

THE PERSONAL PROPERTY APPRAISER QUALIFICATION CRITERIA

Personal Property Appraiser Qualification Criteria
Effective January 1, 2018



The Appraisal
FOUNDATION

Authorized by Congress as the Source of Appraisal
Standards and Appraiser Qualifications

APPRAISER QUALIFICATIONS BOARD

VISION AND MISSION STATEMENT OF THE APPRAISAL FOUNDATION

VISION STATEMENT

To ensure public trust in the valuation profession.

Mission Statement

The Appraisal Foundation is dedicated to promoting professionalism and ensuring public trust in the valuation profession. This is accomplished through the promulgation of standards, appraiser qualifications, and guidance regarding valuation methods and techniques.

The Appraisal Foundation, a non-profit organization established in 1987, is dedicated to the advancement of professional valuation. The Foundation accomplishes its mission through the work of its three independent boards: the Appraisal Practices Board (APB), the Appraiser Qualifications Board (AQB), and the Appraisal Standards Board (ASB).

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APPRAISER QUALIFICATIONS BOARD

WHAT IS THE AQB?

The Appraiser Qualifications Board (AQB) is an independent board of The Appraisal Foundation (TAF). The AQB is comprised of at least five practicing appraisers who are appointed by TAF's Board of Trustees for one- to three-year terms.

DEVELOPMENT OF THE PERSONAL PROPERTY APPRAISER MINIMUM QUALIFICATION CRITERIA

The adoption of the original *Personal Property Appraiser Qualification Criteria (Criteria)* concluded after a three-year process that began with an AQB public hearing in February 1995. Over the past decade, personal property appraisers and users of personal property appraisal services informed the AQB that the *Criteria* should be updated.

Research and analysis on potential updates to the *Criteria* began in 2010. Based upon the recommendations of the TAFAC Personal Property Issues Committee, as well as feedback received during two Personal Property Roundtable events, the AQB issued a First Exposure Draft of changes to the *Personal Property Appraiser Qualification Criteria* in December 2014, soliciting comment and feedback. A second Exposure Draft was issued in February 2015, and after receiving additional feedback, the AQB adopted changes to the *Criteria* at its public meeting in Seattle, Washington on March 20, 2015. The AQB adopted the *Criteria* with an implementation date of January 1, 2018.

The AQB may adopt Interpretations of the *Criteria* and/or Guide Notes to clarify AQB intent of the provisions of the *Criteria*. Interpretations of the *Criteria* are binding, while Guide Notes provide supplemental guidance to appraisers and users of appraisal services. In addition, the AQB may periodically publish Q&As which offer further guidance on specific matters contained in or reference by the *Criteria*.

SUPPORTING THE WORK OF THE AQB

The AQB encourages input from appraisers, users of appraisal services and the public through the exposure draft process, public meetings, speaking engagements and correspondence. Detailed information on how to support the AQB is available online via TAF's website at www.appraisalfoundation.org or by contacting the Board's staff by calling (202) 347-7722 or via e-mail at staff@appraisalfoundation.org.

Exposure Draft Process

All proposed revisions to the *Personal Property Appraiser Qualification Criteria* are exposed for public comment prior to adoption. The AQB considers all comments prior to taking final action.

Public Meetings

The AQB conducts periodic public meetings. Observers are encouraged to attend and, if time permits, address the Board regarding an agenda item.

Speaking Engagements

Members of the AQB are available for speaking engagements and presentations on the current work of the Board. Invitations to speak may be submitted via the "Request a Speaker" section on The Appraisal Foundation's website (www.appraisalfoundation.org). These requests should be extended as early as possible in order to facilitate scheduling.

Correspondence

Specific questions regarding the *Criteria* or any other AQB matters may be submitted in writing to the AQB in care of the Foundation. Comments may be submitted directly from the website or via regular mail.

Other AQB Work

In addition to its work on the *Personal Property Appraiser Qualification Criteria*, the AQB is involved in numerous other ongoing projects including:

- Development of minimum *Real Property Appraiser Qualification Criteria*.
- Maintenance and periodic updating of the National Uniform Examination Content Outlines (ECO's) for real property appraisers. These ECO's are used in the development of real property licensure and certification examinations.
- Maintenance and periodic updates to the National Uniform Licensing and Certification Examinations.
- Development of and enhancements to the Program to Improve USPAP Education.
- Administration of the Course Approval Program (CAP).
- Administration of the Undergraduate/Graduate Degree in Real Estate Review Program.

