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I. INTRODUCTION

THE PURPOSE OF THE EXAMINATION

The passage of the Real Estate Appraisal Reform Amendments in Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 made each state responsible for implementing licensure and/or certification programs for real estate appraisers. The licensure or certification examination you will take was developed to meet the evaluation requirement set out in the federal law and to provide a basis for assessing your knowledge of the specific skills required for appraisal licensure or certification.

WHO MUST TAKE THE EXAMINATION

Any person wishing to practice as a licensed or certified appraiser in the State of Arkansas and perform appraisals relative to federally related transactions must successfully pass the (1) State License, (2) Certified Residential, or (3) the Certified General examination and, within twelve (12) months of the test date, apply for licensure or certification.

APPRAISER CLASSIFICATIONS

A *State Licensed Appraiser* may perform appraisals of non-complex one (1) to four (4) residential units having a transaction value of less than \$1,000,000 or such other transaction value levels as shall be set by the Federal Financial Institutions Regulatory Agencies and of complex one (1) to four (4) residential units having a transaction value of less than \$250,000 or such other transaction value levels as shall be set by the Federal Financial Institutions Regulatory Agencies. In addition, a *State Licensed Appraiser* may perform appraisals of all other properties of a non-complex character with transaction values up to levels set by the Federal Financial Institutions Regulatory Agencies subject to the Competency Provisions of the Uniform Standards of Professional Appraisal Practice. *

A *State Certified Residential Appraiser* may perform appraisals of all properties that a State Licensed Appraiser may appraise and also all one (1) to four (4) residential units without regard to transaction value or complexity. All appraisals and/or appraisal services performed by a State Certified Residential Appraiser shall be subject to the Competency Provisions of the Uniform Standards of Professional Appraisal Practice. *

A *State Certified General appraiser* shall have no transaction value limits or complexity restrictions on his/her appraisal practice subject only to the Competency Provisions of the Uniform Standards of Professional Appraisal Practice.

* *State Licensed and Certified Residential appraisers performing appraisals on non-residential (i.e. commercial, farms, timberland, etc.) property types shall comply with the following limitations.*

- Federally Related Transactions: A state licensed/certified residential appraiser shall be limited to appraising a “transaction value” (loan value) of no more than \$250,000.
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- Non-Federally Related Transactions: A state licensed/certified residential appraiser shall be limited to a “property value” of no more than \$250,000.

A *State Registered Appraiser* may perform appraisals on any type of property except when the purpose of the appraisal is for use in federal related transactions, and must include in all appraisal reports a statement that the appraisal may not be eligible for use in federally related transactions.

All appraisals and/or appraisal services performed by a *state registered appraiser* shall be subject to the competency provision of the Uniform Standards of Professional Appraisal Practice.

These restrictions shall not preclude any person who is *registered* from participating in the performance of appraisals or providing of appraisal services in federally related transactions provided that the participation is under the supervision of a State Certified Residential or a State Certified General Appraiser. The intent of this provision is to allow persons to participate in the performance of appraisals for providing appraisal services under the supervision of properly certified appraisers as registered appraisers, employees, apprentices, trainees, sub-contractors, co-signers, research assistants, or other capacities related to the production of appraisal reports or the delivery of appraisal services without being licensed or certified. All appraisal services rendered in federally related transactions must be performed or rendered by a person or persons holding the appropriate license or certificate.

All written appraisal reports shall make a specific reference to any person(s) bear the signature(s) and seal(s) of all properly registered, licensed or certified person(s) who participated significantly in the performance of the appraisal or delivery of appraisal services. All Registered, Licensed or Certified appraisers signing an appraisal report or other document representing the delivery of appraisal services shall assume full joint and several responsibility and liability for the compliance of the appraisal performed or the appraisal service rendered with respect to compliance with the Uniform Standards of Professional Appraisal Practice.

Information about the eligibility requirements for each appraiser classification is contained in the *Education Eligibility Requirements* and *Work Experience Eligibility Requirements* sections of this booklet. Review these eligibility requirements carefully. You may NOT take an examination if you cannot properly document your eligibility for that classification.

II. STEPS FOR BECOMING AN APPRAISER

All interested people who wish to become an appraiser should:

- (1) First locate a *certified residential or certified general* appraiser to work under;
- (2) Obtain a State Registration packet from the Appraiser Licensing Board office which will include the two page application.
- (3) Complete the application and return along with your fees to the Board office.

