

Appraisal Foundation—Do We Stay or Do We Go?

an opinion by Paul Welcome, CAE

This article is based on a presentation at the International Association of Assessing Officers 73rd Annual International Conference on Assessment Administration, September 12, 2007, Atlanta, Georgia.

IAAO Vision Statement

IAAO will be the internationally recognized leader and preeminent source for innovation, education and research in property appraisal, assessment administration and property tax policy.

Adopted October 7, 2006 IAAO Executive Board

IAAO Mission Statement

The mission of IAAO is to promote innovation and excellence in property appraisal, assessment administration, and property tax policy through professional development, education, research, and technical assistance.

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Setting the Stage for Professional Development

Mass appraisers require high-level skills in order to collect high-quality data that is sufficient to determine accurate estimates of value to ensure fair and equitable property assessments for tax purposes.

Mass appraisers may perform single property appraisals if the jurisdiction or tribunal requires a standard 1 and 2 appraisal for litigation purposes.

IAAO has developed and implemented a comprehensive program of professional development that provides the high level of education necessary to develop these skills. The highest realization of this educational effort is an IAAO designation.

Designations are intended to recognize the earned professional competence of assessment personnel through education in various mass-appraisal related disciplines. The objectives of the IAAO professional designation program are to raise the standards of the profession, to attain recognition of the assessment profession by government authorities and the public, and to gain recognition that designated members are qualified, objective, and unbiased appraisers and administrators for ad-valorem tax systems.

Recognizing Differences between a Trade and a Profession

IAAO is at a crossroads and it must determine if its academic and appraisal education requirements will define us as a trade or as a profession. In today's society, a trade requires a high school degree, specific training in a focused discipline, and possibly an associate degree. For a profession, the business world and related professions have established that the minimum education criterion is a college degree. IAAO stands alone in

that it only requires a high school degree as part of the academic criteria to attain the highest professional designation in mass appraisal available from an association.

The Appraisal Foundation Sponsor Criteria

The Appraisal Foundation (TAF) is authorized by Congress as the source of appraisal standards and appraiser qualifications. The TAF Appraisal Qualifications Board (AQB) is federally mandated as the organization that sets education criteria for appraisers.

The academic and appraisal education-level criteria set by the AQB prior to 2008 were determined by the education-level requirements of the organization providing a designation. The basic academic educational-level requirement at IAAO has been a high school education since about 1960. The AQB is now proposing that a college degree be required, or in lieu of the degree, thirty (30) semester credit hours in specific college-level subject matter for Certified General Appraiser. The Certified Residential Appraiser requires an associate degree or twenty one (21) semester credit hours in specific college-level subject material. In addition, minimum levels of professional course work and experience in the requirements for a designation are needed. IAAO has been tasked with meeting these new criteria in order to retain its status as a founding sponsor in TAF.

Membership Survey

A recent IAAO opinion survey was completed by approximately 1,500 members. In this statistically valid survey:

- 17.5% of respondents indicated that their highest level of education was a high school degree
- 16% indicated that they had a high school degree and other additional education
- 10.9% indicated that they had an associate degree
- 56.4% indicated that they had an undergraduate degree or higher

Where Are We Headed?

IAAO and The Appraisal Foundation have a history of success working with each other in the past. IAAO has a number of representatives that are currently involved with the Appraisal Foundation. IAAO is a founding sponsor of the Appraisal Foundation and has a specific IAAO trustee of the board and IAAO is a member of The Appraisal Foundation Advisory Council (TAFAC).

In the past, USPAP Standard 6 was submitted by IAAO to the Appraisal Standards Board (ASB) in order to document the differences between mass appraisers and other appraisal disciplines. The ASB is an independent board of The Appraisal Foundation that writes, amends, and interprets USPAP.

