

December 2, 2005

Dear Provider:

The Board of Registration of Real Estate Appraisers has recently conducted a review of the Real Property Appraiser Criteria set by the Appraisal Foundation. This review was prompted by the new criteria adopted in 2004 to be implemented on January 1 2008 and various inquiries that have been received by the Board from both providers of appraisal education and licensees. Therefore, the Board takes this opportunity to clarify the Providers' responsibilities in awarding educational credit; to assist the providers in understanding the new criteria; and to provide you with the appropriate form so that your courses can be credited with the appropriate educational hours under the new Criteria. You may view the Criteria at www.appraisalfoundation.org.

New Criteria

Commencing on January 1, 2008, there are new pre-licensing qualifications for State-Licensed, Certified Residential and Certified General appraisers. At the time of this notice, Trainee license requirements remain the same (265 CMR 5.02). The complete set of qualifications for licensure and certification is available at www.appraisalfoundation.org. The Board has posted a notice at www.mass.gov/dpl/boards/ra that explains the new education qualifications. The new Criteria applies to all candidates for initial licensure/certification and upgrades to a higher level of certification whose application is received by the Board on or after January 1, 2008, without exception. If an application: not received by the Board at the Board office on that date; is received but is incomplete; is rejected after an experience review; or is rejected for any reason, the applicant must satisfy the new Criteria. If an application is received prior to January 1, 2008, and the applicant is approved to take the examination but if the applicant does not take or successfully complete the examination within two years of application approval, the applicant must satisfy the new criteria and reapply.

All primary courses that are currently approved by the Board must be reviewed during the coming year. The Board has developed the enclosed course analysis worksheet to be completed by the providers and submitted to the Board together with the documentation requested on the worksheet. The analysis worksheet will instruct the provider to submit course materials and documentation. When the Board receives these materials from the provider it will review them and determine how the course hours will be credited to applicants who apply after December 31, 2007. Any providers who do not respond to this notice prior to December 31, 2007 will no longer be able to offer primary education credit to Massachusetts appraiser license/certification applicants for the completion of currently approved courses. The educational requirement of the Appraisal Foundation requires compliance with specific subject topics (available at www.appraisalfoundation.org). The Board must use these specific topics in determining which courses or portions of courses comply with the new criteria. After the course has been reviewed the provider will be sent an updated approval letter that will replace the approval you currently have in your files. **At this time the Board requests that you submit your currently approved primary courses together with the worksheet by February 1, 2006.**

The Board suggests that for new submissions of primary education, the providers consider naming the course consistent with the new subject matter outline. Although not a requirement, the Board believes that this will make it easier for potential applicants to understand which courses they need for initial licensure and for planning an upgrade to a higher level license.

It is important that you, as providers, understand these new educational requirements as individuals considering licensure or certification will most likely contact you, or the Board for information. Moreover, the Providers are responsible for ensuring strict adherence to Federal and State guidelines concerning the offering of mandated education.

Awarding educational credit:

Primary education credit may be awarded only when the student has successfully completed a course approved by this Board as Primary education. Successful completion means that the examination has been successfully completed and the requisite number of hours has been attended. A classroom hour is defined by the Appraisal Foundation as fifty

minutes. 100% of the hours must be attended. Students failing to attend 100% of the hours for which a course is approved may NOT be awarded credit until the missed hours are completed. It is imperative that all course and registration materials clearly note the requirements concerning “Make up” time for missed hours. Moreover, the “Make-up” hours must be those areas of the syllabus or course outline that were missed.

Primary education credit is never awarded prior to completion of the course, as explained in the previous paragraph. Primary education may only be used to satisfy the continuing education requirement after credit has been awarded. Therefore, when a student fails an examination or does not complete an examination or the requisite number of hours for which the course is approved, the student may NOT be awarded Continuing education credit.

Furthermore, according to the Criteria, when a licensee has been awarded primary education credit while pursuing an upgraded certification, that primary education may be applied toward the continuing education for the level of license or certification held. This means that a State-Licensed Appraiser pursuing an upgrade (or Certified residential to Certified General), may use primary education credit awarded toward satisfying the continuing education requirement of the State-License (certificate) and toward the certification sought. Since a Certified General Appraiser has already attained the highest level license this does not apply to them. However, the Board will allow Certified General appraisers to use properly awarded Primary Education credit for continuing education provided the primary course credit is properly awarded and it complies with the purpose of continuing education as defined by the Real Property Appraiser Qualifications and Criteria, “...a program that maintains and increases his/her skill, knowledge and competency in real estate appraising...”.