The application will be processed and a State registration number will be issued. You will not be granted credit for any work experience performed until you become State Registered (Trainee). At the time of registration, you will be issued a SR number, forms to obtain a seal or stamp, and an experience log which you will be required to complete daily and send to the Board upon acquiring 500 hours, then again at 1500 hours with a recent appraisal report for review.

You must complete all the qualifying education and work experience before you can submit an application to sit for one of the appraiser examinations.

III. REQUIREMENTS FOR LICENSURE/CERTIFICATION

ALL APPLICANTS FOR LICENSING ARE REQUIRED TO PARTICIPATE IN A PERSONAL COMPETENCY ASSESSMENT INTERVIEW, REGARDING WORK EXPERIENCE, PRIOR TO TAKING THE EXAMINATION!

EDUCATION ELIGIBILITY REQUIREMENTS

ALL QUALIFYING EDUCATION COURSE OFFERINGS MUST BE FROM THE REQUIRED CORE CURRICULUM AS SET FORTH BY THE APPRAISAL QUALIFICATIONS BOARD AS OF JANUARY 1, 2008 AND PRE-APPROVED BY THE ARKANSAS APPRAISER LICENSING & CERTIFICATION BOARD IN ORDER TO BE ACCEPTABLE.

- **STATE LICENSED REAL ESTATE APPRAISER**

To become a *State Licensed* appraiser, you must have completed 150 hours of appraisal education approved by the Arkansas Appraiser Licensing & Certification Board. The 150 hours must include the 15-hour Uniform Standards of Professional Appraisal Practice course.

All pre-qualifying appraisal courses must have been at least 15 hours in duration with final examinations that had to be passed at the conclusion of the courses. Duplicate and repeat courses are not acceptable. All courses listed on the summary of education must be completed *before* submitting an application. There is no post-secondary education required for State License.

The following is a list of the specific qualifying education requirements for State License:

Basic Appraisal Principles	30 hours
Basic Appraisal Procedures	30 hours
Uniform Standards Course	15 hours
Residential Market Analysis and Highest and Best Use	15 hours
Residential Appraiser Site Valuation and Cost Approach	15 hours
Residential Sales Comparison and Income Approach	30 hours
Residential Report Writing and Case Studies	<u>15 hours.</u>
	150 hours

- **CERTIFIED RESIDENTIAL REAL ESTATE APPRAISER**

To become a State Certified Residential appraiser, you must have completed 200 hours of appraisal education approved by the Arkansas Appraiser Licensing and Certification Board. The 200 hours must include the 15-hour Uniform Standards of Professional Appraisal Practice course. In addition to the 200 hours of qualifying education, an applicant must hold an associate degree or submit documentation of having completed 21 semester credit hours of college courses listed on the attached chart.

All pre-qualifying appraisal courses must have been at least 15 hours in duration with final examinations that had to be passed at the conclusion of the courses. Duplicate and repeat courses are not acceptable. All courses listed on the summary of education must be completed *before* submitting an application.

The following is a list of the specific qualifying education requirements for Certified Residential:

Basic Appraisal Principles	30 hours
Basic Appraisal Procedures	30 hours
National USPAP Course	15 hours
Residential Market Analysis and Highest and Best Use	15 hours
Residential Appraiser Site Valuation and Cost Approach	15 hours

Residential Sales Comparison and Income Approaches	30 hours
Residential Report Writing and Case Studies	15 hours
Statistics, Modeling and Finance	15 hours
Advanced Residential Applications and Case Studies	15 hours
Appraisal Subject Matter Electives	<u>20 hours</u>
(May include hours over minimum shown above in other modules)	200 hours

• **CERTIFIED GENERAL REAL ESTATE APPRAISERS**

To become a State Certified General appraiser, you must have completed 300 hours of appraisal education approved by the Arkansas Appraiser Licensing and Certification Board. The 300 hours must include the 15 hour Uniform Standards of Professional Appraisal Practice course. In addition to the 300 hours of qualifying education an applicant must hold a bachelors degree or submit documentation of having completed 30 semester credit hours of college courses listed on the attached chart.

All pre-qualifying appraisal courses must have been at least 15 hours in duration with final examinations that had to be passed at the conclusion of the courses. Duplicate and repeat courses are not acceptable. All courses listed on the summary of education must be completed *before* submitting an application.

