



Motions of the TAFAC AQB Issues Committee April 1, 2008

New AQB Interpretation Language:

“To ensure compliance with the most recent changes to the Uniform Standards of Professional Appraisal Practice (USPAP), all licensed and certified appraisers must complete the 7-hour National USPAP Update Course (or its equivalent) at *least once every 24 months* (emphasis added).

State appraiser regulatory agencies must ensure that *no more than 24 months elapses* between each successful completion of a 7-hour course for a licensee, regardless of the jurisdiction’s continuing education cycle” (emphasis added).

Motion #1 That TAFAC recommend to the Appraiser Qualifications Board that the New Interpretation Language on page 3 of the exposure draft be amended to specify that appraiser regulatory agencies (agencies) may monitor compliance with the proposed interpretation in conjunction with existing credential renewal dates rather than independently tracking separate expiration dates (for the USPAP Update requirement) for each appraiser and/or trainee.

Discussion The current AQB criteria state “Appraisers must successfully complete the 7-hour National USPAP Update Course, or its equivalent, *every two calendar years*” (emphasis added). Most state appraiser regulatory agencies (agencies) utilize a two year license cycle. Under the current AQB criteria, a licensed or certified appraiser (licensee) could take the USPAP Update course early in one two year license cycle and late in the subsequent license cycle. This could result in a licensee going for nearly four years in between USPAP Update courses.

The proposed Interpretation would require licensees to complete the USPAP Update course “at least once every 24 months” and that “State regulatory agencies must ensure that no more than 24 months elapses...” between USPAP Update courses. As written, this would necessitate that agencies track and monitor expiration and renewal dates for the USPAP Update course (for each licensee) separately from existing credential expiration and renewal dates.

The committee believes that requiring agencies to track USPAP Update course expiration dates for each licensee separately from their credential expiration dates would present undo administrative burdens on the agencies. These burdens include, but are not necessarily limited to: notifying each licensee prior to their individual USPAP Update expiration date, notifying each licensee who fails to comply in a timely manner, conducting individual disciplinary processes for each licensee who fails to take

corrective action, and establishing and monitoring a new USPAP Update expiration dates for each licensee following compliance.

The concern can be alleviated by making it clear in the Interpretation that agencies can satisfy their responsibilities at the time of credential renewal by verifying that no more than 24 months elapsed between completions of USPAP Update courses. At this time, licensees who have not made timely completion of the USPAP Update course would be subject to non-renewal of their credential until the education was obtained and/or they would be subject to other disciplinary action as prescribed by the agencies.

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State appraiser regulatory agencies must ensure that no more than 24 months elapses between each successful completion of a 7-hour course for a licensee, regardless of the jurisdiction’s continuing education cycle.”

Motion #2 That TAFAC recommend to the Appraiser Qualifications Board that if the proposed Interpretation is adopted that an effective date for implementation be set in the future to allow those appraisers referenced in the example on page 3 of the AQB exposure draft a reasonable timeframe to complete the USPAP Update course. As a result, they will not automatically be in non-compliance at the point the Interpretation is adopted and implemented.

Discussion The committee recommends that if this Interpretation is adopted that an effective date be set in the future to allow affected licensees a reasonable timeframe to complete the USPAP Update course. The affected licensees are those identified in the AQB’s example on page 3 of the exposure draft. This example illustrates how some licensees may have not completed a USPAP Update course for 3½ years, but they still comply with their state’s (two calendar year) continuing education requirement. Absent a future effective date for the new Interpretation, these appraisers would be immediately out of compliance upon adoption and implementation of the new Interpretation. Also, the lack of a future effective date would not provide agencies’ with sufficient time to promulgate rules and/or regulations to adopt the new Interpretation. A motion is enclosed for TAFAC consideration.