More information on The Appraisal Foundation and the activities of the AQB is available online at www.appraisalfoundation.org or by contacting the Board's staff at The Appraisal Foundation by phone at (202) 347-7722 or via e-mail at staff@appraisalfoundation.org.

PERSONAL PROPERTY APPRAISER MINIMUM QUALIFICATION CRITERIA

Personal Property Appraiser Qualification Criteria (Criteria): Established by the Appraiser Qualifications Board (AQB) of The Appraisal Foundation (TAF), these *Criteria* set forth the recommended minimum education and experience requirements for personal property appraisers. The *Criteria* establishes minimum requirements for all personal property appraisers who are members of sponsoring organizations of TAF. Personal property appraisers who are not members of sponsoring institutions or organizations are encouraged, but are not required, to follow the minimum education and experience recommendations established by the *Criteria*.

Personal property is defined as those tangible items that are not permanently affixed to real estate and can be moved. Personal property appraisal specializations may include, but are not limited to: fine arts and collectibles; machinery and equipment; high tech; aviation and marine; agribusiness; gems and jewelry; and residential and general contents.

The Appraisal Foundation is not a credentialing body. Credentialing of qualified appraisers of personal property may be implemented by any impartial qualified credentialing entity including qualified educational institutions and professional personal property appraiser organizations.

Any credential issued by a sponsoring organization of TAF must be in compliance with all components of the AQB Personal Property Appraiser Qualification Criteria in effect as of the date of credentialing. These Criteria do not require appraisers who currently hold credentials obtained under previous Criteria to meet the new requirements, but such appraisers are required to meet the continuing education requirements set forth herein.

These qualifications represent recommended minimums; appraisers must also adhere to any jurisdictional or contractual requirements for education and experience relative to the assignment.

DEFINITIONS

The terms used in the *Criteria* are defined as follows:

Appraisal Education – The study of valuation theory and methodology, which includes, but is not limited to, the study of markets and prices, economics and market trends, report writing, research and development of comparable sale data, explaining the rationale behind values derived, and so forth.

Classroom Hour – At least 50 minutes of a 60-minute class of instruction are attended by the student. The classroom hours include time for the examinations.

Distance Education – Any educational process based on the geographical separation of student and instructor.

Specialized Appraisal Education – The study of specialized subject matter which is the area of expertise of the appraiser, such as: machinery and equipment; fine art; jewelry; antique furniture; decorative arts; airplanes; boats; classic cars; livestock, and so forth.

CRITERIA APPLICABLE TO ALL PERSONAL PROPERTY APPRAISER SPECIALIZATIONS

- I. **Appraisers in all personal property specializations shall perform assignments in compliance with the *Uniform Standards of Professional Appraisal Practice* (USPAP).**
- II. **Existing Credentialed Appraisers**
 - A. Other than the revised continuing education requirements, these *Criteria* do not impose any additional requirements upon existing credentialed personal property appraisers.
 - B. While these *Criteria* are not retroactive to existing credentials, personal property appraisers seeking new credentials or credentials in another area of appraisal/specialization expertise must comply with the new *Criteria*.
 - C. All qualified appraisers who specify that they are in compliance with AQB minimum *Criteria* must also comply with *Criteria* requirements for continuing education and reaccreditation.

QUALIFYING EDUCATION

I. General

- A. Applicants shall successfully complete 30 semester hours of college-level education, from an accredited college, junior college, community college, or university. The college or university must be a degree-granting institution accredited by the Commission on Colleges, a regional or national accreditation association, or by an accrediting agency that is recognized by the U.S. Secretary of Education. If an accredited college or university accepts the College-Level Examination Program® (CLEP) and examination(s) and issues a transcript for the exam, showing its approval, it will be considered as credit for the college course.
- B. Applicants holding an Associate degree, or higher, from an accredited college, junior college, community college, or university satisfy the 30-hour college-level education requirement.
- C. Applicants with a college degree from a foreign country may have their education evaluated for “equivalency” by one of the following:
 1. An accredited, degree-granting domestic college or university;
 2. The American Association of Collegiate Registrars and Admissions Officers (AACRAO);
 3. A foreign degree credential evaluation service company that is a member of the National Association of Credential Evaluation Services (NACES); or
 4. A foreign degree credential evaluation service company that provides equivalency evaluation reports accepted by an accredited degree-granting domestic college or university or by a state licensing board that issues credentials in another discipline.
- D. Credit for the classroom hour requirement may be obtained from the following:
 1. Nationally accredited, degree-granting colleges or universities;
 2. Personal property appraiser professional organizations;
 3. Government entities; and
 4. Proprietary or not-for-profit schools.
- E. If an accredited college or university (accredited by the Commission on Colleges, a regional or national accreditation association, or by an accrediting agency that is recognized by the U.S. Secretary of Education) accepts the College-Level Examination Program® (CLEP) examination(s) and issues a transcript for the exam, it will be considered as credit for the college course.
- F. Credit for courses taken to satisfy the qualifying education requirements shall not be repetitive in subject matter.
- G. Each course credited toward the required number of qualifying education hours should represent a progression by which the appraiser’s knowledge is increased.

