

## **NEW CRITERIA EFFECTIVE JAN 1, 2008**

The Appraisal Subcommittee (ASC) of the Federal Financial Institutions Examination Council (FFIEC) was created pursuant to Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989. Title XI's purpose is to "provide that Federal financial and public policy interests in real estate transactions will be protected by requiring that real estate appraisals utilized in connection with federally related transactions are performed in writing, in accordance with uniform standards, by individuals whose competency has been demonstrated and whose professional conduct will be subject to effective supervision." Additionally, the ASC monitors and reviews the practices, procedures, activities and organizational structure of the Appraisal Foundation. The Foundation is divided into two aspects; the Appraisal Standards Board (ASB) which has responsibility for the Uniform Standards of Professional Appraisal Practice and the Appraisal Qualifications Board (AQB) which establishes nationwide requirements for appraisers to become registered or certified.

The Appraisal Qualifications Board has set new requirements for appraisers to become registered or certified, which became effective January 1, 2008. Below is a checklist for appraisers to follow, which outlines the new appraisal requirements of the AQB.

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### **Registered Trainee Appraiser**

There is only one "component" to becoming a registered trainee appraiser:

- 1.) Education

**Note: Experience may only be accumulated after the registered trainee credential is obtained.**

### **Certified Appraiser**

There are 3 "components" to becoming certified as an appraiser:

- 1.) Education
- 2.) Experience
- 3.) Examination

For Florida, the education and examination components changed on January 1, 2008. The experience component will not change because the Florida experience requirements meet or exceed the 2008 AQB Real Property Appraiser Qualification Criteria.

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## **New Education Component Requirements:**

### **Registered Trainee Appraiser:**

There is no change because Florida's current 100-hour requirement is a higher standard than the AQB guidelines.

### **Certified Residential Appraiser:**

- 1.) A minimum of 200 classroom hours of appraisal education (this includes the 15 hour USPAP course); and
- 2.) Either a 2-year associates degree or higher, OR a total of 21 semester credit hours consisting of: English Composition; Principles of Economics (either Macro or Micro); Finance; Algebra; Geometry or higher mathematics; Statistics; Computer Science; and either Business Law or Real Estate Law.

### **Certified General Appraiser:**

- 1.) A minimum of 300 classroom hours of appraisal education (this includes the 15-hour National USPAP course); and
- 2.) Either a bachelors degree or higher, OR a total of 30 semester credit hours consisting of: English Composition; Micro Economics; Macro Economics; Finance; Algebra, Geometry, or higher mathematics; Statistics; Computer Science; and either Business Law or Real Estate Law; and
- 3.) Any 2 of the following courses: Accounting, Geography, Agricultural Economics, Business Management, or Real Estate.

## **Notes**

- The degree requirements outlined above must be proven by an **official** transcript from the college or university showing the awarding of the degree
- If college level courses are claimed outside of the degree requirement the applicant must provide an **official** transcript from the college or university showing the awarding of the college credits
- For college level courses taken in a quarterly system versus a semester system, one quarter hour credit is equivalent to .67 semester credit hours. Conversely, one semester credit hour is equivalent to 1.5 quarter credit hours
  - If an applicant wishes to satisfy the 21 semester hours they must have earned 31.5 quarter hours
  - If an applicant wishes to satisfy the 30 semester hours they must have earned 45 quarter hours

- Appraisers holding a valid ***trainee license*** may satisfy the educational requirements for the ***Certified Residential*** credential by completing :
  - Residential Market Analysis and Highest and Best Use (15-hours)
  - Residential Appraiser Site Valuation and Cost Approach (15-hours)
  - Residential Sales Comparison Approach and Income Approach (30-hours)
  - Residential Report Writing and Case Studies (15-hours)
  - Statistics, Modeling and Finance (15-hours)
  - Advanced Residential Applications and Case Studies (15-Hours)
  - Appraisal Subject Matter Electives to include a minimum of three (3) hours of instruction covering the roles and rules of supervisor and trainee appraisers (20-hours)
  
