

ACTS Conference April 11-14, 2026

Registration is open for the Appraiser’s Conference and Trade Show (ACTS) in Seattle, WA on April 11-14, 2026. This is a must-attend event that is held in cooperation with the Appraiser’s Coalition of Washington. The conference is cohosted by Appraiser eLearning and NAA.

The program committee has lots of fun events to enjoy during the pre-conference, conference, evenings and after. NAA is hosting its first ever pickleball tournament on April 15th as a fundraiser for the Appraiser Relief Fund and George R Harrison Scholarship Fund. Just imagine serving it up on a great court for a great cause against some appraiser rivals!

Local Flavor Night - Appraisers in Flight: An Evening to Soar - April 13, 6-9pm

Step into ACTS’s signature Local Flavor Night at the Museum of Flight! Enjoy regional bites, craft cocktails, and engaging conversation beneath legendary aircraft. With immersive exhibits and themed surprises, this high-flying evening celebrates appraisers who lift others to new heights.

The preconference courses include the 2026-2027 7-hour USPAP Continuing Education Course and the 7-hour Valuation Bias course. Other preconference activities include a Murder Mystery Party, trainee and supervisor outings, appraisal software demonstrations and the ever-popular opening reception Sunday evening. The theme for the opening reception is Disco Days, so pack your favorite disco attire and join in on the excitement.

The conference will cover topics from Artificial Intelligence to Valuing Lakefront properties. These will be presented by industry experts including Anthony Blackburn, Peter Christensen, Dallas Kiedrowski, Chad Koch, and many more! Don’t miss Lyle, Scott, James and Brian from the Federal Agencies for the fireside chat. Registration is open now! Don’t miss this opportunity; the price will increase on March 15, 2026.

Be sure to click the link in the graphic and register to attend the conference presented by NAA and Appraiser eLearning.



APPRaiser’s CONFERENCE AND TRADE SHOW (ACTS)
APRIL 11-14, 2026
SEATTLE, WA

info@naappraisers.org - (210) 570-4950
www.appraisersconference.net

A Deserving Award by JoAnn Apostol, MNAA

The Appraisal Institute Education and Relief Foundation recognizes individuals who make significant contributions to the valuation profession. Most of these awards are reserved for Institute members only except the Y.T. and Louise Lee Lum Award, which is open for nominations to those that aren’t members of the Appraisal Institute.

This award was established in 1963 and recognizes one or more worthy individuals who have made a distinguished contribution to the appraisal profession during the immediate preceding year.

It is given in recognition of and great appreciation for the distinguished contribution to the furtherance of the high ideals of the profession of real estate appraising and practice, mindful of the fact that this contribution was possible only through the zeal, uprightness, sacrifice, devotion, acumen and ability of the contributor.

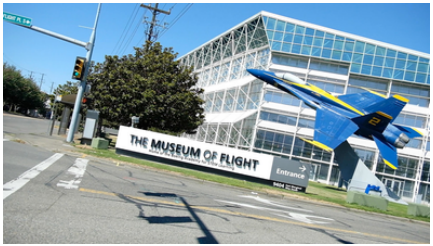
I am pleased to announce that our NAA President, Malinda Griffin, MNAA, was nominated and awarded this for 2025. Not only has she spent countless hours on behalf of NAA at national meetings, conferences and board meetings, but she has done so with fervor on behalf of both NAA members and all appraisers throughout the last two years as the President of NAA.

Malinda is the first non-member of the Appraisal Institute to be given this award since 2010. Be sure to congratulate her the next time you see or talk with her. She has been a moving force for NAA and appraisers everywhere!

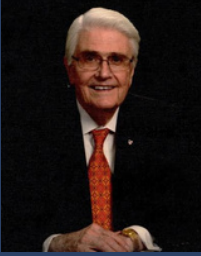
<https://www.appraisalinstitute.org/get-involved/awards-and-recognition>



Above Left: Malinda Griffin with the Y.T. and Louise Lee Lum Award presented in 2025
Above Right: Plan to stay for the NAA Pickleball tournament on April 15, 2026 in Seattle



Above: Seattle’s Museum of Flight - site for Local Flavor Night at ACTS on April 13, 2026



George R Harrison Scholarship

The National Association of Appraisers created a scholarship program for those who need a helping hand and are interested in entering the appraisal profession.

This scholarship honors the legacy of one of the founders of NAA who believed that quality education plays a pivotal role in becoming a professional appraiser.

To find out more, donate or apply for funds, visit the NAA website here: [GRH Scholarship](#).

Call for Comments: AO-41 Exposure Draft on Technology Use in Appraisal

by Dana Murray, MNAA

The Appraisal Standards Board (ASB) has released the First Exposure Draft of proposed Advisory Opinion 41 (AO-41), "Use of Technology in an Appraisal or Appraisal Review Assignment," and is asking appraisers to comment before it is finalized. This draft is intended to provide principles-based guidance on how USPAP applies when appraisers use modern tools—including regression software, machine learning systems, AVMs, algorithmic systems, and generative AI—across real property, personal property, and intangible property appraisal practice. The ASB's stated purpose is to keep USPAP "clear, consistent, and enforceable" while the profession navigates rapid technological change, and the Board specifically welcomes feedback on whether the proposed guidance appropriately addresses concerns such as confidentiality, bias, data security, and reliability.

The rationale for proposing AO-41 now is rooted in the requirement that appraisers must continuously improve their skills as new tools enter the workflow. While technology can enhance efficiency, it introduces significant issues tied to ethics, record keeping, and the credibility of assignment results. If adopted, the ASB is also considering retiring AO-18 (Use of an Automated Valuation Model) and AO-37 (Computer Assisted Valuation Tools) in a future edition of the USPAP Guidance and Reference Manual because AO-41 substantially incorporates and expands upon those topics

Regarding confidentiality, which may be the biggest practical flashpoint for practitioners, AO-41 directly links technology use to USPAP confidentiality duties. The draft states that an appraiser must take reasonable steps to prevent improper disclosure of confidential information or assignment results, and that the appraiser must confirm that entering data into a tool does not violate the ETHICS RULE. The draft includes a serious warning that choosing to use a system that an appraiser knows may inappropriately disclose or transmit confidential information demonstrates a lack of due care and may constitute gross negligence. This area requires close attention because many modern tools involve vendor-controlled storage or uncertain retention terms, effectively requiring appraisers to assess these platforms before use. A constructive question for commenters is whether this language unintentionally narrows the legitimate benefits of AI by creating unclear boundaries for what constitutes "reasonable steps" in practice.

