

Governor Eric R. Greitens
State of Missouri

Kathleen (Katie) Steele Danner, Division Director
DIVISION OF PROFESSIONAL REGISTRATION
Chlora Lindley-Myers, Acting Director

Department of Insurance
Financial Institutions
and Professional Registration

MISSOURI REAL ESTATE APPRAISERS COMMISSION
3605 Missouri Boulevard
P.O. Box 1335
Jefferson City, MO 65102-1335
573-715-0038
573-526-3489 FAX
reacom@pr.mo.gov
<http://pr.mo.gov>

Vanessa Beauchamp
Executive Director

Meeting Notice
Missouri Real Estate Appraisers Commission
Division of Professional Registration
3605 Missouri Blvd
Jefferson City, MO 65109

February 21, 2018
8:30 a.m.

Notification of special needs as addressed by the Americans with Disabilities Act should be forwarded to the Missouri Real Estate Appraisers Commission, P.O. Box 1335, Jefferson City, Missouri 65102, or by calling (573) 751-0038 to ensure available accommodations. The text telephone for the hearing impaired is (800) 735-2966.

Except to the extent disclosure is otherwise required by law, the Missouri Real Estate Appraisers Commission is authorized to close meetings, records and votes to the extent they relate to the following: Section 610.021 subsections (1), (3), (5), (7), (13), (14) and Section 324.001.8 and 324.001.9 RSMo

The Commission may convene in closed session at any time during the meeting. If the meeting is closed, the appropriate section will be announced to the public, with the motion and vote recorded in open session minutes.

**Open Session
Tentative Agenda**

**Missouri Real Estate Appraisers Commission
Division of Professional Registration
3605 Missouri Blvd.
Jefferson City, MO 65109**

**Conference Call
(573) 526-5904 ----- toll free (866) 630-9352**

February 21, 2018– 8:30 a.m.

- I. Call to Order
- II. Roll Call
- III. Approval of Open Session Agenda
- IV. 2018 AQB Qualification changes/Randall Bryson correspondence
- V. Instructor addition
 - Lifetime Learning: Andrea Storms – Basic Appraisal Principles; Basic Appraisal Procedures; Residential Market Analysis & Highest & Best Use; Residential Report Writing & Case Studies
- VI. Education Review
 - McKissock: The Appraisal of 2-4 Unit Properties (classroom)
 - McKissock: The Appraisal of 2-4 Unit Properties (online)
 - Allterra: 2018 Keynote Charleston
 - Allterra: 2018 Appraisal Policy and Procedures
 - McKissock: Evaluating Today's Residential Appraisal
 - Calypso: 2018-2019 USPAP Update
 - McKissock: Manufactured Home Appraisal
 - AI: Online Appraising Automobile Dealerships
 - MAAC: 2018-2019 USPAP Update
 - AI: 2018-2019 USPAP
 - AI: 2018-2019 USPAP Update
 - City of St. Louis: Basic Appraisal Principles
 - Lowman: Methods and Techniques Used in the Cost
 - Lowman: Let's Review the Methods and Techniques Used in the Cost ..
 - OREP: How to Raise Appraisal Quality and Minimize Risk
 - ASFMRA: Basic Appraisal Principles
- VII. Miscellaneous

- VIII. Closed Meeting - Closed Session 610.021 Subsection (1) for the purpose of discussion of confidential or privileged communication between this agency and its attorney; Section 610.021 Subsection (14) and 324.001.8 and 324.001.9 RSMo for the purpose of discussing investigative reports and/or complaints and/or audits and/or other information pertaining to the licensee or applicant section 610.021 subsection (1) RSMo for the purpose of discussing general legal action, causes of action or litigation and any confidential or privileged communication between this agency and its attorney, and for the purpose of reviewing and approving closed meeting minutes of one or more previous meetings under the subsection 610.021 RSMo which authorizes this agency to go into closed session during those meetings.
- IX. Adjournment

Reed #25- 2-7-18

COURSE APPROVAL PROGRAM – MISSOURI REAL ESTATE APPRAISERS COMMISSION

APPLICATION FOR: X INITIAL COURSE APPROVAL RENEWAL

There is a \$25 fee per course for Continuing Education Course Approval. In addition, there is a \$10 fee per course for Continuing Education Course Renewal.

200773 FEB-7 2008

INSTRUCTIONS: The course owner must use this application form when applying for course approval through the **State of Missouri**. A SEPARATE APPLICATION FORM MUST BE FILED FOR EACH COURSE SUBMITTED FOR APPROVAL. All items on the form must be completed (enter "N/A" for any item that is not applicable) and all required attachments must be submitted with the application.

1. Name of Applicant (School): OREP Education Network
2. Mailing Address: 6760 University Ave. Suite 250, San Diego, CA 92115
3. Contact Person: Isaac Peck
4. Phone: (888) 347-5273 Fax: (619) 702-0567
5. Website: orepeducation.org Email: isaac@orep.org
6. Course Title and Number: How to Raise Appraisal Quality and Minimize Risk
7. Number of Classroom Hours: 7.00 Number of Exam Hours:
8. Course Category: Qualifying Education X Continuing Education Both
9. Indicate the level of the licensure/certification this course would meet:
 ***CE All State License Certified Residential Certified General
10. Indicate the pre license requirement for this course would meet:
N/A Principles USPAP Income Elective
11. Instructor(s): Timothy Andersen
12. Method of Presentation: Traditional Classroom Correspondence X Internet
 Video Tape Remote TV Computer
13. Owner of Course Materials: OREP Education and Timothy Andersen

7CE

14. Required Attachments:

For Qualifying Education Only: Please submit a copy of the contract between the course owner and course provider.

Fee: As Indicated Above

Course Materials:

- Course Description
- Detailed Course Outline
- Learning Objectives
- Final Exam and Answer Key (This is not required for the Continuing Education Application)

Policies Covering:

- Instructor Qualifications
- Attendance

Miscellaneous:

- Course Schedule
- Copy of Completion Certificate
- Instructor's Resume/Bio

OFFICIAL CERTIFIED COURSE SUMMARY CERTIFICATE



The number one credential for quality design and delivery of distance education in the world.

Administrative Information

Course Title: How to Raise Appraisal Quality and Minimize Risk

Course Number: 7190

Certified: 12/11/2017

Expires: 12/11/2020

Status: Approved

Provider: OREP Education Network

Address: 6760 University Ave. #250
San Diego, California 92115

Phone: 888-347-5273

Contact: Isaac Peck <Isaac@orep.org>

Course Information

Provider Type: Primary Provider

Delivery Method: eDelivery

Final Exam: Yes

Proctored Exam: No

Description: Learn more, earn more and stay safe with proper appraisal reporting.

Course Notes:

Instructors: Timothy Andersen (CDEI)

***Clock Hours:** 7

†Clock Hour Enforcement Mechanism: No

Difficulty Rating: Intermediate

**Course Approval Information

This course may not be approved in any jurisdiction or the provider has chosen not to include which jurisdictions the course is approved in.

Disclaimers

* Professional reviewers have determined that the amount of content to be presented in this course, as specified in the provider's timed outline, should take the stated time to complete. This certification does not suggest the course will take the hours listed if implemented into a distance education learning system that uses an inferior instructional design. In addition, ARELLO does not guarantee or audit the performance of classroom instructors to ensure the appropriate clock hours of instruction are presented to students.

** Regarding course approval information, the course provider may list here the jurisdictions that have approved this course for professional credit. Information in regard to jurisdictional course approval is not maintained by ARELLO but by course providers. If no jurisdictions appear in the course approval area, the provider may not yet be approved by a regulatory agency to offer the course. Please contact the provider if you have a question in regard to course approval information.

† A "Clock Hour Enforcement Mechanism" is course feature that mandates students spend X amount of time in the course. This mechanism is not required for certification but is required in certain jurisdictions. The absence of a clock hour enforcement mechanism does not compromise certification and the typical student taking the course can still be expected to take the appropriate amount of time to complete the course.

OFFICIAL CERTIFIED COURSE SUMMARY CERTIFICATE



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9. Teaching Experience:

School	From		To		Subjects Taught
	Month	Year	Month	Year	

10. Real Estate Appraisal Experience:

Employing Company	Job Description	From		To	
		Month	Year	Month	Year
*see attached resume					

(Attach additional pages as necessary)

11. I hereby affirm and swear that the information submitted with this application is true and accurate and that no willful omissions have been made.



 (Signature of Appraiser Education Administrator)

1/24/18

 (Date)

9. Teaching Experience:

School	From		To		Subjects Taught
	Month	Year	Month	Year	

10. Real Estate Appraisal Experience:

Employing Company	Job Description	From		To	
		Month	Year	Month	Year
*see attached resume					

(Attach additional pages as necessary)

11. I hereby affirm and swear that the information submitted with this application is true and accurate and that no willful omissions have been made.

Timothy C. Andersen

(Signature of Appraiser Education Administrator)

1/20/18

(Date)

Course Provider: OREP Education Network (888-347-5273 || Isaac@orep.org)

Instructor: Tim Andersen (maitca@bellsouth.net)

INSTRUCTIONS TO AUDIT THE COURSE

This course is an online course consisting of video, voice over powerpoint, interactive test your knowledge questions, and seven interactive quizzes.

To audit the online course, please email Isaac@orep.org and you will be given access to the course at no charge within 24 hours.

Isaac Peck
Education Director
888-347-5273
Isaac@orep.org

TIMOTHY C. ANDERSEN, INC.

USPAP Instruction (in-class and on-line), Consultations, Compliance, and Defense (worldwide)

Real Estate Appraisals, Consultations, and Analyses

Real Estate Appraisals Reviewed for all Purposes

Highest and Best Use Analyses, Feasibility Analyses, and Due Diligence Services

Data Research, Verification, and Analysis Services

Real Estate Appraisal Report Writing Services

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Experienced Public Speaker and Narrator

Certified Distance Education Instructor

Have PowerPoint - Will Travel

2430 24th Lane

Palm Beach Gardens, FL. 33418

561/635-5265

maitca@bellsouth.net

Timothy C. Andersen, MAI, MAA, M.Sc., CDEI
(Florida) State-Certified General Real Estate Appraiser, RZ998
AQB-Certified USPAP Instructor, #10386
(IDECC) Certified Distance Education Instructor #67601
Texas Real Estate Commission MCE Instructor, #3170
NAA Board-Certified in Appraisal Review

(SAMPLE ONLY OF A LETTER OF TRANSMITTAL)

Please note the signature below is *electronic* to expedite delivery

Respectfully Submitted,
TIMOTHY C. ANDERSEN, INC.

Timothy C. Andersen

Timothy C. Andersen, MAI, MAA, M.Sc., CDEI
President

TCA/ifs

DETACH HERE

RICK SCOTT, GOVERNOR

KEN LAWSON, SECRETARY

STATE OF FLORIDA
DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION
FLORIDA REAL ESTATE APPRAISAL BOARD

LICENSE NUMBER

RZ996

The CERTIFIED GENERAL APPRAISER
Named below IS CERTIFIED
Under the provisions of Chapter 475 FS.
Expiration date: NOV. 30, 2016

ANDERSEN, TIMOTHY C
2430 24TH LANE
PALM BEACH GARDENS FL 33418



ISSUED 10/12/2014

DISPLAY AS REQUIRED BY LAW

SEQ # L1410120003490

TIMOTHY C. ANDERSEN, MAI, M.Sc., MNAA

2430 24th Lane

Palm Beach Gardens, Florida 33418-3523

561/635-5265

maitca@bellsouth.net

Specialty

Real Estate Appraisals of Commercial properties; Standard Three reviews of commercial and residential real estate appraisals to determine if they meet USPAP requirements for developing and reporting the appraisal

Formal Education

Master of Science (M.Sc.) in Real Estate Appraisal; University of St. Thomas, Minneapolis, MN;

Bachelor of Business Administration; Palm Beach Atlantic College (now University), West Palm Beach, FL.; MBA Classes, Palm Beach Atlantic College and Florida Atlantic University

All qualifying education and continuing education classes necessary to become and remain an MAI, as well as to become and remain an AQB-Certified USPAP Instructor

Professional Designations

MAI, the Appraisal Institute;

MNAA, The National Association of Appraisers;

USPAP Instructor, the Appraisal Qualifications Board (AQB) of the Appraisal Foundation (#10386);

Licenses and Certifications

State-Certified General Real Estate Appraiser, #RZ998; the State of Florida (active);

General Real Estate Appraisal Instructor, #GA1000077; the State of Florida (inactive);

Texas Real Estate Commission MCE Instructor
#3170

Board Certified in Appraisal Review by the National Association of Appraisers

Work Experience

1997 to present: President of Timothy C. Andersen, Inc., a real estate appraisal, consulting, and education firm; Prior to 1997 employee or independent contractor to large firms in Palm Beach County, Florida, as well as the Palm Beach County Property Appraisers Office as the litigation appraiser. Special Magistrate for Palm Beach County Value Adjustment Board (many years).

Properties Appraised

All types of commercial, industrial, residential, subdivision, and condominium properties; primarily in Okeechobee, St. Lucie, Martin, Palm Beach, Broward, Miami-Dade, and Monroe Counties, Florida. Similar properties appraised in other Florida counties as well.

Professional Services Provided

Appraisal valuation and appraisal consulting services; feasibility and highest and best use studies and analyses; rental surveys and studies; sales surveys and studies; appraisal reviews and USPAP Standard 3 reviews; expert witness and litigation support; ad valorem tax analyses, valuations, and consulting; education, coaching, and mentoring to individual appraisers; consultation with appraisers against whom a state appraisal authority has filed charges; and so forth

Education Recently Completed

Appraisal Institute Business Practices and Ethics (2012); Fundamentals of Separating Real Property, Personal Property and Intangible Business Assets (2012); Appraising the Appraisal (2012); Practice of Appraisal Education – Preparations and Presentations (2012); USPAP Instructor's Recertification Course (2011); Training for the 2011 Value Adjustment Board (2011) General Appraisal Income Approach/Part2 (2010); Common Errors, Issues & Workfiles (2010); Real Estate Finance, Statistics, and Financial Modeling (2013); Practical Regression Analysis using Excel (2013); Florida Appraisal Law (2014, 2016); Reconciliation and you (2015); Supporting Adjustments (2016)

Other Qualifications

Appraisal Institute Instructor (various courses and seminars); Special Magistrate, Palm Beach County, Florida Value Adjustment Board; Published author (*REEA Journal*, 2009; *ARES*, San Francisco, 2007; *Ashley-Crown Publishing*, 2010 and pending;

WorkingRE Magazine, 2010, 2011, 2012, 2013, 2014, 2015 (and pending) on real estate appraisal topics and statistics; experienced seminar author and producer; experienced public speaker; speaks intermediate-level Spanish; have Powerpoint, will travel

Publications

ARTICLES: *WorkingRE Magazine*: Beware of Consent Decrees (Spring 2014, Volume 35); Homebuilder's White Paper: Appraisers are Idiots (Summer 2013, volume 33); USPAP, Retrospective Appraisals and the Titanic (Spring 2015, Volume 36); *WorkingRE Magazine*: Supporting Market Conditions Adjustments (with Rachel Massey, SRA), (May 6, 2015, vol. 336)

BOOKS: *How to Raise Appraisal Quality and Minimize Risk (The Expert's Guide to a Defensible Workfile)*, 2014; 2016 <http://www.workingre.com/experts-guide-defensible-workfile/>); *Due Diligence* (pending); *Statistics, Modeling, & Finance* (First edition), Ashley Crown Systems (2011); pending text on FNMA's 16 unacceptable appraisal practices

References

David C. Yates, MAI
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dcymai@aol.com

Paul A. Spiel, SRA
561/307-4428
Paulspiel18@gmail.com

Edd Gillespie, Esq. (retired)
719/252-7624
eddgillespie@yahoo.com

How To Raise Appraisal Quality and Minimize Risk Syllabus

Course Provider: OREP Education Network (888-347-5273 || Isaac@orep.org)

Instructor: Tim Andersen (maitca@bellsouth.net)

How To Raise Appraisal Quality and Minimize Risk (7 Hours) Syllabus

My name is Tim Andersen and I am delighted to serve as your course instructor for this How To Raise Appraisal Quality and Minimize Risk Course. As you take this course, please email me with any questions you have about course material. Please read this syllabus in its entirety before taking the course. It contains important information on how to navigate the online learning platform.

Technical Assistance

If you need technical assistance throughout the course or need help with the learning platform, please call Isaac Peck at 888-347-5273 or email him at Isaac@orep.org

Objectives:

After completing this course, the student will:

- Have an enhanced understanding of the laws, regulations, rules and guidelines that determine what a credible appraisal is. This understanding helps the appraiser to prevent liability.
- Have an enhanced understanding of the importance of the concept of *due diligence*, along with the consequences of not using an approved methodology, techniques, and protocols in their appraisals.
- Obtain a superior understanding of what an "accurate" and "not misleading" appraisal and appraisal report are.
- Have read (in part) and considered the decisions of various state appraisal boards relative to numerous questions the actions of appraiser have brought before them.
- Have come to understand the importance of keeping a proper workfile as part of avoiding liability.
- Possess an enhanced understanding that the appraiser can be sued at any time, by anybody, for anything, thus needs to understand how to avoid liability in as many ways as possible.
- Come to see the necessity to have market-support for any and all conclusions and opinions to be part of an appraisal and report.
- Have an even better understanding of the need to support adjustment with market data, rather than heuristics, tradition, or (even worse!) nothing at all
- Be generally familiar with what Fannie Mae considers unacceptable appraisal practices.
- Know the importance of writing a clear and concise reconciliation to explain why it was the appraiser did what s/he did to arrive at a credible value conclusion.

Course Policies

1. How To Raise Appraisal Quality and Minimize Risk is an on-demand e-learning course which allows students to take the course at their convenience, at any hour of the day.
2. Students must achieve a passing score of 75% on quizzes to proceed in the course and the final exam to complete the course.
3. The student is required to complete the course in its entirety in order to receive credit. The student must attest to this fact as a condition of taking the course.
4. Students are encouraged to ask questions of the instructor throughout the course to gain a better understanding of the course materials.

How To Raise Appraisal Quality and Minimize Risk Syllabus

How to Navigate the Learning Platform

This course is designed to be taken in an up-to-date version Browser in FULL-SCREEN.