II. Appraisal

- A. Applicants must have successfully completed a total of one hundred and twenty (120) creditable classroom hours.
- B. Applicants must have successfully completed the *15-Hour Personal Property USPAP Course* (or its AQB-approved equivalent), including passing the associated course final examination. The *15-Hour Personal Property USPAP Course* must be taught by an AQB-certified USPAP instructor in good standing.
- C. At a minimum, applicants must complete a course and successfully pass an examination in valuation theory and principles (minimum of 45 hours). Valuation theory must be specific to the appraisal of personal property.

- D. In addition to the *15-Hour Personal Property USPAP Course* and 45 hours of valuation theory and principles, 60 credit hours of education that must cover the topics listed below with particular emphasis on the appraisal of personal property:
1. Codes of ethics
 2. The appraisal process
 3. Types of appraisals and appraisal reports
 4. Practices and procedures
 5. Uses of appraisal reports
 6. Definitions of value and types of value
 7. Valuation theory and principles
 8. Definitions of markets
 9. Market research and analysis and comparison sales
 10. Methods of property identification
 11. Legal and regulatory considerations
 12. Report writing
- E. A Bachelors, Masters, or Doctoral degree in valuation theory and/or personal property appraisal from an accredited, degree-granting college or university will fulfill the requirement for the valuation theory portion of the qualifying education classroom hours.
- F. If sufficient qualifying education courses in the applicant's area of personal property specialization are not available, the applicant may substitute one of the following:
1. Successful completion of an examination acceptable to the credentialing entity demonstrating competency in the applicant's area of specialization;
 2. Successful completion of an existing course with examination in a broader area of specialization that includes the applicant's area of specialization;
 3. Successful completion of personal property-specific appraisal courses or degrees offered by a nationally accredited, degree-granting college or university, where successful completion demonstrates competency in the applicant's area of specialization; or
 4. Successful completion of other criteria, including an examination to ensure requisite knowledge in the applicant's area of specialization, acceptable to the credentialing entity.

The alternatives in this section (above) shall not substitute for more than 45 hours of specialization education.

- G. There is no substitute for qualifying education in valuation theory and principles or USPAP.

III. Distance Education

- A. Distance education may be used for qualifying appraisal/valuation education or education/training in the area of the appraiser's specialization, subject to the approval of the credentialing authority, as follows:
1. A distance education course may be acceptable to meet qualifying education classroom hour requirements, or its equivalent, provided that the course is approved by the credentialing authority and meets one of the following conditions:
 - a. The course is taught by a qualified person acceptable to the credentialing authority as a subject matter expert, available to answer questions, provide information, monitor student attendance, and meets the requirements of the accrediting organization; or
 - b. The course is presented by a nationally accredited, degree-granting college or university, credentialing personal property appraisal organization, government entity, propriety or non-profit school that offers distance education programs, where:
 - 1) The student successfully completes a final examination proctored by an official approved by the credentialing entity; and
 - 2) The course meets the requirements outlined in Section III above for qualifying appraisal education (classroom hours).

CONTINUING EDUCATION

The purpose of continuing education (CE) is to ensure that a personal property appraiser participates in a program that maintains and increases skill, knowledge, and competency in personal property appraising in compliance with USPAP.

