversight of comparable data selection and analyses, provided direction in DCF analysis used in income approach, did not physically inspect subject property	40

1/10/10	300 Capitol Avenue Washington, DC 20005	Retail Store	Neighborhood, subject and comp (sale and rental) data research and analyses, interior/exterior property inspection, cost/ sales comparison/ income approaches, final reconciliation n	Reviewed workfile and report, checked data and analyses in approaches to value utilized, discussed with applicant, co-signed appraisal report	Review of comparable data selection and analyses, did not physically inspect subject property	40
2/12/10	144 Elm Avenue Washington, DC 20005	Golf Course	Completed entire appraisal process	Reviewed workfile and report, verified subject sales history and all data and analyses in approaches to value utilized, discussed with applicant, co-signed appraisal	Completed entire appraisal process	60

Thomas D. Trainee
Applicant/Trainee Appraiser

Sally A. Supervisor
Supervisory Appraiser

State
Certification No.

Response:
Solely developing a timber inventory and valuation report (aka "timber cruise") does not qualify for real property valuation experience. However, if you develop a timber inventory and valuation report and appropriately utilize this information in an appraisal of real property, it may qualify for real property valuation experience provided the appraisal complies with USPAP. Furthermore, as with other types of appraisal assignments, an individual providing significant real property appraisal assistance in the appraisal may receive credit for these assignments, provided the individual is duly acknowledged in the certification of the report as having provided significant real property appraisal assistance, and the description of their assistance is included in the appraisal report. Be sure to check with the specific state appraiser regulatory agency in the jurisdiction in which you are seeking a credential to verify their requirements, which may be more restrictive.

Question 8:
I am a Trainee Appraiser working towards my license. If I do not sign an appraisal report due to my company's policies or a client's assignment conditions, what verbiage is required in the report in order for the time I spent on the appraisal to count toward the experience requirements in the *Real Property Appraiser Qualification Criteria*?

Response:
If you provide significant real property appraisal assistance for a supervisory appraiser but do not sign the report certification, your supervisory appraiser must disclose that you provided significant real property appraisal assistance within the certification of the report. In addition, the supervisory appraiser must describe the extent of your assistance in the report (refer to the Uniform Standards of Professional Appraisal Practice [USPAP], Standards Rules 2-2 and 2-3, as well as Advisory Opinion 31, *Assignments Involving More Than One Appraiser*, for additional details).

Furthermore, the experience log you submit to your state appraiser regulatory agency must describe the work you performed in support of the hours of experience you claim for each assignment. Documentation in the form of reports, certifications, or file memoranda, or other evidence that the time you spent on the appraisal process is compliant with USPAP must be provided as part of the state experience verification process to support the experience claimed.

Question 9:
I hold a Certified Residential credential and I am pursuing a Certified General credential in the same jurisdiction. Does the AQB require any supervised experience to upgrade from a Certified Residential appraiser to a Certified General appraiser?

Response:
The *Real Property Appraiser Qualification Criteria* does not specifically address a formal Supervisory Appraiser relationship for Certified or Licensed appraisers seeking an upgrade to their credential. However, you must comply with the COMPETENCY RULE of USPAP when you obtain your non-residential property experience, which may require that you work with an existing Certified General appraiser who is competent in the property type and geographic area. Be sure to check with the state appraiser regulatory agency in the state where you plan to seek the credential to confirm the state's requirements, as states may implement more stringent requirements.

Question 10:
I am a Supervisory Appraiser and I hold a Certified General credential in two states: State A and State B. One of my Trainees has a Trainee Appraiser's credential in State A only. I have an assignment in State B, and plan to take my Trainee with me to work on the assignment. Will State A grant experience to my Trainee Appraiser for work performed in State B?

Response:
The *Real Property Appraiser Qualification Criteria* specifies experience must be gained under the supervision of the Supervisory Appraiser and the work must comply with USPAP. Thus, the *Real Property Appraiser Qualification Criteria* would not prohibit State A from granting the Trainee Appraiser credit in this case. However, be sure to check with the state appraiser regulatory agency in State A to confirm the state's requirements, which could be more restrictive.

NATIONAL UNIFORM LICENSING AND CERTIFICATION EXAMINATIONS

Question 1:
Is there a study guide for the Licensed Residential, Certified Residential or Certified General examinations?

TEXAS APPRAISER LICENSING & CERTIFICATION BOARD

DOUGLAS E. OLDMIXON, COMMISSIONER

Original Date: 9 October 2013
Revised Date(s): 29 May 2014
27 June 2014

Standard Operating Procedure Memorandum for TALCB SES Processing of Experience Audits

FROM: TALCB/SES Director

SUBJECT: Standard Operating Procedure Memorandum for TALCB Processing of Experience Audits ("Audits")

1. This memorandum addresses TALCB SES standard operating procedure for processing Audits.

LEGAL AUTHORITY

2. Under 22 TEX. ADMIN. CODE §153.15, TEX. OCC. CODE §§ 1103.206, 1103.207, and Appraisal Subcommittee (ASC) requirements, TALCB SES is obligated to audit all applications for licensure or certification.

3. Under TEX. OCC. CODE § 1103.458, the Board is authorized to issue consent orders in conjunction with application denials. As authorized by TEX. OCC. CODE § 1103.2091, resolution of an application denial may include the issuance of a probationary credential, so long as it is consistent with the requirements in 22 TEX. ADMIN. CODE § 153.9.

AUDIT PROCEDURE

4. Upon receipt of an audit from Education and Licensing Services (ELS), the administrative assistant responsible for Audits shall process the audit and create a record of it in VERSA and create a hard copy file.

