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Designations vs. licensing Appraisers speak out

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Several 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 Massachusetts. 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. However, 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, commonly known as the 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 and RA designated members to ensure professional growth and development. To qualify for re-certification, 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, direct application.

To the appraisers in Mass., 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 the state and most belong to MBREA. The upcoming New England Appraisal Expo on October 26th is a great way to network with the best appraisers out there!

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