Disclosure requirements in the draft are targeted rather than requiring appraisers to "name every tool." AO-41 distinguishes between tools that affect assignment results and those that assist only in preparing or presenting the report. Tools used only for formatting, grammar, or spell checking do not affect assignment results and do not need to be named in the report. When a tool is disclosed, the report must not imply that the tool's output alone is an assignment result; instead, it must summarize how the output was relied upon. Furthermore, workfile documentation depends on reliance, meaning that if a tool's output was relied upon in developing a result, the workfile must include enough information to show how that output was used. Conversely, if a program was used solely for non-analytical tasks, there is no requirement under the RECORD KEEPING RULE to document its use.

Ultimately, appraisers should consider whether AO-41 might unintentionally strip away the real value of AI by being interpreted too broadly. If practitioners are concerned that the draft language effectively precludes meaningful technology-assisted quality control, this is the time to request more precise definitions of safeguards from the ASB. Each member of the ASB will read and consider all written comments submitted by the deadline of February 2, 2026.

The ASB will then discuss these comments at its virtual public meeting on February 19, 2026.

TAF invites appraisers to comment in writing to the ASB before the deadline.

Preferred: <https://www.surveymonkey.com/r/ASBComments>

Email: ASB@appraisalfoundation.org

Full exposure draft:

AO-41 Exposure Draft ([The Appraisal Foundation Document Library](#))

Continued on page 3

First Exposure Draft – Proposed New Advisory Opinion 41, *Use of Technology in an Appraisal or Appraisal Review Assignment*

January 2, 2026

Comments are due by February 2, 2026, so act now and be a part of how USPAP changes.

Why appraisers should comment now

AO-41 is likely to become a central reference point for how technology use is evaluated under USPAP, particularly around confidentiality safeguards, documentation expectations, and how tool use is communicated. The exposure period is the clearest opportunity to help the ASB refine language that will be interpreted by intended users, reviewers, and regulators.

If you believe AO-41’s confidentiality framework is clear and workable, that support is valuable. If key concepts, especially “reasonable steps” in modern tool environments, need tighter definition to avoid discouraging legitimate, high-value QC and review use cases, this is the moment to say so with specificity.



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Welcome to New Members

NAA has both state appraisal organizations and individual memberships for appraisers and others. Explore the [membership options](#) of this volunteer organization and join us!

Welcome to all new members in 2025!

Business Valuation: Exposure Draft of Valuation Brief 2025-4

by Rob Schlegel

On January 5, 2026, The Appraisal Foundation (TAF) released the Exposure Draft of Valuation Brief 2025-4 "Is the business Appraiser You Intend to Hire Competent for the Assignment?" It is a good read for NAA members who interact with business valuation appraisers in complex assignments for education, rather than regulation. In particular, the draft emphasizes the importance of identifying purpose and intended use as an indicator of the business appraiser's competence.

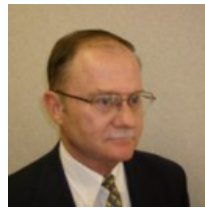
Unfortunately, the draft paper is short and does not explain the variety of business valuation credentials, standards and premises of value, or suggestions for real property appraisers seeking to work with, or understand, business valuation analysis in joint assignments. Comments on the draft are due to TAF by February 3, 2026.

This draft document is only 5 pages long and outlines, in general terms, the USPAP-centric requirements for competency. It contains many references on USPAP, which business appraisers who are members of the American Society of Appraisers are required to follow. The draft only provides links to other professional business valuation organizations such as the American Institute of Certified Public Accountants (AICPA) and the National Association of Certified Valuation Analysts who follow AICPA's Statement on Standards for Valuation Services, No. 1 (SSVS #1).

While the AICPA's standards are not discussed, NAA appraisers could work with business valuation analysts who follow SSVS #1. In general, while different terminology is used, the general requirements for due diligence and competence are similar in both sets of standards.

The section "Does software improve competency?" concludes that software usage does not enhance competency. Rather, software tools "can contribute to accuracy" providing implied evidence that may have been overlooked. However, the draft emphasizes that "the individual appraiser remains responsible for understanding and evaluating these calculation tools and research sources." The overall issue of technology's impact on appraisal work, such as Automated Valuation Models, is addressed in another exposure draft released January 2, 2026 on a proposed new advisory opinion, AO-41 "Use of Technology in an Appraisal or Appraisal Review Assignment" which when released, would replace AO-18 and AO-37. Comments on this exposure draft are also due on February 2, 2026.

Suggestions for NAA appraisers – get both exposure drafts and read them. Keep up with the evolving TAF thinking for your practice. For more information on Business Valuation, visit: <https://www.bvresources.com/>



Rob Schlegel is a Fellow of the American Society of Appraisers with credentials in both Business Valuation and Appraisal Review and Management. He is a Principal with Houlihan Valuation Advisors in Indianapolis and has taught and published extensively in the past 35 years.

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Appraiser Relief Fund

The Appraiser Relief Fund was established in 2021 to assist appraisers with day-to-day life after unexpected events such as medical conditions, fires, flooding, earthquakes or any other natural disaster.

Fundraising at the ACTS Conference includes the 50/50 raffle and pickleball tournament.

The fund can assist with licensing fees and other items that can help these appraisers get their businesses back up and running again after the unexpected event. This is a 501-c3 non-profit organization. To donate items please email info@naappraisers.org.

