

# Mass Appraisal Qualifications

## Mapping Our Own Future

By Kenneth L. Joyner, RES

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January 1 is a date with special significance for most people. It may signify the start of a new diet or workout regime. For some it may be the year they complete their IAAO Professional Designation. It is a date for implementing change—whether personal, professional, or legislative—and this coming year will be no different.

January 1, 2008 is a very important date for IAAO and its members. In 2004 the Appraiser Qualifications Board (AQB) of The Appraisal Foundation (TAF) established new minimum guidelines for appraisal licensing and certification. The new guidelines were not simply updates of previous requirements but a major overhaul with ramifications throughout the appraisal industry.

As the ramifications start to become clear through the fog of legislative-like red tape, the IAAO Executive Board is now faced with some important crossroad decisions. First is the quandary about whether the guidelines are applicable to mass appraisers and therefore to IAAO. Many IAAO members believe that the AQB changes are meant to improve the single-property appraisal world. Because of the single-property versus mass appraisal dilemma, there have been many conversations between IAAO leadership and TAF and AQB members. Second, if the AQB changes are

applicable to IAAO and mass appraisers, then IAAO, as an original sponsoring organization of TAF, must integrate the new guidelines into its certification program for real property appraisers. This would entail matching IAAO professional designation requirements for both the Certified Assessment Evaluator (CAE) and the Residential Evaluation Specialist (RES) to the AQB changes. The alternative would be for IAAO to no longer be a sponsoring organization of TAF.

### Establishing a Plan

The need for certification guidelines for mass appraisers is readily apparent. The single-property appraisal world has had guidelines established by AQB for at least 15 years and by other appraisal organizations dating back much further than that. Based on the current direction in the industry and realizing the need for such guidelines, the IAAO USPAP & Appraiser Regulatory Advisory Committee, at its spring 2007 committee meeting in Kansas City, decided to create a project plan to develop them. The USPAP committee believed the alternative to writing the mass appraisal guidelines was to have another group—a state association or another appraisal discipline—handle this most important issue or to comply with the AQB guidelines, which theoretically take effect January 1, 2008. The committee therefore submitted

a plan to the IAAO Executive Board. In April the board approved Project Plan 399—Draft White Paper: Appraiser Qualifications Board (AQB) Model Certification Requirements for Ad Valorem Mass Appraisal and January 1, 2009, was set as the date of completion.

Because IAAO is the leader of the mass appraisal discipline, the IAAO USPAP & Appraiser Regulatory Advisory Committee believed it was the only entity capable of producing this document with the level of detail necessary to truly reflect the industry. The committee also believed that, by providing a substantive, articulate set of guidelines to the appraisal community, IAAO would bolster its position at the proverbial appraisal “negotiating table.”

While the USPAP committee was developing the white paper, the Executive Board still had difficult decisions to make. With the project set to begin, negotiations between IAAO and AQB began to take shape. Although IAAO and AQB have been talking about this matter for years, IAAO is now clearly working toward setting out on the mass appraisal path. Unfortunately, the January 1, 2009 date of delivery stated in the plan approved by the IAAO Executive Board was mismatched with the AQB negotiations that were taking place. A draft of the document needed to be delivered to AQB by its November 2007 meeting in Washington, D.C. IAAO President Marion Johnson requested that the USPAP committee present the draft white paper, containing certification requirements for mass appraisers, to the IAAO Executive Board at its September 2007 meeting in Atlanta. The USPAP committee quickly gathered information, including statutes, administrative rules, and experience logs, from 15 different states to assist in this task. Regular conference calls were held over the summer of 2007 that culminated in a committee meeting at IAAO headquarters in Kansas City.

The draft white paper was presented to the Executive Board at their meeting in Atlanta. TAF was represented at the meeting by its president, David Bunton and by Arthur Clapp, the 2007 chair of the Board of Trustees. The draft was welcomed by both the Executive Board and TAF representatives, although the

USPAP committee was asked to revise the draft one more time to make the requirements more mass appraisal-specific prior to submitting it to AQB at its November meeting.

## **Major Points of the Draft White Paper**

The revised draft white paper appears in this issue of *Fair & Equitable* immediately following this article. The six major points of the paper are described in the following paragraphs.

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First, the paper is offered as a guide to IAAO and to states and local jurisdictions that do not currently have certification programs in place as a reflection of state law, local ordinance, or other binding enabling act. The draft white paper is not intended to be an addition to, substitution, or replacement for an existing statute or other enabling act. This distinction was necessary to ensure that readers understand that these guidelines do not replace existing laws, ordinances, or administrative rules.

Second, the paper begins by defining mass appraisal, stating that *USPAP Standard 6* governs both development and reporting of mass appraisals, and then identifies both the similarities and differences in mass and single-property appraisals.

Third, the paper identifies six job segments involved in producing a mass appraisal. They represent the categories of available mass appraisal experience necessary for certification, as follows:

1. Data collection
2. Sales verification
3. Model specification
4. Model calibration
5. Final review
6. Valuation and assessment appeals.

Fourth, the paper identifies three levels of certification or licensure for mass appraisers:

- Certified General Mass Appraiser
- Certified Residential Mass Appraiser
- Licensed Mass Appraiser.