- Appraisers holding a valid ***trainee license*** may satisfy the educational requirements for the ***Certified General*** credential by completing :
  - Statistics, Modeling and Finance (15-hours)
  - General Appraiser Market Analysis and Highest and Best Use (30-hours)
  - General Appraiser Site Valuation and Cost Approach (30-hours)
  - General Appraiser Sales Comparison Approach (30-hours)
  - General Appraiser Income Approach (60-hours)
  - General Appraiser Report Writing and Case Studies (30-hours)
  - Appraisal Subject Matter Electives to include a minimum of three (3) hours of instruction covering the roles and rules of supervisor and trainee appraisers (30-hours)
  
- Appraisers holding a valid ***Certified Residential*** may satisfy the educational requirements for the ***Certified General*** credential by completing :
  - General Appraiser Market Analysis and Highest and Best Use (15-hours)
  - General Appraiser Site Valuation and Cost Approach (15-hours)
  - General Appraiser Sales Comparison Approach (15-hours)
  - General Appraiser Income Approach (45-hours)
  - General Appraiser Report Writing and Case Studies (10-hours)

## **Experience Component Requirements:**

- 1.) All experience claimed to obtain a new credential must have been obtained after **January 31, 1989**. No experience obtained before that date will be accepted;
- 2.) All experience claimed to obtain a new credential must be in compliance with USPAP.

**Note: Experience may only be accumulated after the registered trainee credential is obtained.**

### **Certified Residential Appraiser:**

- 1.) The experience requirement for certified residential appraiser is 2,500 hours of experience obtained during no fewer than 24 months;
- 2.) While the hours may be cumulative, the required number of months must accrue before an individual can be certified.
- 3.) Chapter 61J1-6.001, Florida Administrative Code requires the applicant to submit a minimum of 150 appraisal reports on the experience log. Other combinations may be used as defined by this rule.

### **Certified General Appraiser:**

- 1.) The experience requirement for certified general appraiser is 3,000 hours of experience accumulated over a period of not less than 30 months;
- 2.) While the hours may be cumulative, the required number of months must accrue before an individual can be certified.
- 3.) Chapter 61J1-6.001, Florida Administrative Code requires the applicant to submit a minimum of 23 narrative, non-residential appraisal reports on the experience log. Other combinations may be used as defined by this rule.

## **New Examination Component Requirement:**

On January 1, 2008 Florida began using the AQB's National Exam and the Florida Supplemental Exam.

**Please keep in mind that applicants must complete *both* the education and experience components before they are permitted to take the exam.**

## Sample Scenarios:

### Examination Scenario:

An applicant who finished their education AND experience by the end of 2007 but does not sit for or successfully pass the current exam on or before December 31, 2008 will have to take both the new national and the Florida supplemental exam after January 1, 2008.

### Education Scenario:

If an applicant completes the appraisal education component by **December 31, 2007**, then that applicant will be deemed to have completed the education requirement and will not be required to complete any of the new 2008 **education** requirements as long as they complete the experience component and the examination component prior to January 1, 2009.

However, if an applicant cannot complete the appraisal **education** component by **December 31, 2007**, the applicant will be required to meet all of the education requirements under the new 2008 criteria.

### Experience Scenario:

Applicants have until **December 31, 2008** to complete experience component and the examination component and still be able to use the education they completed prior to December 31, 2007.

Applicants claiming experience prior to January 31, 1989 must complete the experience component prior to **January 1, 2009** in order to comply with the current experience requirements. (Under the new 2008 criteria, experience before January 31, 1989 will not qualify). If such applicants cannot complete the required experience by January 1, 2009, they will have to comply with the new requirements

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## Frequently Asked Questions

Q: Can I still obtain my credential under the existing Criteria?