If you know a fellow appraiser in need of assistance or want to donate to the fund, click here: <https://naappraisers.org>.

Beyond the Agencies: How Non-QM Lending Fits Naturally into Your Skill Set

by Bill Waltenbaugh, MNAA

For many residential appraisers, agency work becomes the default lane. Fannie Mae, Freddie Mac, and FHA assignments are familiar, well-defined, and make up a large share of residential mortgage lending. But another segment of the market continues to grow and often feels more intimidating than it should: non-QM lending.

Here is the reality. From an appraisal perspective, non-QM work is not a departure from what residential appraisers already do well. In most cases, it is a natural extension of your existing skill set, with a few essential differences worth understanding.

First, let's clear up a common misconception. Non-QM does not mean subprime or non-compliant. These are legitimate, regulated loans that fall outside the standard agency or FHA guidelines. While non-QM lenders are not bound by GSE or HUD requirements, that flexibility does not remove the need for credible analysis, firm support, or professional judgment. USPAP still applies. Fair housing requirements still apply. The fundamentals of valuation do not change.

What does change is the way lenders may define the scope of work.

Many non-QM assignments involve investor-focused properties such as fix-and-flip projects, single-family rentals, DSCR loans, or ground-up construction. These lenders are often less concerned with fitting into a standardized box and more focused on understanding risk, feasibility, and market support. That may mean requests for both an As-Is value and an After-Repair Value, rental conclusions, or scenario-based analysis.

None of that should feel foreign to a competent residential appraiser. You already analyze markets. You already reconcile competing data points. You already explain how and why the market reacts to differences in condition, quality, and utility. Non-QM assignments ask you to apply those same skills with a slightly wider lens.

You may also encounter valuation concepts such as feasibility analysis or residual-style thinking. At a high level, these methods are about answering a straightforward question: Does the project make sense given the market and the costs involved? Appraisers are not being asked to become investors or lenders. The expectation is to understand the concepts, recognize when they are applicable, and provide well-supported conclusions based on market evidence.

This is something most experienced residential appraisers are already equipped to do.

Another important difference is how the work is delivered. Many non-QM lenders rely on appraisal management companies to manage assignments, quality control, and compliance. That said, regardless of who engages you, the Letter of Engagement (LOE) becomes especially important. The LOE is not a formality. It defines your client, the required value conclusions, and any lender-specific expectations. Careful review of the engagement letter at the outset can prevent revision requests and scope misunderstandings.

There is also a timely consideration worth mentioning. Non-QM lenders are not required to adopt UAD 3.6. Some likely will, but many may wait until after the mandatory transition period has passed and workflows have stabilized. For appraisers who are not yet interested in adopting UAD 3.6 and prefer to continue completing UAD 2.6 assignments, non-QM work may offer a near-term opportunity to stay productive while the broader market transitions. Over time, non-QM adoption of UAD 3.6 may increase, but it will happen on the lender's timeline, not a mandate.

From my perspective as a Chief Appraiser working with both agency and non-QM assignments, the opportunity here is straightforward. Non-QM work allows residential appraisers to diversify, expand their client base, and apply their expertise in ways that are both challenging and professionally rewarding. It is not about lowering standards or taking shortcuts. In fact, non-QM lenders often expect more explanation, clearer support, and tighter logic because their decisions rely heavily on the appraisal.

If you are a residential appraiser looking to expand your services, I encourage you to consider adding non-QM clients. Start by understanding the engagement requirements, brushing up on investor-focused valuation concepts, and asking questions when instructions are unclear. The work is closer to what you already do than you might think, and for many appraisers, it represents a practical and sustainable way to grow beyond the agencies.



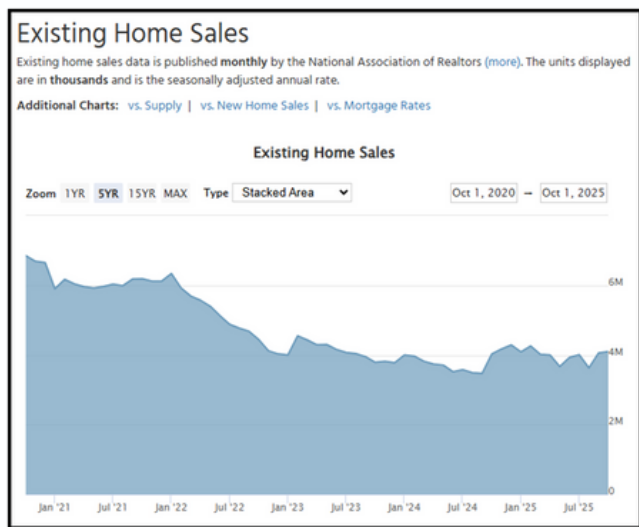
Bill Waltenbaugh: "I've worked closely with non-QM lenders and previously served as a Chief Appraiser for one. While those lenders do have more flexibility in the valuation products they order, those decisions are driven by internal credit policy, investor requirements, and risk tolerance, not the appraisal or AMC function."

Some Possible Explanations Why Appraisal Volume is Down

By Dori Davis, MNAA

Despite years of challenges in the housing market, the end of 2024 showed optimism that 2025 would bring increased purchase and refinance volumes. Freddie Mac's Economic, Housing and Mortgage Market Outlook – January 2025 stated "In 2025, we expect the pace of house price appreciation to moderate from the levels seen in 2024, while still maintaining a positive trajectory. This positive house price growth, coupled with increased home sales, is expected to drive purchase volumes higher than in 2024. The slightly lower rates in 2025 as compared to last year should also lead to higher refinance volumes. This increase in both purchase and refinance volumes is likely to boost total origination volumes in 2025, offering a promising outlook for 2025." <https://www.freddiemac.com/research/forecast/20250124-us-economy-grew-stronger-pace>

Other online forecasts predicted moderating price growth, increasing inventory and slightly easing mortgage interest rates and there were no predictions of major increases in existing home sales or mortgage origination volumes.