Conferences and Seminars

Conferences and Seminars may be approved in three ways. A provider can submit each module of a seminar for separate approval and allow attendees to select the modules that interest them. The modules will be treated the same as courses and must meet the same criteria. Since each module is approved separately there can be a mix of Residential, Non-residential, and Elective modules or courses. The provider is responsible for ensuring that all educational hours have been attended prior to awarding credit and keeping the attendance records for a minimum of 5 years from the dates of each offering.

A Provider can submit a Seminar or Conference for approval as though it were a single course. When this type of approval is sought, the Provider must design the Seminar or Conference to include required educational hours. All attendees receiving credit must attend all of the educational hours offered. Partial credit is not allowed and the seminar or conference may only be approved as Residential, Non-residential, or Elective. The Seminar or Conference may not include a mix of the three different designations. The provider is responsible for ensuring that all educational hours have been attended prior to awarding credit and keeping the attendance records for a minimum of 5 years from the dates of each offering.

Similarly, a Provider can offer a seminar or conference that includes a number of pre-selected modules that make up a selection of educational programs. In this case, the attendee is required to complete at least one of the programs in order to obtain credit for attending the seminar. Different programs offered at the same seminar or conference may carry different designations issued by the Board (i.e. Residential, Non-residential, Elective). As above, attendees may only be awarded credit for completing all of the specific program the selected. The Board shall approve each program separately under the same Course/Seminar Approval Application.

Providers may not use the Board’s name in any advertising or promotional materials until after a seminar, conference, or course has been officially approved by the Board.

If you have any questions please contact me at 617-727-9936 or visit the Board’s web site, www.mass.gov/dpl/boards/ra.

Sincerely,

Neal Feno
Associate Director

COURSE ANALYSIS WORKSHEET
Shaded areas to be completed by the Board

This form must be completed and submitted together with your course materials. The form is used to evaluate your course under the guidelines of the 2008 criteria. Complete all the areas that are ***not*** highlighted. The highlighted areas are to be completed by the Board. A primary currently approved course will not be renewed without this completed form. You must also submit, together with this form: a course description; timed course outline; learning objective; instructional materials and texts; examination and answer key; and instructor qualifications.

Any student who completed a course that is no longer approved, or for which this Course Analysis was not submitted, will be required to have the provider complete this form for each course taken and submit it together with: the course syllabus; course description; a timed course outline; sample examination; and the names of the texts (and publisher) used. This form alone may ***not*** be used to obtain credit for a course that was never approved.

The form is segmented according to the requisite education outline topics and sub-topics (see The Real Property Appraisal Qualification Criteria, www.appraisalfoundation.org). Complete the information requested for each sub-topic under each outline topic. All the sub-topics of each of the outline topics must be covered in order to receive any credit for that specific topic.

Course Name:				
Current Approval Number (for existing courses):				
New Number:				
Reviewer:		Review Date:		
Outline Topic: USPAP -				
Sub-topics	Hours	Material Reference (Chapter and page numbers)	Exam Reference (Exam item numbers)	Hours Awarded
Preamble and Ethics Rules				
Standard 1				
Standard 2				
Standards 3 to 10				
Statements and Advisory Opinions				
Total USPAP Hours				

Outline Topic: BASIC APPRAISAL PRINCIPALS - BAPRN				
Sub-topics	Hours	Material Reference (Chapter and page numbers)	Exam Reference (Exam item numbers)	Hours Awarded
Real Property Concepts and Characteristics				
Legal Consideration				
Influences on Real Estate Values				
Types of Value				
Economic Principles				
Overview of Real Estate Markets and Analysis				
Ethics and How They Apply in Appraisal Theory and Practice				
Total BAPRN Hours				

Outline Topic: BASIC APPRAISAL PROCEDURES - BAPRO				
Sub-topics	Hours	Material Reference (Chapter and page numbers)	Exam Reference (Exam item numbers)	Hours Awarded
Overview of Approaches to Value				
Property Description				
Residential Applications				
Total BAPRO Hours				

