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TO: Appraiser Qualifications Board  
The Appraisal Foundation  
1155 15th Street, NW, Suite 1111  
Washington, DC 20005  
<https://www.surveymonkey.com/r/ASBComments>  
[AQBcomments@appraisalfoundation.org](mailto:AQBcomments@appraisalfoundation.org)

**RE: Concept Paper - Assessment of College Degree Requirements within the Criteria**

Dear Chair Swinney and members of the AQB,

The National Association of Appraisers (NAA) has reviewed the Concept Paper - Assessment of College Degree Requirements within the Criteria dated May 28, 2024, and respectfully submits the following comments for your consideration.

**Specific Questions Related to College Requirements**

*1) Should individuals be able to obtain any appraisal credential with no post-secondary education? Please explain why you hold your opinion.*

NAA Response: NAA holds post-secondary education in high regard however, we hold experience in equally high regard. While formal education provides theoretical knowledge, experience builds practical skills and real-world understanding which are critical for success as an appraiser holding any credential.

We believe that experience can and should be an alternative to post-secondary education for the CG credentials, just as an LR can ascend to CR through experience in lieu of post-secondary education. We propose that an appraiser who has held a CR credential for at least 5 years, meets all experience and qualifying education requirements and passes the exam should be allowed to ascend to CG with no college education.

Supporting our opinion is the number of highly competent and successful CG appraisers who earned their credential prior to the current college degree requirement and do not hold college degrees.

*2) Are there specific college related requirements that you believe make the CR and CG credentials too high? If yes, please elaborate.*

NAA Response: College related requirements create barriers to entry into the profession as well as barriers to ascending from CR to CG. The cost of obtaining a college degree is out of reach for many otherwise qualified individuals. Additionally, many who would wish to ascend to a higher credential are not in a position to take the time necessary to obtain a degree due to professional and family obligations.

3) *If you do not believe an appraiser should have college requirements, should appraisers only be required to learn “appraiser specific education” and leave skills and competency development to be learned during the attainment of required experience? Please explain why you hold your opinion.*

NAA Response: We do not believe that earning a college degree creates competency, particularly not when a degree is earned in an area unrelated to real estate appraisal. Competency is developed through experience.

4) *The LR credential is the only credential with no college related qualifications options or requirements. Yet very few lender clients (which are the first types of clients most residential appraisers can gain) will hire a LR. Do you believe the lack of a lenders willingness to hire LR’s stems from a view of underqualification, or something else? Please clarify your belief.*

NAA Response: Historically, few residential lenders made any distinction between LR and CR until 2008, when FHA began requiring Roster appraisers hold CR or CG credentials. Prior to that, experience was the primary factor for “lender approval”, with most requiring a minimum of three years of licensure/certification.

Page 70 of the Reference Material document states: ***When FHA prohibited licensed appraisers from FHA work, it had a ripple effect on the profession. Many lenders changed their qualification requirements to align with those of FHA.*** This is not entirely accurate. Lenders changed their qualification requirements because of FHA’s certification mandate, not because they cared particularly which credential was held by the appraiser.

The reason is straightforward: mortgage financing often changes from conventional to FHA loan programs as the loan is being processed. Post 2008, if an LR (no longer on the FHA roster) was hired to perform an appraisal and the loan was subsequently converted to FHA, an entirely new appraisal would have to be obtained from an FHA Roster Appraiser (CR or CG), adding considerable time and expense to the lending process.

5) *Is there an imbalance in the Criteria regarding the college requirements differences between the LR and CR credentials, if so, what would you recommend doing to address this, and why?*

NAA Response: NAA believes the current criteria differences between LR and CR are appropriate because there is a path to obtaining a CR credential through experience in lieu of college requirements.

6) *If the college requirements were removed, would other requirements (more exams, more appraisal specific education, etc.) need to be adjusted to ensure the Criteria protects the public trust? Please provide rationale for your position.*

NAA Response: As previously stated, NAA believes the current criteria is appropriate due to the alternate paths to ascending from LR to CR, however, college requirements could be replaced with more appraisal specific education to ensure understanding. Additional qualifying education would produce a better prepared appraiser than a degree in a field of study completely unrelated to appraisal practice.

## **General Questions**

7) *What training and abilities should an aspiring appraiser ideally possess to be credentialed? Why?*

NAA Response: Beyond the QE requirements of the criteria, aspiring appraisers should possess the ability to analyze data, write in a clear and concise manner, and for residential disciplines, aspiring appraisers should have a general understanding of the mortgage banking system and secondary market.

8) *From your perspective as a user of appraisal services:*

a) *What factors determine an appraiser's readiness for engagement?*

NAA Response: Competency. Competency is gained through experience which is why many users of appraisal services require a supervisory appraiser until an individual has a minimum of three years of licensed/certified experience.

b) *To what degree should the gap between minimal qualification and practicing competency be left for the appraiser and regulatory system to manage, assuming adequate enforcement measures?*

NAA Response: The role of regulatory agencies is to enforce USPAP, not to instill competency. However, NAA fully supports state agencies that offer mentorship in lieu of disciplinary action when violations occur.

c) *Are there gaps between existing qualifications and competency expected in the marketplace that need to be addressed? What gaps, if any, can you identify?*

Many appraisers would benefit from general business, technical writing and dispute resolution courses. NAA urges the AQB to consider expanding the topics for which appraisers may earn Continuing Education credits.

NAA sincerely appreciates the opportunity to provide feedback on this concept paper and for your consideration of our input.

Sincerely,

Laurie Egan, MNAA on Behalf of NAA  
Association Manager/Chair, Government Affairs Committee  
National Association of Appraisers