According to a Mortgage News Daily online graph of Existing Home Sales (shown above), <https://www.mortgagenewsdaily.com/data/existing-home-sales> home sales started in October 2023 at 3.79 million and ended October 2025 at 4.1 million with a 1.74% increase year over year in existing home sales volume as of 10/25 (the most recent reported data)*.

Another challenge facing appraisal volume is acceptance of loans by Fannie Mae and Freddie Mac without an appraisal in certain cases. Appraisal waivers have existed since the adoption by the agencies of automated underwriting systems (AU) in the late 1990s. Fannie Mae's Value Acceptance (VA) and Freddie Mac's Automated Collateral Evaluation (ACE) are new names for the formerly known Appraisal Waiver or Property Inspection Waiver (PIW).

In recent years the GSEs have also introduced inspection-based appraisal waivers - Fannie Mae's Value Acceptance & Property Data (VA+PD) and Freddie Mac's Automated Collateral Evaluation & Property Data Report (ACE+PDR) – where the lender provided value is accepted but requires an on-site interior/exterior property inspection completed by a trained property data collector.

A January 2, 2026, online article from MtgeFi <https://mtgefi.com/inspection-based-waivers-in-december-now-15bn-in-2025/> reports that 17.8% of Fannie Mae & Freddie Mac loans were delivered using a waiver with another 2.1% relying on VA + PD or ACE + PDR in 2025. I can report that in 2025, 14.8% of loans funded by the company I work for used a waiver (VA or ACE) or a combination of waiver with PDR (VA + PDR or ACE + PDR) with over 85% of loans funded using a full appraisal.

Fannie Mae and Freddie Mac introduced hybrid appraisal offers during the first half of 2025. A hybrid appraisal relies on successful submission of a Uniform Property Data (UPD) Report, an on-site property inspection completed by a property data collector and an appraiser uses the UPD to complete the hybrid appraisal. I have seen it reported that as many as 90% of Fannie Mae loans are eligible for delivery with a hybrid appraisal. Less data is available for Freddie Mac hybrid appraisal approvals. I couldn't find data regarding the percentage of loans delivered to the GSEs utilizing a hybrid appraisal. I can report that my company is not using hybrid appraisals with no plans to utilize them at this time.

The new year brings some optimism for the housing market as most predictions for 2026 are hopeful for small improvements in affordability, small increases in inventory and slightly lower interest rates** which should result in increased appraisal volume.

In times when appraisal volume is less than ideal, I offer these suggestions to possibly increase order volume:

*Provide the best customer service possible to your existing clients. Be proactive, clearly communicate any potential challenges or delays, try as hard as possible to meet deadlines, and remember there is a person getting a loan or other service at the other end of your report.

**Network with other appraisers. Often the best referrals come from one of your peers who cannot complete a job because it's out of their service area or they are otherwise unable, but you might be the expert for the area or property type.

Dori Davis is the Valuation Manager & Chief Appraiser, GO Mortgage Disclosure: * The forecasts and market observations referenced in this article are based on publicly available information and industry reports available at the time of writing. Housing market conditions, interest rates, and origination volumes remain subject to change and may differ from current projections

**All third-party data and forecasts cited in this article are derived from publicly available sources and are provided for informational purposes only. References to these sources do not constitute endorsement or a guarantee of future market performance.

The views expressed are those of the author and are intended solely for industry discussion. They do not constitute lending, valuation, legal, or investment advice.

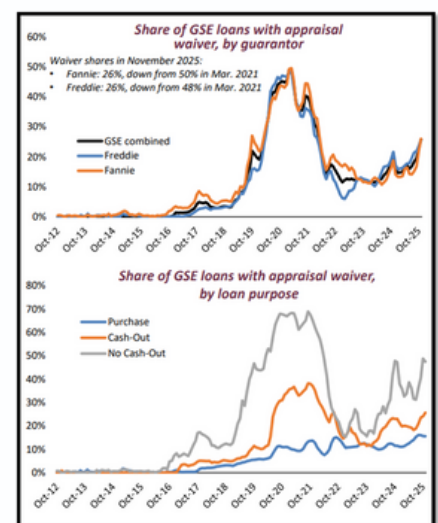


Prevalence of GSE Appraisal Waivers

The graphic to the right was published by American Enterprise Institute on January 26, 2026 on November 2025 statistics.

You can access their full report at the link below.

<https://www.aei.org/research-products/report/prevalence-of-gse-appraisal-waivers/>



State Organizations

South Carolina Professional Appraisers Coalition

by Malinda Griffin, MNAA & SCPAC Ed Chair

The South Carolina Professional Appraisers Coalition (SCPAC) is excited to announce its Annual Conference, scheduled for March 12–13, 2026, in Mt. Pleasant (Charleston), SC. This two-day event will feature an outstanding lineup of nationally recognized and local speakers and will provide participants with 14 hours of continuing education.

As the appraisal profession prepares for the transition to the new Uniform Residential Appraisal Report (URAR 3.6), Day 1 will focus on what appraisers need to know moving forward. Attendees will hear directly from representatives of Fannie Mae and Freddie Mac, along with software vendors Matt Johnson (SFREP) and Joel Baker (TOTAL), who will discuss the structure of the new report, workflow considerations, and the anticipated timeline for full implementation.

Day 2 will offer the 2026 USPAP 7-Hour Update, presented by Larry Roscoe, ensuring participants remain current with the latest ethical and professional standards.

Register at: <https://scpac.wildapricot.org/>



Association of Texas Appraisers Upcoming Event

The Association of Texas Appraisers will hold its 20th Mid-Year Meeting on February 13–14 at the Embassy Suites Conference Center in San Marcos, TX (1001 E. McCarty Lane).

