

October 2014

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**APPRAISERS,
KNOW YOUR LIMITS!**



**DON'T GET SPOOKED!
NEW AQB CHANGES**



**FANNIE MAE TALKS
APPRAISALS**



TREAC at WSMV's Healthy 4 Life

Appraiser Commission staff were proud to represent the Tennessee Department of Commerce and Insurance at Nashville's second annual Healthy 4 Life Expo. Held September 20-21st, the event drew thousands from across the state to the beautiful Music City Center. Local NBC affiliate WSMV helped organize the expo, designed for people from all stages of life to make informed choices about their health and their communities. Both days featured a broad range of booths and activities for all ages, but

Above: Nashville's
stunning new
Music City Center
boasts a four-acre
green roof.



Commerce and Insurance's booth may well have stolen the show. There, families participated in a bean bag toss, a beautifully restored 1953 fire engine delighted young and old alike, and multiple agencies were on hand to answer consumer questions.

TREAC's Executive Director Nikole Avers was present both days to answer questions about the licensing process and, maybe most importantly, put a face to our mission of protecting the public interest. "There are a lot of misconceptions and even fears people have about government employees and what the state does," said Director Avers. "We have an excellent team of people down here that are public minded. I love participating in events like this because it reinforces the knowledge that what we do makes a difference." Literature was available from the Appraisal Foundation, as well as information about Tennessee's licensure verification portal, Verify.tn.gov. The site offers consumers a quick and easy way to find or verify a licensed professional in their area.



"What we do makes a difference."

While some may have stopped by for some state-branded swag, plenty of people had important questions and comments about about their interactions with the state's many licensed professionals. The weekend offered plenty of attractions... from hockey rinks to rock walls, health

screenings, cooking classes, and trivia contests... but no booth was quite able to match the response at Commerce and Insurance. The impressive turnout, the interest generated in our programs, and the personal connections made this year's Healthy 4 Life Expo a rousing success. We look forward to continuing this fun and friendly interface with the public.

We hope to see you at the booth next year!

DON'T GET SPOOKED:



APPRAISAL QUALIFICATIONS BOARD CHANGES ARE NOTHING TO FEAR

October can be a scary time of year. It's cold, dark, and your kids are screaming for candy. This is a month of tricks and treats... a time to face our fears.

Looking back we realize that most things we were afraid of are just things we didn't really understand. October also signals that the year will soon be over, and with 2015 comes a slate of changes from the Appraisal Qualifications Board. If you're a new applicant or just looking to upgrade, you may be dreading these changes... but it's our hope that with this article the new AQB criteria will be one less thing you have to worry about.

Maybe the most important change of all is how these new rules will take effect. January 1st marks the end of the "segmented approach" to implementation, meaning that anyone who hasn't completed their application process by that date will immediately be subject to the new criteria... regardless of how far along they may be in the process.

SIX CHANGES TO LOOK OUT FOR



Now the only thing terrifying about that old house at the end of the street is its role as external obsolescence.

1. BID ADIEU TO "IN LIEU"

There's no longer going to be any wiggle room for the college education requirement. Licensed Appraisers must submit at least 30 semester hours of credit at the college level, and anyone seeking to upgrade to CR or CG must hold at least a bachelor's degree.

(AQB CHANGES, CONT'D)

2. BACKGROUND CHECKS

All new candidates must undergo a screening process. No one wants a mysterious stranger with a dark past showing up at their door. We've all seen too many horror movies for that. This requirement will go a long way towards building trust.

3. EXAM REQUIREMENTS

As of January 1st, your education and experience interview must be completed prior to taking the exam. The exam may look like a monster, but you can beat it if you buckle down and study. However don't just assume PSI will still have space before the deadline. There are only so many dates left, and only so many computers... don't let this sneak up on you!



October 31st is really the only time you want these guys walking around your property.



4. TRAINEES AND SUPERVISORS

We all know how important this relationship can be. Now the AQB will require that both parties attend a course specially designed for the process. The idea is to make the trainee experience as complete and uniform as possible.

Supervisors will now also be jointly responsible for the trainee's experience log. Make sure it's correct!

5. TRAINEES: Current trainees should go ahead and make sure they meet the new requirements for whenever they are planning to upgrade. Prospective trainees should also consider the new background screening.

6. SUPERVISORS: You must now hold a Tennessee license/certification in good standing for a minimum of 3 years if you're considering taking on a new trainee. Also remember there's a new course you'll be required to take.



AQB CHANGES ARE SNEAKING UP ON ALL OF US...

Change is never as scary as it sounds, but time *is* running out. In many cases a significant investment of time and money is at stake so don't put things off until the last minute... contact our office and we'll be happy to assist you in meeting this crucial deadline. Remember: even if the changes don't affect you directly, you will benefit from the higher professional and ethical standards these new criteria bring to the appraisal business. That's something we can all look forward to.