Videos: In order to advance to the next module of the class, the video segment needs to be watched in its entirety. A student cannot use the sidebar menu or the next button to skip the video and advance forward until the video completes. A student is able to pause the video and resume if necessary. If a student clicks on either the bar over the video controls or the next button, the video will be paused and he or she will receive the following message:

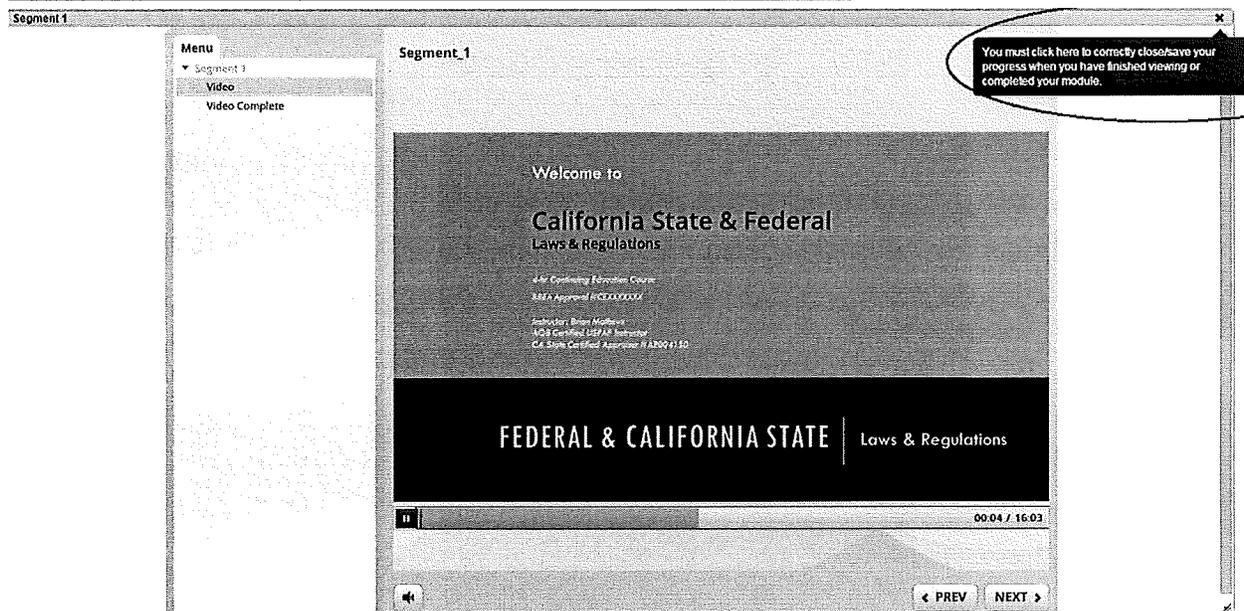


The student must then click "Ok" in order for the video to continue playing.

Once a video clip has been watched in its entirety, the student is then free to watch the video again and fast-forward and rewind as needed.

Advancing to the next Module

IMPORTANT: In order to properly save a student's progress, he or she will need to click on the "X" at the top right corner of the page. Once the student advances to the "Video Complete" slide, finishes a quiz or Test Your Knowledge module, or is on the final slide of a "Review" section, the student must click the X in the corner of the screen. See example below:



How To Raise Appraisal Quality and Minimize Risk Syllabus

Test Your Knowledge and Quizzes:

There are two "Test Your Knowledge" modules throughout this course. They are similar to quizzes; however, any incorrect answer will not count towards a student's grade. They are there as a way for students to gauge their absorption of the material and help them learn the course content before the student moves on to the next module.

Quizzes are designed to ensure that students are learning the course materials and students must receive a passing score of at least 75% in order to move onto the next module. The number of questions in any given quiz is 10.

Both Test Your Knowledge and Quiz modules include remediation if the student answers the question incorrectly. The student will then receive a short explanation as to why the answer they chose is wrong, what the right answer is, and why it is right.

Class Overview – 7hr How to Raise Appraisal Quality and Minimize Risk

The appraisal process is supposed to reflect reality - the reaction of buyers and sellers in the market place. Appraisers typically utilize three approaches to value. The appraisal process usually requires the appraiser to apply “market adjustments” when determining market value. Adjustments used throughout the appraisal are not the appraiser’s opinion, they **must** be based upon the market’s response. Market adjustments must be based upon facts, proper support, and should not be based upon subjective opinion. This 7 hour class will explain and demonstrate 13 different methods and processes appraisers can use for determining or measuring the market’s response to a component and the processes available to the appraiser when creating an appraisal.

Section 1: Introduction to the Course

- What you can do to avoid claims.
- Is there a lawsuit in your professional future?
- Are your past actions your future’s prologue?
- Will your workfiles help/hurt you in that suit?
- Why will your workfiles help your or hurt you?
- Who will sue you and why will they do it?
- What can you do to avoid claims against you?
- **What will this course cover?**
- **Common Questions that Appraisers have**
- Review of Section 1

Section 2: The Workfile

- Things to remember when considering liability
- Introduction to workfile
- What must be in a workfile?
 - 1. Client’s name and the identity (name or type) of other intended users
 - 2. True copies of all written reports, documented on any type of media
 - 3. Summaries of all oral reports or testimony, or a transcript
 - 4. ALL other data, information and documentation necessary to support the appraiser’s opinions and conclusions and so show compliance with USPAP
 - #4 is the IMPORTANT one
 - 5. A workfile in support of a Restricted Appraisal Report must be sufficient for the appraiser to produce an Appraisal Report [solely from its contents and/or references]
- Summary of a bullet-proof workfile
 - A BULLET-PROOF workfile will help protect you against state regulators!
 - A BULLET-PROOF workfile will help protect you from plaintiffs!
 - A BULLET-PROOF workfile may be the *best* E&O insurance you could ever buy! And it’s FREE!
- Quiz #1

Section 3: Common Charges against Appraisers

- What is one *common* charge States bring up against appraisers?
 - Failure to exercise “proper diligence” or “due diligence”
- No USPAP or Fannie Mae definition, but it means Proper Professional Efforts to arrive at *credible* assignment results
- USPAP SR1-1(b): “...Diligence is required to identify and analyze [all] the factors... that would have significant effect on the credibility of...assignment results”
 - ALL of the factors, not merely some of them
 - Failure to identify and analyze even some of them is failure to exercise proper due diligence
- It is this failure “... to identify and analyze [all] the [necessary] factors...” that constitutes lack of due or proper diligence
 - The State looks for this lack of complete analyses. When they find it missing, a “... lack of due diligence...” charge follows, *even if such a charge was never part of the original complaint against the appraisers*
- State of Oklahoma, Complaints #15-017, #15-018 → *Some* of those charges included:
 - Failure to reconcile and/or explain the differences between the listing price and the sales contract price
 - Failure to discuss the pending contract
 - “Overly broad” neighborhood description
 - Incorrect zoning
 - Improper description of the site’s shape
 - Failure to include site dimensions on a platted site
 - Failure to mention an atypically wide easement
 - Failure to summarize and support the property’s highest and best use
 - Failure to analyze all sales in the past 12 months
 - Failure to develop and support a vacant site value by an appropriate method
 - Inadequate improvement’s size adjustments
- These are all examples of failure to exercise *due* or *proper* diligence in the formation of a value conclusion. This failure can and does result in charges against an appraiser.
- Quiz #2

Section 4: Accurate and Adequate Support in the light of Proper or Due Diligence

- Page 1 of the URAR 1004 form:
 - “The purpose of this summary appraisal report is to provide the lender/client with an *accurate*, and *adequately supported*, opinion of the market value of the subject property”
- There are no definitions of “Accurate” or “Adequately supported”
 - In SR2-1(a), USPAP uses the term “accurately” in the context of “clear” and “not misleading.”

- But HOW the appraiser accounts for them is more of a function of Scope of Work and Reconciliation
 - The appraiser prevents liability by *properly* accounting for these differences
- Review
- Quiz #4

Section 6: B4-1.3-03 – Neighborhood Section of the Appraisal Report

- Neighborhood Analysis Includes:
 - Neighborhood *Boundaries*
 - Neighborhood *Characteristics*
 - *Factors* that affect the value and marketability of properties in the Neighborhood
- If their analyses are incorrect, how *credible* are any results deduced from them?
- If the results are not credible, does that lack open the appraiser to liability?
- Neighborhood Boundaries include:
 - Clearly established north, south, east, and west boundaries; marked on a map (Be prepared to explain *why* these boundaries are appropriate)
 - If you can't explain why, why did you use them as boundaries?
 - Outside of them, *market influences change*
 - Established neighborhood boundaries (such as an established plat)
 - Rivers, mountains, lakes, and/or other clear, descriptive, natural land divisions
 - A map referencing the subject's neighborhood is acceptable, but only *in addition* to one or more of the above
- Neighborhood Characteristics include:
 - Type(s) of structures (detached, attached)
 - Architectural styles (row or townhouse; colonial, ranch, Victorian, etc)
 - Current land uses (allocated – with any recent or anticipated changes noted and analyzed)
 - Typical sizes of properties (stories, basements, BR/BA counts, car storage)
 - Street patterns (grid, cul-de-sac, other)
- Two Purposes to a proper *Neighborhood Analysis*:
 - Identify what areas do/do not influence the subject's market value
 - Define the area(s) from which to select comparable sales data
- The Boundaries of the Subject's Neighborhood therefore imply:
 - *Outside* them influences are different
 - *Inside* them properties are truly competitive
 - *This summary of the neighborhood implies the appraiser had done the analyses to choose those boundaries, not just guessed at them*
 - Those analyses must be in the workfile!
 - And what if they are not?!
 - There may be a looming state charge ... a proper workfile *avoids* this liability
- What are the analyses necessary to determine the subject neighborhood's *market conditions*?

- In SR1, the terms “accurate” or “accurately” do not appear.
- FM’s use of “accurate” is similar to that of USPAP – *clear and not misleading*
- Here is the key to the term “accurate” in an appraisal context...
 - If the *components* are accurate, then the entire appraisal and report are accurate
 - Specifically does *not* apply to the “accuracy” of the final value opinion
 - FNMA *expects* due diligence, but makes less of an issue of it than does USPAP
- OPINIONS are either WELL-FORMED or they are NOT – there are no “accurate” opinions
- Well Supported Part:
 - “Support” is a function of evidence and logic
 - How are “evidence and logic” a function of DD?
- Support has two purposes:
 - 1. Market support for opinions and conclusions
 - 2. Shows support for USPAP compliance
- Review
 - DD is the analyses of all factors necessary to reach a credible conclusion
 - Appraisers support their DD via the presentation of evidence and use of logic
 - Evidence is from the market and logic is the proper use of math
 - Three examples of how these prevent appraiser liability?
 - 1. Take the time to get the *measurements* right!
 - 2. Take the time to get the *legal description* right!
 - 3. Take the time to get *all the comparable sales*!
 - Exercise of proper DD helps appraisers to avoid liability!
- Generally, appraisers have not done a proper highest and best use analysis, thus have *no support* for that opinion which is a major failure of due diligence.
- Quiz #3

Section 5: The Contract

- Fannie Mae Selling Guide at B4-1.3-02: Subject and Contract Sections
 - In a FNMA context, the LENDER MUST provide a copy of the contract
 - The appraiser MUST analyze the contract in light of market evidence or the appraiser MUST explain why s/he did not
 - Provide *one* plausible reason why the appraiser would not analyze a pending contract
 - If the parties to the transaction simply will NOT provide a copy of the contract, explain this: what you did to get a copy of the contract, and then the results of your efforts
 - Is there the need for an extraordinary assumption in such a situation?
 - IMPLICATION: the contract is the price to hit?
 - NO, since any adjustments (cash equivalency) will then be applied to the “sales price”
 - The appraiser avoids/prevents liability via the adjustments, not hitting the contract price
 - Total \$ amount of [seller concessions] must be reported and accounted for
 - The appraiser MUST account for these in a FNMA/USPAP fundamental

- What are the analyses necessary to determine changes in *demand and supply* patterns over time?
- One analysis is a comparison of changes in listing prices over the passage of time
- What are the analyses necessary to determine changes in *Property Values* patterns over time?
- What are the analyses necessary to determine changes in *Exposure Time* over time?
- How many sales-comparings does it take to determine a *trend*?
- What Market Support is there for your conclusions leading to your *comments* on Market Conditions?
 - Where else in the report will your comments on market conditions appear?
 - As the basis for Adjustments in the Sales Comparison Approach
 - Is it now clear why market conditions need market support?
 - Is it now clear why the market support is kept in the workfile?
- Quiz #5

Section 7: Reporting "site" portion of the 1004 form accurately to avoid liability

- Canyon Springs Preserve Plat No. 2
 - Standard recorded plat; authoritative
 - Are site shapes clear?
 - Are site sizes clear?
 - Are site boundaries clear?
 - Is this plat accurate?
 - Does this show the terrain accurately?
 - Is this plat a survey?
 - Avoid your own geometry!
- Are there some takeaways here when dealing with details of the site itself?
 - Authoritative source(s)
 - Avoid your own geometry
 - Presence/absence of utilities is generally public record
 - Accuracy of the description of the terrain
 - Explain what makes the site different, not what makes it similar
 - Is your discussion of the site "accurate?" How? Why?
- Review

Section 8: Who sues appraisers? Why are appraisers sued?

- Now, let's consider:
 - Why appraisers are sued
 - Who sues them
 - What appraisers can and should do to prevent such suits
- Any appraiser can be sued at *any time* by *anybody* for *any* reason
- Some reasons people sue appraisers are:

- Value Issues
- Loan Default (lender or borrower)
- Appraisers E&O Insurance
- Error in the report or workfile
- Data in the report are incorrect
- Data in the report are not verified
- Company policy
- Other reason(s)
- When it comes to the subject's IMPROVEMENTS, what are the areas which could generate **law suits** or **state charges**?
 - # of stories above grade
 - Square footage (above- and below-grade)
 - Foundation/Exterior walls
 - Actual year built and effective age (renovations)
 - # of rooms
 - Description of the improvements (Q&C ratings)
- As to other areas in which appraisers can find themselves at the wrong end of a subpoena or letter from a state board, consider the **Cost Approach** (introduction to next segment)
- Review
- Quiz #6

Section 9: Cost Approach

- "Accrued Depreciation" is loss in value from cost new from *all* sources, including physical, functional, and external obsolescence
- What do these mean in a specific context?
 - Replicate
 - Support
- What is the difference between *site* and *land* value and why is that difference important in the Cost Approach?
- What is the difference between Reproduction Cost and Replacement Cost?
- Summary:
 - Client must be able to replicate the appraiser's costs, etc
 - Site value not land value
 - Must have a summary (chart) of the comparable site sales/extractions on which the opinion of site value is based
 - Must have cost calculations/details in the workfile, but only the *results* of those calculations/details in the report
 - Must have support/details for accrued depreciation in the workfile, but only the results in the report
 - Cost approach results are an *approximation* of replacements costs, not the equivalent of a bid from a contractor

- Round as is appropriate, but balance them to avoid bias, advocacy, etc
- Review
- Quiz #7

Section 10: Adjustments

- Why are they such a big problem?
 - Because so few appraisers support their adjustments properly
- Avoid “Atmospheric Extraction” in making adjustments
- Critical Thinking! Avoid rules-of-thumb that may “work,” but have no market support
- Appraisal Report
 - These are the “more” important adjustments, since their adjustment factors tend to be *large*
 - These are the “less” important adjustments, since their adjustment factors tend to be *small*
 - However, *all* must have market support
 - Maintain that market support in the workfile
 - An adjustment without market-support is a guess
 - SR2-3 does not allow for guesses
 - A *credible* value opinion does not allow for guesses
- Both *courts* and *state appraisal boards* like to see market-based support for the adjustments
- There are numerous ways to **support adjustments via market data**:
 - Tried-and-true paired sales analysis (done correctly)
 - Regression analysis (when done correctly)
 - Interviews of market participants
 - Data from appraisers’ files/appraisers’ own analyses
 - Analyses of MLS data
 - Analyses of public record data
 - Published and/or private studies; appraiser polls
 - Articles from published and private sources
 - Depreciated cost analyses (careful!)
 - Google and Google Scholar
 - Combination of these/others
- Let’s consider a state decision relative to an appraiser’s *lack of market support*
 - The problem, therefore, was not merely the adjustments, but the *lack of explanations* for the adjustments
 - The lesson? Avoid liability by having support for the adjustments in the report and/or the workfile
 - The lesson? Avoid liability and gain credibility by having market support for *all* of the conclusions in the report
 - Remember: It may be necessary to disclose these sanctions elsewhere too
- Summary:

- USPAP requires *support* for market adjustments/conclusions
- Fannie Mae requires *support* for market adjustments/conclusions
- State appraisal boards and courts require *support* for market adjustments/conclusions
- There are numerous ways to support adjustments from market data, just as there are numerous sources of market data from which to take those adjustments
- State appraisal boards are quite willing to sanction appraisers who fail to support their market adjustments/conclusions
- If there is no support for market adjustments/conclusions within the report, that support must be preserved in the workfile
- Quiz #8

Section 11: Reconciliation

- This is the Reconciliation section of the 1004 form
- It is not overly large, so there is not a lot you can put *here*
- A *narrative addendum* might be necessary
- Are these the only Hypothetical Conditions and Extraordinary Assumptions possible in an appraisal? If there are others, they need to be clearly listed, likely in a separate narrative addendum.
- No definition of a “...*complete* visual inspection of the interior and exterior areas of the subject ... the extent of that “inspection” will need to be *made* clear, likely in a narrative addendum ... failure to make it clear could be construed as “misleading,” a violation of USPAP SR2-1
- Per SR1-6, Reconciliation is a two-step process.
- Review:
 - Since the reconciliation portion of the 1004 form is so small, an addendum is likely necessary;
 - The extent of the appraiser’s visit to the property (i.e. the inspection) needs to be made clear since the boilerplate on it in the 1004 form is so *unclear* (Scope of Work);
 - Avoid any language (boilerplate) that could possibly be misleading (unclear; not related to another topic in the appraisal);
 - Reconciliation is a *TWO-STEP* process, both of which must be present (at least in *summary*) within the report’s four corners.
- Review
- Quiz #9

Section 12: Consent Decree

- A **consent decree** is basically a contract, a written agreement between two parties, in which:
 - The parties, for good or valuable consideration, agree to do or not to do something (one-time basis);
 - An agreement or settlement to resolve a dispute between two parties (without admission of guilt or liability)

- When appraisers sign consent decrees, it means they are guilty of whatever is listed in the consent decree
 - It typically involves a court order, but may involve another authority of competent jurisdiction;
 - The Plaintiff usually has greater leverage; the Defendant wants the problem to go away (quietly and inexpensively);
 - Enforceable at law, if necessary
- It is common for state appraisal board and Plaintiffs to seek the appraiser sign a consent decree, usually at the *beginning* of the proceedings.
- The rationale for this is the appraiser is “guilty,” so consenting to the charges quickly now and paying some sort of penalty results in lower attorney fees, no expert fees, no court costs, and so forth...
- In the context of a state board charge, or a lawsuit, signing a consent decree is the same as pleading “guilty” to the charges.
 - Note: Pleading “GUILTY” via signing a consent decree has long-term ramifications such as ...
 - Signing a consent decree may limit the charges, thus the sanctions attached to them. But signing such a decree is an **admission** of a violation of ethics, standards & practices, and/or so forth.
 - Thus, an appraiser is well-advised to *seek expert counsel* before signing anything.
 - “Expert Counsel” means an attorney
 - Violating ethics is “worse” than violating standards since it is considered *voluntary*... you choose to violate ethics, but violation of a standard may be a simple omission...

