

Wisconsin Department of Safety and Professional Services

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DIVISION OF PROFESSIONAL CREDENTIAL PROCESSING

APPLICATION FOR A CREDENTIAL AS A REAL ESTATE APPRAISER INFORMATION PAMPHLET

This pamphlet contains information on obtaining a credential as a licensed appraiser, certified residential appraiser, and certified general appraiser under the provisions of Wis. Stats. § 458 and Wis. Admin. Code ch. SPS 80-87. Attached are the forms for applying for a credential.

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INTRODUCTION:

History

The creation of Wis. Stats. § 458 and Wis. Admin. Code ch. SPS 80-87, are the results of a mandate from the federal government which requires that all appraisals for "federally related transactions" as defined in 12 USC 3350(4) after December 31, 1992 must be conducted by a licensed or certified real estate appraiser.

The Governor of the State of Wisconsin signed the 1989 Wisconsin Act 340 on April 27, 1990. That Act created the Real Estate Appraisers Board and requires the Department of Safety and Professional Services to promulgate rules for the guidance of the appraiser profession, including rules governing professional conduct, examination, experience, education, appraiser course and continuing education requirements.

Practice Restrictions

Wis. Stats. § 458, does not prohibit a person who is not a certified or licensed appraiser from appraising real estate or from cosigning an appraisal report with a certified or licensed appraiser if the person complies with Wis. Stats. § 458.055. Wis. Stats. § 458.055 restricts the use of certain titles and prohibits a person from describing or referring to an appraisal of real estate located in this state by the term "Wisconsin certified", "Wisconsin licensed" or any similar term unless the person holds the appropriate appraiser certificate granted by the department.

Education Requirements

The following chart lists the education requirements for certification/licensure as a licensed appraiser, certified residential and certified general appraiser:

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- **New college level courses or degrees from an accredited college or university:**

- Licensed: None
- Certified Residential: New: Associate degree, or 21 semester credit hours in specific content areas*
- Certified General: New: Bachelors' degree, or 30 semester credit hours in specific content areas*

- **New core curriculum for each appraiser level**

Course Content	Licensed Residential Hours	Certified Residential Hours	Certified General Hours
Basic Appraisal Principles	30	30	30
Basic Appraisal Procedures	30	30	30
15 Hour National USPAP	15	15	15
Residential Market Analysis & Highest and Best Use	15	15	
Residential Site Valuation and Cost Approach	15	15	
Residential Sales Comparison and Income Approaches	30	30	
Residential Report Writing and Case Studies	15	15	
Statistics, Modeling and Finance		15	15
Advanced Residential Applications and Case Studies		15	
General Appraiser Market Analysis & Highest and Best Use			30
General Appraiser Sales Comparison Approach			30
General Appraiser Site Valuation and Cost Approach			30
General Appraiser Income Approach			60
General Appraiser Report Writing and Case Studies			30
Appraisal Subject Matter Electives		20	30
TOTALS	150	200	300

Examples:

A – An applicant for licensed appraiser has completed 90 hours of education before January 1, 2008. The education would be accepted if it meets pre-2008 standards.

B – An applicant for an upgrade to certified residential appraiser has not completed 120 hours by January 1, 2008. This applicant must now meet the 200 hour total and also the total content must meet the core curriculum requirements for certified residential. The person must also show proof of an associate degree or 21 required semester credit hours*. The appraisal hours already taken must be evaluated by the course provider to show what parts of the core curriculum have been covered by each course taken. Proofs of education submitted with the application after January 1, 2008 must include this documentation to show that all the core curriculum has been covered by the 200 hours.

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*Degree Equivalents

Associate degree: In lieu of a required associate degree, 21 semester credit hours from an accredited college or university covering the following subjects: English Composition; Principles of Economics (Micro or Macro); Finance; Algebra, Geometry or higher mathematics; Statistics; Introduction to Computers—Word Processing/Spreadsheets; and Business or Real Estate Law.

Bachelors degree: In lieu of a required bachelor's degree, 30 semester credit hours from an accredited college or university covering the following subjects: English Composition; Micro Economics; Macro Economics; Finance; Algebra, Geometry or higher mathematics; Statistics; Introduction to Computers—Word Processing/Spreadsheets; Business or Real Estate Law; and two elective courses in accounting, geography, ag-economics, business management, or real estate.

If the accredited college or university accepts the College Level Examination Program® (CLEP) examinations and issues a transcript showing its approval, credit will be given for testing out of one or more college course requirements above.

EXPERIENCE:

The criteria for experience is outlined in Wis. Admin. Code § SPS 83.01.