KEEP UPDATED WITH THE LATEST NEWS



FNMA has issued a new Q&A for appraisers based on their 2014 *Selling Guide*. See if your questions are answered here: <https://www.fanniemae.com/content/faq/appraisal-property-report-faqs.pdf>



HUD has posted its appraisal policies online: http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/appr/apprmls



The Appraisal Foundation has released a Q&A for the 2014-2015 USPAP update:

<https://netforum.avectra.com/eweb/DynamicPage.aspx?Site=TAF&WebCode=USPAPQA>



KNOW YOUR LIMITS

LIMITS FOR APPRAISERS BY LICENSE CLASSIFICATION

The Real Estate Appraiser Commission office has gotten several calls recently pertaining to the limits on the different license level classifications, primarily concerning “transaction value” and trainee supervision.

Trainees may only work on appraisals if they are under the direct supervision of their supervising appraiser(s) and only on the property types that their supervisor may appraise. They must be accompanied on all property inspections for the first 500 experience hours and then may only go alone to inspections when the supervising appraiser has sent a notarized “Trainee Property Inspection Affidavit” which is available on our website. On any real property appraisal that is more than 50 miles from the supervising appraiser’s business address, the supervisor must accompany that trainee on the inspection even after the first 500 hours of experience.

State licensed appraisers may perform appraisals of the following properties:

1. All properties with a transaction value of up to two hundred fifty thousand dollars (\$250,000).
2. Noncomplex residential properties (one to four units) with a transaction value up to, but not including, one million dollars.
3. Agricultural properties, including agricultural properties with up to two dwelling units, with a value up to, but not including, one million dollars.

LIMITS FOR APPRAISERS BY LICENSE CLASSIFICATION

State certified residential appraisers may perform appraisals of the following properties:

1. All properties with a transaction value of up to two hundred fifty thousand dollars (\$250,000).
2. All noncomplex residential properties (one to four units)
3. Agricultural properties, including agricultural properties with up to two dwelling units, with a value up to, but not including one million dollars.

State certified general appraisers shall have no transaction value limits on such an appraiser's appraisal practice.

Complex appraisal: One in which the property to be appraised, the form of ownership, or market conditions are atypical.

FDIC defines TRANSACTION VALUE:

1. For loans, or other extensions of credit, the amount of the loan or extension of credit.
2. For sales, leases, purchases, and investments in or exchanges of real property, the market value of the real property interest involved.
3. For the pooling of loans or interests in real property for resale or purchase, the amount of the loan or market value of the real property calculated with respect to each such loan or interest in real property.



AQB MEETS IN MEMPHIS

AQB traveled to the land of BBQ, holding a public meeting September 18th in Memphis. Topics included the 2015 criteria change as well as a preview of the 2016-2017 USPAP. Exposure drafts and related materials can be found here:

<https://appraisalfoundation.sharefile.com/d/sd3319d84206442f9>

NEW COMMISSION MEMBER

Randall C. Thomas has been appointed by Governor Bill Haslam to a three-year term ending June 30, 2017. He will represent East Tennessee Real Estate Appraisers in the seat formerly held by Michael Green. Mr. Thomas is the owner of Appraisal Concepts in Kingsport and has been living and working in northeast Tennessee for nearly thirty years. During that time he's been elected as president of the Tennessee Association of Realtors and served on the board of multiple agencies including the Tennessee Housing Development Agency and the National Association of Realtors. Mr. Thomas has been married thirty-eight years to his wife Beverly and in his free time pursues a lifelong passion for aviation. You might even say he was born to be a pilot... on the United States Air Force base in Bitburg, Germany.



Commission members Norman Hall and Timothy Walton both recently received reappointments.

Congratulations! Our trainees and licensees who had their experience approved by the board at our October meeting:

Jeffrey Long
Phillip Richardson
Arthur Gray
Marilyn Gray
Nicole Simpson
Pamela Stanko

Remember: If you still need to schedule an experience interview before the criteria change, contact our office today! You'll need to be on the list by December 1st in order to meet the 2015 deadline.

Call for Submissions

We believe this newsletter is an important resource for all our licensees, but to fulfill that mission we need your help! We want to represent every experience level and every part of the state... tell us about the issues you are seeing. *Do you have a particular question you want answered? A topic of expertise you'd like to tackle yourself? Or maybe just an informative article you've read elsewhere?* Please let us know what you would like to see in this space, but don't just stop at suggestions... please submit your own articles and photos. We'll be happy to help you develop your ideas. See you next issue!



Tennessee Real Estate Appraiser Commission

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