

	<h1>ACLB NEWSLETTER</h1>	
Appraiser Certification and Licensure Board 325 13th Street NE, Suite 301 Salem, Oregon 97310	<b>ACLB OFFICE</b> Telephone Number: (503) 373-1505 FAX: (503) 378-6576	December 1992 Official Publication Volume 1 No. 1 - Page 1

## ANNUAL RENEWAL OF APPRAISERS CERTIFICATES AND LICENSES

The Appraiser Certification and Licensure Board (ACLB) was created by the 1991 Oregon Legislative Assembly to implement Chapter 5, Oregon Laws 1991 and Title XI of the Federal Financial Institutions Reform, Recovery and Enforcement Act of 1989 (Public Law 101-73) in Oregon. As a regulatory agency, the Board represents the broad public interest while it implements its regulatory functions in Oregon. The Board: regulates all real estate appraisal activity in Oregon; licenses, certifies, supervises and disciplines appraisers in Oregon, develops and establishes appraisal education and experience standards; and ensures that all real estate appraisal activities are in compliance with state and federal guidelines and standards.

Members of the Board were appointed by the Governor in April 1991. And the ACLB Administrator was appointed by the Secretary of State in July 1991. The Board had only six months to bring Oregon in compliance with Title XI and to have a pool of appraisers available on January 1, 1992, to perform real estate appraisal activity in Oregon. The Board met this challenge and implemented Title XI on January 1, 1992. There were 387 appraisers licensed and certified to perform real estate appraisals on January 1.

Since January 1, when the Board implemented Title XI of FIRREA of 1989 within the Oregon, the ACLB has issued licenses, certificates or registrations to 1,313

individuals who could perform real estate appraisal activity in Oregon during 1992. A breakout of these appraisers follows.

<b>OREGON APPRAISERS</b>	
State Certified Appraisers (SCA)	359
State Licensed Appraisers (SLA)	492
Transitional State Licensed Appraisers (TSLA)	104
Appraiser Assistants (AA)	331
Temporary Non-Resident Appraisers	27
<b>TOTAL</b>	<b>1,313</b>

The licenses and certificates issued to the first group of appraisers will expire on December 31, 1992. In early December, the ACLB Office mailed out 655 renewal applications to licensed and certified appraisers whose licenses and certificates expire between December 31, 1992 and January 31, 1993.

Additional renewal applications will be mailed out during 1993. There are also 331 appraiser assistants currently registered in the State of Oregon who will be renewing their registrations or applying for licensure or certification in 1993.

Each certified and licensed appraiser must have taken and completed at least 10 hours of continuing appraisal education in order to renew the certificate or license. The ACLB Office has received many inquiries from appraisers during this first renewal process with regard to renewal requirements. This newsletter addresses the most commonly asked questions by licensed and certified appraisers, and registered appraiser assistants in the State of Oregon.

## CONTINUING EDUCATION

**Q. I've heard that the ACLB may delay the continuing education requirement for 1992 relicensing. Is this true?**

**A. NO!** The 10 hour of continuing education is a requirement of both Federal Law and Oregon Law. License renewal will require 10 hours of continuing education.

**Q. What qualifies for continuing education?**

**A.** The minimum length of time for continuing education course or seminar to be acceptable is two hours. Continuing education needs not be tested. "Carry over" of hours from past to future license years is not allowed. Only hours that are directly related to real estate appraisal will be accepted for continuing education.

**Q. Does the ACLB have a list of approved courses?**

**A. No.** The Board is in the process of developing pre-approval criteria for all educational requirements, including continuing education in the sense that the

same variety of education that was approved for original licensure is acceptable for relicensure. Until a formal education approval process is completed, the same general criteria will be utilized for the Board's approval of continuing education.

**Q. What if I submit for continuing education credit, a course that the Board finds unacceptable; will I be relicensed?**

**A.** For this year only, if submitted continuing education is found unacceptable by the ACLB, you will be relicensed and given a reasonable period of time to obtain acceptable continuing education.

**APPRAISER ASSISTANT**

**Q. Would you please explain the appraiser assistant program?**

**A.** Below are OAR 161-10-080 and OAR 161-25-030 which contain the provisions on the appraiser assistant position.

**OAR 161-10-080** (1) A corporation, partnership, or other business entity may hire an individual as an appraiser assistant, who is not a state certified appraiser, state licensed appraiser or transitional state licensed appraiser, to assist in the preparation of appraisal reports. If the corporation, partnership or other business entity hires such individual, the individual must be registered with the Appraiser Certification and Licensure Board as an appraiser assistant on a form prescribed by the Board.