A: An applicant can **only** obtain their credential under the existing criteria **IF** the applicant can complete the **education component by December 31, 2007, AND** they can complete the **experience and examination components by December 31, 2008**. If not, then the applicant will have to meet the requirements of the new 2008 criteria. **This will mean that you will take the new national exam.**

**Q: If I can complete my education and experience by the deadlines listed above, can I take the current exam?**

A: If the applicant completes the education and experience criteria in 2007, and has enough time to successfully complete the Florida Appraisal Examination before December 31, 2007, the applicant can obtain their credentials under the current criteria and under the current examination.

**Q. What if I have completed my education before the end of 2007, but won't complete my experience until after January 1, 2008?**

A: During 2008 when you have met the experience requirement, send a completed application package with proof of completing both the experience **and** education components. Credit for the education component will be based upon the **completion date** of the education course. Don't forget that **both** the education **and** experience must be completed prior to submission of the application. If you do not complete the education component in 2007 and successfully complete the experience and examination components by December 31, 2008 you will be required to meet **ALL** of the new 2008 criteria.

**Q: Are there any time limits for completing the new 2008 education criteria; i.e., can previous college courses I've taken count toward my education criteria?**

A: There is no time limit for how old education can be to comply with the new 2008 education criteria; the courses would only have to meet the topic requirements listed above.

**Q: Where can I take the required college course education?**

A: Education courses may be taken at any *accredited* college or university

**Q: The new 2008 Criteria refer to semester hours; what if I attended an institution that uses quarter hours?**

A: One quarter hour of education is the same as 0.67 semester hours.

**Q: Must I keep track of the appraisal education and general education I take to qualify for my credential?**

A: Yes. It is the responsibility of the student to maintain records and proof of completion of the qualifying education they have completed. This means keeping copies of the student's transcripts showing the classes taken and the grades achieved.

**Q: Does the new exam apply to me if I took the examination during 2007 but was unable to pass it?**

A: If you did not successfully complete the examination prior to the end of 2007, you will be required to take the new exam and the Florida supplemental exam if you reschedule to take another examination after January 1, 2008.

**Q: If I can't complete my experience until late in 2008 and submit my application at that time, will the education I completed in 2007 be recognized?**

A: The **completion date** of the education will be used to determine compliance with the education criteria. The 2007 education will be recognized until **January 1, 2009** provided that you also complete the experience component and the examination component prior to January 1, 2009. After that date all new criteria must be met.

### TRAINEE APPRAISER CHECKLIST

	<b>Task or Requirement</b>	<b>Date Completed</b>
	100 hours of appraisal education courses (including 15-hour National USPAP course and exam completed after )	
	Begin and maintain appraisal experience log, including supervisor's signature and dates; (use DBPR, DRE Form 2300 available on line)	

### CERTIFIED RESIDENTIAL APPRAISER CHECKLIST

	<b>Task or Requirement</b>	<b>Date Completed</b>
	200 hours of appraisal education courses (including 15-hour National USPAP course and exam)	
	Begin and maintain appraisal experience log; 2,500 hours in no less than 24 months (use DRE form available on line)	
	Obtain 2-year Associates' Degree or higher, OR complete 21 semester credit hours of college courses in specified topics	
	Take and pass AQB approved Certified Residential Examination and the Florida Supplemental Examination	

### CERTIFIED GENERAL APPRAISER CHECKLIST

	<b>Task or Requirement</b>	<b>Date Completed</b>
	300 hours of appraisal education courses (including 15 -hour USPAP course and exam)	
	Begin and maintain appraisal experience log; 3,000 hours in no less than 30 months; 1,500 hours of which must be non-residential appraisal work (use DBPR, DRE form available on line)	

	Obtain 4-year Bachelors' Degree or higher, OR complete 30 semester credit hours of college courses in specified topics	
	Take and pass AQB approved Certified General Examination and the Florida Supplemental Examination	