



Alabama Real Estate Appraisers Board

VOLUME 23 NO. 1

THE APPRAISER BULLETIN

WINTER 2021

The Appraiser Qualifications Board Adopts New Pathway for Aspiring Appraisers

The Appraisal Foundation Appraiser Qualifications Board adopted the Practical Applications of Real Estate Appraisal (PAREA). These new minimum Criteria provide another pathway for aspiring appraisers to fulfill their experience requirements by taking advantage of innovative technology.

“Technology is opening new doors in the appraisal profession,” said Vice President of Appraisal Issues Lisa Desmarais. “The current trainee/supervisor model can sometimes be a barrier to entry for aspiring appraisers. PAREA is not a replacement for this existing model, but it is an alternative pathway for those hoping to become appraisers to gain the required experience to join the profession. We hope state agencies will take advantage of these new minimum Criteria to establish more alternatives and make becoming an appraiser more accessible for anyone looking to join this growing field.”

PAREA is designed to offer practical experience in a virtual environment combining appraisal theory and methodology in real-world simulations. This experience can be provided through a wide range of online and virtual reality technologies.

Currently, aspiring appraisers must have a supervisor appraiser oversee their required trainee experience hours, but in many markets, trainees cannot find a mentor, creating a barrier to entry in the profession. This limits the number of people who can become appraisers each year. As The Appraisal Foundation looks to grow diversity in the profession, its boards will continue to explore how technology can help aspiring appraisers gain their required experience to make the appraisal industry more accessible.

NOTE: The Alabama Real Estate Appraisers Board is discussing these options and what changes would need to be made to the Administrative Code to adopt this new model.

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DISCIPLINARY REPORT

The Alabama Law requires the Board to regulate the conduct of appraisers in Alabama. The Board's Administrative Rules outline the procedure for handling complaints. The Uniform Standards of Professional Appraisal Practice provide the basic ethical standards for which appraisers must comply. Appraisers should carefully note the following violations, which resulted in disciplinary action of the Board.

AB 19-03 On September 17, 2020 the Board approved a Consent Settlement Order with a Certified Residential appraiser where the Board assessed a \$750 fine and issued a private reprimand. The violations in the report were as follows: Licensee made several adjustments to the comparable sales used in the Sales Comparison Approach to value without market support or explanation in the report or work file. This makes the sales comparison approach non-credible due to lack of support.

This indicates that the licensee did not correctly employ the sales comparison approach to value to produce a credible appraisal. Licensee did not properly research and analyze the data to make credibly market adjustments to the comparable sales utilized in the sales comparison approaches to value in the appraisal. The licensee did not do an analyzes of the subjects highest and best use. The licensee only checked a box stating that the subjects highest and best use was its current use. An appraiser must analyze the relevant legal, physical, and economic factors to the extent necessary to support the appraisers highest and best use conclusion. Under Site value the licensee states the site value was "developed through the use of land sales" but gives no data or analyzes to support this value. Licensee's reporting of data and opinions and conclusions that were not supported by relevant evidence or logic make this report misleading. Licensee's report failed to have sufficient information to support by relevant evidence and logic the licensee's opinions and conclusions and therefore the intended users could not properly understand the report properly.

Letters of Warning were issued on the following investigations for the discrepancies indicated. This disciplinary action will be considered in any future discipline proceedings:

AB-19-05 On July 14, 20202 to a Certified Residential Appraiser where licensee states site value was "developed through the use of land sales and reported the land sales in the work file but there is no analyzes to support the value.

***THE ALABAMA REAL ESTATE APPRAISERS BOARD DOES NOT
ACCEPT ANONYMOUS COMPLAINTS***

USE OF “PRE-SALES” AS COMPARABLE SALES

The Board does not dictate to an appraiser what comparable sales they are to use. Moreover, The Board has no rules or regulations which state that an appraiser is prohibited from using a pre-sale comparable as described above. There is no single course to determine whether a sale is comparable and will lead to credible assignment results.

Comparable selection is a Scope of Work Decision as stated in USPAP, Scope of Work Rule:

“An appraiser must properly identify the problem to be solved in order to determine the appropriate scope of work. The appraiser must be prepared to demonstrate that the scope of work is sufficient to produce credible assignments results.”

USPAP goes on to state:

“Appraisers have broad flexibility and significant responsibility in determining the appropriate scope of work for an appraisal or appraisal review assignment.”

“Credible assignment results require support by relevant evidence and logic. The credibility of assignment results is always measured in the context of the intended use.”

Comment: Proper disclosure is required because clients and other intended users rely on the assignment results.”

According to Fannie Mae, a property is comparable if the market considers it a competitive substitute. Once a property is determined to be comparable by the appraiser, then appropriate analysis and market adjustments are applied. The key is for the appraiser to adequately explain and support the rationale for using the comparable property selected in the appraisal report.

SOLICITATION OF INTEREST

***Senior Real Property Valuation Analyst
(Appraisal Investigator Class Code 20322
Option 468)***

The Alabama Real Estate Appraisers Board is once again soliciting for the above Investigator position.

NOTE: IF YOU HAVE ALREADY APPLIED, WE STILL HAVE YOUR APPLICATION AND RESUMÉ ON HAND AND ARE BEING CONSIDERED. PLEASE DO NOT APPLY AGAIN!!!!

This is a merit system employee classification with full state benefits: state health insurance, state retirement, annual leave, sick leave and holiday pay. An essential criterion of employment is licensure by this Board as a Licensed Real Property Appraiser (L), Certified Residential Real Property Appraiser (R) or Certified General Real Property Appraiser (G).

The position is in the salary range of \$45,532.80 - \$76,365.60. Salary placement will depend on education, experience and earnings history. This is a career opportunity, which is not subject to influence by Board member or Executive Director change. Duty station is negotiable.

PLEASE NOTE: APPLICATIONS MUST BE MADE TO THE STATE PERSONNEL DEPARTMENT at www.personnel.alabama.gov

If you are seriously interested in making application for this position you may contact Executive Director Lisa Brooks or Legal Counsel Neva Conway at (334) 242-8747, for further details and instructions.

Please make application before February 28, 2021.

1-25-2021

CALENDAR

The Alabama Real Estate Appraisers Board meets on the third Thursday every other month unless there is a need to reschedule or have special called meetings. If committee meetings are scheduled they will be held on the Wednesday afternoon before the meeting on Thursday. If a disciplinary hearing is scheduled the regular meeting and hearing is typically scheduled on Thursday. Meeting notices are now published in advance on the Secretary of State's website at www.sos.state.al.us/aloma/. Continuing education credits are available for Board meeting attendance. Most meetings and all disciplinary hearings are held at the Board offices in Montgomery. All licensees are urged to attend Board meetings. When you plan to attend a meeting please call the Board office in advance to confirm the particulars of time and location.

2021 TENTATIVE MEETING SCHEDULE

January 21, 2021
March 18, 2021
May 20, 2021
July 15, 2021
September 16, 2021
November 18, 2021

**Alabama Real Estate
Appraisers Board**

RSA Union Building
100 N. Union, Suite 370
Montgomery, AL 36104
Tel. 334/242-8747, Fax. 334/242-8749
WEB Address: www.reab.alabama.gov

Editor: Lisa Brooks

Board Members
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CHANGE OF ADDRESS FORM

In accordance with the Code of Alabama, 1975, §34-27A-16, which requires **IMMEDIATE** written notification to the Board of changes in business and resident addresses, **PLEASE CHANGE MY ADDRESS TO:**

Business: (Preferred Mailing ____)

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Telephone No.: _____

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Signed: _____

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Date: _____

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