Section 13: Overall Review

- Violating ethics is “worse” than violating standards since it is considered *voluntary*
- Support for statements of fact must be in the report or the workfile
- Support for any adjustments (even 0) must be in the report or the workfile
- There are 5 components to the workfile. Of these #4 is the most important
- Both Fannie Mae and USPAP expect the appraiser to exercise proper *due diligence* in an assignment
- Fannie Mae expects the report’s components to be ACCURATE (does not refer to the value opinion)
- Both Fannie and USPAP expect the appraiser to ANALYZE any contract(s) on the subject (or *explain why not*)
 - ANALYZE that P&S Agreement as the appraiser would analyze any comparable sale/contract
- Both Fannie and USPAP expect an ANALYSIS of the subject’s neighborhood, not just lists of its characteristics
- This neighborhood ANALYSIS sets the stage for the market comments and adjustments
- Omission of data and/or analyses can be the bases for charges of MISREPRESENTATION

- Misrepresentation can also result in charges BIAS and/or ADVOCACY
 - Appraisers must avoid both bias and advocacy
- From the data in the COST APPROACH, the client must be able to REPLICATE the appraiser's calculations
- In the COST APPROACH, there must be market support for:
 - The individual cost figures
 - The value of the site as if vacant (H and BU)
 - Accrued Depreciation
- There are numerous ways to support adjustments to the comps ... but they *must* have market support.
- An appraiser is well-advised to seek legal counsel *before* signing a consent decree
- Final

Unit	Name	Type of Unit	Time			
	Syllabus	Reading	5	5		
1	Video Module 1	Video Module	3:50	3	0.833333333	
2	Video Module 2	Video Module	4:37	4	0.616666667	
4	Video Module 3	Video Module	11:45	11	0.75	
5	Video Module 4	Video Module	8:34	8	0.566666667	
3	Test Your Knowledge 1	Test Your Knowledge	10:00	10		
8	Video Module 5	Video Module	6:25	6	0.416666667	
8	Video Module 6	Video Module	10:23	10	0.383333333	
7	Quiz 1	Quiz	10:00	10		
8	Video Module 7	Video Module	10:19	10	0.316666667	
9	Video Module 8	Video Module	6:18	6	0.3	
10	Quiz 2	Quiz	10:00	10		
11	Video Module 9	Video Module	11:29	11	0.483333333	
12	Video Module 10	Video Module	9:14	9	0.233333333	
13	Video Module 11	Video Module	14:01	14		
14	Quiz 3	Quiz	10:00	10		
15	Video Module 12	Video Module	16:34	16	0.566666667	
16	Video Module 13	Video Module	14:37	14	0.616666667	
17	Test Your Knowledge 2	Test Your Knowledge	10:00	10		
18	Quiz 4	Quiz	10:00	10		
19	Video Module 14	Video Module	14:00	14		
20	Video Module 15	Video Module	16:21	16	0.35	
21	Quiz 5	Quiz	10:00	10		
22	Video Module 16	Video Module	16:17	16	0.283333333	
23	Video Module 17	Video Module	14:34	14	0.566666667	
24	Quiz 6	Quiz	10:00	10		
25	Video Module 18	Video Module	12:01	12		
26	Video Module 19	Video Module	7:58	8		
27	Video Module 20	Video Module	9:19	9	0.316666667	
28	Quiz 7	Quiz	10:00	10		
29	Final Exam	Exam	40	40		
				346	7.6	
		Total				353.6 Minutes

		Total (50 minute hours)		7 50 minute hours	
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Quiz #1

1. How could your past actions be your future's prologue?
 - a. They cannot since the past has nothing to do with the future
 - b. They cannot since what's past is past, and the appraiser can't be held liable for what happened in the past
 - c. Per USPAP, an appraiser is liable for his/her past actions for at least five (5) years and maybe longer**
 - d. None of the above responses is correct.

You did not select the correct response. The correct response is: Per USPAP, an appraiser is liable for his/her past actions for at least five (5) years and maybe longer. This is based on USPAP's Record Keeping Rule (see lines 324 through 326 of 2016-2017 USPAP).

2. As one aid to protect against liability an appraiser who presents an appraisal report orally, the workfile must contain _____
 - a. A full report in narrative format suitable to submit to a court if necessary
 - b. Proper photos of the subject
 - c. A memo containing a summary of who was present at the presentation of the oral report
 - d. A signed certification**

You did not select the correct response. The correct response is: A signed certification. The other options are incorrect and/or irrelevant to the question. When an appraiser presents an appraisal report orally, the workfile must contain a signed certification.

3. Failure to reconcile the differences between the subject's original listing price and its eventual sales contract price may be an indication of _____
 - a. Standard appraisal protocols
 - b. What happens when the appraiser bids too low to complete the assignment credibly
 - c. Failure to exercise proper due diligence**
 - d. All of the above

You did not select the correct response. The correct response is: Failure to exercise proper due diligence. Failure to do so is an inappropriate omission from the appraisal process.

4. While appraisers produce appraisal reports for their clients, of the following, who can sue the appraiser over an improperly prepared or -communicated appraisal report?
 - a. The client and any party associated with the client
 - b. The seller
 - c. The buyer

d. All of the above

You did not select the correct response. The correct response is: All of the above – the client and any party associated with the client; the seller; and the buyer. Anybody is able to sue the appraiser at any time for any given reason.

5. USPAP requires what four (4) items (at a minimum) to be in the work file? They area _____
- a. The client's name and the identity (by name or type) of the intended user(s)
 - b. True copies of all written reports
 - c. Summaries of any oral report(s), accompanied by a signed certification
 - d. All other data to support the appraiser's conclusions and opinions
 - e. All of the above**

You did not select the correct response. The correct response is: All of the above – the client's name and the identity (by name or type) of the intended user(s); true copies of all written reports; and summaries of any oral report(s), accompanied by a signed certification; and all other data to support the appraiser's conclusions and opinions. This is based on USPAP's Record Keeping Rule (see lines 312 through 323 of 2016-2017 USPAP).

6. Among meeting other criteria, a properly prepared work file also demonstrates
- a. Proper compliance with USPAP**
 - b. Respect for state statute
 - c. A reasonable understanding of the appraisal process
 - d. None of the above

You did not select the correct response. The correct response is: Proper compliance with USPAP. USPAP requires a "...work file [to be] in existence prior to the issuance of any report." This is based on USPAP's Record Keeping Rule (see lines 309 through 311 of 2016-2017 USPAP).

7. A bullet-proof work file helps to protect appraisers from
- a. State regulators
 - b. Plaintiffs (and their attorneys)
 - c.irate clients
 - d. All of the above**

You did not select the correct response. The correct response is: All of the above – state regulators; plaintiffs (and their attorneys); and irate clients. Those are the parties who typically charge or prosecute appraisers.

8. A bullet-proof work file
- a. Is generally too heavy to lift
 - b. The equivalent of great E&O insurance (and it's free!)**

- c. Both of the above
- d. Neither of the above

You did not select the correct response. The correct response is: The equivalent of great E&O insurance (and it's free!). A well-documented and properly-maintained work file will, upon comparison with USPAP standards One and Two, show the appraiser if s/he has made any errors or omitted any steps in the appraisal process.

9. What is one common charge states' appraisal boards regularly bring against appraisers?
- a. Intent to commit appraisal fraud
 - b. Failure to exercise proper or due diligence**
 - c. Failure to measure the house properly
 - d. None of the above

You did not select the correct response. The correct response is: Failure to exercise proper or due diligence. Any improper act of omission or commission as part of an appraisal is lack of due diligence.

10. One definition of proper or due diligence could be
- a. Proper professional efforts
 - b. Proper professional efforts to find all of the sales, cost, and income data
 - c. Proper and sufficient professional efforts to arrive at credible assignment results**
 - d. None of the above

You did not select the correct response. The correct response is: Proper and sufficient professional efforts to arrive at credible assignment results. Due diligence is going through the time and trouble to get all of the elements of an appraisal correct, so that the results are accurate.

11. Which part of USPAP indicates to the appraiser the quantity of data to be analyzed as part of the exercise of proper due diligence?
- a. The DUE DILIGENCE Rule
 - b. The CREDIBLE ASSIGNMENT RESULTS Rule
 - c. SR1-4**
 - d. None of the above

You did not select the correct response. The correct response is: SR1-4. SR1-4 reads: "In developing a real property appraisal, an appraiser must collect, verify, and analyze *all* information necessary for credible assignment results."

12. Why is it so easy for states to prove an appraiser failed to exercise proper due diligence?

- a. That failure is clear if the appraiser did not develop and then communicate the appraisal properly
- b. Basically any serious error of omission or commission is the result of failure to exercise proper due diligence
- c. Any improper use of standard appraisal methodology is failure to exercise proper due diligence
- d. All of the above**

You did not select the correct response. The correct response is: All of the above – that failure is clear if the appraiser did not develop and then communicate the appraisal properly; basically any serious error of omission or commission is the result of failure to exercise proper due diligence; and any improper use of standard appraisal methodology is failure to exercise proper due diligence. All of the listed responses are correct in the context of this course; therefore all of them are the proper answer.

13. Why is it so hard for appraisers to defend themselves against charges of failure to exercise proper due diligence?

- a. That failure is clear if the appraiser did not develop and then communicate the appraisal properly
- b. Basically any serious error of omission or commission is the result of failure to exercise proper due diligence
- c. Any improper use of standard appraisal methodology is failure to exercise proper due diligence
- d. All of the above**

You did not select the correct response. The correct response is: All of the above – That failure is clear if the appraiser did not develop and then communicate the appraisal properly; Basically any serious error of omission or commission is the result of failure to exercise proper due diligence; and Any improper use of standard appraisal methodology is failure to exercise proper due diligence. All of the listed responses are correct in the context of this course; therefore, all of them are the proper answer.

14. What is required to identify all the factors that would effect the credibility of an appraisal assignment?

- a. Geographic competency
- b. An at-hand copy of the *Fannie Mae Selling Guide* (for quick reference)
- c. An at-hand copy of USPAP Standard Three
- d. None of the above**

You did not select the correct response. The correct response is: None of the above. Geographic competency; an at-hand copy of the *Fannie Mae Selling Guide* (for quick reference); and an at-hand copy of USPAP Standard Three are all incorrect and/or not relevant to the question. The correct answer to this question should be: proper due diligence; thus all of the given responses are incorrect.

15. Failure to identify and analyze all the factors that effect the credibility of assignment results is also known as _____
- a. Standard appraisal protocol
 - b. Failure to exercise proper due diligence**
 - c. Violation of the competency rule
 - d. All of the above

You did not select the correct response. The correct response is: Failure to exercise proper due diligence. Due diligence is the proper identification and analysis of the factors that effect the credibility of assignment results.

16. It is true a state can bring charges against an appraiser for _____, even if that was not part of the original charge brought by the complainant
- a. Fannie Mae Appraisal Guidelines Rules
 - b. Failure to exercise proper due diligence**
 - c. Violating the Exposure Time Rule
 - d. None of the above

You did not select the correct response. The correct response is: Failure to exercise proper due diligence. A state (1) has access to the appraiser's work file, thus, can judge how closely the appraiser followed (or failed to follow) Standard One; and (2) the state appraisal board is not bound by any complaint as to what charge(s) to levy against an appraiser.

17. An "overly broad" neighborhood description may be an indication of _____
- a. Standard appraisal protocols
 - b. What happens when the appraiser bids too low to complete the assignment credibly
 - c. Failure to exercise proper due diligence**
 - d. None of the above

You did not select the correct response. The correct response is: Failure to exercise proper due diligence. An overly broad neighborhood description tells the client and intended users nothing, nor does it demonstrate the appraiser had analyzed the market sufficiently to ensure that if the market forces an influence on a subject's value, that it no longer influences it.

18. Properly disclosing a pending contract as part of the appraisal may be an indication of _____
- a. Standard appraisal protocols
 - b. What happens when the appraiser bids too low to complete the assignment credibly
 - c. Such a description is not necessary as part of a credible appraisal
 - d. The exercise of proper due diligence**

You did not select the correct response. The correct response is: The exercise of proper due diligence. Both Fannie Mae and USPAP require the appraiser to analyze any pending contracts (see USPAP's SR12-(e)(iv); AO-1).

19. Failure to summarize and support the property's highest and best use may be an indication of _____
- a. **Failure to exercise proper due diligence**
 - b. Standard appraisal protocols
 - c. What happens when the appraiser bids too low to complete the assignment credibly
 - d. Such a description is not necessary as part of a credible appraisal

You did not select the correct response. The correct response is: Failure to exercise proper due diligence. Failure to summarize the subject's highest and best use implies the appraiser has not done the analyses, a violation of SR1-3(b) (see the comment) and SR2-2 (a)(x).

20. State appraisal boards tend to get all upset (and then file charges) when an appraiser fails to exercise proper due diligence
- a. False
 - b. Maybe
 - c. **True**
 - d. Not enough information to answer the question

21. State appraisal boards tend to get all upset (and then file charges) when an appraiser _____
- a. Is least expecting it
 - b. **Fails to exercise proper due diligence**
 - c. Fails to distinguish between market value and contract price
 - d. All of the above

You did not select the correct response. The correct response is: Fails to exercise proper due diligence. See the comment to SR1-1(b). The comment to SR1-1(c) is also applicable

You did not select the correct response. The correct response is: True. See the comment to SR1-1(b). The comment to SR1-1(c) is also applicable.

22. Failure to measure a building, or failure to measure it properly, may be indications of the appraiser's _____
- a. Failure to distinguish between contract value and market price
 - b. Failure to extract adjustments properly from cost new
 - c. **Failure to exercise due diligence**
 - d. None of the above

You did not select the correct response. The correct response is: Failure to exercise due diligence. See the comment to SR1-1(b). The comment to SR1-1(c) is also applicable.

23. In a lawsuit against you, how can a properly prepared and -maintained work file help you defend yourself against the charges?

- a. It contains a complete picture of what you did and/or did not do to arrive at a credible value opinion, supports your adjustments and conclusions, and compiles with USPAP's requirements to maintain a work file
- b. In it is support for your adjustments and conclusions
- c. It contains a record of how well and with whom you confirmed your sales data
- d. All of the above**

You did not select the correct response. The correct response is: All of the above – it contains a complete picture of what you did and/or did not do to arrive at a credible value opinion, supports your adjustments and conclusions, and compiles with USPAP's requirements to maintain a work file; in it is support for your adjustments and conclusions; and it contains a record of how well and with whom you confirmed your sales data. This is based on all of the answers being the essence of why an appraiser keeps a work file.

24. What are the chances of having a charge filed against you if you've been appraising for 30 years?

- a. 10%
- b. 3%
- c. 50%
- d. 90%**

You did not select the correct response. The correct response is 90%. Each year one accumulates 3% chance of having a charge filed against them.

25. When will an appraisal get reviewed?

- a. When it is sent to FNMA**
- b. When it is sent to FHT
- c. It will never be reviewed
- d. None of the above

You did not select the correct response. The correct response is: When it is sent to FNMA. In addition, FNMA, FHA, and VA.

26. Are lenders able to use technology to catch appraisal mistakes?

- a. **Yes**
- b. No

You did not select the correct response. The correct response is yes. They are able to use technology to catch mistakes in several ways.

27. Collateral Underwriter was made to grade appraisals.

- a. True
- b. **False**

You did not select the correct response. The correct response is false. It was meant to use appraisals as an indicator to the underwriter.

28. Do states interpret USAP uniformly?

- a. Always
- b. Never
- c. **Each State interprets it according to their own rule**
- d. None of the above

You did not select the correct response. The correct answer is that each state interprets according to their own rule.

29. You did not select the correct response.

- a. Summary of oral report
- b. Unsigned copies of documents
- c. Phone number
- d. None of the above

You did not select the correct response. The correct response is: Summary of oral report.

30. What will help protect you against state regulators?

- a. Summary of a report
- b. **Bullet-Proof Workfile**
- c. Some documents that were used
- d. All of the above

You did not select the correct response. The correct response is: Bullet-Proof workfile

Quiz #2

1. In the context of an appraisal, "accurate" means _____

- a. **Clear and not misleading**
- b. Getting the final value conclusion correct
- c. Using proper appraisal terminology
- d. Using proper appraisal terminology

You did not select the correct response. The correct response is: Clear and not misleading. In this context, "accurate" means getting the components of the value opinion correct, which leads to a market-supported value conclusion; it has nothing to do with how accurate the final value opinion is, since that is an opinion and an opinion is neither accurate nor inaccurate.

- 2. In the context of an appraisal, "accurate" does not apply to _____
 - a. How correct the subject's measurements are
 - b. If the final value opinion supports the contract purchase price
 - c. **The final value opinion since an opinion is either well formed, or it is not; an opinion is neither accurate nor inaccurate**
 - d. None of the above

You did not select the correct response. The correct response is: The final value opinion since an opinion is either well formed, or it is not; an opinion is neither accurate nor inaccurate. In this context, "accurate" means getting the components of the value opinion correct, which leads to a market-supported value conclusion; it has nothing to do with how accurate the final value opinion is, since that is an opinion and an opinion is neither accurate nor inaccurate.

- 3. In the context of an appraisal and report, a well-formed opinion likely results in a(n) _____
 - a. Large Fee
 - b. **Accurate Appraisal**
 - c. Happy client
 - d. Report with few adjustments

You did not select the correct response. The correct response is: Accurate appraisal. In this context, "accurate" means getting the components of the value opinion correct, which leads to a market-supported value conclusion; it has nothing to do with how accurate the final value opinion is, since that is an opinion and an opinion is neither accurate nor inaccurate.

- 4. In the context of an appraisal and report, credible assignment results require
 - a. A lot of comparable sales data
 - b. **Support by relevant evidence and logic**
 - c. Significant professional appraisal assistance
 - d. All of the above

You did not select the correct response. The correct response is: Support by relevant evidence and logic. See USPAP SR1-2(c)(iv); SR1-2(e)(v); the comment to SR1-3(b); and AO-2.