Outline Topic: Residential Market Analysis and Highest and Best Use RMAH				
Sub-topics	Hours	Material Reference (Chapter and page numbers)	Exam Reference (Exam item numbers)	Hours Awarded
Residential Market and Analysis				
Highest and Best Use				
Total RMAH Hours				
Outline Topic: Residential Appraiser Site Valuation and Cost Approach RASVCA:				
Sub-topics	Hours	Material Reference (Chapter and page numbers)	Exam Reference (Exam item numbers)	Hours Awarded
Site Valuation				
Coast Approach				
Total RASVCA Hours				

Outline Topic: Residential Sales Comparison and Income Approaches RSCIA				
Sub-topics	Hours	Material Reference (Chapter and page numbers)	Exam Reference (Exam item numbers)	Hours Awarded
Valuation Principals and Procedures – Sales Comparison Approach				
Valuation Principals and Procedures – Income Approach				
Finance and Cash Equivalency				
Financial Calculator Introduction				
Identification, Derivation and Measurement of Adjustment				
Gross Rent Multipliers				
Partial Interests				
Reconciliation				
Residential Applications				
Total RSCIA Hours				

Outline Topic: Residential Report Writing and Case Studies RRW				
Sub-topics	Hours	Material Reference (Chapter and page numbers)	Exam Reference (Exam item numbers)	Hours Awarded
Writing and Reasoning Skills				
Common Writing Problems				
Form Reports				
Report Options and USPAP Compliance				
Case Studies				
Total RRW Hours				
Outline Topic: Statistics, Modeling and Finance SMF				
Sub-topics	Hours	Material Reference (Chapter and page numbers)	Exam Reference (Exam item numbers)	Hours Awarded
Valuation Models (AMV's and Mass Appraisal)				
Real Estate Finance				
Total SMF Hours				

Outline Topic: Advance Residential Applications and Case Studies - ARACS				
Sub-topics	Hours	Material Reference (Chapter and page numbers)	Exam Reference (Exam item numbers)	Hours Awarded
Complex Property, Ownership and Market Conditions				
Deriving and Supporting Adjustments				
Residential Market Analysis				
Advance Case Studies				
Total ARACS Hours				
Topic: General Appraiser Market Analysis and Highest and Best Use GAMA				
Sub-topics	Hours	Material Reference (Chapter and page numbers)	Exam Reference (Exam item numbers)	Hours Awarded
Real Estate Market Analysis				
Highest and Best Use				
Total GAMA Hours				

Outline Topic: General Appraiser Sales Comparison Approach GASCA				
Sub-topics	Hours	Material Reference (Chapter and page numbers)	Exam Reference (Exam item numbers)	Hours Awarded
Value Principals				
Procedures				
Identification and Measurement Adjustments				
Reconciliation				
Case Studies				
Total GASCA Hours				

Outline Topic: General Appraiser Site Valuation and Cost Approach GASVCA				
Sub-topics	Hours	Material Reference (Chapter and page numbers)	Exam Reference (Exam item numbers)	Hours Awarded
Site Valuation				
Cost Approach				
Total GASVCA Hours				

Outline Topic: General Appraiser Income Approach GAIA				
Sub-topics	Hours	Material Reference (Chapter and page numbers)	Exam Reference (Exam item numbers)	Hours Awarded
Overview				
Compound Interest				
Lease Analysis				
Income Analysis				
Vacancy and Collection Loss				
Estimating Operating Expenses and Reserves				

Reconstructed Income and Expense Statement				
Stabilized Net Operating Income Estimate				
Direct Capitalization				
Discounted Cash Flow				
Yield Capitalization				
Partial Interest				
Case Studies				
Total GAIA Hours				

Outline Topic General Appraiser Report Writing and Case Studies GARW				
Sub-topics	Hours	Material Reference (Chapter and page numbers)	Exam Reference (Exam item numbers)	Hours Awarded
Writing and Reasoning Skills				
Common Writing Problems				
Report Options and USPAP Compliance				
Case Studies				
Total RSCIA Hours				
Name of person completing this form:				

Signature of Provider Authorized Agent