(2) The appraiser assistant must work under the direct supervision of a state licensed or certified appraiser.

(3) Appraisal experience gained as an Appraiser Assistant may be counted toward the work experience requirement to become a state certified appraiser or a state licensed appraiser.

(4) The appraiser assistant shall submit annually a report to the Board on the experience and progress of the appraiser assistant. Such report shall be submitted on a form prescribed by the Board.

(5) The Appraiser Assistant must register with the Appraiser Certification and Licensure Board prior to performing any real estate appraisal activity under the direct supervision of a state certified or state licensed appraiser. The Appraiser Assistant may assist in the preparation of appraisal reports. "Assisting in the preparation of an appraisal report" means performing any and all components of an appraisal report except signing and issuing of the appraisal reports. The Appraiser Assistant is required to complete 75 hours of education including USPAP, within one year of registering with the Appraiser Certification and Licensure Board.

(6) This rule does not intend to register secretaries or other office help who do not desire to become a licensed or certified appraiser.

**OAR 161-25-030** (1) An Appraiser Assistant must work under the direct supervision of a State Licensed Appraiser or State Certified Appraiser and must be registered with the Appraiser Certification and Licensure Board.

(2) A state registered Appraiser Assistant may perform research, analysis, property inspection and general appraisal work under the direct supervision of a state licensed or state certified appraiser.

(3) All appraisal work completed by an Appraiser Assistant shall be prepared in compliance with USPAP and these administrative rules.

(4) An Appraiser Assistant shall not issue an appraisal report.

(5) Any Appraiser Assistant who has provided significant professional assistance to a State Certified or State Licensed Appraiser who is signing and issuing the appraisal report must be identified in the report.

(6) An Appraiser Assistant shall not represent nor advertise in any manner to mislead the public into believing that the Appraiser Assistant is a State Certified Appraiser or State Licensed Appraiser or that the Appraiser Assistant is authorized to perform the functions of a State Certified Appraiser or State Licensed Appraiser.

**Explanatory Comments:** The appraiser assistant program was developed to provide an entry level for those desiring to become an appraiser, and at the same time, provide effective supervision under a licensed or certified appraiser. The ACLB realizes that some of an appraiser's work needs not be done by a licensed individual. It is not the intent of the Board to require secretaries or research assistants to become registered Appraiser Assistants.

The supervising licensed or certified appraiser who has agreed to provide effective supervision to the assistant is responsible for the assistant's activities while conducting appraisal activity for the supervising appraiser.

The appraiser assistant may work for several different supervising appraisers. Each supervising licensed or certified appraiser must agree to provide effective supervision. This is accomplished by filling out the Appraiser Assistant Registration Form, ACLB Form 9, together with the appraiser assistant. The supervising appraiser will be responsible for the assistant's activities only when the assistant is conducting appraisal activity for the licensed or certified appraiser. Whomever the appraiser assistant is working for at the time is responsible for the assistant.

There is only one annual appraiser assistant fee of \$75 whether the appraiser assistant is working for one or several supervising appraisers.

Credit toward licensure or certification from January 1, 1992 forward requires the applicant to be registered as an Appraiser Assistant. No credit will be given without being registered. In fact, performing appraisal activity without licensure, certification or registration (except as exempted by State Law) constitutes illegal activity.

**APPRAISER LICENSES VS. BROKER LICENSES**

**Q. As a person licensed by the Real Estate Agency as a real estate broker, may I appraise real property in Oregon?**

**A.** No. Only if you are licensed to appraise real property by the Appraiser Certification and Licensure Board.

However, licensed real estate brokers are permitted to prepare a **COMPETITIVE MARKET ANALYSIS (CMA) or LETTER OPINION** incidental to their real estate brokerage activity. CMA and Letter Opinion are defined by rule in OAR 161-10-000 as follows:

1 OAR 161-10-000(9) "Competitive Market Analysis" is the process of arriving at a recommended listing price or selling price for a specified real property for the

purpose of listing, attempting to list or formulating an offer to purchase for sale, exchange, real estate lease, or lease option. A "Competitive Market Analysis" may include an analysis of market conditions, past transactions and/or current listings of properties.

2. OAR 161-10-000(16) "Letter Opinion" is a document which expresses a real estate licensee's conclusion of a recommended listing and/or selling price for a specified real property, generally arrived at through a "competitive market analysis".

