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Appraiser Qualifications Board
The Appraisal Foundation
1155 15th Street, NW, Suite 1111
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Members of the Appraiser Qualifications Board:

Thank you for the opportunity to provide comments regarding an issue that is crucial to the future of our profession. Everyone agrees that a profession must attract new and qualified participants if that profession is to survive.

Ironically, even though appraisers research and analyze economic factors like supply and demand on a daily basis, we as a profession remain ignorant to the simple economic truths that explain why we struggle to attract new entrants into the profession and to convince the brightest and the best in our profession to become mentors.

It's economics at its most basic. Appraisers, particularly in the residential sector, do not make enough money to make a supervisory appraiser-trainee relationship attractive, and there is no perceived economic benefit for an appraiser to enter into such a relationship. Mentoring a trainee is an economic drain, not an economic boon for an appraiser. The AQB does not have the power to change the economics of the profession. Hence, it is my conclusion that experience alternatives and/or shortening the minimum period for obtaining the experience may be necessary.

I will focus my comments on four issues: practicum courses, non-appraisal experience in parallel professions being permitted to count as experience towards appraisal licensure or certification, shortening the timeframe for experience, and allowing post-credentialing appraisal experience.

1. Practicum courses have been permissible for experience credit for many years; however there are significant economic viability problems associated with them. As an education provider, we have looked at this from many different angles and we keep coming back to the same points.
 - The cost of putting together and offering a practicum course that would provide a meaningful number of experience hours is significant, and this cost is unlikely to be recouped in what the market would be willing to pay.

- There are significant geographic and logistical hurdles to overcome; such a course would by necessity need to be regional in nature and would most likely not be viable in most of the country.
- A practicum course that would offer, for example, 250 hours of experience would provide merely 10% of a residential applicant's required experience hours, yet it would essentially take over six (6) forty-hour weeks to complete. This would require a significant time commitment on the part of the course provider and instructors.

The fact that no one is currently offering such a course on a meaningful scale is a strong indicator of its lack of economic viability. This is one of those ideas that is good in theory, but lacks widespread real-world applicability.

2. Allowing credit for experience in parallel professions is an idea that should be explored. The sticking points – and as a former state regulator I speak from experience on this issue – are the credentialing agency's difficulty in verifying the "alternative" experience and the potential for applicants to treat this as a "loophole." Without proper controls in place, it would be quite easy for an applicant to engage in puffery. For example, working as a laborer for a construction company for two summers while attending college could be puffed up by a clever wordsmith into 1,000 hours of meaningful-sounding construction experience. It would be difficult for a state appraisal credentialing agency to uncover and expose such attempts at circumventing the requirements. I recommend that any such experience should be in a related profession with similar barriers to entry and documentation requirements as the appraisal profession. Hence, I would not recommend that experience as a real estate agent or broker should be accepted towards appraisal experience. This industry is far too easy to enter; one can become a licensed real estate agent in some states by taking one or two courses and passing a very basic examination. It would be unfortunate if applicants for a real property appraiser credential were allowed to meet a significant percentage of the experience requirement by completing a few comparative market analyses or broker price opinions, which require no training and have no standards. That would be moving our profession in the wrong direction and undermining public trust. I recommend verifiable experience in a parallel profession should be granted for up to 20% of the total experience requirement.
3. Shortening the minimum timeframe in which an applicant must obtain appraisal experience is a good idea. I would recommend that the time periods be shortened by not more than 6 months, e.g., the minimum experience period for a residential applicant would be 18 months, and for a general applicant this would be 24 months. After shortening the periods by six months, the minimum periods would still average out to 138 hours per month (35 hours a week) for a residential applicant, and 125 hours per month (32 hours per week) for a general applicant. The applicant would still need to obtain the same number of experience hours. For an individual who works full time as a Trainee, this will allow the applicant to complete his or her experience over a shorter period, while still preserving public trust.
4. The AQB's Concept Paper dated 7/9/2015 asked if there was room for a shift in the credentialing system "where applicants for a credential would complete education, pass an examination and receive a credential, then be required to obtain post-credentialing

appraisal experience?" My opinion is no. I think the implications from a public trust standpoint would be significant and potentially damaging. Providing credentials to appraisers who have little or no experience would undermine the entire appraiser credentialing system. Furthermore, it would be difficult for state credentialing agencies to monitor and provide enforcement for individuals who are credentialed yet fail to obtain the experience as required (or who fail to provide sufficient documentation of their experience). Appraisal clients would have difficulty distinguishing between fully credentialed appraisers and credentialed appraisers who have yet to complete their experience requirements, complicating the credentialing system and damaging its credibility.

In conclusion, I recognize that the AQB has a delicate balancing act to undertake. Reducing the experience timeframe requirement or permitting alternative non-appraisal experience might be viewed by some as lowering the qualifications to become a licensed or certified appraiser. However, I believe the AQB should act to preserve the future of the profession.

Thank you again for the opportunity to submit these comments and participate in this hearing.

Sincerely,

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