

INTERNATIONAL ASSOCIATION OF ASSESSING OFFICERS

STATEMENT OF COMPLIANCE

Re: Criteria for Appraisal Sponsorship in The Appraisal Foundation (TAF)

As a founding, sponsoring organization of TAF, the International Association of Assessing Officers (IAAO) continues to support TAF's objective to foster professionalism in appraising. The Board of Trustees has established the Criteria for Appraisal Sponsorship which requires sponsoring organizations' designated members to meet certain minimum criteria that have been set by the Appraiser Qualifications Board (AQB) in the areas of (1) qualifying appraisal education, (2) academic education, (3) continuing education, (4) experience, and (5) examination. This *Statement of Compliance* document has been prepared to describe how the IAAO's existing designation program is in compliance with these criteria.

The IAAO's Professional Designation Program is primarily concerned with tax policy, assessment administration and the equitable assessment of real estate or tangible personal property as applicable to public mass appraisals prepared for ad valorem taxation. For all appraisal work completed by our members the scope of work is exclusively for the equitable distribution of the tax base. Based on this premise, the IAAO's Professional Designation Program *is not* intended to certify or otherwise qualify an individual to appraise real estate or tangible personal property for federally regulated transactions pursuant to FIRREA (The Financial Institutions Reform, Recovery and Enforcement Act of 1989).

The IAAO awards two designations in the valuation of real property for tax purposes: the Residential Evaluation Specialist (**RES**) designation and the Certified Assessment Evaluator (**CAE**) designation. The purpose of the **RES** designation is to recognize professionalism and competency in the valuation of residential property for tax purposes. The purpose of the **CAE** designation is to recognize professionalism and competency in a wide range of matters covering property valuation for tax purposes, property tax administration and property tax policy.

1. QUALIFYING APPRAISAL EDUCATION

To qualify for the **RES** designation, the following qualifying appraisal education requirements must be fulfilled on the date of sitting for the Comprehensive Examination:

Education Title	Hours
Fundamentals of Real Property Appraisal	30
Income Approach to Valuation	30
Fundamentals of Mass Appraisal	30
Residential Modeling Concepts	30
Uniform Standards of Professional Appraisal Practice	15

IAAO Standards of Professional Practice and Ethics	7
Residential Case Study Examination and Appraisal of Land course or	90 or
Residential Demonstration Appraisal Report (includes UBC's BUSI399)	60
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	232 or
Total Hours	202

Conclusion: The current qualifying appraisal education requirements for the RES designation (232 hours or 202 hours) exceed the minimum criteria set forth by the AQB for the certified residential category (200 hours).

To qualify for the CAE designation, the following qualifying appraisal education requirements must be fulfilled on the date of sitting for the Comprehensive Examination:

Education Title	Hours
Fundamentals of Real Property Appraisal	30
Income Approach to Valuation	30
Assessment Administration	30
Income Approach to Valuation II	30
Residential Modeling Concepts or Commercial/Industrial Modeling Concepts	30
Uniform Standards of Professional Appraisal Practice	15
IAAO Standards of Professional Practice and Ethics	7
Residential Case Study Examination or Residential Demonstration Appraisal Report (includes UBC's BUSI399)	60
Commercial Case Study Examination or Commercial Demonstration Appraisal Report (includes UBC's BUSI499)	90
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Total Hours	322

Conclusion: The current qualifying appraisal education requirements for the CAE designation (322 hours) exceed the minimum criteria set forth by the AQB for the certified general category (300 hours).

2. ACADEMIC EDUCATION

To qualify for the RES designation, the candidate must be a high school graduate or the equivalent.

Conclusion: The qualifying academic education requirement for the RES designation does not meet the minimum criteria set forth by the AQB for the certified residential category (Associate degree or higher).

To qualify for the CAE designation, the candidate must be a high school graduate or the equivalent.

Conclusion: The qualifying academic education requirement for the CAE designation does not meet the minimum criteria set forth by the AQB for the certified general category (Bachelors degree or higher).

3. CONTINUING EDUCATION

The IAAO Executive Board made changes to the professional designation recertification requirements at its November 2008 meeting. These changes apply to both RES and CAE designated members. The requirement of fifty (50) tested or untested credit hours for professional designation recertification every five (5) year cycle has been increased to seventy (70) credit hours. The Professional Designations Subcommittee (PDSC) proposed the following plan providing for a “phasing in” of these new requirements and this plan has also been approved by the Executive Board:

1. For designees whose recertification cycle ends **12/31/2009**, the requirement will be **54 hours** of qualifying continuing education;
2. For designees whose recertification cycle ends **12/31/2010**, the requirement will be **58 hours** of qualifying continuing education;
3. For designees whose recertification cycle ends **12/31/2011**, the requirement will be **62 hours** of qualifying continuing education;
4. For designees whose recertification cycle ends **12/31/2012**, the requirement will be **66 hours** of qualifying continuing education; and
5. For designees whose recertification cycle ends **12/31/2013**, the requirement will be **70 hours** of qualifying continuing education.

The above phase in is based on changing the per-year requirement from 10 hours to 14 hours per year beginning January 1, 2009.

Also, within each recertification cycle (every five (5) year cycle), 14 hours of Uniform Standards of Professional Appraisal Practice (two, seven-hour National USPAP Update Courses).

