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## **Maria Hopkins - Designation vs. licensing - Appraisers speak out**

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Years ago, licensing became required for real estate appraisers doing appraisals for any federally related transactions. While there are a few exceptions where licensing is not required, as a practical matter appraisers had to become licensed to stay in business in Mass. Most appraisers, as well as lenders and attorneys who use appraisers on a regular basis, felt this was a great thing. Licensing would set a minimum standard for competency in the profession. There are three different levels of licensure. For those of you who have the basic residential license, this is a good time to upgrade it to a Certified Residential license. This higher license is required for many types of assignments as well as FHA and VA work. The Certified General license is required for some residential assignments where there is land that can potentially be subdivided or if a house is located in a nonresidential zoning district. Appraisers must take care not to accept an assignment for which they do not have the proper license to complete the assignment. Association with a professional appraisal organization and the appraisal designation always identified the appraisers that were most qualified and serious about their profession. In Massachusetts, the organization that is really in the forefront is the Mass. Board of Real Estate Appraisers (MBREA). While some thought that designations may not be as important once licensing was in place, most lenders, attorneys and other users of appraisal services have come to realize that they are more important than ever.

If you want to see who the leaders are in the appraisal industry, just look to the officers, committee members and teachers of MBREA courses. These are also the people that tend to be successful appraisers and have a large and diverse client base. They will tell you it's no secret that their business is based on their reputation. Licensing doesn't give you a reputation! All it does is set a minimum standard which is already recognized as being very basic and relatively easy to obtain. Your reputation is something you have to earn and it is established over a period of time. Not only that, but once established, it is difficult to change. So establish it carefully. If all you have to offer a potential or existing client is the fact that you have a license, this will surely reflect in the appraisal fees that you will be able to negotiate. As an appraiser, you are setting yourself up as the minimum required and can therefore only expect to get clients who only want the minimum. Experienced appraisers as well as the leaders of appraisal organizations are educating and networking with users of appraisal services to ensure that they will expect more from appraisers than the basic license as the standard. We are encouraging them to take note of where the appraiser obtained their education, who trained them in the field and are they working toward or do they have a designation.

The MBREA grants two real estate appraisal designations. The MRA designated member is qualified to appraise all types of real estate. The RA designation signifies specialization in residential properties. To qualify, members must pass written examinations, validate their years of professional experience by submitting reports for review by MBREA, and demonstrate their appraisal proficiency.

They also must meet high standards of personal integrity. MBREA has also instituted a voluntary continuing education program for MRA & RA designated members to ensure professional growth and development. To qualify for recertification, members must complete a minimum number of hours of approved education in a three year cycle. MBREA instructors are designated members who have both practical and teaching capabilities.

As a result, students acquire knowledge and skills that have real world application.

To the appraisers in Massachusetts, I would suggest that the requirements of membership in MBREA set the foundation for your reputation. The rest is up to you. To those of you who hire appraisers, I would suggest that you demand more than just a license. Look at the overall qualifications of the appraiser. There are many good appraisers in Massachusetts and most of them belong to MBREA. The annual N.E. Appraisal Expo in the fall is a great way to network with the best appraisers out there and is always well attended. Don't miss this opportunity. I will see you there!

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