**Certified General Mass Appraiser.** The highest level of certification or licensure, covering all types of real property, is the Certified General Mass Appraiser. Requirements for this certification level include a specialized Uniform State Certified General Mass Appraiser examination, a bachelor’s degree from an accredited college or university or 30 semester hours of specialized college courses, 3,000 hours of mass appraisal experience from the aforementioned mass appraisal job segments, and 300 classroom hours of mass appraisal-specific courses.

**Certified Residential Mass Appraiser.** The next level of certification or licensure, covering the appraisal of one to four residential units without regard to value or complexity, is the Certified Residential Mass Appraiser. Requirements for this certification level include a specialized Uniform State Certified Residential Mass Appraiser examination, an associate’s degree from an accredited college or university or 21 semester hours of specialized college courses, 2,500 hours of mass appraisal experience from the aforementioned mass appraisal job segments, and 210 classroom hours of mass appraisal-specific courses.

**Licensed Mass Appraiser.** The final level of certification or licensure is a Licensed Mass Appraiser. This classification qualifies the appraiser to complete various components of a mass appraisal

development and report; however, not at the level to do all the steps necessary to develop and report a mass appraisal. Requirements for this certification level include a specialized Uniform State Licensed Mass Appraiser examination, 2,000 hours of mass appraisal experience from the aforementioned mass appraisal job segments, and 150 classroom hours of mass appraisal-specific courses.

Fifth, the paper uses the same continuing education requirement identified by AQB. This includes 14 classroom hours

per year and a diverse list of available continuing education topics, including ad valorem taxation.

And sixth, the paper identifies a mass appraisal core curriculum. The curriculum identifies the topics and classroom hours necessary for an appraiser to attend and pass the examination to become either certified or licensed as a mass appraiser. The core curriculum, which also appears in the draft white paper, is shown in table 1.

## Looking to the Future

Will these certification criteria be accepted by AQB? Will IAAO be exempted from meeting the January 1, 2008, AQB-criteria changes? Will the IAAO Executive Board have to decide whether to leave TAF as a sponsoring member? These questions cannot be answered at this time, but IAAO is taking the proper steps to protect the industry's future.

The draft white paper is a work in progress. The USPAP committee will be accepting comments from members during the coming months and adjusting the final document based on this feedback. The committee also will be working with both the IAAO Executive Board and AQB. In addition to certification requirements, the overall project plan calls for a mass appraisal log and a standardized mass appraisal report. Work on these items has already begun. ■

Table 1. Proposed Core Curriculum for Mass Appraisal

<b>Licensed Mass Appraiser</b>	
Basic Appraisal Principles and Procedures	30 hr
The 15-Hour National USPAP	15 hr
Land Valuation Techniques & Applications	30 hr
Mass Appraisal Principles & Procedures	30 hr
Mass Appraisal Practices	15 hr
Basic Income Approach	<u>30 hr</u>
<b>Total Education Requirements</b>	<b>150 hr</b>
<b>Certified Residential Mass Appraiser</b>	
Basic Appraisal Principles and Procedures	30 hr
The 15-Hour National USPAP	15 hr
Land Valuation Techniques & Applications	30 hr
Mass Appraisal Principles & Procedures	30 hr
Mass Appraisal Residential Modeling Practices	30 hr
Residential Modeling Applications	30 hr
Basic Income Approach	30 hr
Cadastral Mapping Principles	<u>15 hr</u>
<b>Total Education Requirements</b>	<b>210 hr</b>
<b>Certified General Mass Appraiser</b>	
Basic Appraisal Principles and Procedures	30 hr
The 15-Hour National USPAP	15 hr
Land Valuation Techniques & Applications	30 hr
Mass Appraisal Principles & Procedures	30 hr
Mass Appraisal Modeling Practices	30 hr
Mass Appraisal Modeling Applications	30 hr
Basic Income Approach	30 hr
Advanced Income Approach	30 hr
Cadastral Mapping Principles	30 hr
Industrial Property Valuation	15 hr
Mass Appraisal Subject Matter Electives	
Personal Property Appraisal, Mass Appraisal Admin., etc	<u>30 hr</u>
<b>Total Education Requirements</b>	<b>300 hr</b>

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Ken is currently chairman of the IAAO USPAP & Appraiser Regulatory Advisory Committee. He will be joining the faculty of the School of Government, University of North Carolina at Chapel Hill, with a concentration in mass appraisal and assessment administration, in January 2008. He can be reached at [kjoyner@co.durham.nc.us](mailto:kjoyner@co.durham.nc.us).

If you would like to provide comments and suggestions on the proposed AQB Model Certification Requirements, go to [www.iaao.org](http://www.iaao.org) and look for Exposure Drafts in the Quick Links on the right side of the home page. The full text of the draft is posted there along with an e-mail link to send comments.

**DRAFT WHITE PAPER: AQB Model Certification Requirements (10/18/07)**

Please respond with comments to USPAP & Appraiser Regulatory Advisory Committee Chair Kenneth L. Joyner, RES, at [kjoyner@co.durham.nc.us](mailto:kjoyner@co.durham.nc.us).