As directed by the Federal Appraisal Subcommittee, all applicants for a real estate appraiser credential must provide the department with verification that their experience is in compliance with the Uniform Standards of Professional Appraisal Practice (USPAP), as in effect at the time the appraisals were prepared [see SPS 83.01(3)(a)]. Please submit the "Appraisal Experience Roster" (Form #2106) as evidence of appraisal experience.

1. **Licensed appraiser:** An applicant seeking **licensure** as an appraiser must submit evidence of at least 2,000 hours of appraisal experience in not less than 12 months. No more than 25% commercial appraisal experience may be included. No more than 50% appraisal experience obtained from the performance of limited appraisals or from the performance of appraisals in which the departure provision of USPAP was invoked may be included.
2. **Certified residential appraiser:** Applicants must submit evidence of at least 2,500 hours of appraisal experience in not less than 24 months. No more than 25% commercial experience may be included. No more than 50% appraisal experience obtained from the performance of limited appraisals or from the performance of appraisals in which the departure provision of USPAP was invoked may be included.
3. **Certified general appraiser:** Applicants must submit evidence of at least 3,000 hours of appraisal experience in not less than 30 months. No more than 50% residential appraisal experience may be included. No more than 50% appraisal experience obtained from the performance of limited appraisals or from the performance of appraisals in which the departure provision of USPAP was invoked may be included.

The work claimed for experience shall be in compliance with the uniform standards of professional appraisal practice, in effect at the time the appraisal was prepared and shall include one or more of the following types of appraisal experience: fee and staff appraisal, ad valorem tax appraisal, technical review appraisal, condemnation appraisal, appraisal analysis, highest and best use study, feasibility analysis, real estate consulting or real estate broker's market analysis.

The department may require an applicant for a credential as a real estate appraiser to provide copies of any appraisal listed for experience, or other business or employment records, or may contact any person listed in order to obtain additional information about the experience.

Review appraiser applicants claiming experience may list for credit those analyses which they have fully reviewed in conformance with USPAP Standard 3, as were in effect at the time the appraisals were prepared and for which they have signed a separate review report.

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Experience Requirements (Continued)

On the "Appraisal Experience Roster" (Form #2106), list all appraisals for which experience credit is requested. The roster is used to verify the completion of the experience requirement. Please refer to the reverse side of the form for a sample and an explanation of the columns.

The average number of hours for an appraisal is 20-30 hours for a commercial appraisal and 10-12 hours for a residential appraisal. Applicants claiming a high average number of hours per appraisal may be asked to submit a written explanation of appraisal procedures, the type of property appraised, and the complexity of the appraisal for each property in which high averages are being claimed for credit.

Applicants are required to sign and submit the enclosed "Affidavit of Appraisal Experience" (Form #1750).

EXPERIENCE ACQUIRED AS AN ASSESSOR:

The Department of Safety and Professional Services is authorized under Wis. Stats. § 458.09, to accept assessor experience which it determines to be substantially equivalent to experience as a licensed, residential or general appraiser.

The Appraiser Qualifications Board (AQB of the Appraisal Foundation) has determined experience credit should be awarded to ad valorem tax appraisers who demonstrate that they (1) use techniques to value properties similar to those used by appraisers and (2) effectively use the appraisal process. Components of the mass appraisal process that should be given credit are highest and best use analysis, model specification (developing the model), and model calibration (developing adjustments to the model). Other components of the mass appraisal process, by themselves, are not eligible for experience credit.

Mass appraisals must be performed in accordance with Standards Rule 6 of the USPAP. A mass appraisal includes: (1) identifying properties to be appraised, (2) defining market area of consistent behavior that applies to properties, (3) identifying characteristics (supply and demand) that affect the creation of value in that market area, (4) developing a model structure that reflects the relationship among the characteristics affecting value in the market area, (5) calibrating the model structure to determine the contribution of the individual characteristics affecting value, (6) applying the conclusions reflected in the model to the characteristics of the property(ies) being appraised, and (7) reviewing the mass appraisal results.

The term "model" is defined in the Glossary section of USPAP. "Mass Appraisal Model" is defined in the definition section. Models are thoroughly discussed in Standards Rule 6-3 and further references can be found in the USPAP Index.

Models developed for Mass Appraisal purposes can include market models for applying the sales comparison approach; cost models for applying the cost approach; and/or income models for applying the income approach to value. Market models are built using sales data so that they replicate the market. They are then used to value all properties in the jurisdiction at market value. Cost models develop a base unit cost (often per square foot or per cubic foot) for representative structures which then serve as models to derive the base unit cost of the comparable structures being appraised. Appropriate tables of additions and deductions are used to adjust the base cost. Examples of cost models include the Wisconsin Assessors Manual Vol. II, Marshall & Swift Valuation Service Calculator Method, Boeckh Building Valuation Manual, etc.