**DISCIPLINARY ACTIONS**

**Q. What disciplinary actions may be imposed by the ACLB?**

**A.** The ACLB may suspend or revoke the certificate or license of any state certified or state licensed appraiser or may deny the issuance or renewal of a certificate or license to an applicant (ORS 674.140).

The ACLB may impose a civil penalty for violations of ORS 674.130 to 674.150, 674.310 and 674.330, or any rule or final order of the board or any final judgment or decree made by any court upon application of the Board in an amount determined by the Board of not more than \$500 for each offense. Each violation shall be deemed a separate offense (ORS 674.850).

Violation of ORS 674.100 is a Class A misdemeanor and is subject to criminal penalties. The Board may impose a civil penalty in an amount determined by the Board of not less than \$100 nor more than \$500 for the first offense of uncertified or unlicensed real estate appraisal activity; and not less than \$500 nor more than \$1,000 for the second and subsequent offenses of uncertified or unlicensed real estate appraisal activity (ORS 674.990).

The ACLB may also require an educational alternative in lieu of or in addition to the above disciplinary actions.

**STANDARDS OF PROFESSIONAL APPRAISAL PRACTICE AND OREGON SUPPLEMENT THERETO**

**Q. Is the Uniform Standards of Professional Appraisal Practice (USPAP) law in Oregon?**

**A.** YES. All licensed appraisal activity in the State of Oregon must be done in conformance with Board administrative rules, the standards of the USPAP and the Oregon Supplement thereto. A copy of USPAP may be obtained from the Appraisal Foundation located at 1029 Vermont Avenue N.W., Suite 900, Washington, D.C. 20005-3517.

OAR 161-25-060 provides provisions of the Oregon Supplement to the standards. Some of its provisions include:

1. In addition to the ethics provision of USPAP, it is unethical to knowingly violate the standards of professional practice.
2. In addition to Standard Rule 2-5 of USPAP, an appraiser taking full responsibility for the appraisal report must inspect the subject property and comparables or disclose in the report that the subject and/or comparables have not been inspected.
3. All testimony before an administrative or judicial proceeding will be based upon written reports prepared in conformance with USPAP.

**REGIONAL APPRAISAL REVIEW & ADVISORY COMMITTEES**

The ACLB will be utilizing regional appraisal review and advisory committees for assistance in the evaluation of specific problems. Most of the committees' will relate to the enforcement function of the Board. An overview of this program is as follows:

1. The State of Oregon has been divided into five districts. These districts roughly follow Congressional districts, adjusted to approximate the typical working territories of an appraisal firm.
2. District 1 will initially have four licensed plus four certified committees. District 2 will have two of each. District 3, 4 and 5 will have one of each. This

representation is roughly in proportion to the distribution of licensees throughout the State.

3. A committee will be composed of two licensed appraisers plus one member of the general public (a banker, broker, attorney, real estate manager, etc.) if the assignment involves a licensed appraiser. It will be composed of two certified appraisers plus one member of the general public if the assignment involves a certified appraiser.
4. Assignments given the committees will vary. However, a typical assignment would be to determine if an appraisal that is the subject of a complaint file is in conformance with the Uniform Standards of Professional Appraisal Practice. The committee's conclusions will be reported to the ACLB. In each case, the committees will serve only as advisors to the ACLB.

- 5. Either the Board or the Administrator may call a committee to service. The committee's task will be outlined as a written directive. Members of the committee will be accorded liability coverage as long as their conduct is limited to the specific directive and State laws are complied with.
- 6. Service on the committees will be volunteer. Authorized out-of-pocket and travel expenses will be paid by the ACLB.

We encourage those who are interested in this very important service to your profession and the ACLB to apply for an appointment to a Regional Appraisal Review and Advisory Committee. Please contact the ACLB Administrator, 325 13th Street NE, Suite 301, Salem, Oregon 97310; Phone 373-1505. The ACLB will evaluate all application and make the appointments. **THIS IS YOUR OPPORTUNITY TO PROVIDE WORTHWHILE SERVICE TO YOUR PROFESSION!**

**ACLB OFFICE OPERATIONS**

**Q. On occasion, I've called the ACLB Office and had a hard time either getting through or getting a response; what are you doing to improve this situation?**

**A.** Please bear with us. The current staffing and budget level for the Appraiser Certification and Licensure Board was set by the 1991 Legislature. This was done with "best guess" information before anyone could possibly have identified the ACLB required tasks and workload, before the appointment of the Board or hiring of staff. Our initial two year budget was also set by the legislature.