Meeting Schedule:

- Friday, 8:00 a.m.–Noon – ChatGPT for Residential Appraisals
Instructor: Hansel Dobbs, Appraisify
- Friday, 12:30 p.m.–1:00 p.m. – Welcome
Presenter: Brian Marlow, ATA-R, President
- Friday, 1:00 p.m.–5:00 p.m. – Grey Matters: Judgment in the Appraisal Process
Instructor: Steve Kahane, ATA-R, Greater Houston Area Appraisers
- Friday, 5:00 p.m.–6:30 p.m. – Networking Reception
- Friday, 7:00 p.m.–9:00 p.m. – Dinner at Blacks BBQ
- Saturday, 8:00 a.m.–4:00 p.m. – 2026–2027 7-Hour National USPAP Continuing Education Course
Instructor: Russel Rice, Rice Real Estate Appraisal and Consulting

Register at: www.txappraisers.org

NAA BOG Organizations

Appraisers Coalition of Washington (ACOW)
<https://acow-wa.org/> - info@acow-wa.org

Association of Texas Appraisers (ATA)
<https://www.txappraisers.org/> - info@TXappraisers.org

Colorado Association of Real Estate Appraisers (CAREA)
www.CAREA.net - CAREA.appraising@gmail.com

Florida Association of Appraisers (FAA) -
<https://www.fappraisers.org/> - faappraisers@gmail.com

Kentucky Association of Appraisers (KAA) <https://www.ky-appraisers.org/> - info@kyappraisers.org

Mississippi Coalition of Appraisers (MSCAPP) <https://mscapp.org/>
- mscapp12@comcast.net

New York Coalition of Appraiser Professionals (NY-CAP)
<https://www.facebook.com/groups/202436526832014/> -
NewYorkCoalitionofAppraisers@gmail.com

North Carolina Professional Appraisers Coalition (NCPAC)
www.ncpac.us - ncpac@live.com

Ohio Coalition of Appraisal Professionals (OCAP)
<https://www.ocapweb.org/> - info@ocapweb.org

Real Estate Appraisers Association (REAA) <https://reaa.org/> -
info@reaa.org

Real Estate Appraisers of Southern Arizona (REASA)
<https://www.reasa.org/> - admin@REASA.org

Rocky Mountain Appraiser Association (RMAA)
<https://rmaa.org/> - President@RMAA.org

South Carolina Professional Appraisers Coalition (SCPAC)
<https://www.scpac.net/> - info@scpac.net

Utah Coalition of Appraisal Professionals (UTCAP)
<https://uautah.wildapricot.org/> - Info.UTCAP@gmail.com

Email us for more information on being part of the Board of Governors.

Other State Organizations

Colorado Coalition of Appraisers (COCAP) - www.cocapp.org - Michael Carroll - mj@mjvaluations.com

Coalition of Arizona Appraisers (CoAA) <https://www.azcoaa.us/> - info@AZCOAA.us

Coalition of Oregon Real Estate Appraisers (COREA) COREAppraiser@gmail.com

Delaware Association of Appraisers, Inc (DAA) <https://www.deappraisers.net/>

Illinois Coalition of Appraisal Professionals (ICAP) <https://www.deappraisers.net/>

Louisiana Real Estate Appraiser Coalition (LAREAC) <https://www.lareac.org/>

Michigan Coalition of Appraisal Professionals (MCAP) - <https://www.facebook.com/groups/michcap/> - Eric Dean Morse - eric@realistappraisals.com

North Dakota Appraisers Association (NDAA) <https://ndappraisers.org/>

Professional Appraisers Association of South Dakota (PAASD) <https://paasd.com/>

Tennessee Appraiser Coalition (TAC) <https://tappc.clubexpress.com/> - president@tnappraisercoalition.com

Virginia Coalition of Appraisers (VaCAP) <https://vacaponline.com/>

[Email](mailto:) us to be added to this list of state organizations.

Appraiser's Coalition of Washington State Hosts of the ACTS Conference

by Kathy Walsh, MNAA

The Appraisers' Coalition of Washington is excited to be your State Organization host for ACTS 2026. Seattle has much to offer, from the newly developed waterfront where you just might see one of our resident Orcas, to the iconic Pike Place Market or Seattle Center, with the Museum of Pop culture and the Space Needle.

Other things you can do include a short drive for breathtaking mountain views through Snoqualmie pass, a fun ferry ride to one of the islands, or tour the Skagit Valley tulip fields, which should be in full bloom. Of course, you'll want to participate in our pre-and-post conference activities, including a local invention, pickleball! There are 2 days of continuing education offerings and all-important networking opportunities at ACTS that you won't want to miss.

We kicked off the year with our annual Day on the Hill, a joint event with the Seattle Chapter of the Appraisal Institute where, along with our lobbyist, we met our elected representatives. Our new Statute of Limitations bill has passed several major hurdles and we are optimistic for a successful outcome. We are also actively pursuing a Valuation Waiver bill for right-of-way work that addresses a disparity in federal versus state law.

Our commitment to our members remains steadfast in providing advocacy outreach, education, and support for all appraisers with new classes and events in the works, including special events for trainee appraisers.

Stop by our booth at ACTS and introduce yourself. We look forward to meeting you.

GO HAWKS!



The Appraisal Standards Board also has an exposure draft published on the use of technology in appraisal and appraisal assignments which adds advice on use of Artificial Intelligence.

I often hear students complain in the USPAP courses I have taught since 2008 about the changes. Many state: "Well they didn't ask me!" They are asking you what you think and why you think the changes are good or bad.

Helen Keller stated: "Alone we can do so little; together we can do so much."

This exposure process has been in place for many years. Take the opportunity to let them hear your thoughts on the changes to USPAP and the criteria to become an appraiser.

Please take some time to review these documents and provide comments to the respective boards. Your input is valued and valuable during this process.

The exposure drafts and links to comments can be found on The Appraisal Foundation's website here: <https://appraisalfoundation.org/pages/discussions-exposure-drafts>

Exposure Drafts from ASB and AQB

by JoAnn Apostol, MNAA

The Appraiser Qualifications Board has spent several years reviewing and analyzing the criteria to become an appraiser. These criteria had previously been added to or reduced by each category. The proposed criteria are a revamp and reorganization.