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Please submit the following items so that a determination can be made regarding whether the experience claimed is in compliance with USPAP Standard 6:

1. Verification of employment as an assessor.
2. A copy of your job description which identifies the components of your job performance and the hours spent performing each task.
3. A signed statement that the work you are submitting is your own and is in compliance with USPAP Standard 6.
4. Documentation of each of the following items according to type of credential applying for (certified general: commercial or industrial properties; licensed or certified residential: residential properties):
 - a. Highest and best use study: A map of the entire area assessed. Please identify and describe the neighborhood you selected.
 - b. Model specification: Copies of 5 record cards for improved properties located in the neighborhood you selected (at least 2 must relate to sales parcels); a copy of the model you used; and documentation of the analysis of sales.

NOTE:

The copy of the model to be submitted to our office is a copy demonstrating a market model, a replacement cost model, or an income model. Please reference the model you are using and how it was developed.

- c. Model calibration: Copies of ratio reports for the neighborhood selected; sales documentation for the neighborhood described, and documentation of how the model performed against at least 3 unsold subject properties.

If documentation of assessor experience cannot be obtained, you may choose to submit the following documentation of appraiser experience according to the type of credential applying for:

Certified General Appraiser: Copies of three (3) commercial appraisals which were performed in compliance with the Uniform Standards of Professional Appraisal Practice (USPAP), as in effect at the time the appraisals were prepared. The department will request that you identify the standard applied to each report.

Licensed Appraiser and Certified Residential Appraiser: Copies of five (5) residential appraisals which were performed in compliance with the Uniform Standards of Professional Appraisal Practice (USPAP), as in effect at the time the appraisal were prepared. The department will request that you identify the standard applied.

REVIEW DATES:

Effective September 1, 2004 the Appraisers Qualifications Board (AQB) requires all real estate appraiser applications to be reviewed by the Wisconsin Real Estate Appraiser Application Advisory Committee. Sample reports must be submitted at least 60 days prior to the scheduled meeting date for application review.

Review Dates

January 22, 2014
March 12, 2014
May 6, 2014
July 9, 2014
September 3, 2014
October 22, 2014

Deadline Date for Receipt of ALL Documents

November 22, 2013
January 12, 2014
March 6, 2014
May 9, 2014
July 3, 2014
August 22, 2014

These are tentative meeting dates and are subject to change without notice. Please check the department's website at <http://dsps.wi.gov> for updates and meeting changes.

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EXAMINATION:

Wis. Admin. Code ch. SPS 82, pertains to the examination.

Prior to the issuance of a residential or general appraiser's certification or appraiser's license, an applicant shall pass the national examination and the examination on Wisconsin statutes and rules governing appraisers.

Wisconsin offers a separate examination for licensed appraisers, certified residential appraisers, and certified general appraisers. The examinations have been approved by the Appraiser Qualifications Board of The Appraisal Foundation.

The only prerequisite to take the State and National examinations required under Wis. Admin. Code ch. SPS 82, is successful completion of the education hours required under Wis. Admin. Code ch. SPS 84.

After an applicant has submitted an application, the department will send the instructions on taking the examination on the statutes and rules and an eligibility letter giving the applicant approval to make an appointment for the examination. Eligibility for the examination does not imply eligibility for a certificate or license. Applicants should not contact the test provider prior to receiving approval from the department.

APPLICATION FEES AND PROCEDURES ON HOW TO APPLY (SPS 81.01):

All applicants for a credential shall complete the "Application For A Credential As A Real Estate Appraiser" (Form #1749) and remit the application with the fee and education to the Department of Safety and Professional Services.

1. **Fees:** Check or money order made payable to: DEPT. OF SAFETY & PROFESSIONAL SERVICES

The federal registry fee will be requested on a separate fee request form prior to the issuance of the credential.