- 5. In the context of an appraisal and report, credible assignment results come from

- a. A lot of comparable sales data
- b. A great deal of analyses
- c. Significant professional appraisal assistance
- d. The support of the value conclusion by relevant evidence and logic**

You did not select the correct response. The correct response is: The support of the value conclusion by relevant evidence and logic. See USPAP SR1-2(c)(iv); SR1-2 (e)(v); the comment to SR1-3(b); and AO-2.

6. In the context of support of the value opinion by relevant evidence and logic, where does the appraiser maintain these supporting data?
- a. The Cloud
 - b. In an attorney's office
 - c. The workfile**
 - d. Any place convenient

You did not select the correct response. The correct response is: The work file. See USPAP's The Record Keeping Rule.

7. One function of a well-supported value conclusion is to
- a. Impress the client
 - b. Impress the state appraisal board
 - c. Impress the appraisal police
 - d. Demonstrate compliance with USPAP**

You did not select the correct response. The correct response is: Demonstrate compliance with USPAP. The function of a well-supported value conclusion is to show how the appraiser's value opinion comes from the market, and from no other source; to show compliance with USPAP.

8. Due diligence is the analyses of _____ necessary to reach a credible conclusion
- a. Comparable Sales
 - b. Cost and income/expense data
 - c. All factors**
 - d. None of the above

You did not select the correct response. The correct response is: All factors. See USPAP the Comment to SR1-1(b); SR1-4.

9. Due diligence is the analyses of all factors necessary to reach a _____
- a. Comparable Sales
 - b. Cost and income/expense data
 - c. Credible Conclusion**
 - d. None of the above

You did not select the correct response. The correct response is: Credible conclusion. See USPAP the Comment to SR1-1(b); SR1-4.d

10. _____ is the analyses of all factors necessary to reach a credible conclusion
- a. Comparable Sales
 - b. Cost and income/expense data
 - c. Due diligence**
 - d. None of the above

You did not select the correct response. The correct response is: Due diligence. See USPAP the Comment to SR1-1(b); SR1-4.

11. Regression analysis is the analyses of all factors necessary to reach a credible conclusion
- a. Comparable Sales
 - b. Cost and income/expense data
 - c. Due diligence
 - d. None of the above**

You did not select the correct response. The correct response is: None of the above. See USPAP the Comment to SR1-1(b); SR1-4.

12. The Cost approach is the analyses of all factors necessary to reach a credible conclusion
- a. Comparable Sales
 - b. Cost and income/expense data
 - c. Due diligence
 - d. None of the above**

You did not select the correct response. The correct response is: None of the above. See USPAP the Comment to SR1-1(b); SR1-4.

13. The Sales Comparison approach is the analyses of all factors necessary to reach a credible conclusion
- a. Comparable Sales
 - b. Cost and income/expense data
 - c. Due diligence
 - d. None of the above**

You did not select the correct response. The correct response is: None of the above. See USPAP the Comment to SR1-1(b); SR1-4.

14. Appraisers support their due diligence via the presentation of
- _____

- a. Paired sales analysis
- b. Regression Analysis
- c. Market evidence and the use of logic**
- d. All of the above

You did not select the correct response. The correct response is: Market evidence and the use of logic. See the Comment for the definition of "credible." Paired sales analysis and Regression analysis are incorrect and/or not relevant to the question.

15. Appraisers support their _____ via the presentation of market evidence and the use of logic
- a. Paired sales analysis
 - b. Regression analysis
 - c. Market evidence and the use of logic
 - d. Due diligence

You did not select the correct response. The correct response is: Due diligence. See the Comment for the definition of "credible." Paired sales analysis; Regression analysis; and market evidence and the use of logic are all incorrect and/or not relevant to the question.

16. _____ is the source of an appraiser's evidence or support for a conclusion
- a. The Realtor's® Book of Adjustments
 - b. "How to Adjust Comps", a best seller by The Appraisal Foundation
 - c. The Market**
 - d. The 14th ed. of The Appraisal of Real Estate

You did not select the correct response. The correct response is: The Market. That is why it is called MARKET VALUE.

17. The market is the source of an appraiser's _____ or _____ for a conclusion
- a. Support; evidence**
 - b. Calculations; opinions
 - c. Both A and B are correct
 - d. Neither A nor B is correct

You did not select the correct response. The correct response is: Support; evidence. See the Comment for the definition of "credible."

18. What are some examples of how exercising due diligence helps an appraiser to prevent liability?
- a. Taking the time to measure the subject properly and completely
 - b. Taking the time to get the legal description from a reliable source

- c. Taking the time to gather, verify, and then analyze all of the relevant comparable sales
- d. All of the above**

You did not select the correct response. The correct response is: All of the above – taking the time to measure the subject properly and completely; taking the time to get the legal description from a reliable source; taking the time to gather, verify, and then analyze all of the relevant comparable sales. See SR1-1(a), (b), and (c), especially the Comment to (b).

19. Taking the time to measure the subject property properly and completely is one example of how an appraiser _____
- a. Wastes a lot of time at the subject site
 - b. Exercises proper due diligence**
 - c. Learns the secrets of geometry and trigonometry
 - d. All of the above

You did not select the correct response. The correct response is: Exercises proper due diligence. See SR1-1(a), (b), and (c), especially the Comment to (b).

20. Taking the time to get the legal description from a reliable source is one example of how an appraiser _____
- a. Wastes a lot of time at the office
 - b. Exercises proper due diligence**
 - c. Learns the secrets of geometry and trigonometry
 - d. None of the above

You did not select the correct response. The correct response is: Exercises proper due diligence. See SR1-1(a), (b), and (c), especially the Comment to (b).

21. Taking the time to gather, verify, and then analyze of the relevant comparable sales is one example of how an appraiser _____
- a. Wastes a lot of time at the office
 - b. Exercises proper due diligence**
 - c. Learns the secrets of Big Data
 - d. None of the above

You did not select the correct response. The correct response is: Exercises proper due diligence. See SR1-1(a), (b), and (c), especially the Comment to (b).

22. If the components are accurate, then the entire appraisal and report are accurate
- a. True**
 - b. False

You did not select the correct response. The correct response is: True

23. FNMA expects due diligence, but makes less of an issue of it than USPAP.

- a. **True**
- b. False

You did not select the correct response. The correct response is: True. However, this does not indicate that due diligence is not important.

24. Are there such things as accurate opinions?

- a. Yes
- b. **No**
- c. Sometimes

You did not select the correct response. The correct response is: No. Opinions are not well-formed; therefore, are not accurate.

25. What is the definition of credible in a USPAP context?

- a. **Worthy of belief**
- b. Accurate
- c. Everyone is trustworthy

You did not select the correct response. The correct response is: Worthy of belief.

26. Where is evidence collected from?

- a. Market data
- b. Sales
- c. Interviews
- d. **All of the above**

You did not select the correct response. The correct response is: All of the above.

27. If sales price is accurate, will the bases for each comparable sale accurate?

- a. **Yes**
- b. No

You did not select the correct response. The correct response is: Yes.

28. What is an example of some charges that appraisers can face?

- a. Failure to reconcile the differences between listing price and sales contract price
- b. "Overly broad" neighborhood description
- c. Incorrect zoning
- d. **All of the above**

You did not select the correct response. The correct response is: All of the above.

29. Appraisers must _____ an unsupported assumption or premise about market area trends.

- a. Read about
- b. Make
- c. Avoid making**
- d. None of the above

You did not select the correct response. The correct response is: Avoid making

30. Accuracy does not apply to final value opinion.

- a. True**
- b. False

You did not select the correct response. The correct response is: True

Quiz #3

1. An appraiser's failure to support her/his value conclusions properly is one way to

-
- a. Violate USPAP
 - b. Find oneself afoul of Fannie Mae guidelines
 - c. Be subject to state charges of failure to exercise proper due diligence
 - d. All of the above**

You did not select the correct response. The correct response is: All of the above. See SR1-1(a), (b), and (c), especially the Comment to (b).

2. One way to fail to exercise proper due diligence is to _____

- a. Take the measurements from MLS, when you have no idea as to how accurate MLS measurements are**
- b. Measure a house's cubic area metrically
- c. Use reliable sources for data such as legal descriptions and square footage
- d. All of the above

You did not select the correct response. The correct response is: Take the measurements from MLS, when you have no idea as to how accurate MLS measurements are. Measure a house's cubic area metrically and use reliable sources for data such as legal descriptions and square footage are both incorrect and/or not relevant to the question.

3. The Record Keeping Rule does what relative to the exercise of proper due diligence?

- a. It does not. There is no connection at all

- b. It exhorts appraisers to maintain all of the relevant data and their analyses in the work file**
- c. It aids the appraiser in determining if VA guidelines have been followed
- d. All of the above

You did not select the correct response. The correct response is: It exhorts appraisers to maintain all of the relevant data and their analyses in the work file. This is based on USPAP's Record Keeping Rule (see lines 310 through 342 of 2016-2017 USPAP).

- 4. What obligations does the appraiser have relative to a purchase and sale agreement on the property being appraised?
 - a. The appraiser must list it on the FNMA form
 - b. The appraiser must list it on the FNMA form then, somewhere in the report, analyze the purchase and sale agreement**
 - c. Fannie Mae requires the appraiser to analyze the sale and purchase of all of the comparable sales within the last three years
 - d. None of the above

You did not select the correct response. The correct response is: The appraiser must list it on the FNMA form then, somewhere in the report, analyze the purchase and sale agreement. See SR1-5(a) and (b), as well as the Comment to (b).

- 5. In a Fannie Mae context, the lender _____
 - a. Must provide the appraiser with a complete, ratified copy of the P&S agreement**
 - b. Must ask permission to share the P&S agreement with the appraiser, since it is confidential between the buyer and seller
 - c. Must share with the appraiser a copy of the CU algorithm
 - d. All of the above

You did not select the correct response. The correct response is: Must provide the appraiser with a complete, ratified copy of the P&S agreement. See FMSG, B1-1-01. Must ask permission to share the P&S agreement with the appraiser, since it is confidential between the buyer and seller and must share with the appraiser a copy of the CU algorithm are both incorrect and/or not relevant to the question.

- 6. When the appraiser analyzes the P&S agreement, the appraiser must analyze it in light of _____
 - a. USPAP
 - b. Fannie Mae guidelines
 - c. The Client's instructions regarding the analysis of the property
 - d. None of the above**

You did not select the correct response. The correct response is: None of the above. Current Market Evidence; see also AO-1. USPAP; Fannie Mae guidelines; and the client's instructions regarding the analysis of the property are all incorrect and/or not relevant to the question.

7. In a *non*-Fannie Mae context, if the parties will not give you a copy of the P&S agreement (assuming there is one), the appraiser must _____
- a. Disclose this refusal
 - b. Disclose this refusal, and then file a complaint with state banking authorities
 - c. Disclose this refusal, and then disclose as well what the appraiser did and/or did not do to get a copy of the P&S agreement**
 - d. None of the above

You did not select the correct response. The correct response is: Disclose this refusal, and then disclose as well what the appraiser did and/or did not do to get a copy of the P&S agreement. See SR1-2(e)(iv) [see The Scope of Work Rule, especially the Comment under *Disclosure Obligations* (line 457)].

8. In an arm's-length purchase and sale context, the residential seller agrees to finance 100% of the purchase via a purchase-money first mortgage, at 1% interest, payable interest-only quarterly, for 99 years. Are there any seller concessions here the appraiser must account for?
- a. Yes**
 - b. No

You did not select the correct response. The correct response is: Yes. Purchase money first mortgage at 1% interest rate, payable interest-only quarterly, over 99 years, is *not* how the market *typically* finances a residential purchase and sale. See Fannie Mae's definition of Market Value B4-1.1-01; see SR1-2(c)(i, ii, and iv).

9. Assuming an appraiser does not analyze the purchase and sale agreement per USPAP, _____
- a. Fannie Mae may levy a fine against the appraiser
 - b. That failure is a USPAP violation and the state may sanction the appraiser**
 - c. There is no penalty for failing to analyze the P&S agreement appropriately
 - d. None of the above

You did not select the correct response. The correct response is: That failure is a USPAP violation and the state may sanction the appraiser. Fannie Mae cannot levy fines against appraisers. There is no penalty for failure to analyze the P&S agreement; there is only the *potential* for penalty.

10. Typically, how does the appraiser account for any financial assistance any party gives to the buyer
- The appraiser does not since there is no reason to account for financial assistance
 - By adjusting the purchase price downward for non-cash equivalent financing**
 - By helping the parties negotiate a new purchase price
 - None of the above

You did not select the correct response. The correct response is: By adjusting the purchase price downward for non-cash equivalent financing. The appraiser must account for financing, by lowering the price, if the financing inflated the sales price. It is not the appraiser's job to help the parties negotiate a new purchase and sales price, although sometimes that happens.

11. The purchase and sales agreement calls for a purchase and sales price of \$450,000. There are sales in the neighborhood from \$400,000 to \$500,000. Therefore, the purchase price of the subject property is realistically \$450,000
- True, because the contract price is where the parties' minds have met, thus the purchase price is the property's market value
 - True, because the purchase and sales price is the price on which the broker's commission is based
 - False, since it is the appraiser's job to analyze the market to form an opinion if the purchase and sales price of the property is really that property's market value**
 - False, since the purchase and sales price of the property can be re-negotiated at any time.

You did not select the correct response. The correct response is: False, since it is the appraiser's job to analyze the market to form an opinion if the purchase and sales price of the property is really that property's market value. It is true the parties' minds have met at the contract sales price, but that merely means their minds have met; it has nothing to do with market value. The price on which the commission is paid is irrelevant to the appraiser. The P&S price can be renegotiated at any time, but that is irrelevant to this question as well as to what appraisers do.

12. Why is it that neighborhood boundaries are so important in a residential real estate appraisal?
- Typically, they indicate the location of the comparable sales
 - Typically they indicate the location of the comparable rentals
 - Outside of them, market influences tend to change
 - All of the above**

You did not select the correct response. The correct response is: All of the above – Typically, they indicate the location of the comparable sales; typically, they indicate the location of the comparable rentals; and outside of them, market influences tend to change. All of the listed answers are correct; therefore the choice “all of the above” is the proper response.

13. Neighborhood characteristics include such amenities as:

- a. Types of structures (attached or detached)
- b. Architectural styles
- c. Current land uses
- d. All of the above**

You did not select the correct response. The correct response is: All of the above – Types of structures (attached or detached); Architectural styles; and Current land uses. All of the listed responses are correct; therefore the choice “all of the above” is the proper response.

14. Neighborhood characteristics include such amenities as:

- a. Properties the same price as the subject
- b. Properties under construction
- c. Properties being razed
- d. None of the above is correct**

You did not select the correct response. The correct response is: None of the above. Properties the same price as the subject; properties under construction; and properties being razed are all incorrect and/or not relevant to the question; therefore the choice “none of the above” is the proper response.

15. An appraiser performs a neighborhood analysis to _____

- a. Fulfill USPAP and/or Fannie Mae requirements
- b. Identify the area(s) that is/are subject to the same market influences as is the subject**
- c. Provide Fannie Mae with the proper quantity and quality of data
- d. All of the above

You did not select the correct response. The correct response is: Identify the area(s) that is/are subject to the same market influences as is the subject. Fulfill USPAP and/or Fannie Mae requirements and Provide Fannie Mae with the proper quantity and quality of data are both incorrect, therefore all of the above is also incorrect.

16. An appraiser performs a neighborhood analysis to _____

- a. Fulfill USPAP and/or Fannie Mae requirements
- b. Identify the area(s) that is/are subject to the same market influences as is the subject**
- c. Provide Fannie Mae with the proper quantity and quality of data
- d. None of the above

You did not select the correct response. The correct response is: Identify the area(s) that is/are subject to the same market influences as is the subject. This is not a USPAP concept; see FMSG at B4-1.3-03.

17. The results of a neighborhood analysis enable the appraiser to _____

- a. More accurately pinpoint the neighborhood boundaries on a map
- b. More accurately pinpoint the subject's latitude and longitude on a map
- c. Identify the factors that influence the value of properties in the neighborhood**
- d. None of the above is correct

You did not select the correct response. The correct response is: Identify the factors that influence the value of properties in the neighborhood. This is not a USPAP concept; see FMSG B4-1.3-03.

18. The results of a neighborhood analysis enable the appraiser to _____

- a. More accurately pinpoint the comparable sales on a map
- b. More accurately pinpoint the subject's linkages on a map
- c. To define the area from which to select the comps necessary to carry out a sales comparison analysis**
- d. All of the above

You did not select the correct response. The correct response is: To define the area from which to select the comps necessary to carry out a sales comparison analysis. This is not a USPAP concept; see FMSG B4-1.3-03.

19. When the appraiser indicates in the report the subject's neighborhood boundaries, this implies _____

- a. The appraiser has done the analyses necessary to choose those boundaries based on his/her analyses of market data**
- b. The neighborhood boundaries correspond more-or-less with the boundaries of the local elementary school
- c. Linkages are all within a 3-mile radius
- d. All of the above

You did not select the correct response. The correct response is: The appraiser has done the analyses necessary to choose those boundaries based on his/her analyses of market data. Local elementary school boundaries have nothing to do with the boundaries an appraiser chooses.

20. What is one of the most common lack of due diligence in appraisers?

- a. Not analyzing the contract deeply enough

- b. Reading the contract
- c. Analyzing the contract deeply
- d. None of the above**

You did not select the correct response. The correct response is: Not analyzing the contract deeply enough

21. The lender has a choice to provide the appraiser with a copy of the ratified contract.

- a. True
- b. False**

You did not select the correct response. The correct response is: False

22. Who provides the complete and ratified contract to the appraiser?

- a. Real Estate Broker
- b. Mortgage Broker
- c. Lender**
- d. None of the above

You did not select the correct response. The correct response is: Lender

23. How does an appraiser indicate any changes made in the contract?

- a. It must be signed or initialed next to the change**
- b. S/he must read every detail of the contract to find it
- c. There is no indicator
- d. Changes are never made

You did not select the correct response. The correct response is: It must be signed or initialed next to the change

24. Does the appraiser have to explain why they did not analyze a contract?

- a. No they never have to explain
- b. Yes they do**
- c. Only Sometimes

You did not select the correct response. The correct response is: Yes they must explain why

25. Is the contract price the price that the appraiser must hit?

- a. No, since any adjustments will then be applied in the "sales price"**
- b. Yes it is mandatory
- c. Only if the number is far off
- d. Yes because cash equivalency will NOT be applied

You did not select the correct response. The correct response is: No, since any adjustments will then be applied in the "sales price"

26. The appraiser must account for which of these that is a FNMA/USPAP fundamental?

- a. Mortgage Financing
- b. Gifts of personal property
- c. HOA dues
- d. All of the above**

You did not select the correct response. The correct response is: All of the above.