In addition to the Criteria Exposure Draft, the AQB has asked for responses on two White Papers. The first proposes a "Super Exam," which could take the place of both education and experience. The second proposes a skill-based pathway that would not require a supervisor and takes place outside the direct context of appraisal assignments. Both of these papers are worth reading. In fact, the current criteria exposure draft had a White Paper exposed prior to the current work completed by the AQB.

This is the first opportunity to express your thoughts. With complex documents like this, there are often subsequent exposure drafts published.

<https://naappraisers.org/>

AQB Criteria Exposure Draft Summary

The Exposure Draft proposes a comprehensive modernization of the Real Property Appraiser Qualification Criteria intended to improve clarity, reduce unnecessary barriers to entry, and better align minimum qualification requirements with how appraisal competency is actually developed and demonstrated in practice. The overarching rationale for the changes is grounded in multi-year research, including the 2025 National Job Analysis, and extensive stakeholder input indicating that appraisal competency is best supported through appraisal-specific education, applied experience, and examination performance rather than through legacy structural requirements that have accumulated over time.

A central proposed change is the elimination of all college-course and college-degree requirements for the Certified Residential and Certified General credentials. The rationale for this change is that degree attainment was found not to correlate with appraisal competency or professional performance, while continuing to function as a significant and often inequitable barrier to entry. The AQB proposes to replace degree requirements with enhanced qualifying education and a more robust examination content outline, ensuring analytical rigor is maintained while focusing learning on appraisal-specific skills rather than unrelated academic coursework.

The draft also proposes increases and refinements to qualifying education requirements for most credentials, coupled with the removal of elective coursework from the Required Core Curriculum. The rationale is to strengthen core analytical competencies and ensure uniform minimum education nationwide, while reducing administrative burden and confusion caused by elective options that did not meaningfully contribute to minimum competency. In particular, a new required module focused on market data analytics and case studies is proposed to address documented weaknesses in market analysis, statistical application, and support for adjustments, as identified through exam performance data and stakeholder feedback.

Structural reorganization and plain-language rewriting of the Criteria represent another significant change. The Criteria have been reorganized to mirror how applicants actually progress through licensure and how regulators administer requirements, with consistent terminology, consolidated definitions, and updated cross-references throughout. The rationale for these changes is to improve readability, reduce misinterpretation, and support more consistent implementation across states without altering substantive requirements unless explicitly stated.

The proposed revisions significantly modernize experience requirements by clarifying when experience may be earned and expanding acceptable experience pathways. Applicants for Licensed and Certified credentials would be permitted to earn experience before, during, or after completing qualifying education and the examination, rather than being constrained by perceived sequencing rules. The rationale is to remove artificial bottlenecks that delay entry into the profession while preserving safeguards through USPAP-compliant work, verifiable documentation, and examination standards. Trainee Appraisers would remain required to complete qualifying education before beginning experience to ensure baseline preparedness.

Experience recognition is further expanded to explicitly include mass appraisal environments, legally confidential valuation settings such as certain federal agencies, and assignments performed under recognized International Valuation Standards. These additions are intended to address long-standing gaps in the Criteria that limited recognition of legitimate appraisal work performed in structured, regulated environments, while maintaining expectations for verifiability, scope, and equivalency to USPAP-based competency.

The draft also clarifies and distinguishes among log-based experience, Practicum programs, and PAREA. Practicum is more precisely defined as instructor-led work on real properties, distinct from PAREA's simulated environment and traditional supervised assignments. The rationale is to reduce confusion, prevent inconsistent program design, and ensure that experience credit is awarded only for clearly defined, complete programs that demonstrably support competency development.

Changes to examination policy include allowing applicants to sit for the national exam upon completion of qualifying education, rather than tying eligibility to experience progression, and eliminating expiration and timing limits on passing exam results. The rationale for these changes is to increase flexibility, reduce unnecessary retesting, and eliminate administrative requirements that did not improve public trust or competency assurance.

The proposed Criteria reduce the minimum experience timeframe for the Certified Residential credential from twelve months to nine months. This adjustment aligns the Certified Residential timeline proportionally, at 166.6 hours per month, with Licensed Residential and Certified General requirements and reflects a consistent hours-to-time framework across credential levels, without reducing the total experience hours that are required.

Continuing education requirements are clarified to propose that Trainee Appraisers are not required to complete continuing education while holding the trainee classification. The rationale is that trainees cannot practice independently and that imposing CE during this stage added cost and complexity without advancing public protection. Continuing education obligations would clearly begin once an individual becomes credentialed.

Supervisory and trainee provisions are reorganized and clarified, including explicit explanation of the three-trainee supervision limit and the circumstances under which states may authorize higher ratios. These changes are intended to support meaningful supervision while recognizing differences in practice settings, without substantively altering supervisory responsibility expectations.

Finally, the draft proposes targeted updates to AQB Guide Notes, including retiring guidance that is no longer relevant under the revised Criteria and adding a new Guide Note focused on experience log signatures and documentation, particularly for mass appraisal and non-traditional environments. The rationale is to improve national consistency in experience verification while ensuring that guidance remains aligned with the reorganized and modernized Criteria.

Taken together, these proposed changes are designed to modernize the Criteria in a way that preserves rigor and public trust while improving clarity, accessibility, and alignment with contemporary appraisal practice and workforce realities.

The New Housing Calculus:

Navigating Policy Shifts and Market Realities in Q1 2026

by Kevin Hecht, MNAA

The first quarter of 2026 marks a turning point for the U.S. housing market. Aggressive government intervention, shifting market dynamics, and competing economic forces are reshaping how property values form and how risk should be assessed. For real estate appraisers, this environment calls for sharper attention and a more nuanced understanding of the forces at work. The story is no longer driven solely by interest rates and inventory levels. Instead, policy actions and market fundamentals are interacting in ways that are often uncertain and difficult to predict.