The 1991 Legislature authorized only 2.5 FTE's to carry out the workload of ACLB. It was in September 1992 that the ACLB got approval from the Emergency Board of the Legislative Assembly to approve making the half-time position a full time position.

However, we know by your concern that these three positions are inadequate to accomplish the ACLB

workload and to meet your service demands. Our office averages 90 incoming phone calls plus 5 to 10 in-person office inquires per day in addition to all other required work. We are trying to respond to all

The Board has identified the need for at least two additional staff members to just carry the existing workload. The Board will be asking the 1993 Legislature for authority to add the needed staff during the upcoming session. Until this authority is obtained, we are doing the best we can with the available resources.

**Q. My calls are not being returned the same day and I keep getting the answering machine. Is anyone there in the office? Will I get a return phone?**

**A.** The ACLB Office is open Monday through Friday; from 8 AM to 5 PM. The office is closed between NOON and 1 PM. Yes, there is staff in the office. The ACLB Office is insufficiently staffed; it is overloaded with phone calls every day. Please call reasonably ahead of any deadlines and be patient; someone will call you back.

**HOW IS ACLB AFFECTED BY THE NEW PROPOSED DEPARTMENT OF CONSUMER AND BUSINESS SERVICES?**

**TSLA APPLICANTS NEED 500 HOURS**

The Appraiser Certification and Licensure Board, at its November 16, 1992 meeting, voted to require all individuals who are eligible to apply for licensure as a Transitional State Licensed Appraiser to document at least 500 hours of appraisal experience. This policy went into effect immediately. Individuals who apply to take Oregon appraiser examinations for TSLA in the future must document at least 500 hours of appraisal experience.

In Governor Barbara Roberts' proposal to reorganize state government, she creates the **Department of Consumer and Business Services**. ACLB is proposed to be a part of this department. At its August 17, 1992 Board Meeting, the Appraiser Certification and Licensure Board voted unanimously to stay, as it currently is, within the Secretary of State's office. The Board is a regulatory agency and the 1991 Oregon Legislative Assembly created it in the Office of the Secretary of State to provide adequate safeguards to ensure that the appraisal regulatory function is insulated from the influence of any industry or organization whose members have a direct or indirect financial interest in the outcome of the Board's decisions. In a bill that is being presented to the 1993 Legislature, the ACLB would become a part of the new department.

**APPRAISER CERTIFICATION AND LICENSURE BOARD**

The Appraiser Certification and Licensure Board (ACLB) consists of 10 members. Four members must be State Certified Appraisers. One member must be a State Licensed Appraiser. Two members must be from the public and two members must be representatives of financial institutions. The tenth member is the Secretary of State or his designee.

The initial members of the Board were appointed in April 1991. This initial board consisted of Robert A. Buerk (banker), Robert M. Burns (state certified appraiser), Michael A. Clark (public), Joan M. Crew (banker), Michael Greenfield (Secretary of State's designee), Kristine L. Hartley (state certified appraiser), Robert A. Keith (state licensed appraiser), William M. Miller (state certified appraiser), Nancy O. Tang (public) and Janice F. Young (state certified appraiser). Hartley and Buerk, who did not seek reappointment, were replaced with new members because their initial terms expired. Governor Barbara Roberts accepted the resignation of Janice Young in November. Governor Roberts has

appointed Salem appraiser David Lau (state certified appraiser) to fill the vacancy created by the resignation of Young. His confirmation hearing will be in January 1993.

CURRENT ACLB MEMBERS				
Board Member	City	Type	Business Telephone	Term
Ellen Bachman	Portland	Banker	225-2221	9/16/92-6/30/96
Robert M. Burns	Pendleton	State Certified Appraiser	278-0307	3/28/91-7/1/94
Michael A. Clark	Salem	Public	378-4930	4/15/91-7/1/95
Joan M. Crew	Portland	Banker	626-9999	3/28/91-7/1/94
Michael Greenfield	Salem	Secretary of State's Designee	378-4139	By Position
Nancy A. Gabert	Bend	State Licensed Appraiser	389-2233	11/2/92-6/30/96
*Robert A. Keith	Jefferson	State Certified Appraiser	327-1828	3/28/91-7/1/93
William M. Miller	Medford	State Certified Appraiser	773-2300	7/2/92-7/1/96
Nancy O. Tang	Portland	Public	725-3522	3/28/91-7/1/93
Vacancy		State Certified Appraiser		---7/1/95

\*Robert A. Keith was initially appointed as a S.L.A. After he became a S.C.A. he is now filling one of the certified positions on the Board.