27. Is it possible for the appraiser to be charged with fraud if appraiser does not account monetary and non-monetary items?

- a. Yes**
- b. No they are not liable
- c. All of the above

You did not select the correct response. The correct response is: Yes they can be charged.

28. If neighborhood analyses incorrect, how credible are any results from them?

- a. They are always credible
- b. They are not credible and should not be used for results.**

You did not select the correct response. The correct response is: They are not credible and should not be used for results.

29. What is not included in a neighborhood boundary?

- a. Rivers
- b. Established neighborhood boundary
- c. A map referencing boundary
- d. All of these are neighborhood boundaries**

You did not select the correct response. The correct response is: All of these are neighborhood boundaries

30. The neighborhood boundaries clearly establish North, South, East, and West boundaries.

- a. True**
- b. False

You did not select the correct response. The correct response is: True

Quiz #4

1. A comparison of the changes in listing prices over time is part of the analyses of _____
- a. Comparable construction costs over time
 - b. Comparable changes in equity dividend rates over time
 - c. Changes in the subject's market conditions over time**
 - d. None of the above

You did not select the correct response. The correct response is: Changes in the subject's market conditions over time. Construction costs can change over time due to influences other than the demand and supply for real estate.

2. A comparison of the changes in equity dividend rates over time is part of the analyses of _____
- a. Comparable construction costs over time
 - b. Comparable changes in equity dividend rates over time
 - c. Changes in the subject's market conditions over time**
 - d. None of the above

You did not select the correct response. The correct response is: Changes in the subject's market conditions over time. Construction costs can change over time due to influences other than the demand and supply for real estate.

3. When an appraiser indicates sales prices have increased 3% over the last 6-months, this implies _____
- a. Property is getting more expensive
 - b. Property is getting less expensive
 - c. New construction will explode within the next 9-months
 - d. There will be upward time adjustments in the sales comparison approach**

You did not select the correct response. The correct response is: There will be upward time adjustments in the sales comparison approach. Property is getting more expensive; property is getting less expensive; and new construction will explode within the next 9-months are all incorrect and/or not relevant to the question; therefore the correct response is: there will be upward time adjustments in the sales comparison approach.

4. When an appraiser indicates sales prices have increased approximately 3% over the last 6-months, this implies _____
- a. Property is getting less expensive
 - b. New construction will explode within the next 9-months
 - c. A 4-month old sale will have an adjustment of approximately 2%**
 - d. None of the above

You did not select the correct response. The correct response is: A 4-month old sale will have an adjustment of approximately 2%. Property is getting less expensive and new construction will explode within the next 9-months are both incorrect and/or not relevant to the question. When an appraiser indicates sales prices have increased approximately 3% over the last 6-months, this implies that a 4-month old sale will have an adjustment of approximately 2%.

5. An appraiser concludes a value opinion of \$350,000. On page -1- of the report the appraiser noted that over the last six months, the market had been "...dynamically stable, with neither pronounced increases nor decreases in value...". Yet in the Sales Comparison approach, there are upward time adjustments. One way to interpret this comment and associated action is that of

-
- a. Bias
 - b. Advocacy
 - c. Misinterpretation of the market
 - d. All of the above**

You did not select the correct response. The correct response is: All of the above – bias; advocacy; and misinterpretation of the market. Making such a statement as a statement of fact, yet failing to make the proper adjustment, may be a mere misinterpretation of the market, but could be bias and/or advocacy as well.

6. An appraiser concludes a value opinion of \$350,000. On page -1- of the report the appraiser noted that over the last six months, the market had been "...dynamically stable, with neither pronounced increases nor decreases in value...". Yet in the Sales Comparison approach, there are upward time adjustments. One way to interpret this comment and associated action is that of

-
- a. The appraiser's scope of work
 - b. The appraiser's opinion of how the market works
 - c. The appraiser's opinion of value
 - d. Bias**

You did not select the correct response. The correct response is: Bias. Making such a statement as a statement of fact, yet failing to make the proper adjustment, may be a mere misinterpretation of the market, but could be bias and/or advocacy as well.

7. An appraiser lists a neighborhood's boundaries in a report. What must the appraiser have in the workfile relative to this decision?
- a. A neighborhood map with the boundaries outlined
 - b. Market-based support**
 - c. Census data
 - d. None of the above

You did not select the correct response. The correct response is: Market-based support. A neighborhood map with the boundaries outlines and census data are both incorrect and/or not relevant to the question. An appraiser must have a market-based support in the workfile relative to the decision to list a neighborhood's boundaries in a report.

8. An appraiser lists a neighborhood's boundaries in a report. What must the appraiser have in the workfile relative to this decision?
- a. Census data
 - b. Subject neighborhood photos
 - c. Non-MLS data
 - d. None of the above**

You did not select the correct response. The correct response is: None of the above. Census data; subject neighborhood photos; and Non-MLS data are all incorrect and/or not relevant to the question; therefore none of the above is the proper response.

You did not select the correct response. The correct response is: None of the above.

9. An appraiser indicates in the report's neighborhood section the land uses in the neighborhood are changing from residential to office-commercial, permitting older houses to be converted into office space. What must the appraiser have in the workfile relative to this conclusion?
- a. A neighborhood map with the boundaries outlined
 - b. Market-based support**
 - c. MLS data
 - d. None of the above

You did not select the correct response. The correct response is: Market-based support. A neighborhood map with the boundaries outlined and the MLS data will not that or why land uses are changing.

10. An appraiser indicates in the report's neighborhood section the land uses in the neighborhood are changing from residential to office-commercial, permitting older houses to be converted into office space. What must the appraiser have in the workfile relative to this conclusion?
- a. Census data
 - b. Subject neighborhood photos
 - c. MLS data
 - d. None of the above**

You did not select the correct response. The correct response is: None of the above. Census data, subject neighborhood photos, and MLS data will not show both that and why the land uses in the neighborhood are changing.

11. Is the MLS the most authoritative source for subject or comparable site *size* data?

- a. **All other things being equal, no**
- b. All other things being equal, yes
- c. All other things being equal, maybe
- d. All other things being equal, who knows?

You did not select the correct response. The correct response is: All other things being equal, no. MLS data may be correct, but there is no guarantee they are accurate since brokers are typically not sanctioned when the MLS data they enter is incorrect or inaccurate.

12. Is the MLS the most authoritative source for subject or comparable site *boundary* data?

- a. **All other things being equal, no**
- b. All other things being equal, yes
- c. All other things being equal, maybe
- d. All other things being equal, who knows?

You did not select the correct response. The correct response is: All other things being equal, no. MLS data may be correct, but there is no guarantee they are accurate since brokers are typically not sanctioned when the MLS data they enter is incorrect or inaccurate.

13. Is the MLS the most authoritative source for subject or comparable *soil composition* data?

- a. **All other things being equal, no**
- b. All other things being equal, yes
- c. All other things being equal, maybe
- d. All other things being equal, who knows?

You did not select the correct response. The correct response is: All other things being equal, no. MLS data may be correct, but there is no guarantee they are accurate since brokers are typically not sanctioned when the MLS data they enter is incorrect or inaccurate.

14. Is the MLS the most authoritative source for subject or comparable *zoning* data?

- a. **All other things being equal, no**
- b. All other things being equal, yes
- c. All other things being equal, maybe
- d. All other things being equal, who knows?

You did not select the correct response. The correct response is: All other things being equal, no. MLS data may be correct, but there is no guarantee they are accurate since brokers are typically not sanctioned when the MLS data they enter is incorrect or inaccurate.

15. Is the MLS the most authoritative source for subject or comparable *land use* data?

- a. **All other things being equal, no**
- b. All other things being equal, yes
- c. All other things being equal, maybe
- d. All other things being equal, who knows?

You did not select the correct response. The correct response is: All other things being equal, no. MLS data may be correct, but there is no guarantee they are accurate since brokers are typically not sanctioned when the MLS data they enter is incorrect or inaccurate.

16. Is the MLS the most authoritative source for subject or comparable *utilities* (water and sewer) data?

- a. **All other things being equal, no**
- b. All other things being equal, yes
- c. All other things being equal, maybe
- d. All other things being equal, who knows?

You did not select the correct response. The correct response is: All other things being equal, no. MLS data may be correct, but there is no guarantee they are accurate since brokers are typically not sanctioned when the MLS data they enter is incorrect or inaccurate.

17. Is the MLS the most authoritative source for subject or comparable *site view* data?

- a. **All other things being equal, no**
- b. All other things being equal, yes
- c. All other things being equal, maybe
- d. All other things being equal, who knows?

You did not select the correct response. The correct response is: All other things being equal, no. MLS data may be correct, but there is no guarantee they are accurate since brokers are typically not sanctioned when the MLS data they enter is incorrect or inaccurate.

18. Is the MLS the most authoritative source for *any* accurate subject or comparable *site data* at all?

- a. **All other things being equal, no**
- b. All other things being equal, yes
- c. All other things being equal, maybe
- d. All other things being equal, who knows?

You did not select the correct response. The correct response is: All other things being equal, no. MLS data may be correct, but there is no guarantee they are accurate since brokers are typically not sanctioned when the MLS data they enter is incorrect or inaccurate.

19. An accurate source for subject and comparable *site data* is _____

- a. MLS
- b. A survey
- c. A site plan
- d. **B and C are correct**

You did not select the correct response. The correct response is: A survey and a site plan. MLS data may be correct, but there is no guarantee they are accurate since brokers are typically not sanctioned when the MLS data they enter is incorrect or inaccurate.

20. An accurate source for subject and comparable *site boundary* is _____

- a. MLS
- b. A survey
- c. A site plan
- d. **B and C are correct**

You did not select the correct response. The correct response is: A survey and a site plan. MLS data may be correct, but there is no guarantee they are accurate since brokers are typically not sanctioned when the MLS data they enter is incorrect or inaccurate.

21. An accurate source for subject and comparable *site soil composition data* is _____

- a. MLS
- b. A survey
- c. A site plan
- d. **None of the above**

You did not select the correct response. The correct response is: None of the above. Typically, none of these show soil composition.

22. An accurate source for subject and comparable *site zoning/land use composition data* is _____

- a. MLS
- b. A survey
- c. **The local planning, zoning, and land use plans department**
- d. None of the above

You did not select the correct response. The correct response is: The local planning, zoning, and land use plans department. MLS data may be correct, but there is no guarantee they are accurate since brokers are typically not sanctioned when the MLS data they enter is incorrect or inaccurate. A survey may or may not list the zoning and land use plan categories.

23. If the graph does not show the terrain accurately, is it considered an authoritative source?

- a. Yes
- b. No**

You did not select the correct response. The correct response is: No.

24. Avoiding your own geometry will avoid liability.

- a. True**
- b. False

You did not select the correct response. The correct response is: True.

25. Would it be a misrepresentation if an appraiser pointed out only one view of the building?

- a. Yes**
- b. No

You did not select the correct response. The correct response is: Yes, you must represent all views.

26. Where can the details of the site come from?

- a. Plat
- b. Survey
- c. Recorded subdivision
- d. All of the above**

You did not select the correct response. The correct response is: all of the above

27. Emphasize what makes the site similar to others.

- a. True
- b. False**

You did not select the correct response. The correct response is: False, explain what makes the site different, not what makes the site similar.

28. What obligations does an appraiser have relative to a purchase and sale agreement?

- a. Ethically obligated to ask for a copy of the agreement**
- b. They don't have obligations
- c. It is not allowed to ask for the sale agreement

You did not select the correct response. The correct response is: Ethically obligated to ask for a copy of the agreement

29. What are some reasons appraisers get sued?

- a. Value Issues
- b. Loan Default
- c. Company Policy
- d. All of the above**

You did not select the correct response. The correct response is: All of the above.

30. If AMC suspects there is USPAP noncompliance issue anymore in the appraisal, what happens?

- a. **The appraiser must submit their appraisal to the state**
- b. They don't have to do anything, it was just an assumption
- c. The appraiser must show the lender the appraisal
- d. None of the above

You did not select the correct response. The correct response is: The appraiser must submit their appraisal to the state.

Quiz #5

1. According to at least one court, the purpose of USPAP is to _____
- a. Bewitch, bother, and bewilder appraisers
 - b. Show the public appraisers are true professionals
 - c. Give the public (whatever that is) reason to trust appraisers and their value opinions
 - d. **None of the above**

You did not select the correct response. The correct response is: None of the above. Per the presentation, this is to "...encourage accurate appraisals."

2. Homeowners have been known to sue appraisers because the homeowner thinks the appraiser mis-measured the house.
- a. **True**
 - b. False
 - c. Maybe
 - d. Not enough data to answer the question

You did not select the correct response. The correct response is: True. Unfortunately, this statement is true. Homeowners have been known to sue appraisers because the homeowner thinks the appraiser mis-measured the house.

3. An AMC pressures an appraiser unmercifully to increase a value conclusion by 10%. The appraiser surrenders his/her integrity and does so. Six months later that loan defaults. The AMC and the lender sue the appraiser for "over-appraising" the property, thus causing the default.
- a. This is a false scenario since the default was likely due to poor loan underwriting, but nothing the appraiser did and lenders rarely sue appraisers for bad loans
 - b. **This is a true scenario since AMCs and lenders commonly sue appraisers when loans default**
 - c. Neither "A" nor "B" is correct
 - d. Both "A" and "B" are correct

You did not select the correct response. The correct response is: This is a true scenario since AMCs and lenders commonly sue appraisers when loans default. Lenders commonly sue appraisers when loans default.

4. What are the implications of the fact there is no single recognized standard for measuring a house?
 - a. Appraiser "A" may use one standard, "B" another standard, yet "C" may not use a standard at all
 - b. Two appraisers may measure one house, get two different square footage totals, yet both be "right", since there is no single standard for measuring a house
 - c. The appraiser typically wants to avoid using MLS square footage measurement data since they are notoriously inaccurate, as well as are calibrated for ad valorem tax assessment purposes
 - d. All of the above**

You did not select the correct response. The correct response is: All of the above – Appraiser "A" may not use one standard, "B" another standard, yet "C" may not use a standard at all; two appraisers may measure one house, get two different square footage totals, yet both be "right", since there is no single standard for measuring a house; and the appraiser typically wants to avoid using MLS square footage measurement data since they are notoriously inaccurate, as well as are calibrated for ad valorem tax assessment purposes. All three given options are implications of the fact there is no single recognized standard for measuring a house.

5. While chronological age is typically straightforward to determine, effective age is harder to calculate because _____
 - a. You have to pry it out of the real estate broker
 - b. It involves not only the chronological age of the house, but the condition and quality of any repairs, renovations, and upgrades, too**
 - c. Both "A" and "B" are correct
 - d. Neither "A" nor "B" is correct

You did not select the correct response. The correct response is: It involves not only the chronological age of the house, but the condition and quality of any repairs, renovations, and upgrades too. You have to pry it out of the real estate broker is incorrect and/or not relevant to the question; therefore, while chronological age is typically straightforward to determine, effective age is harder to calculate because it involves not only the chronological age of the house, but the condition and quality of any repairs, renovations, and upgrades too.

6. If the appraiser chooses to use effective age relative to the subject property, the appraiser must also use effective age relative to the comps.
 - a. True**
 - b. False

You did not select the correct response. The correct response is: True. This is correct because of the concept of *consistency*. It is true that if the appraiser chooses to use effective age relative to the subject property, the appraiser must also use effective age relative to the comps.

7. Familiarity with a neighborhood is a result of _____
- a. Walking through it
 - b. Driving through it
 - c. Living in it
 - d. **All of the above**

You did not select the correct response. The correct response is: All of the above – Walking through it; driving through it; and living in it. Familiarity with a neighborhood is a result of walking and driving through it, as well as living in it; therefore all of the above responses are correct.

8. It is perfectly acceptable for an appraiser to use trainees, assistants, secretaries, and contractors to form a value opinion, so long as the appraiser understands _____
- a. The trainees, assistants, secretaries, and contractors all share equally in the responsibility for the accuracy of the appraisal
 - b. Their participation in the appraisal is properly declared in the Letter of Transmittal
 - c. **It is the appraiser alone who shoulders responsibility for everything in the appraisal and report**
 - d. None of the above

You did not select the correct response. The correct response is: it is the appraiser alone who shoulders responsibility for everything in the appraisal and report. Trainees, assistants, secretaries, and contractors do not share equally in the responsibility for the accuracy of the appraisal. There is no requirement for an appraisal report to contain a Letter of Transmittal.

9. USPAP's SR2-3 certifies that the appraiser's opinion of value is true and correct.
- a. True, since that is the purpose of the Certification
 - b. **False, since the language of the certification does not refer to the appraiser's opinion of value, but merely to statements of fact in the appraisal report**
 - c. True, since the value opinion is in the Letter of Transmittal
 - d. None of the above responses is correct

You did not select the correct response. The correct response is: False, since the language of the certification does not refer to the appraiser's opinion of value, but merely to statements of fact in the appraisal report. The Certification page does not certify the appraiser's value conclusion is true and correct.

10. Per USPAP, it is OK to use pre-printed depreciation tables as the source of accrued depreciation
- True, since that's why there are depreciation tables
 - False, since depreciation tables do not contain any data on functional or external (economic) depreciation
 - True, since depreciation is important only in the Cost approach, which most appraisers avoid when they can
 - False since accrued depreciation is the difference between cost now and the present worth of the improvements**

You did not select the correct response. The correct response is: False, since accrued depreciation is the difference between cost now and the present worth of the improvements. See SR1-4(b)(iii); pre-printed obsolescence since these are a function of the market's actions, not merely the wearing-out of an environment.

11. In the Cost Approach, the client must be able to replicate the appraiser's cost figures and calculations.
- True, which is why appraiser prefer to use contractor's estimates of construction costs rather than costing services
 - False, since Fannie Mae knows the Cost approach is usually meaningless in an appraisal anyway
 - True, which is why the appraiser should use and understand the same math as the cost service
 - None of the above**

You did not select the correct response. The correct response is: None of the above. Appraisers generally do not use contractors' estimates of construction costs. The cost approach is not useless since it is the only way to estimate accurately the three components of accrued depreciation. The appraiser does not need to understand the mathematical calculations of the cost services s/he uses. The statement itself is true, but all of the above reasons are incorrect.

