

and audit procedures and actions.

***G. Validation of Experience Documentation for AQB Criteria Conformance and USPAP Compliance [Section added August 9, 2007. No specific effective date as this amendment does not establish new requirements.]***

The following discussion provides guidance regarding how State agencies can ensure that applicants for certification and licensure have the necessary experience to perform appraisals in connection with federally related transactions and real estate related financial transactions that require the services of State licensed or certified real estate appraisers under Federal law.

- 1. Validation of Qualifying Experience and Proper Use of Experience Logs** – Most States require applicants for licensure or certification to submit an experience log that lists, with some specificity, each of the appraisals claimed for experience credit. Reviewing experience logs is only the first step in evaluating an applicant’s experience claims. States, in some reliable manner, must validate that the experience listed on the log actually exists. Therefore, it is necessary that each entry on an experience log contains sufficient information to enable a State agency to validate the existence of the appraisal and to perform its duty to determine whether the applicant is capable of performing USPAP-compliant work.
- 2. Determinations of USPAP Compliance** – Generally, for appraisal experience to be acceptable under AQB criteria, that experience must be USPAP-compliant. Appraisals, other than mass appraisals and tax assessment/*ad valorem* appraisals, must comply with USPAP Standards 1 and 2. Mass appraisals and tax assessment/*ad valorem* appraisals must comply with USPAP Standard 6. Therefore, States, under Title XI and the AQB’s certification criteria, must determine, by some reasonable method, whether applicants are capable of performing appraisals that are USPAP-compliant.

The only acceptable method of making this determination is by reviewing appraisal work product for each applicant. For most States, the most reasonable approach to making this determination would be to review specific work products and/or to require the applicant to perform appraisals of specified properties and prepare corresponding appraisal reports (*e.g.*, demonstration reports). It is important to note that the State agency must select the work products to be reviewed. Allowing applicants to make the selection would significantly reduce the reliability of any validation approach. States must exercise due diligence in determining whether submitted experience is USPAP-compliant. States are free to tailor their methods of making this determination to fit their unique needs. The ASC will review each State’s method on a case-by-case basis and determine whether that method is acceptable for Title XI compliance.

- 3. Determinations of Experience, Experience Hours, and Time Periods** – When awarding experience credit toward certification, States need to make reasonable determinations that the applicant is capable of performing the work authorized by the requested credential. For example, when awarding a certified general credential, States need to review both residential and commercial work product.

When measuring the beginning and ending of the experience period under AQB criteria (currently 24 and 30 months for certified residential and certified general, respectively), States need to review each appraiser’s experience log (or other documentation) and note the dates of the first and last acceptable appraisal activities performed by the applicant. Then, the State needs to

calculate the time period spanned between those appraisal activities. The spanned time period must comply with the time period set forth in AQB experience criteria.

4. **Applicability to Licensed Appraisers** – To reduce confusion and administrative inefficiencies, the ASC strongly encourages States to treat experience claims of applicants for licensure in the same manner as those submitted by applicants for certification.
5. **Supporting Documentation** – To ensure that the ASC can determine whether the State is appropriately validating experience documentation for AQB criteria conformance and USPAP compliance, a State needs to maintain adequate documentation to support its validation method or methods.