2. A photocopy of the certificate of completion or transcript of successful completion of 15 hours of instruction in professional standards and code of ethics approved by the department.
3. A photocopy of the transcript or certificate of completion of the educational courses specified in Wis. Admin. Code §§ SPS 84.02, 84.03, and 84.04. Attached is a "List of Approved Educational Courses" (Form #1751).
4. The successful completion of the online examination on the Wisconsin statutes and rules. Upon receipt of your application, instructions for the online exam on the Wisconsin statutes and rules applicable to real estate appraisers will be emailed or mailed to you. An applicant's knowledge of professional standards and ethics will be tested by the general examination administered by the test provider pursuant to Wis. Stats. § 458.10. A fee of \$75.00 is required to retake the state laws examination.
5. The successful completion of the national licensure/certification examination. After an applicant has submitted an application, the department will issue a letter of eligibility to the applicant approving the applicant to take the examination. The letter will include instructions on how to schedule an appointment for the examination. The test provider will notify the applicant of the testing fee. Successful completion of the state and national examinations required under Wis. Admin. Code §§ SPS 82.01 is valid for a period not to exceed 24 months. An applicant who does not complete all requirements for a credential within 24 months after successful completion of the national examination shall do all of the following:
 - (a) Submit a new application for the appropriate credential.
 - (b) Pay the fees required under Wis. Admin. Code, § SPS 81.02(1).
 - (c) Retake and pass the state and national examinations required under Wis. Admin. Code, § SPS 82.01.

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6. Completion of an affidavit verifying the required appraisal experience as required in Wis. Admin. Code § SPS 83.01. This information is included on the "Affidavit of Appraisal Experience" (Form #1750).
7. Documentation of appraisal experience as required in Wis. Admin. Code SPS 83.01. This documentation is completed on "Appraisal Experience Roster" (Form #2106). One copy of the form is enclosed. Please duplicate the form before completing and submit a separate form for each calendar year in which the appraisal experience was acquired.

Eligibility for examination does not imply eligibility for a credential (license). Experience must also be reviewed and approved prior to issuance of a credential. Applicants are notified in writing of experience approval/denial.

INSTRUCTIONS FOR APPLICANTS CURRENTLY CREDENTIALLED IN ANOTHER STATE WITH A TRAINING CERTIFICATE (ASSOCIATE/REGISTERED, ETC.):

All applicants for a reciprocal credential shall complete the "Application For A Credential As A Real Estate Appraiser" (Form #1749).

APPLICATION FEES AND PROCEDURES: An application shall include the following:

1. The federal registry fee (\$40.00 per year) will be requested on a separate form that will be sent along with the state rules examination.
2. A certificate of completion or transcript of successful completion of 15 hours of approved instruction in professional standards and code of ethics.
3. A transcript or certificate of completion for approved educational courses. Credit toward the requirement may be granted only if the length of the education course is at least 15 hours of instruction and the individual successfully completes an examination pertinent to that course.
4. Completion of an affidavit verifying the required appraisal experience as required in Wis. Admin. Code § SPS 83.01. This information is included on the "Affidavit of Appraisal Experience" (Form #1750).
5. Documentation of appraisal experience as required in Wis. Admin. Code § SPS 83.01. This documentation is completed on "Appraisal Experience Roster" (Form #2106). We have provided one copy of the form. Please duplicate the form before completing and submit a separate form for each calendar year in which the appraisal experience was acquired.
6. Applicants must pass the online open book examination on the Wisconsin statutes and rules. Upon receipt of your application, instructions for the online exam on the Wisconsin statutes and rules applicable to real estate appraisers will be emailed or mailed to you. A fee of \$75.00 is required to retake the state laws examination.

The department will notify the applicant whether the application is approved or denied.

INSTRUCTIONS FOR APPLICANTS CURRENTLY CREDENTIALLED AS LICENSED, CERTIFIED RESIDENTIAL OR CERTIFIED GENERAL IN ANOTHER STATE:

All applicants for a reciprocal credential shall complete the "Application For a Credential As A Real Estate Appraiser" (Form #1749) and remit the application and fee to the Department of Safety and Professional Services. The federal registry fee will be requested on a separate form that will be sent along with the state rules examination. The Department will verify licenses held, discipline and compliancy with the AQB requirements by using the ASC National Registry.

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Applicants must pass the online examination on the Wisconsin statutes and rules. Upon receipt of your application, instructions for the online exam on the Wisconsin statutes and rules applicable to real estate appraisers in Wisconsin will be emailed or mailed to you. A fee of \$75.00 is required to retake the state laws examination.

The department will notify the applicant whether the application is approved or denied.

PUBLICATION REQUEST:

A copy of the WISCONSIN STATUTES AND ADMINISTRATIVE RULES RELATING TO THE PRACTICE OF REAL ESTATE APPRAISAL is available on the web at www.dsps.wi.gov or at most public libraries. If you wish to purchase a copy, you may purchase a hard print copy from Document Sales, Department of Administration. Information for ordering a code book may be found at <http://dsps.wi.gov/includes/catalog.htm>, by calling Document Sales at 800-362-7253 or 608-264-9419 or by email at docsales@doa.state.wi.us.

LIST OF EDUCATION COURSES:

Refer to <http://dsps.wi.gov/profdetail.asp?pdetailid=225&profid=66&locid=0> for a list of approved qualifying education courses.