12. If the appraiser is going to use the Cost approach as part of the final value opinion, then the appraiser must show support for the site value conclusion using _____ or other appropriate methods
- Proper methodology
 - Comparable sales**
 - Logic and reasoning
 - None of the above

You did not select the correct response. The correct response is: Comparable sales. Proper methodology and logic and reasoning form part of the analyses of the comparable sales of vacant sites.

13. In the Cost approach, the appraiser must indicate that the cost figures are based on _____ cost or _____ cost
- a. New/depreciated
 - b. **Replacement/reproduction**
 - c. Both of the above
 - d. Neither of the above

You did not select the correct response. The correct response is: Replacement / reproduction. New / depreciated is incorrect because in the cost approach, the appraiser must indicate that the cost figures are based on replacement cost or reproduction cost.

14. Cost services do not include a(n) _____ in their construction cost figures since the market determines if one is available
- a. **Entrepreneurial incentive or profit**
 - b. Summary of allocated expenses
 - c. Detailed set of plans
 - d. Estimate of builder's soft costs

You did not select the correct response. The correct response is: Entrepreneurial incentive or profit. Summary of allocated expenses, detailed set of plans, and estimate of builder's soft costs are all incorrect and/or not relevant to the question. Cost services do not include an entrepreneurial incentive or profit in their construction cost figures since the market determines if one is available.

15. Three potential advantages of the use of the Cost approach are
- a. It extracts accrued depreciation from the market
 - b. It is an integral part of the highest and best use analysis (when that is done properly)
 - c. It is one way the appraiser supports the size adjustment in the SCA
 - d. **All of the above**

You did not select the correct response. The correct response is: All of the above – it extracts accrued depreciation from the market; it is an integral part of the highest and best use analysis (when that is done properly); and it is one way the appraiser supports the size adjustments in the SCA. All of the choices are potential advantages of using the cost approach.

16. While rounding to a final value opinion (or in one of the approaches) is part of the appraiser's scope of work, appraisers should be careful that rounding reflects
-
- a. **A market orientation, rather than some mathematical rule**
 - b. The Rule of Significant Digits
 - c. Whatever USPAP calls for in Standard ONE
 - d. None of the above

You did not select the correct response. The correct response is: A market orientation, rather than some mathematical rule. There is no Rule of Significant Digits in real estate appraisal; USPAP does not address the issue of rounding in Standards ONE (or anywhere else, for that matter).

17. The difference between site value and land value is _____
- a. **Site refers to the land, but *after* the infrastructure (roads, utilities, sidewalks, etc), and the grading to make the land buildable have taken place**
 - b. Nothing. Site and land are synonyms
 - c. Site refers to land that has been platted and recorded of record
 - d. None of the above

You did not select the correct response. The correct response is: Site refers to the land, but *after* the infrastructure (roads, utilities, sidewalks, etc....), and the grading to make the land buildable, have taken place. Site and land are not synonyms, and while a site may be platted of record, not all sites are on recorded plats.

18. Why does the appraiser keep a copy of the calculations that s/he summarizes on the Cost approach?
- a. To show compliance with USPAP
 - b. To have a record of all the steps s/he took to arrive at a value conclusion via this method
 - c. **Both of the above**
 - d. Neither of the above

You did not select the correct response. The correct response is: Both of the above – To show compliance with USPAP and to have a record of all the steps s/he took to arrive at a value conclusion via this method. The choices listed above are why the appraiser keeps a copy of the calculations that s/he summarizes on the Cost approach.

19. Why are adjustments such a big problem to appraisers from a standpoint of litigation and state appraisal boards?
- a. Because so few appraisers support their adjustments properly
 - b. Because too many appraisers rely on "atmospheric extraction" or rules of thumb when making adjustments
 - c. Because too many appraisers depend on rules-of-thumb or tradition for adjustments, but not critical thinking
 - d. **All of the above**

You did not select the correct response. The correct response is: All of the above – Because so few appraisers support their adjustments properly; because too many appraisers rely on "atmospheric extraction" or rules of thumb when making adjustments; because too many appraisers depend on rules-of-thumb or tradition for adjustments, but not critical thinking. All

three options listed above are why adjustments are such a big problem to appraisers from a standpoint of litigation, and state appraisal boards.

20. What are areas that could generate law suits or state charges?

- a. Number of stories above ground
- b. Actual year built and effective age
- c. Number of rooms
- d. All of the above**

You did not select the correct response. The correct response is: all of the above.

21. An appraisal has a little amount of moving parts.

- a. True
- b. False**

You did not select the correct response. The correct response is: false. An appraisal has many moving parts and it can be difficult to get them moving all at once.

22. Actual age is easy to attain.

- a. True**
- b. False

You did not select the correct response. The correct response is: true.

23. Mixing the effective age and actual age is misleading and confusing to the client.

- a. True**
- b. False

You did not select the correct response. The correct response is: true.

24. The appraiser must be familiar with the neighborhood of the property.

- a. True**
- b. False

You did not select the correct response. The correct response is: True.

25. Accrued Depreciation includes:

- a. Value from cost new from all sources**
- b. Value from only physical costs
- c. Value from only external obsolescence costs

You did not select the correct response. The correct response is: Value from cost new from all sources

26. What is the difference between site and land?

- a. A site is vacant land that is ready to build on**

- b. A site is vacant land that is not ready to be built on
- c. Land is vacant land that is not ready to be built on
- d. Land is vacant land that is ready to build on

You did not select the correct response. The correct response is: A site is vacant land that is ready to be built on.

27. There is only one single way of determining the square footage of the house.
- a. True
 - b. False**

You did not select the correct response. The correct response is: False. There are several ways to determine square footage.

28. Two appraisers can measure the same house, calculate two different sizes, but can both be right.
- a. True**
 - b. False

You did not select the correct response. The correct response is: True. Do not rely on MLS data on square footage.

29. Land value is only the value of the vacant land.
- a. True**
 - b. False

You did not select the correct response. The correct response is: True.

30. What's replacement cost?
- a. Cost of building subject's improvements today with current materials**
 - b. Getting costs to reproduce the building using materials from when the property was built

You did not select the correct response. The correct response is: Cost of building subject's improvements today with current materials.

Quiz #6

1. One way appraisers avoid liability is by not using _____ to make adjustments, but by supporting their adjustments with data from the market
- a. Depreciation tables
 - b. Rules-of-thumb**
 - c. Construction soft costs
 - d. All of the above

You did not select the correct response. The correct response is: Rules-of-thumb. Depreciation tables and construction soft costs are both incorrect and/or not relevant to the question; therefore, one way appraisers avoid liability is by not using rules-of-thumb to make adjustments.

2. Neighborhood characteristics typically include items such as
 - a. Architectural styles
 - b. Current land uses
 - c. Street patterns
 - d. All of the above**

You did not select the correct response. The correct response is: All of the above – architectural styles; current land uses; and street patterns. All of the three are from the Fannie Mae 1004 form.

3. An appraiser performs an neighborhood analysis to identify the area(s) that is/are _____
 - a. Subject to the same influences as the property being appraised**
 - b. Not open to discussion about where the subject's market value lies
 - c. Properly linked to the subject by surface roads
 - d. All of the above

You did not select the correct response. The correct response is: Subject to the same influences as the property being appraised. This can be found in FMSG B4-1.3-03. Not open to discussion about where the subject's market value lies and properly linked to the subject by surface roads are both incorrect and/or not relevant to the question.

4. One result of a properly done neighborhood analysis is the appraiser can identify _____
 - a. The factors that influence value in that neighborhood**
 - b. The local school boundaries
 - c. Where the local gang activity is
 - d. None of the above

You did not select the correct response. The correct response is: The factors that influence value in that neighborhood. This can be found in FMSG B4-1.3-03.

5. Where does the appraiser maintain the details of the neighborhood analysis?
 - a. The Cloud
 - b. The Workfile**
 - c. In the Boss' office
 - d. None of the above

You did not select the correct response. The correct response is: The workfile. The Cloud and in the Boss' office are both incorrect and/or not relevant to the question. The appraiser must maintain the details of the neighborhood analysis in the workfile.

6. One of the analyses to determine the state if the subject neighborhood's market conditions is that of _____
- a. Comparing listing prices over time to see how they have changed
 - b. Comparing selling prices over time to see how they have changed
 - c. Comparing days-on-market over time to see how they have changed
 - d. All of the above**

You did not select the correct response. The correct response is: All of the above – comparing listing prices over time to see how they have changed; comparing selling prices over time to see how they have changed; and comparing days-on-market over time to see how they have changed. All three are ways of determining market conditions in the subject's neighborhood.

7. The appraiser's comments on the neighborhood's market conditions also serve as a preview of _____
- a. The adjustments made to the comparable rentals in the Income approach
 - b. The adjustments made to the comparable builder's estimates in the Cost approach
 - c. The adjustments made to the comparable OARs a discounted cash flow analysis
 - d. The adjustments made to the comparable sales in the Sales Comparison approach**

You did not select the correct response. The correct response is: The adjustments made to the comparable sales in the Sales Comparison approach. It is not protocol to adjust comparable rentals; builder's estimates as well as discounted cash flow analyses, are typically not adjusted.

8. The key to any adjustment made as part of the sales comparison approach is to have _____
- a. The appropriate cost calculations to justify an adjustment
 - b. The client's permission to use it
 - c. The proper Fannie Mae form to calculate it
 - d. None of the above**

You did not select the correct response. The correct response is: None of the above. The appropriate cost calculations to justify an adjustment; the client's permission to use it; and the proper Fannie Mae form to calculate it are all incorrect and/or not relevant to the question. The correct answer should be market support for it, however, it is not listed, and therefore, none of the above is the appropriate response.

9. The appraiser avoids liability to state appraisal boards in making adjustments by _____
- a. The appropriate cost calculations to justify an adjustment
 - b. The client's permission to use it
 - c. The proper Fannie Mae form to calculate it

d. Having market support for them in the workfile and/or the report itself, and not guessing at the quantity of the adjustment

You did not select the correct response. The correct response is: Having market support for them in the workfile and/or the report itself, and not guessing at the quantity of the adjustment. The appropriate cost calculations to justify an adjustment, the client's permission to use it, and the proper Fannie Mae form to calculate it are all incorrect because having market support is what is needed.

10. What are three ways to support adjustments via market data?
- a. Tried-and-true paired sales analysis (when done correctly)
 - b. Regression analysis (when done correctly)
 - c. Interviews of market participants
 - d. All of the above (since "A", "B", and "C" are all correct, the proper response is "D")**

You did not select the correct response. The correct response is: All of the above – tried-and-true paired sales analysis (when done correctly); regression analysis (when done correctly); and interviews of market participants. All three options are ways to support adjustments via market data.

11. According to USPAP, there are _____ steps in the reconciliation process?
- a. 1
 - b. 2**
 - c. 3
 - d. 4

You did not select the correct response. The correct response is: 2. There are two steps in the reconciliation process and this can be found in SR1-6(a), (b).

12. In essence SR1-6 (a) and (b) call for the appraiser to reconcile both the _____ of the data, as well as the _____ of the data
- a. Literacy/numeracy
 - b. Applicability/reliability
 - c. Quantity/quality**
 - d. Laurel/Hardy

You did not select the correct response. The correct response is: Quantity/quality. Literacy/numeracy, applicability/reliability, and Laurel/Hardy are all incorrect and/or not relevant to the question. In essence SR1-6 (a) and (b) call for the appraiser to reconcile both the quantity of the data, as well as the quality of the data.

13. It is wise to describe the extent of the appraiser's visit to the subject property in the report's Scope of Work section of the report, and then to summarize it briefly again in the _____ section of the report

- a. Final value opinion
- b. Reconciliation**
- c. Certification
- d. None of the above

You did not select the correct response. The correct response is: Reconciliation. Final value opinion and certification are both incorrect and/or are not relevant to the question. It is wise to summarize the extent of the appraiser's visit briefly again in the reconciliation section of the report.

14. Appraisers must avoid "atmospheric extraction."

- a. True**
- b. False

You did not select the correct response. The correct response is: true.

15. The adjustments, such as basement and function utility are large adjustments and more important.

- a. True
- b. False**

You did not select the correct response. The correct response is: false

16. An adjustment without market support is accurate.

- a. True
- b. False**

You did not select the correct response. The correct response is: false. It would be a guess.

17. Only state appraisal boards like to see market-based support for the adjustments.

- a. True
- b. False**

You did not select the correct response. The correct response is: false. Both courts and state appraisal boards like to see market-based support for the adjustments.

18. What are some of the ways to support adjustments via market data?

- a. Tried-and-true paired analysis
- b. Regression analysis
- c. Analyses of public record data
- d. All of the above**

You did not select the correct response. The correct response is: all of the above.

19. A judgement call and guess means the same thing in appraiser terms.

- a. True
- b. False**

You did not select the correct response. The correct response is: false.

20. Appraiser polls are a way to support adjustments via market data.

- a. True**
- b. False

You did not select the correct response. The correct response is: True

21. You need one or two articles from published or private sources to have sufficient information to support adjustments.

- a. True
- b. False**

You did not select the correct response. The correct response is: false. You must need at least 10 to 12 so it is not biased.

22. What does an appraiser have to do to indicate a value conclusion?

- a. Analyze survey
- b. Analyze newspaper
- c. Analyze comparable sales data**
- d. All of the above

You did not select the correct response. The correct response is: analyze comparable sales data.

23. Sanctions are public records and are available to any plaintiff.

- a. True**
- b. False

You did not select the correct response. The correct response is: True

24. What do you have to disclose when applying to be an appraiser in another state?

- a. Any sanctions that have been imposed on you**
- b. Your reviews written by clients
- c. Conclusions in report
- d. None of the above

You did not select the correct response. The correct response is: Any sanctions that have been imposed on you

25. If there is no support for market adjustments within the report, that support must be

- a. In a word document
- b. That information is not needed

- c. **In the workfile**
- d. None of the above

You did not select the correct response. The correct response is: in the workfile.

26. The appraiser only needs to contain the hard cost in the report.
- a. True
 - b. **False**

You did not select the correct response. The correct response is: False. The appraiser must include ALL costs, including hard and soft costs.

27. The cost approach usually uses rounding using mathematical rules when reaching a conclusion.
- a. True
 - b. **False**

You did not select the correct response. The correct response is: False. Use market data when rounding.

28. Why does the appraiser keep a copy of the calculations of cost approach?
- a. Comply with USPAP
 - b. To prove that the appraiser did engage in protocols in cost approach
 - c. **Both A & B**
 - d. None of the above

You did not select the correct response. The correct response is: C.

29. One way appraisers avoid liability?
- a. **Avoiding Rules of Thumb**
 - b. Using rules of thumb approach
 - c. None of the above

You did not select the correct response. The correct response is: Avoiding Rules of Thumb.

30. It is a Fannie Mae requirement that the client be able to replicate the appraisers cost figures and calculations.
- a. **True**
 - b. False

You did not select the correct response. The correct response is: true.

Quiz #7

1. When an appraiser signs a consent decree, the appraiser is admitting that s/he is _____.
- a. Unimpressed by what's in the decree
 - b. "Guilty" of all of the charges in that decree**
 - c. Hoping all of the charges in the decree will go quietly away
 - d. All of the above

You did not select the correct response. The correct response is: "guilty" of all of the charges in that decree. Unimpressed by what's in the decree and hoping all of the charges in the decree will go quietly away are both incorrect and/or not relevant to the question. The appraiser is admitting that s/he is "guilty."

2. When an appraiser signs a _____, the appraiser is admitting that s/he is "guilty" of all the charges in the decree
- a. Receives
 - b. Consent decree**
 - c. Hires an attorney to fight
 - d. All of the above

You did not select the correct response. The correct response is: Consent decree. Receives and hires an attorney to fight are incorrect and/or not relevant to the question. An appraiser signs a consent decree.

3. It is common for state appraisal boards to encourage the appraiser to sign a consent decree at the beginning of the proceedings to _____
- a. Allow the appraiser to avoid the costs of a hearing**
 - b. Avoid straining the state's already meager enforcement budget
 - c. Avoid due process
 - d. None of the above

You did not select the correct response. The correct response is: Allow the appraiser to avoid the costs of a hearing. Avoid straining the state's already meager enforcement budget is irrelevant to the question. Avoid due process is incorrect because offering a consent decree is part of due process.

4. Signing a consent decree is an admission of a violation of
- a. Ethics
 - b. Standards & practices
 - c. State law
 - d. All of the above**

You did not select the correct response. The correct response is: All of the above – ethics; standards & practices; and state law. Signing a consent decree is an admission of a violation of ethics, standards & practices, and state law.

5. Violating ethical standards is worse than violating standards and practices in that violating ethics is considered _____
- a. Unavoidable
 - b. Unenforceable
 - c. Voluntary**
 - d. Open to interpretation

You did not select the correct response. The correct response is: Voluntary. Violation of ethics is avoidable. States enforce the sanctions attached to such violations all the time. Violating ethics is not open to interpretation.

6. USPAP requires the appraiser to show in the appraisal report the subject property's highest and best use
- a. True
 - b. False**
 - c. Only when dealing with Value in Use
 - d. None of the above

You did not select the correct response. The correct response is: False. USPAP requires the appraiser to show the subject's highest and best use, and then to summarize the logic and rationale behind that conclusion.

7. The sale of a property similar to the subject is not a comparable sale unless and until the appraiser can demonstrate _____
- a. They are in the same neighborhood
 - b. They have more-or-less the same chronological age
 - c. They have more-or-less the same square footage
 - d. None of the above ("A", "B", and "C" are nonsense responses, thus "D" is correct)**

You did not select the correct response. The correct response is: None of the above. They are in the same neighborhood, they have more-or-less the same chronological age, and they have more-or-less the same square footage are incorrect and/or not relevant to the question, therefore none of the above is the appropriate answer.

8. An appraiser must analyze not only the subject, but also all of the comparable sales, to demonstrate _____, thus are truly comparable to the subject
- a. They are in the same neighborhood
 - b. They have more-or-less the same chronological age
 - c. They have more-or-less the same square footage
 - d. They have the same highest and best use**

You did not select the correct response. The correct response is: They have the same highest and best use. They are in the same neighborhood, they have more-or-less the same chronological age, and they have more-or-less the same square footage are all incorrect and/or not relevant to the question. The appraiser must be able to demonstrate that they have the same highest and best use.

9. When an appraiser presents an appraisal report orally, the workfile must contain _____

- a. A full report in narrative format suitable to submit to a court if necessary
- b. Proper photos of the subject
- c. A memo containing a summary of who was present at the presentation of the oral report
- d. A signed certification**

You did not select the correct response. The correct response is: A signed certification. The other options are incorrect and/or irrelevant to the question. When an appraiser presents an appraisal report orally, the workfile must contain a signed certification.