The following is a list of the specific qualifying education for Certified General:

Basic Appraisal Principles	30 hours
Basic Appraisal Procedures	30 hours
National USPAP Course	15 hours
General Appraiser Market Analysis & Highest and best Use	30 hours
Statistics, Modeling and Finance	15 hours
General Appraiser Sales Comparison Approach	30 hours
General Appraiser Site Valuation and Cost Approach	30 hours
General Appraiser Income Approach	60 hours
General Appraiser Report Writing and Case Studies	30 hours
Appraisal Subject Matter Electives	<u>30 hours</u>
(May include hours over minimum shown above in other modules)	300 hours

Applicants for either the licensing or certification classifications may be required to demonstrate that their qualifying education involved coverage in all of the following topics.

1. Influences on Real Estate Value
2. Legal Considerations in Appraisal
3. Types of Value
4. Economic Principles
5. Real Estate Markets and Analysis
6. Valuation Process
7. Property Description
8. Highest and Best Use Analysis
9. Appraisal Statistical Concepts
10. Sales Comparison Approach
11. Site Value
12. Cost Approach
13. Income Approach
 - Gross Rent Multiplier Analysis
 - Estimation of Income and Expenses

Operating Expense Ratios
Capitalization (For Certified General only)

14. Valuation of partial interest
15. Uniform Standards of Professional Appraisal Practice (USPAP)

WORK EXPERIENCE ELIGIBILITY REQUIREMENTS

ALL APPLICANTS FOR LICENSING ARE REQUIRED TO PARTICIPATE IN A PERSONAL COMPETENCY ASSESSMENT INTERVIEW, REGARDING WORK EXPERIENCE, PRIOR TO TAKING THE EXAMINATION.

ALL WORK EXPERIENCE MUST BE KEPT ON A LOG FURNISHED BY THE BOARD WHEN BECOMING STATE REGISTERED.

- **STATE LICENSED REAL ESTATE APPRAISER**

To be eligible to become a licensed real estate appraiser, you must have completed a minimum of 2,000 hours of appraisal work acquired over at least one year.

- **STATE CERTIFIED RESIDENTIAL REAL ESTATE APPRAISER**

To be eligible to become a Certified Residential real estate appraiser, you must have completed a minimum of 2,500 hours of appraisal work experience obtained during no less than 24 months (2 years).

- **STATE CERTIFIED GENERAL REAL ESTATE APPRAISER**

To be eligible to become a Certified General real estate appraiser, you must have completed a minimum of 3,000 hours of appraisal work experience obtained during no fewer than 30 months (2 ½ years) and of those hours, at least 1,500 hours must have been in non-residential real property appraisal work.

Acceptable Work Experience

Acceptable work experience for licensing or certification includes, but is not limited to the following:

- A. Fee and staff appraising;
- B. Ad Valorem Tax appraisals;
- C. Review Appraisals;
- D. Appraisal Analysis;
- E. Highest and Best Use Analysis;
- F. Feasibility analysis/study;
- G. Condemnation appraising;

For the work experience claimed, you must be able to produce, at the Board's request, appraisal reports, file memoranda, or other documentation satisfactory to the Board. Various work products will be selected off the log submitted for work experience credit, at the time of applying for your examination to validate USPAP compliance.

APPLYING FOR YOUR EXAM

All applicants must have a high school diploma or General Education Development (GED) Certificate.

Applicants for *State License* must complete and submit the licensure/certification examination application, the Arkansas appraiser educational requirements affidavit including the summary of education claimed, copies of the certificates for each course (*unless copies are already in board office*), the licensed affidavit of experience, the employment history, and the work experience log.

Applicants for *Certified Residential* must complete and submit the licensure/certification examination application, the Arkansas appraiser education requirements affidavit including the summary of education claimed, copies of the certificates for each course (*unless copies are in board office*), the Certified Residential affidavit of experience, the employment history, a work experience log and proof of an Associate Degree or the required credit hours.

Applicants for *Certified General* must complete and submit the licensure/certification examination application, the Arkansas appraiser educational requirements affidavit including the summary of education claimed along with copies of the certificates for each course (*unless already in board office*), the Certified General affidavit of experience, the employment history, a work experience log, and proof of a Bachelor's degree or the required credit hours.

The affidavits must be notarized.

All application materials must be complete and in one envelope when received by the Arkansas Appraiser Licensing and Certification Board. Incomplete or illegible applications and applications with fees not paid as directed will delay processing of application.