Conclusion: The continuing education hours requirement for both the RES and CAE designations meets the minimum criteria set forth by the AQB for both the certified residential and certified general categories (fourteen (14) hours per year).

4. EXPERIENCE

To qualify for the **RES** designation, the candidate must have three (3) years of experience in appraising residential real property.

Conclusion: The experience requirement for the RES designation (3 years or 6,240 hours) exceeds the minimum criteria set forth by the AQB for the certified residential category (2,500 hours in at least 24 months).

To qualify for the **CAE** designation, the candidate must have five (5) years of experience in property appraisal or assessment administration.

Conclusion: The experience requirement for the CAE designation (5 years or 10,400 hours) exceeds the minimum criteria set forth by the AQB for the certified general category (3,000 hours in at least 30 months).

5. EXAMINATION

To qualify for the **RES** designation, the candidate must pass a four-hour RES Comprehensive Examination.

Conclusion: The examination requirement for the RES designation meets the minimum criteria set forth by the AQB for the certified residential category (AQB endorsed Uniform State Certified Residential Real Property Appraiser Examination or its equivalent).

To qualify for the **CAE** designation, the candidate must pass an eight-hour CAE Comprehensive Examination.

Conclusion: The examination requirement for the CAE designation meets the minimum criteria set forth by the AQB for the certified general category (AQB endorsed Uniform State Certified General Real Property Appraiser Examination or its equivalent) .

SUMMARY

Summary of Compliance IAAO Designations - AQB Minimum Criteria

	RES Requirement	AQB Minimum Criteria	Compliant?
Qualifying Appraisal Education	232 hours or 202 hours	200 hours	Yes
Academic Education	High School graduate	Associate Degree or higher	No
Continuing Education	70 hours/5-year cycle (phased in)	14 hours per year	Yes
Continuing Education	2 7-hour USPAP Updates/5-year cycle	7 hours USPAP every two years	Yes
Experience	3-years or 6,240 hours	2,500 hours/24 months	Yes
Examination	4-hour comprehensive exam	AQB endorsed exam required	Yes

	CAE Requirement	AQB Minimum Criteria	Compliant?
Qualifying Appraisal Education	322 Hours	300 hours	Yes
Academic Education	High School graduate	Bachelors Degree or higher	No
Continuing Education	70 hours/5-year cycle (phased in)	14 hours per year	Yes
Continuing Education	2 7-hour USPAP Updates/5-year cycle	7 hours USPAP every two years	Yes
Experience	5-years or 10,400 hours	3,000 hours/30 months	Yes
Examination	8-hour comprehensive exam	AQB endorsed exam required	Yes

PROPOSED ACTIONS

The IAAO will take steps in the coming months to address the academic education requirement.

The following changes to the RES designation program will be proposed:

Applicants for the RES designation must hold an Associate's degree or higher from an accredited college, junior college, community college, or university.

Or

In lieu of the Associate's degree, an applicant for the RES designation shall have 21 semester credits in the following collegiate level subject matter courses from an accredited college, junior college, community college or university:

- I. English Composition;*
- II. Principles of Economics (Micro or Macro);*
- III. Finance;*
- IV. Algebra, Geometry, or higher mathematics;*
- V. Statistics;*
- VI. Computer Science;*
- VII. Business or Real Estate Law;*

If an accredited college or university (accredited by the Commission on Colleges, a regional or national accreditation association, or by an accrediting agency that is recognized by the U.S. Secretary of Education) accepts the College-Level Examination Program® (CLEP) examination(s) and issues a transcript for the exam, showing its approval, it will be considered as credit for the college course.

The following changes to the CAE designation program will be proposed:

Applicants for the CAE designation must hold a Bachelor's degree or higher from an accredited college or university.

Or

In lieu of the Bachelor's degree, an applicant for the CAE designation shall have 30 semester credit hours in the following collegiate level subject matter courses from an accredited college, junior college, community college or university:

- I. English Composition;*
- II. Micro Economics;*
- III. Macro Economics;*
- IV. Finance;*
- V. Algebra, Geometry, or higher mathematics;*
- VI. Statistics;*
- VII. Computer Science;*
- VIII. Business or Real Estate Law; and*
- IX. Two elective courses in accounting, geography, agricultural economics, business management, or real estate.*

If an accredited college or university (accredited by the Commission on Colleges, a regional or national accreditation association, or by an accrediting agency that is recognized by the U.S. Secretary of Education) accepts the College-Level Examination Program® (CLEP) examination(s) and issues a transcript for the exam, showing its approval, it will be considered as credit for the college course.

TIMELINE FOR IMPLEMENTATION

Exposure to membership:	Exposure from the time of adoption by the IAAO Executive Board until the IAAO 2009 Louisville Conference
Application to designation candidates:	Members applying for candidacy on or before December 31, 2013: Designation candidates would be exempt from meeting the proposed academic education requirement through the end of their five-year candidacy period. Members applying for candidacy on or after January 1, 2014: Candidates must adhere to all academic prerequisites, qualifying education and other conditions contained herein.

The dates associated with this *Timeline for Implementation* are subject to final agreement with The Appraisal Foundation no later than October 31, 2009.