- I. Credentialed appraisers are required to obtain seventy (70) hours of continuing education during each five (5) year period preceding credential renewal. Twenty (20) hours of which must be in coursework related to valuation theory. Appraisers may not receive credit for completion of the same continuing education course offering more than once within the five (5) year cycle other than the two-year, *7-Hour Personal Property USPAP Update Course*.
- II. Continuing education hours may be obtained at any time during each five (5) year period.
- III. Credit for the CE hour requirement may be obtained from the following:
 - A. Accredited colleges or universities;
 - B. Personal property appraiser organizations;
 - C. Government agencies or entities;
 - D. Proprietary or not-for-profit schools;
 - E. Museums; and
 - F. Other professional or business organizations.
- IV. Eligible continuing education hours include attendance at lectures, seminars and instruction at educational conferences, personal property appraisal organization conferences.
- V. Credit may be granted for educational offerings which are consistent with the purpose of continuing education and include personal property-related appraisal topics such as, but not limited to:
 - A. Ad valorem taxation
 - B. Arbitration
 - C. Business courses related to practice of personal property appraisal
 - D. Ethics and standards of professional practice
 - E. Valuation
 - F. Personal property law
 - G. Personal property litigation and expert testimony
 - H. Personal property financing and investments
 - I. Personal property appraisal related computer applications
 - J. Personal property identification
 - K. Report writing
 - L. Connoisseurship
- VI. Personal property appraisal-related field trips are acceptable for continuing education credit. However, transit time to or from the field trip location cannot be included when awarding credit if instruction does not occur.
- VII. Continuing education credit may also be granted for participation, other than as a student, in appraisal education processes and programs. Examples of appraisal methodology activities or areas of specialization for which credit may be granted are as follows:
 - A. Teaching and/or course development in areas similar to Section V above. Appraisers may not receive credit for teaching the same continuing education course offering more than once within an appraiser's continuing education cycle;
 - B. Authorship of a published scholarly paper, book, or monograph; or
 - C. Similar activities that are determined by the credentialing organization to be equivalent to obtaining continuing education.
- VIII. Additionally, as part of continuing education hours, the appraiser must successfully complete an AQB-approved *7-Hour Personal Property USPAP Update Course*, or an AQB-approved *15-Hour Personal Property USPAP Course* every two calendar years current with each new issue of USPAP prior to expiration to the standards document life. USPAP courses must be taught by an AQB-certified USPAP instructor in good standing. AQB-certified USPAP instructors may satisfy this requirement by teaching either course every two calendar years. USPAP courses developed by

accrediting entities or education providers must be submitted to the AQB for an equivalency review and approval. A distance education course may be acceptable for meeting the continuing education classroom hour requirement, or its equivalent, provided that the course is approved by the credentialing authority and meets one of the following conditions:

- A. The course is presented by a qualified person considered to be a subject matter expert and available to answer questions, provide information, monitor student attendance, and meets the requirements for continuing education courses established by the AQB; or
- B. The course is presented by an accredited, degree-granting college or university, recognized personal property appraisal organization, government entity, or proprietary or non-profit school that offers distance education programs.

EXPERIENCE REQUIREMENTS

I. General

- A. Applicants must obtain 700 hours of personal property appraisal experience.
- B. Appraisal experience consists of tasks associated with the accomplishment of specific personal property appraisal assignments. These tasks include the identification and evaluation of personal property, research and analysis, and the reporting of a value conclusion which concludes in developing USPAP compliant reports.
- C. Experience documentation in the form of reports or file memoranda, or if unavailable, other evidence at the credentialing authority's discretion, must be provided to the credentialing authority to support the experience claimed.
- D. Education may not be substituted for experience.