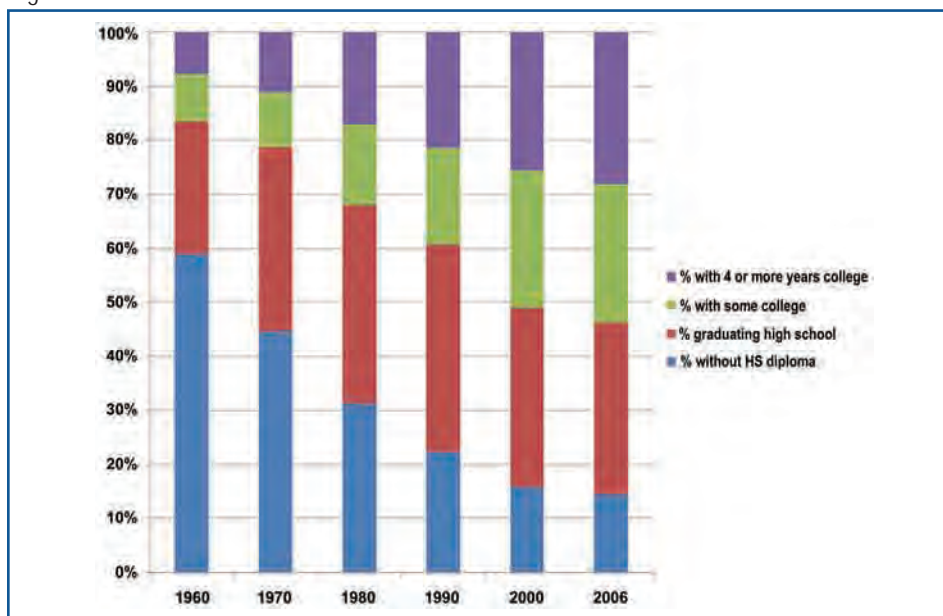
The AQB and the IAAO USPAP and Appraiser Regulatory Advisory Committee have been working diligently for adoption of new education criteria as outlined in a white paper produced by IAAO. The proposed new education criteria would recognize the differences between single-property appraisers and those bound by USPAP Standard 6. The most recent version of this white paper appears in this issue.

Issues with TAF

TAF-AQB has increased the minimum education requirements for 2008. Appraisal education requirements now must meet a minimum core appraisal curriculum as defined by the AQB. TAF-AQB has also increased the level of work experience required to attain a designation. This requirement is a result of mandates by the Appraisal Subcommittee (ASC). The ASC is a federal agency charged with oversight of state appraisal regulatory programs and monitoring of the activities of TAF.

IAAO is one of the original sponsors of the Appraisal Foundation. As such,

Figure 1. Educational levels from 1960 to 2006



(source U.S. Census Bureau)

we have made a commitment to adopt higher academic standards for future designees.

Working with AQB

IAAO has already begun negotiations by submitting a white paper (printed in this issue) to the AQB that proposes education requirements specific to mass appraisal. President Marion Johnson has appointed the USPAP & Appraiser Regulatory Advisory Committee to develop the white paper. If adopted by the IAAO Executive Board the committee could then work directly with the AQB

The committee has been tasked to finalize the requirements for the model certification requirements for Ad Valorem Mass Appraisal Standard 6. The new criteria would fall into three experience-level categories:

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

What Does IAAO Lose if it Leaves?

IAAO will give up its 20-year history of working with The Appraisal Foundation and possibly its status as a leader in defining and interpreting mass appraisal standards.

IAAO may also lose the option to provide direct input for future revisions to USPAP Standard 6.

IAAO should instead continue to work with the ASB for USPAP issues and the AQB for the development of new mass appraisal criteria that establish qualifications for those that work under USPAP Standard 6—Mass Appraisal. If IAAO leaves the Appraisal Foundation, it also has to address the problem of public perception. It will appear as if IAAO has walked away from being a leader in the mass appraisal field as set out by our vision and mission statements.

It is likely that there will be a lack of understanding about why the pre-eminent mass appraisal and assessment administration organization would leave TAF and permanently lose its founding sponsor status.

There would also be a lack of understanding by the public about why IAAO would continue to have lower education requirements than the appraiser qualifications set by the AQB. The AQB is authorized at the Federal level to establish appraiser qualifications for the industry.

Conclusion

IAAO should stay involved with the Appraisal Foundation so it can continue to have a voice at a national and international level. If IAAO walks away from negotiations to establish a meaningful and substantive education standard for mass appraisers then it surrenders to outside influences that will continue to have an official voice that affects the viability of IAAO education programs.

By not staying at the table, IAAO loses its ability to influence the outcome of future negotiations between TAF and state legislative bodies that determine mass appraiser requirements within each state.

What can be gained if IAAO leaves the Appraisal Foundation? NOTHING! ■

Paul Welcome, CAE, is Past President of IAAO and the current chair of the Education Subcommittee. Since December 1991 he has been the Johnson County (KS) Appraiser.

He has made numerous contributions to IAAO education programs, publications, and other IAAO activities.