10. As one aid to protect against liability an appraiser who presents an appraisal report orally, the workfile must contain _____

- a. A full report in narrative format suitable to submit to a court if necessary
- b. Proper photos of the subject
- c. A memo containing a summary of who was present at the presentation of the oral report
- d. A signed certification**

You did not select the correct response. The correct response is: A signed certification. The other options are incorrect and/or irrelevant to the question. When an appraiser presents an appraisal report orally, the workfile must contain a signed certification.

11. The state looks for an appraiser to conduct a complete analysis of the subject and the comparables. Failure to conduct this full analysis is called _____

- a. The way things are done on the 21st century
- b. Lack of due diligence**
- c. The Lack of Due Diligence Rule
- d. None of the above

You did not select the correct response. The correct response is: Lack of due diligence. The other options are incorrect and/or irrelevant to the question. Failure to conduct this full analysis is called lack of due diligence.

12. "If a complaint comes in from a consumer against an appraiser, and it contains charge "X", then the state must file charge "X" against the appraiser". Why is this statement false?

- a. It is not false, it is true
- b. It is false since the state can dismiss any charge filed against an appraiser
- c. It is false since the state can file its own charges against an appraiser, notwithstanding any complaints in charge "X"
- d. **"B" and "C" are both correct**

You did not select the correct response. The correct response is: B and C are both correct. A state can file against an appraiser even if all of the charges in a complaint from a consumer are irrelevant.

13. "A state appraisal board can file charges itself; it does not need to wait for a complaint from a consumer." Indicate if this statement is true or false.

- a. False
- b. **True**

You did not select the correct response. The correct response is: True. The state appraisal board must enforce licensing laws within its state, thus having the power in itself to bring charges against an appraiser.

14. What is an "accurate...opinion of the market value of the subject property"?

- a. **A quote directly from the 1004 form**
- b. An abiding hope all appraisers have
- c. An impossibility
- d. A mythic quest

You did not select the correct response. The correct response is: A quote directly from the 1004 form. An abiding hope all appraisers have, an impossibility, and a mythic quest are incorrect and/or not relevant to the question. An "accurate... opinion of the market value of the subject property" is a quote directly from the 1004 form.

15. What is an "accurate...opinion of the market value of the subject property"?

- a. **One that complies with SR2-1, in that it is clear and not misleading**
- b. An abiding hope all appraisers have
- c. An impossibility
- d. A mythic quest

You did not select the correct response. The correct response is: One that complies with SR2-1, in that it is clear and not misleading. An abiding hope all appraisers have, an impossibility, and a mythic quest are incorrect and/or not relevant to the question. An "accurate... opinion of the market value of the subject property" is one that complies with SR2-1, in that it is clear and not misleading.

16. Generally speaking, it is an acceptable protocol to use _____ outside of the subject's neighborhood, if the appraiser properly explains why that step was necessary for a credible value opinion.

- a. MLS data
- b. Pending listings
- c. Neither "A" nor "B"
- d. Comparable sales**

You did not select the correct response. The correct response is: Comparable sales. MLS data and Pending listings are incorrect and/or not relevant to the question. It is an acceptable protocol to use comparable sales outside of the subject's neighborhood, if the appraiser properly explains why.

17. According to the Fannie Mae Selling Guide, (see B4-1.3-03), appraisers analyze the subject neighborhood's characteristics based on _____

- a. MLS data
- b. The actions of typical buyers**
- c. Local census data
- d. All of the above

You did not select the correct response. The correct response is: The actions of typical buyers. MLS data and Local census data may only be correct in another context, therefore the actions of typical buyers would be correct in the context of this question, which specifically references the FMSG.

18. One of the reasons appraisers analyze the subject neighborhood's characteristics is to discover those neighborhood influences that _____

- a. Do *not* effect the subject's value
- b. Are easy to ascertain via reference to a topographical map
- c. Do effect the subject's value
- d. Responses "A" and "C" are correct**

You did not select the correct response. The correct response is: Responses A and C – Do *not* effect the subject's value and Do effect the subject's value. The purpose of this question is to illustrate that the appraiser must be aware of not only what is happening in the subject's neighborhood (market area), but what is not happening, as well. Without knowledge of both, it is hard to *detect* trends, thus it is hard to *report* on trends. Thus the appraiser must be able to understand and describe those characteristics in the neighborhood that affect the subject's value, as well as those that do not.

19. In many appraisals, the analyses leading to an appraiser's conclusions about market conditions are a preview to _____

- a. The adjustments made in the sales comparison approach**

- b. The multipliers used in the Cost approach
- c. The income multipliers uses in the Income approach
- d. None of the above

You did not select the correct response. The correct response is: The adjustments made in the sales comparison approach. The multipliers used in the Cost approach and the income multipliers uses in the Income approach are incorrect and/or not relevant to the question. In many appraisals, the analyses leading to an appraiser's conclusions about market conditions are a preview to the adjustments made in the sales comparison approach.

20. An appraiser appraises a 10-acre parcel with a 7,500 square foot, custom-built, eco-friendly house on-site. On the far north side of the site is a 100' wide railroad right-of-way easement that has never been developed or used, but has never been abandoned, either. The appraiser fails to mention this easement in the report. This omission could be an example of _____
- a. Misrepresentation
 - b. Lack of due diligence
 - c. Advocacy
 - d. **All of the above**

You did not select the correct response. The correct response is: All of the above – Misrepresentation; Lack of due diligence; and Advocacy. All of the above are examples of the omission stated in the question.

21. Reconciliation is a ____ step process.
- a. One
 - b. **Two**
 - c. Three
 - d. Four

You did not select the correct response. The correct response is: two. The appraiser must reconcile the quality and quantity of data AND reconcile the applicability and relevance of the approaches.

22. The extent of the appraiser's visit to the property needs to be clear.
- a. **True**
 - b. False

You did not select the correct response. The correct response is: true.

23. Where is the neighborhood analysis kept for the appraiser?
- a. **In the workfile**
 - b. In a computer file
 - c. It does not need to be kept
 - d. Appraisers must memorize it

You did not select the correct response. The correct response is: in the workfile.

24. What will the state offer when appraisers are openly charged with violation of USPAP?

- a. **Consent Decree**
- b. Report
- c. Market Data
- d. None of the above

You did not select the correct response. The correct response is: Consent Decree.

25. The consent decree is the first step you should take when charged with violation of USPAP by the state.

- a. True
- b. **False**

You did not select the correct response. The correct response is: False

26. If you sign the consent decree, you agree that you are negating in the actions that are listed and won't do any more.

- a. **True**
- b. False

You did not select the correct response. The correct response is: true.

27. Signing the consent decree may limit the charges.

- a. **True**
- b. False

You did not select the correct response. The correct response is: true.

28. An ethics violation is considered _____

- a. Involuntary
- b. **Voluntary**
- c. A mistake
- d. None of the above

You did not select the correct response. The correct response is: Voluntary.

29. Support for 0 adjustments must be in the report or workfile.

- a. **True**
- b. False

You did not select the correct response. The correct response is: True.

30. Fannie Mae expects the report's components to be made up good opinion

a. True

b. False

You did not select the correct response. The correct response is:False.

Isaac Peck, Director of Education
Isaac@orep.org
OREP Education Network
6760 University Ave #250
San Diego, CA 92115

Attendance Policy:

In order to receive credit for course completion, the registered student must partake in all of the compulsory activities for the given course such as: readings, videos, and quizzes. It is imperative to log in periodically throughout the entirety of the course so that once the course end date nears, the student will not feel pressured to catch up on the course materials. The student is required to complete the course in its entirety in order to receive credit. The student must attest to this fact as a condition of taking the course.

Instructor Hiring Policy

The OREP Education Network maintains a policy of hiring and working with the highest quality instructors who are leaders in their respective fields. Instructors are chosen based on their years of experience in the industry, their professional designations, their experience writing and teaching live and online educational courses, and their professional achievements. All courses are instructed by a State Certified Real Estate Appraiser with at least five years minimum experience as an Educator. USPAP classes will be instructed by an AQB Certified USPAP Instructor. All Instructors will be required to comply with applicable USPAP Competency and Ethics Rules.

Grading Policy:

In order to complete the course in its entirety, the registered student must pass all of the assigned quizzes and the final exam (if any) with a minimum grade of 75%. Failure to do so will result in the inability to proceed in the course or receive a certificate of completion. Students will be given the option to retake any assessments that they fail to receive a minimum grade of 75% after they review the material being tested.

Final Exam Policy:

OREP Education Network's use summative assessments / final exams varies based on the particular course. For any course with a summative assessment, a passing grade of 75% is necessary to complete the course.

Refund and Re-Examination Policy

All students may receive a full refund for any courses purchased provided the refund is requested within 30 days of the original purchase and the course has not been completed. No refunds will be provided if the student wishes to return the course more than 30 days after purchase. If the student does not pass the final exam with a minimum score that is set by the state, he or she may re-take the exam with a different set of questions.

Record Maintenance and Retention Policy

The OREP Education Network maintains all course and student records, including purchase receipts, registration information, course time records, quiz and test results, student certificates, questions to and from instructor, and student information, for a minimum of five years. The OREP Education Network

Mapping of Learning Objectives

Learning Objective 1: Have come to understand the importance of keeping a proper work file as part of avoiding liability. Possess an enhanced understanding that the appraiser can be sued at any time, by anybody, for anything, thus needs to understand how to avoid liability in as many ways as possible.

Tested by Test Your Knowledge 1 and Quiz 1

Learning Objective 2: Have an enhanced understanding of the importance of the concept of due diligence, along with the consequences of not using an approved methodology, techniques, and protocols in their appraisals.

Tested by Quiz 2

Learning Objective 3: Come to see the necessity to have market-support for any and all conclusions and opinions to be part of an appraisal and report. Know the importance of writing a clear and concise reconciliation to explain why it was the appraiser did what s/he did to arrive at a credible value conclusion.

Tested by Quiz 3

Learning Objective 4: Have an even better understanding of the need to support adjustment with market data, rather than heuristics, tradition, or (even worse!) nothing at all

Tested by Test Your Knowledge 2 and Quiz 4

Learning Objective 5: Obtain a superior understanding of what an "accurate" and "not misleading" appraisal and appraisal report are.

Tested by Quiz 5

Learning Objective 6: : Have read (in part) and considered the decisions of various state appraisal boards relative to numerous questions the actions of appraiser have brought before them.

Tested by Quiz 6

Have an enhanced understanding of the laws, regulations, rules and guidelines that determine what a credible appraisal is. This understanding helps the appraiser to prevent liability. Be generally familiar with what Fannie Mae considers unacceptable appraisal practices.

Tested by Quiz 7

conducts an annual internal audit of all of its information technology to ensure proper security measures are taken to protect sensitive data.

Subcontracting Policy

There will be no subcontracting of online courses. In the event that subcontracting is used in the future, the OREP Education Network will select only the highest quality subcontractors to work with, where necessary. Criteria for selecting subcontractors include professional experience, reputation in respective industry, and policies and procedures employed.

Sample of Course Completion Certificate

See attached.

Certification of Educational Course Completion

FULL NAME AND LICENSE # OF STUDENT

STREET ADDRESS AND CITY OF STUDENT

STATE - COURSE/APPROVAL/PROVIDER/SPONSOR # (If applicable.)

ZIP CODE

Has Successfully Attended the Following Approved Course:

COURSE TITLE

COMPLETION DATE: _____

APPROVED CATEGORY:

Completed hours: 7.0

- Distance Education
 Continuing Education

OREP Education Network

COURSE PROVIDER
OREP Education Network
6760 University Ave. Suite 250
San Diego, CA 92115

Isaac F. Peck

ISAAC F. PECK* - Education Director

* I certify under the penalty of perjury that the information provided herein is true and correct to the best of our knowledge at OREP Education Network.

Reed \$10 - 1.9.18

COURSE APPROVAL PROGRAM – MISSOURI REAL ESTATE APPRAISERS COMMISSION

APPLICATION FOR: _____ INITIAL COURSE APPROVAL x RENEWAL

There is a \$25 fee per course for Continuing Education Course Approval. In addition, there is a \$10 fee per course for Continuing Education Course Renewal.

INSTRUCTIONS: The course owner must use this application form when applying for course approval through the **State of Missouri**. A SEPARATE APPLICATION FORM MUST BE FILED FOR EACH COURSE SUBMITTED FOR APPROVAL. All items on the form must be completed (enter "N/A" for any item that is not applicable) and all required attachments must be submitted with the application.

1. Name of Applicant (School): American Society of Farm Managers and Rural Appraisers

2. Mailing Address: 720 S. Colorado Blvd., Suite 360-S Glendale, CO 80246

3. Contact Person: Deanna Ilk

4. Phone: 303-692-1222 Fax: 303-758-0190

5. Website: www.asfmra.org Email: dilk@asfmra.org

6. Course Title and Number: Basic Appraisal Principles (A101)

7. Number of Classroom Hours: 28 Number of Exam Hours: 2

8. Course Category: _____ Qualifying Education _____ Continuing Education x Both

9. Indicate the level of the licensure/certification this course would meet:

 x All _____ State License _____ Certified Residential _____ Certified General

10. Indicate the pre license requirement for this course would meet:

 x Principles _____ USPAP _____ Income _____ Elective

11. Instructor(s): please see attached list

12. Method of Presentation: x Traditional Classroom _____ Correspondence _____ Internet

_____ Video Tape _____ Remote TV _____ Computer

13. Owner of Course Materials: American Society of Farm Managers and Rural Appraisers

14. Required Attachments:

For Qualifying Education Only: Please submit a copy of the contract between the course owner and course provider.

Fee: As Indicated Above

Course Materials:

- Course Description
- Detailed Course Outline
- Learning Objectives
- Final Exam and Answer Key (This is not required for the Continuing Education Application)

Policies Covering:

- Instructor Qualifications
- Attendance

Miscellaneous:

- Course Schedule
- Copy of Completion Certificate
- Instructor's Resume/Bio

Current until 4/10/18
30 CE 128 CE
Classroom

Morrow, Patty

From: Morrow, Patty
Sent: Wednesday, February 14, 2018 11:46 AM
To: 'Deanna Ilk'
Subject: RE: MO Course renewal

Thanks, as there is an instructor addition, the Commission will look at this course at next scheduled Commission meeting. ✓

From: Deanna Ilk [<mailto:dilk@asfmra.org>]
Sent: Wednesday, February 14, 2018 11:43 AM
To: Morrow, Patty
Subject: RE: MO Course renewal

No there has not been. ✓

Deanna

Deanna Ilk
State Certification and Continuing Education Coordinator
American Society of Farm Managers and Rural Appraisers
720 S. Colorado Blvd., Suite 360-S | Denver, CO 80246
Direct: 303.692.1222 | Fax: 303.758.0190

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From: Morrow, Patty [<mailto:patty.morrow@pr.mo.gov>]
Sent: Wednesday, February 14, 2018 10:40 AM
To: Deanna Ilk <dilk@asfmra.org>
Subject: MO Course renewal

February 14, 2018

Deanna Ilk
Via email: dilk@asfmra.org

Dear Ms. Ilk:

The Missouri Real Estate Appraisers Commission has received the course renewal application for Basic Appraisal Principles. Have there been any changes to the course content since the previous approval?

Patty Morrow
Processing Technician III
Missouri Real Estate Appraisers Commission
Missouri Board of Occupational Therapy
Missouri Board for Respiratory Care
Office of Tattooing, Body Piercing and Branding
Missouri Department of Insurance, Financial Institutions & Professional Registration

AQB Approved Course



THE APPRAISAL FOUNDATION

Authorized by Congress as the Source of Appraisal
Standards and Appraiser Qualifications

Sent Via Email to: dilk@asfmra.org

Friday, December 22, 2017

QE	CE/E	CE
30	30	28

Ms. Deanna Ilk
ASA, ASFMRA, AI
720 S. Colorado Blvd., Suite 360-S
Glendale, CO 80246

Dear Ms. Ilk:

We are pleased to inform you that your course has been approved under the Course Approval Program of the Appraiser Qualifications Board (AQB) of The Appraisal Foundation.

Course Provider: ASA, ASFMRA, AI
Course Title: Basic Appraisal Principles
Instructional Hours: 28.00
Exam Hours: 2.00
Total Hours: 30.00
Delivery Method: Classroom
Approval Start Date: 4/11/2018
Approval End Date: 4/10/2021

The overall content of this course has been determined to be in compliance with the education criteria established by the AQB. Approval does not mean that every statement or item within the course has been checked for accuracy. Opinions set forth in the course material or by instructors do not necessarily reflect the viewpoint of the AQB or The Appraisal Foundation. Neither the AQB nor The Appraisal Foundation is responsible for any errors, omissions, or misstatements in the course material or by instructors.

Prior to renewal of this course please review the AQB Course Approval Program Policies and Procedures Manual.

Please feel free to contact us if you have any questions or if we can be of further assistance.

Sincerely,

Appraiser Qualifications Board

9. Teaching Experience:

School	From		To		Subjects Taught
	Month	Year	Month	Year	
ASFMRA				current	appraisal

10. Real Estate Appraisal Experience:

Employing Company	Job Description	From		To	
		Month	Year	Month	Year
Central Coast AgAppraisal	owner/appraiser				

(Attach additional pages as necessary)

11. I hereby affirm and swear that the information submitted with this application is true and accurate and that no willful omissions have been made.

Deanna I LR

(Signature of Appraiser Education Administrator)

2/6/17

(Date)

JoAnn C. Wall, ARA
California

joann@wallagappraisal.com

Instructs: Basic Appraisal Principles (A101); Basic Appraisal Procedures (A102); Cost Approach for General Appraisers (A301); Sales Comparison Approach for General Appraisers (A302); Income Approach for General Appraisers (A303); Integrated Approaches to Value (A304); Advanced Rural Case Studies (A400); Introduction to Vineyard and Winery Valuation; Introduction to Commercial Greenhouse Appraisal; Best Appraisal Practices for Rural Properties (California Course)

JoAnn Wall, ARA has specialized in agricultural and rural property appraising since 1998. Following nearly 10 years employed in the Farm Credit system as a staff appraiser in the Salinas office, she worked for several years as a fee appraiser in San Luis Obispo before starting her own appraisal firm, Central Coast AgAppraisal, Inc. (CCAA) in late 2009. In 2015, she sold her business to Contour Valuation Services, a national valuation company specializing in agricultural real estate appraisal throughout the United States and served as the Regional Vice President of the West Coast offices for a year. Starting in 2016, JoAnn has embarked on another appraisal adventure, owning her own company once again, continuing to provide high quality appraisals for a wide-range of clients. While lender clients continue to be her focus, she has a strong presence in the investment market including pre-acquisition due diligence, consultation, financial reporting, and asset allocation work. Her appraisal work includes a variety of use types including irrigated farmland, vineyards, wineries, cattle ranches, orchards, greenhouses/nursery operations, vegetable processing and cooler facilities, general industrial properties, and rural residential estates. JoAnn Wall, ARA has performed complex agricultural appraisal assignments throughout the Central Coast of California. In 2011, JoAnn was named one of the Top 50 Women in Business by the Pacific Times Business News. JoAnn's extensive experience and knowledge provides a basis for educational instruction to other appraisers, including Introduction to Vineyard and Winery Valuation, a class she developed and teaches for the ASFMRA. Other courses include Introduction to Commercial Greenhouse Valuation, Appraisal Principles and Procedures, Integrated Approaches, and Advanced Rural Case Studies. She attained the designation of Accredited Rural Appraiser (ARA) in 2008 and currently serves on the Executive Committee of the California Chapter of ASFMRA, as well as the Education and Accreditation Committee for National ASFMRA. She lives in Templeton, California with her husband Brandon and her two children, JoEllen and Aiden.