II. Area of Specialization

- A. In addition to the general appraisal experience requirements outlined above, applicants must also obtain experience in their area of specialization utilizing one of the following three options:
 1. A minimum of 1,800 hours of market-related personal property appraisal experience (the equivalent to one year full-time allowing for holidays), performing any aspect of "valuation services" (as defined by USPAP), of which at least 900 additional hours are in the area(s) of specialization;
 - or
 2. A minimum of 4,500 hours of market-related personal property non-appraisal experience (equivalent to 2.5 years full-time allowing for holidays) in area(s) of specialization;
 - or
 3. An equivalent combination of market-related personal property appraisal experience and market-related non-appraisal experience in area(s) of the appraiser's specialization based upon a minimum ratio of 1 year to 2.5 years.
- B. The number of hours that may be awarded in one year may not exceed 1,800 hours (equivalent to 1 year full-time allowing for holidays).
- C. There is no minimum number of hours of experience that must be acquired in any one year.
- D. There is no time limit during which experience may be obtained.
- E. An hour of experience is defined as verifiable time spent in performing tasks in accordance with acceptable appraisal experience, and as defined by the accrediting organization.
- F. Market-related non-appraisal experience is defined as knowledge obtained through actual observation or direct contact or from what has been gained through time and practice through practical application such as direct inspection, identification or sales with regard to a personal property specialty area. Such knowledge includes connoisseurship which is a combination of formal or informal hands-on experience to achieve expertise (or product knowledge), which is needed to value property. Examples include, but are not limited to, an antique dealer, museum curator, machinery and equipment sales representative, agribusiness-related personality (livestock, harvested crops, lumber products, etc.), instructor, conservator, author, scholar, jeweler, auction house specialist or catalog specialist, where direct contact and professional interaction with personal property would be considered market related experience. Being a collector or student would not apply to market related experience.

PERSONAL PROPERTY APPRAISER QUALIFICATION CRITERIA Q&AS

Question

I have a personal property credential from a professional appraiser organization that is a Sponsor of The Appraisal Foundation, but I do not have any college credits. Do I need to obtain a college degree as a result of the new *Personal Property Appraiser Qualification Criteria* changes to maintain my current credential?

Answer

No. These *Criteria* are not retroactive and do not impose additional college degree, experience or qualifying education requirements upon currently credentialed personal property appraisers. The only section of the new *Criteria* applicable to currently designated personal property appraisers are the minimum requirements related to continuing education.

Question

I have a personal property credential from a professional appraiser organization that is a Sponsor of The Appraisal Foundation, but I am thinking about obtaining a new credential in a different area of appraisal specialization from my organization. Do I need to comply with the qualifying education and experience requirements as outlined in the *Criteria* to obtain my new credential?

Answer

Yes. While the requirements outlined in the *Criteria* are not retroactive to existing credentials, personal property appraisers seeking new credentials or credentials in another area of appraisal specialization must comply with the qualifying education and experience requirements as outline in the new *Criteria*. Please contact your organization's professional credentialing office to investigate the timing of any changes to designation requirements to meet the *Criteria*.

Question

The general and specialized experience hours required to meet the new *Criteria* seem excessive. Has the experience requirement as outlined in the new *Criteria* changed?

Answer

No. The number of hours required for general and areas of specialized personal property appraisal experience have not changed and remain the same as those contained in the original 1998 version of the *Criteria*.

Question

I am confused about the experience requirements outlined in the new *Criteria* for obtaining a credential. Must all of my experience come from actual appraisals of personal property?

Answer

No. The experience requirements outlined in the new *Criteria* are separated into two categories: general appraisal experience and experience specific to an area of specialization. To meet the general appraisal experience requirements, applicants must complete a minimum of 700 hours of personal property appraisal experience which results in USPAP-compliant appraisal reports. The experience requirements for areas of specialization can be obtained in one of three ways: 1) a minimum of 1,800 hours of market-related personal property appraisal experience of which at least 900 hours must be in the area(s) of specialization; 2) a minimum of 4,500 hours of market-related non-appraisal personal property experience in area(s) of specialization; or 3) an equivalent combination of market-related appraisal and non-appraisal personal property experience at a ratio of 1 to 2.5 hours.

Question

I have a personal property credential from a professional appraiser organization that is not a Sponsor of The Appraisal Foundation (TAF). Will the minimum qualifying/continuing education and experience requirements in the new *Personal Property Appraiser Qualification Criteria* apply to me?

Answer

Not necessarily. Only members of organizations that are Sponsors of TAF are required to meet the minimum requirements contained in the new *Personal Property Appraiser Qualification Criteria*. Members of appraiser organizations that are not Sponsors of TAF may voluntarily adopt the requirements outlined in the new *Criteria*, but are not required to do so. Personal property appraisers should contact their credentialing organization for further information.

Question

If I am not in compliance with the new minimum *Criteria* requirements, am I also out of compliance with *Uniform Standards of Professional Appraisal Practice* (USPAP)?

Answer

No. The *Criteria* establishes minimum qualifying requirements for education and experience of personal property appraisers. USPAP establishes minimum professional standards for the practice of personal property appraisal.

Question

When will the new *Criteria* become effective?

Answer

The AQB has adopted an effective implementation date of January 1, 2018.

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