The Trump Administration's Policy Push

Housing affordability has become a central policy priority for the Trump administration entering 2026. In a move reminiscent of the post-2008 playbook, President Trump directed Fannie Mae and Freddie Mac to purchase \$200 billion in mortgage-backed securities with the goal of pushing mortgage rates lower. The Federal Housing Finance Agency has confirmed that the GSEs will carry out this directive, making it one of the most direct interventions in housing finance in recent years.

At the same time, the administration has announced plans to restrict institutional investors from purchasing single-family homes. While intended to improve access for owner-occupants, the proposal has drawn criticism for potentially removing a major source of market liquidity. These actions are unfolding alongside broader political tensions, including a criminal referral and grand jury subpoena involving Federal Reserve Chair Jerome Powell related to renovations of the Federal Reserve Building. Together, these developments point to a strained and highly visible conflict between fiscal and monetary authorities.

Mortgage Markets in Motion

Policy actions have had an immediate impact on mortgage markets. Following the GSE bond purchase announcement, the average 30-year fixed mortgage rate fell to 5.99 percent on January 9, its lowest level in nearly three years. Refinancing activity responded quickly, with applications jumping 108 percent year over year for the week ending January 2.

While seasonal factors muted activity during the holidays, lenders expect refinancing volumes to rise as borrowers react to lower rates. The durability of those rates remains uncertain, however. Volatility in the 10-year Treasury yield, driven by mixed economic data, raises questions about how long mortgage rates can remain at current levels without continued policy support.

Affordability Remains the Central Constraint

Lower mortgage rates have not resolved the affordability problem. In the fourth quarter of 2025, affordability was stretched in 99 percent of U.S. counties. In places like Los Angeles County, typical housing costs consumed as much as 67.5 percent of average local wages. Although national home prices have pulled back from their early 2025 peak, they remain historically high.

The result is a market where increased inventory and modest price easing have not translated into broad-based affordability gains. Many prospective buyers remain sidelined, even as conditions appear to improve on the surface.

A Market of Contrasts

National housing data in early 2026 tells a mixed story. Inventory is up 12 percent year over year, and homes are spending more time on the market, signaling softer demand overall. At the same time, certain regional markets remain intensely competitive.

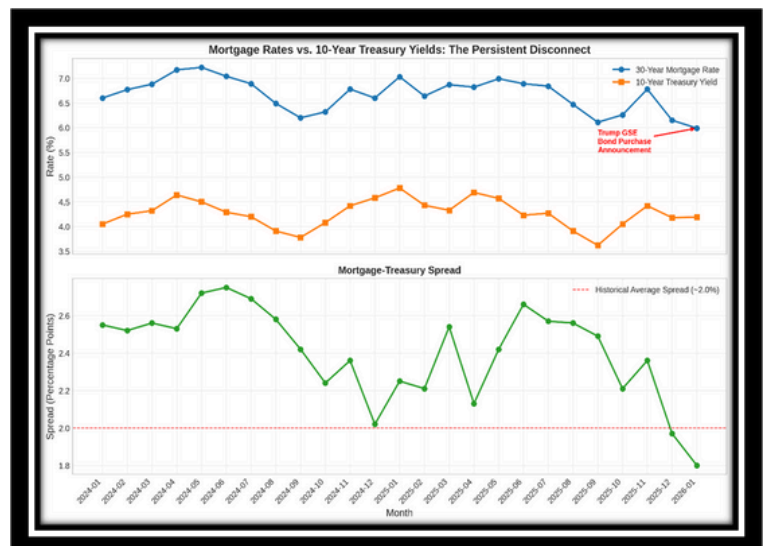
Hartford, Connecticut stands out as the most competitive market in the country, with housing supply still 63 percent below pre-pandemic levels and more than two-thirds of homes selling above list price. These sharp regional differences reinforce the importance of localized analysis and caution against overreliance on national trends.

Economic Crosscurrents

The broader economic backdrop adds another layer of complexity. The labor market has cooled, with December's jobs report marking the slowest year for hiring since 2020. Persistent inflation has pushed the Federal Reserve toward a more cautious approach, with S&P Global Ratings projecting only 50 basis points of rate cuts in the second half of 2026.

At the same time, consumer sentiment has proven more resilient than expected, reaching a four-month high in early January. Consumers appear to be adjusting to sustained higher prices and borrowing costs, even as growth slows and uncertainty remains elevated.

Continued on Page 11



NAA Board of Directors

by JoAnn Apostol, MNAA

The NAA Board of Directors met on January 27, 2026 virtually.

Planning is underway for several trainee engagement activities, including a Murder Mystery Party and a potential field trip to a local site or a Pulte Homes development during the ACTS Conference in Seattle. Committee reports noted steady progress, with audits continuing on a semiannual basis, no recent Board of Governors meetings since the Summit, and the next meeting scheduled for April 12th at ACTS.

Significant focus was placed on events and education. Dates were confirmed for the Appraisal Summit in 2026 and 2027, with themed programming planned, and ACTS locations were announced through 2028, including Florida and Nashville. Education initiatives continue to expand, with new certifications in litigation, manufactured housing, hybrid appraisals, and updates to review certifications, including a move toward asynchronous delivery.

Membership, governance, and outreach efforts remain active. The Nominating Committee implemented a new, transparent process aligned with the bylaws, resulting in unanimous board candidate recommendations and competitive elections now open for voting. Membership totals stand at over 2,000, with 635 designated members. Governmental Affairs reported progress on responses to the Appraisal Foundation exposure drafts. Fundraising efforts are gaining momentum with new event ideas and planning for the conferences this year. The communications and public relations teams continue advancing publications and document reviews. The meeting closed with updates on industry meetings, advisory councils, and upcoming industry events.

The next board meeting is in-person at the ACTS Conference in Seattle, Washington on April 10th from 4:30 - 7:30 pm. Board meetings are open to the public and we encourage members to attend.

Email us at info@naappraisers.org to attend or for more information.