(See chart Next Page)

REQUIREMENTS FOR LICENSING

LEVELS	CURRENT EDUCATION REQUIREMENT	1/1/08 College-Level COURSE REQUIREMENTS	WORK EXPERIENCE
<u>STATE REGISTERED</u>	15 hrs. Uniform Standards Of Professional Appraisal Practice course taken during first year of being State Registered	NONE	N/A
<u>STATE LICENSED</u>	150 hrs. of Board approved Education. (Must include 15 hours USPAP)	NONE	2,000 hours of appraisal work experience over at least 12 months (one year).
<u>CERTIFIED RESIDENTIAL</u>	200 hrs. of Board approved Education. (Must include 15 hours USPAP)	Associate degree or Twenty-one (21) semester credit hours covering the following: English Comp; Prin. Econ; finance Algebra, Geometry, Statistics Intro. to Computers, Business of Real Estate Law.	2,500 hours of appraisal work experience obtained during no less than 24 months (2 years)
<u>CERTIFIED GENERAL</u>	300 hrs. of Board approved Education. (Must include 15 hours of USPAP)	Bachelors Degree or Thirty (30) semester credit hours covering the following: English Comp; Micro Econ; Macro Econ; Finance; Algebra; Geometry; Stat. Bus. Of Real Estate Law.	3,000 hours of appraisal experience obtained in no fewer than 30 months. 1500 of those hours <i>must be</i> in non-residential properties.

IV. REVIEW AND ACKNOWLEDGMENT OF APPLICATION PACKETS

All application packets **must** be submitted on or before the filing deadlines as listed on the application. The application forms can be found on the Board's website at www.arkansas.gov/alcb.

Application packets will be thoroughly reviewed by the Arkansas Appraiser Licensing & Certification Board's staff to ensure your eligibility to take the examination for which you are applying. It is your responsibility to make sure that your application packet is complete. If your application packet indicates that you are ineligible to take the examination for which you applied, does not contain the necessary forms for determining eligibility, does not contain the proper fee payment, or not legible, your application packet will be returned to you with an explanation of the deficiency. Because of this requirement, if you wait until the last minute to apply, you may jeopardize your opportunity to test within your chosen cycle. Re-submitted application packets will be processed during the next exam cycle.

When the application has been processed, you will be sent a letter requesting several reports selected from your work experience log. You are to return these reports to the Board as soon as possible so the personal assessment interview can be scheduled.

V. FEES

The application fee of \$125.00 must be submitted at the time you send the application. After successful completion of the appropriate examination, this application fee will be applied toward the licensing fee. This fee may be paid by money order, business check, or personal check and made payable to Arkansas Appraiser Licensing Board.

The testing fee is \$100.00 and must be paid to the testing company. **DO NOT SEND THE TESTING FEES TO THE BOARD OFFICE WITH YOUR APPLICATION.** Do not combine the two fees. The directions are on the application.

If you fail your examination or do not appear to take it, you will not have to pay the application fee for your second attempt to pass or re-schedule the examination. You *will* have to pay the testing fee each time you take the exam. After three attempts to pass your examination, you will have to resubmit a complete application along with the appropriate fees.

REFUNDS

NO refunds will be made of any fees submitted and accepted by the Arkansas Appraiser Licensing Board or the testing agent. If you are ineligible to sit for the examination, the entire packet will be returned to you unprocessed.

VI. EXAMINATION LOCATIONS

Examinations will be given in various locations in the state. If the review of your application packet shows that you are eligible to take the examination, everything has been processed, and you have completed the personal assessment interview, you will then be given an *approval letter* to present to the testing company. You will deal directly with the testing agency as to your testing site, date of exam, and time. Once you have the approval letter from the Board, we will not assume responsibility for scheduling a date to take the exam.

If you have any questions concerning the exam or submitting your application to test, telephone the Arkansas Appraiser Board at (501) 296-1843 to receive instructions.

VII. AFTER THE EXAMINATION

APPLYING FOR LICENSURE OR CERTIFICATION

You will receive the test results at the time you take the examination. If you have passed the exam, you will need to send a copy of the score report along with the appropriate fees to the Appraiser Licensing Board. (*You will need to call the Board office for the amount of additional fees.*) The license/certification will then be issued. It is your responsibility to check the spelling of the name, correct address, and other personal information on the score report before submitting for your license.

If you do not apply for licensure/certification within twelve (12) months of passing the exam, you will have to repeat the complete application and examination process, including re-submission of the all fees.

RETAKE YOUR EXAMINATION

An applicant who fails to pass the exam on the second or subsequent attempts will not be allowed to retake the exam for at least six months. Applicants seeking to sit for the fourth attempt are required to submit a new application along with additional work experience and any additional education they may have acquired, and that six months shall have lapsed between exams.