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Time to find a role for appraisal trainees

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It's no surprise that there are fewer appraisers today than a year ago. According to numbers compiled by the MBREA there were 2,639 certified general, certified residential, licensed and trainee appraisers on the state's roles compared with 2,871. Combined, there are 237 fewer licensed and trainee appraisers while the ranks of certified (both residential and general) climbed by a total of 5 for a net loss of 232.

One unanswered question is how many of the trainee licensed appraisers still on the roster are actively pursuing appraising as their primary vocation? The declining trend began four years ago. Then, there were 1,549 more licensed appraisers and trainees than now. It's safe to assume the numbers will continue to go down in the next few years.

Why is this happening? The primary factor driving the next generation of appraisers out of the profession is simply a lack of work. Certainly, the housing market and economy is affecting the number of available appraisal assignments. However, the very lenders who depend upon appraisers are making a significant contribution to the problem.

Checking around with appraisers we are routinely told the orders they receive specify "no trainees" or "certified appraiser only." The cause of this is multi-fold. First, for several years there were abuses in the training system that had improperly supervised and poorly trained people out doing inspections and writing up reports. Congress responded to this by restricting the FHA roster to only certified appraisers. Lenders, concerned about the growing levels of non-performing loans, placed their own restrictions on appraisals for conventional loans.

The Appraisal Qualifications Board of the Appraisal Foundation responded by strengthening the process of obtaining a license and supervising a trainee. Today, many states (Massachusetts is about to enact supervisory regulations) have enacted stringent regulations governing the supervisory/trainee process. These regulations have eliminated many of the abuses of earlier years. One significant change is that only a certified appraiser can act as a supervisor.

Now it's time for lenders to begin allowing trainees to assist certified appraisers perform appraisal assignments. As training progresses - a process that lasts a minimum of 24 months -- the trainee should be allowed to operate with greater independence. For example, there comes a point in the training cycle when a novice appraiser should be capable of performing the property inspection without the supervisor being present. The Uniform Standards of Professional Appraisal Practice (USPAP) discusses competency standards and makes it the supervisor's responsibility to determine when a trainee is competent to perform certain aspects of the appraisal. In all cases the certified appraiser who is a supervisor assumes full responsibility for the report when she signs the "supervisory appraiser's certification."

MBREA recommends lenders adopt policies allowing trainees to participate in the appraisal process. They should establish written policies regarding the role of the supervisory appraiser and have them

acknowledged by the supervisor. The policies could include restrictions on the number of trainees being supervised; a minimum number of inspections performed jointly; types of properties a trainee may appraise; and other issues. The decline in appraisers is a catch-22 situation and lenders hold one of the key to solving the problem.

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