

## On-Going Experience Audit

A key part of the process by which appraisal applicants attempt to upgrade their appraisal credential is by passing the on-going experience audit. The audit serves a two-fold purpose:

- It verifies that the work product claimed on the application log actually was performed
- It demonstrates the applicant's understanding of **USPAP**

After a "pass notice" is received from **AMP, Licensing and Testing** will select **three or more** addresses from your log. After which, **Licensing and Testing** will send you a letter requesting that those appraisals be sent to Springfield. Your sample reports are examined by the **Appraisal Unit for USPAP** compliance. Should a question arise as to whether a report complies, the report or reports are presented to the board. The board may "approve" the report or reports in question, after which the upgraded license may be issued.

In general, most of the samples received by **IDFPR** are "approved". However, there are cases where upgrades can be "deferred" or "denied".

### **Quality**

Questions may arise out of the work presented. If the **Appraisal Unit** finds that the work product does not substantially comply with USPAP – it will be referred to the **Real Estate Appraisal Administration and Disciplinary Board** for their determination. If the board finds the work product fails to substantially comply with USPAP – three or more assignments from your log will be requested. The board will review these reports for compliance. If compliance is not demonstrated; your application will be denied. (*Refer to the last paragraph*)

### **Significant Assistance**

Difficulties arise primarily from applicants presenting work product where their "significant assistance" is not adequately documented or not documented at all.

### **What does USPAP say about "significant assistance"?**

When a signing appraiser(s) has relied on work done by appraisers and others who do not sign the certification, the signing appraiser is responsible for the decision to rely on their work. The signing appraiser(s) is required to have a reasonable basis for believing that those individuals performing the work are competent. The signing appraiser(s) also must have no reason to doubt that the work of those individuals is credible.

The names of individuals providing significant real property appraisal assistance who do not sign a certification must be stated in the certification. It is not required that the description of their assistance be contained in the certification, but disclosure of their assistance is required in accordance with Standards Rule 2-2(a), (b), or (c)(vii), as applicable.

### **And...**

When any portion of the work involves significant real property appraisal assistance, the appraiser must describe the extent of that assistance. The signing appraiser must also state the

name(s) of those providing the significant real property appraisal assistance in the certification, in accordance with Standards Rule 2-3.

### **AO-31 states...**

#### **Certifications/Signatures**

A signed certification is required for all appraisal, appraisal review and appraisal consulting reports. An appraiser who signs any part of a report, including a letter of transmittal, must also sign the certification. A signed certification provides important disclosures about aspects of the assignment. It provides evidence that the appraiser is aware of the ethical obligations of acting as an appraiser. In single-discipline appraisals, the certification also attests that the analyses, opinions, and conclusions expressed are those of the signatory. The certification is also where significant appraisal assistance from others not signing the certification must be acknowledged. Any appraiser who provides significant appraisal, appraisal review, or appraisal consulting assistance to the assignment must sign the certification or be identified in the certification. When more than one appraiser is involved in an assignment, USPAP allows for certification in a variety of ways, including:

- all appraisers could sign a certification accepting responsibility for the entirety of the analyses and the report if they are all competent to do so; or
- one appraiser could sign a certification and provide the name of each individual who provided significant appraisal, appraisal review, or appraisal consulting assistance. In such a case, the exact nature of the assistance must be reported, but this need not be in the certification;

In the event that significant assistance cannot be substantiated, the application will be “deferred”. By “deferred”, we mean that the **Board** will request additional work product from your log.

If, after the additional samples are submitted, the **Board** and the **Appraisal Unit** are not satisfied that the applicant’s work product demonstrates a satisfactory understanding of **USPAP**; the applicant’s upgrade will be “denied”.

#### **Section 1455.190 Verification of Experience Credit**

All applicants shall verify experience credit on forms provided by the Division. Those forms shall include information on the type of property, e.g., residential or non-residential, date of report, address of appraised property, description of work performed and number of work hours. The Division may audit such verification and, if requested, the applicant must provide experience documentation in the form of reports or file memoranda and should support the experience claimed. The Division, at its discretion, will determine the validity of all appraisal experience credit in conformity with criteria recommended by the AQB.

(Source: Amended at 29 Ill. Reg. 16445, effective October 13, 2005)

#### **Section 1455.200 Acceptable Appraisal Experience Credit**

- a) Acceptable appraisal experience shall include, but is not limited to, fee and staff appraisal, ad valorem tax appraisal, condemnation appraisal, technical review appraisal, appraisal analysis, real estate consulting, highest and best use analysis, and feasibility analysis/study. All appraisal experience shall conform to USPAP and shall meet the requirements of the AQB.

- b) Appraisal education may not be substituted for appraisal experience. A client is not necessary for an appraisal to qualify for appraisal experience. An hour of appraisal experience is defined as verifiable time spent in performing tasks in accordance with acceptable appraisal experience as identified by AQB criteria. There is no time limit during which experience must be obtained.

(Source: Amended at 29 Ill. Reg. 16445, effective October 13, 2005)

It is the responsibility of every applicant to maintain or to arrange access to their appraisal assignments. Assignments that are noted in the log but cannot be produced...for *any* reason...will be **rejected**. Rejected reports may result in the submission of a NEW log and/or disciplinary action for submitting a false log. Every applicant should make certain that their significant contribution is properly and clearly documented.

Supervisors need to be aware of the following:

**225 ILCS 458/15-10**

*(Section scheduled to be repealed on January 1, 2012)*

**Sec. 15-10. Grounds for disciplinary action**

(18) Failing to include within the certificate of appraisal for all written appraisal reports the appraiser's license number and licensure title. All appraisers providing significant contribution to the development and reporting of an appraisal must be disclosed in the appraisal report. It is a violation of this Act for an appraiser to sign a report, transmittal letter, or appraisal certification knowing that a person providing a significant contribution to the report has not been disclosed in the appraisal report.

If your application has been “*denied*”, **IDFPR** will file an “**Intent to Deny**” through the department. This will offer an opportunity to the applicant to participate in an **Administrative Hearing** before an **Administrative Law Judge** and the **Real Estate Appraisal Administration and Disciplinary Board** for a final determination.