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Appraisal Foundation establishes appraisal practices board

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The Appraisal Foundation is a Congressionally authorized non-profit organization dedicated to promoting professionalism in appraising through the establishment of appraisal standards and appraiser qualifications. The organization was organized in 1987 by the appraisal profession in the United States, supported by nine sponsoring organizations, and four affiliate sponsors. Appraisal Sponsors include: the Appraisal Institute, the American Society of Appraisers, the American Society of Farm Managers & Rural Appraisers, the Appraisers Association of America, the International Association of Assessing Officers, the Instituto de Evaluadores de Puerto Rico, the International Right of Way Association, the MA Board of Real Estate Appraisers, and the National Association of Independent Fee Appraisers.

The Appraisal Foundation also promotes appropriate activities relating to standards, qualifications, and issues of importance to appraisers and users of appraisal services. Their vision is to ensure the application of ethical standards and conduct in all valuation disciplines in order to assure public trust in the profession.

The Foundation is perhaps most well known for maintaining the Uniform Standards of Professional Appraisal Practice (USPAP). USPAP comes under the purview of the Appraisal Standards Board (ASB), which is responsible for overseeing regular revisions of this "live" document, continually responding to changes in the appraisal industry. A second sub-section of the Foundation, the Appraiser Qualifications Board (AQB), functions to establish educational, experience, and examination criteria for the licensing, certification, and recertification of real property appraisers.

On November 5, 2009, the Appraisal Foundation, in an effort to foster an ever increasing level of professionalism in appraising, announced the establishment of a third independent entity, which will be known as the Appraisal Practices Board (APB). Earlier this year, the Foundation board of trustees created a task force to study the issue of how to best address a perceived void in the marketplace and related industry segments with regard to guidance on appraisal methods and techniques that could become available to all appraisers practicing in the United States. This guidance will address all valuation disciplines, with a focus on constantly emerging issues.

With unanimous consent of the Appraisal Foundation board of trustees, it was agreed that a new independent board be established, similar in structure and composition to already existing boards, the ASB and AQB. The purpose of the third board is to issue voluntary guidance, in a timely manner, on critical issues arising in the industry and marketplace. The guidance will then be made available to assist appraisers, appraiser regulators, users of appraisals, and educators. The new board will enlist the help of market surveys to identify issues that need to be considered, and will empanel small groups of volunteer Subject Matter Experts (SMEs) to draft guidance for review and approval by the board.

For example, the need for this type of guidance was emphasized by the onset of the declining real

estate market. Many appraisers have not previously faced this type of market condition, complicated by the far reaching effects and impact of an unprecedented level of foreclosure and short sales. Until now, guidance on appraisal methodology and techniques has been left to the sponsoring organizations to educate their members.

Appraisers who belong to a professional organization such as the Appraisal Institute benefit from access to expedient seminars, white papers, and webinars tackling emerging issues. However, a majority of state licensed and certified real estate appraisers do not belong to a professional society, and have limited exposure to important issues and pertinent guidance. Unfortunately, appraisers who cannot find readily obtainable education and advice about shifting market conditions, are making appraisal errors, and find themselves appearing before State Real Estate Commissions in increasing numbers. The Foundation hopes to reach such individuals.

Paul Welcome, chairman of the Appraisal Foundation board of trustees, states "In unanimously supporting this concept, the board of trustees strongly believes that this is the best avenue for issuing voluntary guidance to appraisers. We believe that this is the right thing to do for the profession, that it is the right time to do it, and that we are the right organization to undertake the task."

The new Appraisal Practices Board will begin a search for qualified subject matter experts in the spring of 2010. Those interested in serving should consult the Appraisal Foundation web site (<http://www.appraisalfoundation.org/>) for more details. It is anticipated that the new board will be constituted and commence its work in July 2010.

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