5. The administrative assistant shall deliver the audit file to the Case Manager for assignment to an appraiser-investigator.

6. The Case Manager shall review the audit file and determine the appropriate appraiser-investigator to assign the audit; based upon caseload, geography, whether the audit will encompass residential or commercial appraisals and any other appropriate circumstance. The Case Manager shall maintain a log of all experience Audits and the assigned appraiser-investigator.

7. Upon assignment to an appraiser-investigator, the assigned appraiser-investigator shall receive the file and review the Applicant's experience log (the "Log").

8. After reconfirming that the Applicant has documented the requisite number of hours and months of appraisal experience for the particular credential they are seeking, the appraiser-investigator shall randomly select two, representative, sample properties from the Log. In the case of an Applicant for general certification, at least one of those properties needs to be a commercial property.

    a. Absent an approved special circumstance, the appraiser-investigator should select an appraisal report from an earlier time period and the second appraisal from a later time period on the Log.

    b. The appraiser-investigator should apply a holistic approach to the evaluation of the sample work product.

c. In the event one appraisal generally complies with Uniform Standards of Professional Appraisal Practice (USPAP) and the other appraisal does not, the appraiser-investigator may request additional appraisals and workfiles (as discussed below in paragraph 16). This requirement is mandatory in the event that the non-complying appraisal is the one selected from the earlier time period.

9. The appraiser-investigator shall then return the file to the administrative assistant who shall issue a letter to the Applicant requesting the specific work files identified by the appraiser-investigator.

   a. Per 22 TAC §153.15(f)(4), "Applicants have 60 days to provide all documentation requested by the Board."

10. If more than 60 days have expired since the Applicant has been notified of the request for work files, a final request shall be e-mailed to the Applicant at their e-mail address on file with the agency. The e-mail shall provide an additional copy of the initial audit letter requesting work files and shall provide the Applicant seven (7) business days to respond with the requested work files.

11. If after a final notice has been sent via e-mail, the Applicant has not provided the requested work files within seven (7) business days, the administrative assistant shall deliver the file to the Managing Attorney for further processing.

12. Upon receipt of an audit file in which the Applicant has failed to provide requested work files, the Managing Attorney shall review the file and recommend appropriate action, including any one or a combination of the following:

    a. Denial of the application;

    b. Initiation of a staff-initiated complaint; and/or

    c. In the case of an approved and documented special circumstance, issuance of a third and final letter requesting the work files. Examples of special circumstances might include: incorrect address which is not the fault of the Applicant and failure to receive the request for work files which is not the fault of the Applicant, etc.

13. Upon receipt of the requested work files, the administrative assistant shall process the materials, update Versa and deliver the work files to the assigned appraiser-investigator.

14. The appraiser-investigator shall review the work files to determine whether the sample appraisals and work files generally conform to USPAP.

15. In evaluating the Applicant's submitted work files, the appraiser-investigator shall completely fill out the prescribed Experience Audit Checklist form (EAC). The appraiser-investigator shall indicate on the EAC whether the work product under review generally conforms to USPAP and whether the application should be approved or denied. A summarized rationale supporting the appraiser-investigator's recommendation should be included on the EAC.

16. In the case of a special circumstance, and upon consultation with the Managing Attorney, the appraiser-investigator may request additional appraisals and workfiles to determine whether the Applicant's work product generally conforms to USPAP.

17. Upon completion of the audit, the assigned appraiser-investigator shall update the Applicant's Log to reflect their completion of the audit.

18. The appraiser-investigator shall then deliver the audit file and the EAC to the Managing Attorney for evaluation and processing. The appraiser-investigator and Managing Attorney shall briefly discuss the case sufficient to

enable the Managing Attorney to further process the audit. In addition to recommending approving or denying the application, the appraiser-investigator may recommend the issuance of a consent order, containing remedial provisions, and if appropriate, including the issuance of a probationary credential. Additionally, the appraiser-investigator may recommend a contingent approval of the application, pending the completion of additional remedial education, mentorship, additional experience or any combination thereof.

19. The Managing Attorney shall review the audit file and EAC and determine the appropriate application disposition recommendation to be made to the TALCB SES Director.

20. The TALCB SES Director shall have final disposition authority over applications. The Managing Attorney shall present application disposition recommendations to the TALCB SES Director for final review and disposition.

21. Upon final disposition by the TALCB SES Director, the Managing Attorney shall process the application approval or denial.

22. If the application is approved, the audit file shall be returned to the administrative assistant for further processing and the file shall be returned to ELS for issuance of a credential consistent with the law. At that time, the administrative assistant shall transmit an email, at the address of record on file with the Board, notifying the Applicant that he or she has passed the experience audit.

23. In the case of a contingent approval or probationary approval documented in a consent order, any such agreement shall be in writing and agreed upon by all parties. The Applicant's file shall be returned to ELS for issuance of a credential upon completion of all the terms of the agreement, and subject to completion of all other requirements for the issuance of a credential. When returning the file to ELS, the administrative assistant shall provide the written agreement.

24. If the application is denied, the Managing Attorney shall return the audit file to the administrative assistant who shall draft an application denial letter for the TALCB SES Director's signature. The administrative assistant shall then serve the application denial letter by certified mail, return receipt requested and e-mail to the Applicant at their address on file with the agency.

25. Regardless of whether an application passes or fails the experience audit, SES shall release the EAC to the applicant, upon the conclusion of the audit.

26. In accordance with TEX. OCC. CODE § 1103.210 and 22 TEX. ADMIN. CODE § 157.7, the Applicant may appeal their application denial. Requests to appeal will be presented to the TALCB SES Director by the Managing Attorney with recommendations for case assignment and processing.

Mark J. Mrnak
TALCB SES Director