9. Teaching Experience:

School	From		To		Subjects Taught
	Month	Year	Month	Year	
ASFMRA				current	appraisal

10. Real Estate Appraisal Experience:

Employing Company	Job Description	From		To	
		Month	Year	Month	Year
Lewis & Seely Appraisals, Inc.	appraiser/VP		1980		current

(Attach additional pages as necessary)

11. I hereby affirm and swear that the information submitted with this application is true and accurate and that no willful omissions have been made.

Deanna ILR

(Signature of Appraiser Education Administrator)

2/6/17

(Date)

**QUALIFICATIONS OF APPRAISER
CHARLES S. SEELY, MAI,ARA**

EDUCATION

Graduated 1971, Texas A & M University with a B.S Degree in Agricultural Economics

Completed ASFMRA, Rural Appraisal Course, 1977

Completed ASFMRA, Eminent Domain Course, 1977

Completed ASFMRA, Advanced Rural Appraisal Course, 1979

Completed Course VIII, Residential Valuation, AIREA, 1979

Completed Course 201, Income Property Valuation, Society of Real Estate Appraisers, 1980

Completed Case Studies in Real Estate Valuation, AIREA, 1980

Completed Valuation Analysis and Report Writing, AIREA, 1980

Attended Mineral Estates Valuation Seminar, Texas A & M University, 1980

Completed Litigation Valuation, AIREA, 1981

Attended ASFMRA, Appraisal School Instructors Seminar, 1981

Completed Standards of Professional Practice, AIREA, 1981

Attended Computers in Appraising Seminar, Society of Real Estate Appraisers, 1984

Attended Subdivision Analysis Seminar, AIREA, 1985

Attended R-41b Seminar, Society of Real Estate Appraisers, 1986

Attended R-41-C Seminar, Society of Real Estate Appraisers, 1987

Attended Uniform Residential Appraisal Report Seminar, SREA, 1987.

Completed Standards of Professional Practice, Appraisal Institute, 1992

Completed A-28 Course - Income Capitalization -Leveraged, ASFMRA, 1994

Attended ASFMRA Instructor's Seminar, 1994

Completed A-12 Parts I & II-Ethics and Standards of Professional Practice-ASFMRA, 1996.

Completed Course 430 - Standards of Professional Practice - Appraisal Institute, 1997

Completed A-12 Part III - USPAP Update - ASFMRA, 1999.

Attended Public Interest Value vs. Market Value Seminar - Appraisal Institute, 1999

Attended Tools For Teaching Excellence Seminar - Appraisal Institute, 2000

Attended Conservation Easement Seminar - ASFMRA, 2000

Completed National USPAP Course, ASFMRA, 2001

Attended A-12 Part I - ASFMRA Ethics - ASFMRA 2003

Attended A-12 Part III - USPAP Update - ASFMRA, 2003

Completed USPAP Instructors Course, The Appraisal Foundation, 2003

Completed USPAP Update Course, Appraisal Institute, 2005

Completed USPAP Instructors Recertification Course, 2006

AFFILIATIONS - PROFESSIONAL DESIGNATION

Member of Appraisal Institute, MAI Certificate No. 6653

ASFMRA Accredited Rural Appraiser (ARA) No. 596

Past Chairman Appraisal Education Committee - Appraisal Schools Instructor

Past Chairman Accrediting Committee

Past Executive Council Member - District V Vice President

Past Chairman Appraisal Review Committee

President of Texas Chapter of ASFMRA, 1983

Licensed Real Estate Broker, State of Texas, License No. 205654-03

AQB Certified USPAP Instructor No. 10678

Member - Appraiser Qualifications Board of The Appraisal Foundation

State Certified General Real Estate Appraiser

Certificate Number: TX-1321744-G

Texas Appraiser Licensing and Certification Board

EXPERIENCE

Employed 1971 to 1983 by State of Texas, General Land Office

Associated with the office of Don A. Dickerson & Associates from 1980 to 1983.

Currently President of Dickerson-Seely & Associates, Inc., Lufkin, Texas

9. Teaching Experience:

School	From		To		Subjects Taught
	Month	Year	Month	Year	
ASFMRA				current	appraisal

10. Real Estate Appraisal Experience:

Employing Company	Job Description	From		To	
		Month	Year	Month	Year
Hertz Appraisal Services	appraiser		2006	now	

(Attach additional pages as necessary)

11. I hereby affirm and swear that the information submitted with this application is true and accurate and that no willful omissions have been made.

Deanna I LR

(Signature of Appraiser Education Administrator)

2/16/13

(Date)

Appraiser Experience and Qualifications

David W. Nebel, MAI, ARA
Certified General Real Property Appraiser, State of Iowa

Personal History:

- Raised in Southeast Iowa near Washington on a grain and livestock farm
- Appraising Real Estate since 1999

Education:

- Bachelor of Science in Business, William Penn University

Employment:

- May 2006 – joined Hertz Appraisal Services in the Nevada, Iowa office
- 1999-May 2006 – owned and operated Nebel Appraisal Services, Wayland, Iowa

Responsibilities:

- Appraisals, Consulting, and Real Estate Sales

Professional Affiliations and Licenses:

- Certified General Real Property Appraiser, State of Iowa Certificate # CG02273
- MAI designated member of the Appraisal Institute
- Accredited Member of the American Society of Farm Managers and Rural Appraisers
- Licensed Real Estate Salesperson – State of Iowa

Professional Education and Training:

- Advanced education curriculum for both the MAI and ARA designation requirements
- Specialized appraisal education including valuation of conservation easements, wind projects and land value, mineral valuation, and Yellow Book appraisal
- Iowa Real Estate Commission
60 Hr. Pre-license, Listing Practices, and Development Professional and Ethical Practices
- Numerous seminars on Rural Real Estate Appraisal, Land Valuation, and Real Estate Sales for Continuing Education Purposes

Professional Organizations:

- Member of Iowa Chapter of the Appraisal Institute
- MAI designated Member of the Appraisal Institute
- Member of Iowa Chapter of American Society of Farm Managers and Rural Appraisers
- ARA designated Member of American Society of Farm Managers and Rural Appraisers

Business Address: 415 S. 11th Street, P. O. Box 500, Nevada, Iowa 50201
Phone: (515) 382-1500 Email: DaveN@Hertz.ag

9. Teaching Experience:

School	From		To		Subjects Taught
	Month	Year	Month	Year	
ASFMRA				current	appraisal

10. Real Estate Appraisal Experience:

Employing Company	Job Description	From		To	
		Month	Year	Month	Year
Rabo AgriFinance LLC	appraiser			now	

(Attach additional pages as necessary)

11. I hereby affirm and swear that the information submitted with this application is true and accurate and that no willful omissions have been made.

Deanna I lk

(Signature of Appraiser Education Administrator)

2/16/18

(Date)

Resume of Cynthia Best ARA

Work Experience:

Worked as a Senior Certified Appraiser for Rabo AgriFinance LLC since June 2013. Specializing in large dairy farms throughout the Midwest.

Senior Appraiser for Greenstone Farm Credit Services for 27 years appraising all agricultural properties and large dairy accounts in Michigan.

ASFMRA Teaching experience includes:

Basic Appraisal Principles (A101)

Basic Appraisal Procedures (A102)

General Market Analysis and Highest & Best Use (A290)

Sales Comparison Approach for General Appraisers (A302)

Integrated Approaches to Value (A304)

Various other seminars including Ethics and Dairy

Personal:

Married for 35 years to Jeff with 3 children Dan (Bri), Samm (Seth) and Kaitlin (13). Four grandchildren Wesson (4), Everly (3), Shannon (2) and Isley (1) and a pit bull Cinder.



Basic Appraisal Principles

PC100GRCHJ

ABOUT THE APPRAISAL INSTITUTE

The Appraisal Institute is a global professional association of real estate appraisers, with nearly 20,000 professionals in almost 60 countries throughout the world. Its mission is to advance professionalism and ethics, global standards, methodologies, and practices through the professional development of property economics worldwide. Organized in 1932, the Appraisal Institute advocates equal opportunity and nondiscrimination in the appraisal profession and conducts its activities in accordance with applicable federal, state, and local laws. Individuals of the Appraisal Institute benefit from an array of education and advocacy programs, and may hold the prestigious MAI, SRPA, SRA, AI-GRS, and AI-RRS designations. *Learn more at www.appraisalinstitute.org.*





This course has been endorsed by the International Association of Assessing Officers for its members.

For Educational Purposes Only

The materials presented in this course represent the opinions and views of the developers and/or reviewers. Although these materials may have been reviewed, the American Society of Appraisers, and the American Society of Farm Managers and Rural Appraisers, the views and opinions expressed herein are not endorsed or approved by these organizations as policy unless adopted by the Board of Directors of the organizations pursuant to the Bylaws of the organizations. While substantial care has been taken to provide accurate and current data and information, the Appraisal Institute, the American Society of Appraisers, and the American Society of Farm Managers and Rural Appraisers do not warrant the accuracy or timeliness of the data and information contained herein. Further, any principles and conclusions presented in this course are subject to court decisions and to local, state, and federal laws and regulations and any revisions of such laws and regulations.

This course is presented for educational and informational purposes only with the understanding that the Appraisal Institute, the American Society of Appraisers, and the American Society of Farm Managers and Rural Appraisers are not engaged in rendering legal, accounting, or any other professional advice or services. Nothing in these materials is to be construed as the offering of such advice or services. If expert advice or services are required, readers are responsible for obtaining such advice or services from appropriate professionals.

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Course Schedule

SECTION 1. (Day 1 Morning)

Introduction

Registration
Classroom Rules and Procedures
Introduction

Part 1. The Appraiser and Public Trust

Ethical and Competent Practice
Exercising Sufficient Diligence
Problem Identification and Scope of Work
Questions and Review

Part 2. The Nature of Real Estate

Land Basics
Fundamental Land Rights
Real Estate, Personal Property, and Real Property
Questions and Review

Part 3. Rights and Interests in Real Estate

Estates in Land
Encumbrances
Questions and Review—Self-Study Practice Test (Section 1)
Lunch

SECTION 2. (Day 1 Afternoon)

Part 4. Legal Description of Real Estate

Metes and Bounds
Rectangular (Government) Survey System
Lot and Block System
Other Methods for Legal Description
Questions and Review

Part 5. Forms of Property Ownership

Introduction
Ownership in Severalty
Co-ownership
Trusts
Condominiums, Cooperatives, and Timeshares
Planned Unit Developments (PUDs)
Questions and Review

Part 6. Controls on Ownership

Four Government Controls on Ownership
Lien Encumbrances
Questions and Review—Self-Study Practice Test (Section 2)

SECTION 3. (Day 2 Morning)

Part 7. Contracts, Leases, and Deeds

Contract Fundamentals
Types of Contracts
Leases
Deeds
Questions and Review

Part 8. The Nature of Value

Overview of Cost, Price, and Value
Four Factors of Value
Types of Value
Questions and Review

Part 9. Market Value

Market Value Fundamentals
Market Value in Appraisal Practice
Questions and Review— Self-Study Practice Test (Section 3)
Lunch

SECTION 4. (Day 2 Afternoon)

Part 10. Influences on Real Estate Values

Agents of Production
Four Forces that Influence Value
Questions and Review

Part 11. Economic Principles

Economic Principles in Real Estate
Introduction to the Concept of Highest and Best Use
Questions and Review

Part 12. Applied Economics in Real Estate

Practice Problems
Questions and Review— Self-Study Practice Test (Section 4)

SECTION 5. (Day 3 Morning)

Part 13. Market Fundamentals

13.1 and 13.2 Dilemmas
Market Competition
Money Markets, Capital Markets, and Real Estate Markets
Monetary and Fiscal Policy
Sources of Capital for Real Estate
Questions and Review

Part 14. Real Estate Math Basics

Math as an Appraisal Tool
Solving Basic Appraisal Problems
Questions and Review

Part 15. Math Applications in Real Estate

Percentage Problems in Practice
Tax Rate Calculations
Mortgage Calculations
Floor Area Ratio and Land to Building Ratio
Questions and Review— Self-Study Practice Test (Section 5)
Lunch

SECTION 6. (Day 3 Afternoon)

Part 16. Measurements and Statistics

Measurement Basics
Statistical Concepts for Appraisers
Questions and Review

Part 17. Introduction to Financial Calculations

Getting Started
Financial Calculations
Questions and Review

Part 18. Time Value of Money Concepts

Understanding Cash Flow
Time Value of Money
Questions and Review— Self-Study Practice Test (Section 6)

SECTION 7. (Day 4 Morning)

Part 19. Analyzing Market Areas

Review of Financial Problems and Test from Day 3
Understanding Market Areas
Characteristics of Market Areas
Value Influences on Market Areas
District Types
Questions and Review

Part 20. The Nature of Appraisals

Valuation Services and Appraisal Practice
Scope of Work
Questions and Review

Part 21. Appraisal Principles in Practice

Problem Solving
Problems for Scope of Work Decisions
Questions and Review— Self-Study Practice Test (Section 7)
Lunch

SECTION 8. (Day 4 Afternoon)

Part 22. Exam Content Review

Instructor's Course Review—Preparing for the Exam
Student's Course Review—Self-Study
Instructions

Exam

Exam

Overview

Course Description

Basic Appraisal Principles is designed as an introductory course for individuals preparing for a career as a valuation professional. The course provides the first 30 hours of qualifying prelicensure education, which is commonly required by states for individuals seeking appraisal licensure.

The course uses experienced instructors to guide participants through introductory economic concepts. Participants learn the basic appraisal principles that can be used to build a solid foundation for an ethical and competent appraisal practice. Concepts such as highest and best use, the time value of money, and the nature of value are explored through instructor-led discussion. Real-world type problems are introduced to aid participants in developing their problem-solving skills.

Learning Enhancements

The course has been designed with a variety of elements to enhance your learning experience.

- **Preview.** To give you a taste of what is to come, you will find a *Preview* page that begins each Part. Included on the *Preview* page is a brief overview of the content, learning objectives to consider as you move through the content, and learning tips that will assist you in understanding the information you're about to learn.
- **Learning Objectives.** Each learning objective covers essential information you need to know to fully understand the concepts in the course. Look them over before the Part begins so that you have a frame of reference as you move through the material. At the end of each Part, reread the objectives. Are you able to do what is stated? If not, this is the time to ask your instructor for help. Or, review the concepts that you do not understand.
- **Examples & Problems.** Supplementing the discussions, we've included examples and problems to help you visualize and practice what you are learning.
- **Fill-in-the-Blanks.** It is a proven fact that when you write something down, you are more apt to remember it. The Course Handbook has "missing" content in the outline that you will need to add in the space provided in your handbook as the instructor goes over the content.
- **Review.** Each Part concludes with a review. Included in the review are the learning objectives and key terms and concepts that have been covered. Also, we've provided recommended readings from textbooks that will reinforce what you have learned in class.

- **Review Quizzes and Section Practice Tests.** Short quizzes are included at the end of most Parts, and Practice Tests are included at the end of each Section in the “Review.” The questions are similar to the types of questions you might find on the exam. By answering the true/false questions, fill-in-the-blanks, or multiple-choice questions, etc., you will know whether or not you really know the information that was covered in that Part. The Review Quizzes and Practice Tests are intended for self-study, and answers are found in the Solutions Booklet.

Classroom Guidelines

To make the learning environment a positive experience for everyone attending, please follow these guidelines:

- Refrain from using short-range wireless technology.
- Limit use of laptops to classroom projects.
- Communicate with business associates during break time instead of class time.
- Put away reading materials such as newspapers and books that are not used in class.
- Silence cell phones.
- Use recording devices only if prior permission has been granted.
- Refrain from ongoing conversations with those seated near you and other distracting behavior.

General Information

- **Calculators.** A financial calculator is required. The accepted model used in the course is the HP 12C.

For additional help, go to the “Using a Financial Calculator” section of the Appraisal Institute’s Web site:

http://www.appraisalinstitute.org/education/fin_calc.aspx

- **Breaks.** There will be two 10-minute breaks during the morning session and two 10-minute breaks during the afternoon session unless noted otherwise by the course sponsor. The lunch break is one hour.
- **Attendance sheets** will be distributed during class to verify your attendance during the morning and afternoon sessions.

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CERTIFICATE OF ACHIEVEMENT

Student Name

Student Address

City, State Zip

SSN: _____ STATE LICENSE NO.: _____

has successfully completed and passed

Basic Appraisal Principles (A101)

City, State

Approval No:

Date Start – Date End

Student attended all instructional presentations and passed examination

Course Hours: 28

Examination Hours: 2

This course is approved by the _____ Appraisal Board and by the AQB

Provider #: _____

Brian Stockman
Executive Vice President
Date certificate done

The Most Trusted Rural Property Professionals

ASFMRA



American Society of Farm Managers and Rural Appraisers, Inc.

February 5, 2018

Vanessa Beauchamp
Executive Director
Missouri Real Estate Appraisers Commission
3605 Missouri Blvd. P.O. Box 1335
Jefferson City, MO 65109

RE: Course Renewal

Dear Ms. Beauchamp,

Enclosed you will find a renewal application for the American Society of Farm Managers and Rural Appraisers course *Basic Appraisal Principles (A101)* for 30 hours of Qualifying Education and 28 hours of Continuing Education. This course has been AQB approved. I have enclosed a copy of the letter for your records.

If you should need anything else, please let me know.

Sincerely,

Deanna Ilk
State Certification and Continuing Education Coordinator
303-692-1222
dilk@asfmra.org

Enclosures