The NAA Board of Directors Nominees for 2026
Top Row: Blair Dingeman, MNAA, Carol Huffman, MNAA and Hal Humphreys, MNAA

Bottom Row: Ken Williams, MNAA, Pamela Teel, MNAA, and JoAnn Apostol MNAA

Look for your unique code to vote in your email! Voting runs from February 2nd to March 2nd



The Housing Economy from Page 10

Commercial Real Estate Signals

Commercial real estate continues to work through its own adjustments. Industrial markets are absorbing roughly 2.5 billion square feet of new supply delivered since 2020. In multifamily, performance is diverging. Mid-tier properties are seeing positive rent growth, while luxury properties face pressure.

Single-tenant net-lease retail has emerged as a relative bright spot, with rising deal volume as private investors seek predictable income and stability in an otherwise unsettled environment.

What This Means for Appraisers

For appraisers, today's market presents both risk and opportunity. Large-scale policy interventions introduce uncertainty about long-term pricing, liquidity, and market behavior. The growing gap between national averages and local realities makes granular market knowledge more important than ever.

Financing terms also require closer scrutiny. Buydowns and other creative structures can distort sale prices and complicate comparable analysis if not properly identified and adjusted. In this environment, appraisers are not just valuing property. They are interpreting market signals and assessing risk amid rapidly changing conditions.

Closing Thoughts

The U.S. housing market has entered a more complex phase in early 2026. Direct government intervention, a cautious Federal Reserve, and stubborn affordability challenges have created a market full of contradictions. For real estate appraisers, success will depend on disciplined, data-driven analysis, strong local market insight, and the ability to separate temporary policy effects from lasting market fundamentals.

The rebalancing that defined 2025 has given way to a new housing calculus. Appraisers who understand it will be better equipped to guide clients through a market that is still searching for its next equilibrium.

THANK YOU!

**Appraiser eLearning for co-sponsoring the
Appraiser's Conference and Trade Show!**



HUD 4000.1 2025 Changes

by Bryan Meredith, MNAA

Appraiser Update on Changes to Handbook 4000.1 from 2024 to 2025. Sections herein are based on the current Handbook 4000.1 revision 11/26/2025. FHA is changing guidelines and requirements more frequently than in the past, so we should expect more changes to come as they get closer to using the UAD 3.6. Here is a summary of the most recent changes affecting appraisals.

Section IID.1.1. discuss the documents an appraiser must obtain from the mortgagee before beginning an appraisal. Often AMCs and lenders fail to provide all the required documents and appraisers would be prudent to request the documents and note what if any were (or were not) provided before beginning the appraisal.

Section II D.3. changed the required form for completion inspection of new construction and manufactured housing from the 92051 CIR in PDF to the 1004D/442 form, to align with the industry standard.

Section II D.3.i. discusses defective paint and identifies treated wood repairs.

Section II D. 3.iv(3)(C) discusses required reporting when the Sales Contract references dampness. And changed the nomenclature "purchase contract" to sales contract.

Section II D. 3.k removed the requirement to make an appraisal subject to an engineer or architect certification for the foundation of a manufactured home to be in compliance with the Permanent Foundation Guide for Manufactured Housing (PFGMH). Although the appraisal does not need to be made subject to, the mortgagee is still required to obtain an engineer or architect certification the foundation of a manufactured home is in compliance with the PFGMH; therefore, if the appraiser was not provided a copy of the foundation certification it would be prudent to state the extraordinary assumption the foundation meets the PFGMH if there was nothing observed that would suggest otherwise.

Section II D. 4. removed the requirement to label the property sketch covered or uncovered for areas such as a patio.

Section II.D.4.4.a removed the requirement for appraisers to take photos from opposite angles, attics, crawl spaces, and common areas. However, at this time Sections II.D.3-j, k and i, remain unchanged and still require attic and crawl space observation. Since you are still required to observe the attic and crawl space, it would be prudent to document compliance with a photo for your work file even if you do not put the photo in the appraisal.

Section II.D.4.4.a removed certain language regarding comp photos in the photo section; however, II D 4 (H) (1) remains, and it states that the appraiser must inspect at least the exterior of the comparable properties. Since you are already there it would be prudent to document compliance of at least exterior inspection of all comparables with a photo for your work file even if you do not put the photo in the appraisal.

II.D.4.4.a deleted the requirement to provide photos of condominium project common areas and shared amenities.

II.D.4.iii (D) removed the requirement to state the remaining economic life. However, any significant difference between effective date and actual age of the property still requires an explanation, and the 1004 appraisal form still requires stating an effective age.

II.D.4. (E)(3) removed absorption analysis and listing comps in changing markets. The requirement to summarize the continuance of the current trend was also deleted. However, most other trend analysis requirements remain. It also removed the requirement for at least two closed comparable sales in the past 90 days.

II.D.4. (E)(3) also removed the requirement for a minimum of two active listings or pending sales. An Appraisal Report should always include the most current comparables, and this change appears to put greater reliance on the appraiser's judgment. However, commentary would still be prudent when using comparables older than six months.

Section II D. 4.(F) discusses market conditions and changing markets including definitions of increasing and decreasing markets.

Section II D. 4.(H)d. discusses reporting and analysis of prior sales or transfers of the subject and comparable sales.

FHA is changing guidelines and requirements more frequently than in the past, so we should expect more changes to come as they get closer to using the UAD 3.6

Be sure to subscribe to the FHA email list to receive updates on handbook changes to your inbox.

<https://www.hud.gov/subscribe/signup>



In 2023, The Appraisal Foundation Board of Trustees completed a comprehensive review to ensure the Foundation's governance structure followed best practices and upheld the public trust. As a result, a new opportunity for collaboration with the Foundation was developed: Partners.

Partners are nonprofit organizations that have committed to work with The Appraisal Foundation to uphold public trust in the appraisal profession through communication and collaboration. Partner organizations have the ability to nominate individuals to become Partner Trustees on the Foundation Board of Trustees, but there is no direct appointment. Final selections of all trustees are made by the Board of Trustees in consultation with the Trustee Nominating Committee.