**NEED TO SEND INFORMATION TO THE BOARD?**

Send any information or questions for Board Members or staff of the Appraiser Certification and Licensure Board to the ACLB Administrator, 325 NE 13th Street, Suite 301, Salem, OR 97310. The fax number is (503) 378-6576.

ACLB STAFF		
Staff Name	Title	Telephone Number
Calvin O. L. Henry	Administrator	(503) 373-1505
Linda Riddell	Auditor/Investigator	(503) 373-1505
Lonni Young	Application/Licensing Specialist	(503) 373-1505

OREGON APPRAISER CATEGORIES AND REQUIREMENTS				
CATEGORY	EDUCATION HOURS	EXPERIENCE HOURS	EXAM	WHAT YOU ARE ALLOWED TO DO
State Certified Appraiser	165 Classroom Hours (must include at least 15 hours of USPAP)	2,000 Hours (50% nonresidential) & 2 year minimum	YES	Authorized to appraise any real property
State Licensed Appraiser	75 Classroom Hours (must include at least 15 hours of USPAP)	2,000 Hours	YES	Appraise noncomplex 1 to 4 family residential property with transaction values up to a \$1,000,000 and complex 1 to 4 family residential property with value less than \$250,000 and all other types of property with values less than \$250,000.
Transitional State Licensed Appraiser (The Transitional Licensing Program ends December 31, 1993.)	EITHER 75 Classroom Hours (must include at least 15 hours of USPAP) and a minimum of 500 Hours of appraisal experience.	OR 2,000 Hours and at least 15 Classroom Hours of USPAP	YES	Appraise noncomplex 1 to 4 family residential property with transaction values up to a \$1,000,000 and complex 1 to 4 family residential property with value less than \$250,000 and all other types of property with values less than \$250,000
Appraiser Assistant	None	None	NO	Assist in the preparation of Appraisal reports under the direct supervision of a State Certified or State Licensed Appraiser

**ACLB Policy 92-5-1**  
**COLLATERAL INSPECTIONS,**  
**CONSTRUCTION INSPECTIONS,**  
**STRUCTURAL INSPECTIONS AND**  
**ASSOCIATED REPORTS**

**DEFINITIONS:**

- A Collateral inspections and reports identify existing assets held by a lender in its asset portfolio.
- B. Construction inspections and reports identify the amount of time and materials completed at different phases of a construction project.
- C Structural inspections and associated reports identify the specific condition or structural integrity of real estate improvements (including hazardous substances present). These reports may even identify cost-to-cure considerations of deficiencies.

**POLICY:** The Appraiser Certification and Licensure Board recognizes that the above activity is often done by loan officers, architects, engineers, or specialists with particular expertise in real estate. Although the above activity may be done by a person licensed by the Appraiser Certification and Licensure Board, it is not considered Appraisal Activity unless an opinion of the subject property's market value is rendered by the appraiser. Therefore, this activity will not be regulated by the ACLB unless rendering an opinion of market value is part of the assignment.

**ACLB Policy 92-5-2**  
**Limited Appraisal Assignments**

**POLICY:** LIMITED APPRAISAL ASSIGNMENTS must be made in conformance with the Departure Provision of the Uniform Standards of Professional Appraisal Practice. "Drive-by appraisals" now falls in the category of "limited appraisal assignments."

**UNDER THE DEPARTURE PROVISION:**

An appraiser may enter into an agreement to perform an assignment that calls for something less than, or different from, the work that would otherwise be required by the specific guidelines of USPAP, provided that prior to entering into such an agreement:

- 1. The appraiser has determined that the assignment to be performed is not so limited in scope that the resulting appraisal, review, or consulting service would tend to mislead or confuse the client, the users of the report, or the public; and
- 2. The appraiser has advised the client that the assignment calls for something less than, or different from, the work required by the specific guidelines of USPAP and that the report will state the limited or differing scope of the appraisal, review, or consulting service

Exceptions to the requirements of USPAP Standard Rules 1-1, 1-5, 2-1, 2-2, 2-3, 2-5, 3-1, 3-2, 4-1, 5-1, 5-3, 6-1, 6-3, 6-6, 6-7, 6-8, 7-1, 8-1, 8-3, 9-1, 9-3, 9-5, 10-1, 10-3, and 10-5, are not permitted.

Appraiser Certification and Licensure Board  
 325 13th Street NE, Suite 301  
 Salem, Oregon 97310

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