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Metro DC Chapter

So You Want to be a Designated Member? **Tips and Tricks for Completing Your Designation Requirements**

Prepared by: **2010 Associate Guidance Committee**
Washington DC Metro Chapter of the Appraisal Institute

Introduction

The purpose of this Frequently Asked Questions (FAQ) page is to address the some of the most common questions, and to provide guidance on specific issues addressing the designation tracks to assist our chapter members in successfully achieving their designation. This FAQ was developed for local chapter use only, and is non-binding and not approved by the Appraisal Institute. If information in this FAQ is in error, please contact the 2010 AIDC Associate Guidance Chair, Don Boucher (donboucher@msn.com) or the Chapter Executive, Peter Houstle (info@appraisalinstitutedc.org).

We encourage you to visit the Appraisal Institute's national website (www.appraisalinstitute.org) for up-to-the-minute information, forms, and additional guidance resources. From the home page, click membership and choose designated membership in the drop down.

The FAQ assumes you have basic familiarity with the designations (MAI and SRA) offered by the Appraisal Institute, and offers some suggested "best practices" from designated members to assist in completing the requirements.

FREQUENTLY ASKED QUESTIONS (FAQ'S)

Q: What's the difference between Affiliate Members, Trainee Associate Members, Associate Members, and Designated Members?

A: An **Affiliate Member** is generally an allied professional to the Appraisal Institute (condemnation lawyer, engineer, etc.) who wants the benefits of association, but is not pursuing a designation. Licensed Appraisers cannot be "affiliate members."

A **Trainee Associate Member** is working towards their state license.

Designated Members (MAI, SRA), have completed all of the requirements for designation.

Associate Members:

Associate Membership is open to appraisers who perform work identified by the Standards of Professional Appraisal Practice and may be pursuing the Appraisal Institute's prestigious MAI or SRA designation. To set themselves apart in the marketplace, all Associate members have a Standards of Professional Practice (SPP) requirement for membership. Within each cycle, the Associate member must meet both components of the SPP requirement.

If you are a practicing appraisal professional, and intend on pursuing an Appraisal Institute designation, you should be an Associate Member (aka General or Residential Associate Members). If you are a licensed appraiser, and are not actively pursuing your designation requirements, you are still an Associate Member, and any coursework or other requirements you fulfill will count towards the designation requirements if you decide to proceed in the future.

Q: I'm a new member and I don't know what I should do first - coursework, experience credit, or my demonstration appraisal?

A: Generally, your association with the Appraisal Institute marks the beginning of your appraisal career. However, this is not always the case, and we recommend you address your specific situation with the Associate Guidance Committee to formalize an action plan.

We recommend:

- Attend a chapter-sponsored Associates Guidance Program (usually offered once per year)
- Contact by telephone or email one or more of the Associate Guidance Committee members (see current list @ end of FAQ)

- Login and check your “Designation Status” at the end of every year showing what you have completed, and what requirements are remaining.¹

Generally speaking, for those of you who became Associates after January 2008, the order of your efforts should concentrate as follows:

Year 1:(SRA and MAI)

- Confirm that your College Education Requirement is fulfilled (MAI) or your alternative is approved (SRA).
- Complete 15-hour USPAP Course.
- Take 2-4 AQB approved courses needed for your state license and designation.
- Keep a running log² of all assignments completed during the year.
- Check your associate status on the Appraisal Institute website (members only area) and print remaining requirements at the end of the year.

Year 2: (SRA and MAI)

- Take 2-4 AQB approved courses needed for your state license and designation.
- Keep a running log of all assignments completed during the year.
- For SRA designation, take the Demonstration Report Writing Class.
- For SRA Designation, complete and submit 3,000 Final Review.
- For SRA Designation, submit your Demonstration Report or alternative
- Apply for State License/Certification Examination; pass State Exam
- Check your Associate status on the Appraisal Institute website (members only area) and print remaining requirements at the end of the year.

Year 3 (MAI):

- Complete 2-4 required courses needed for your designation.
- Keep a running log of all assignments completed during the year.
- Complete 7-hour USPAP Course Update (needed every 2 years).
- Take Comprehensive Prep class.
- Prepare your Demonstration Appraisal Report Plan

Year 4 (MAI):

- Finish remaining coursework (if any...2-4 classes).³
- Keep a running log of all assignments completed during the year.
- Sit for Comprehensive Examination (only given 4X per year).
- Re-take any modules of the Comprehensive Exam.
- Write and proof your Demonstration Appraisal Report.
- Submit for Final Experience Credit (4,500 hours).
- Submit your Demonstration Appraisal Report (or alternative).

¹ Each associate member is assigned a “login” at www.appraisalinstitute.org. Create an account, and login to check the status of your designation track, and to insure you receive CE credit and course credit for all courses. All of your remaining designation requirements will be listed here as well.

² For the MAI and SRA designation track, the national website has an Excel form for experience submission which is very detailed in terms of hours, function, and purpose. All appraisal assignments in which you participate should be documented. The earlier experience can include assignments in which you just collected comps, or assisted in property description. You do not need to have completed the entire appraisal in early years. As you progress, the screener will look for more complete and significant experience. Do your log along the way – it is VERY time consuming to “re-build” your experience log.

³ The MAI Comprehensive Examination is designed to test the entire body of knowledge. You can only schedule to sit for the “comp” after all of your required coursework is completed. It is also recommended that the Report Writing Class is completed prior to submitting your Demonstration Appraisal or alternatives.

Q: The plan above makes this sound so easy. Why does it take so long to get the designation in practice, and what is a realistic timeframe to achieve the designation?

A: The above order is “best-case.” In reality, it’s very difficult to take four courses per year (for MAI- 14 courses in four years and SRA – eight courses in two years) and maintain a professional schedule. Additionally, most professionals don’t feel “ready” to write their demo, or sit for the comprehensive examination within the minimum experience timeframe (2 years SRA, 3 years MAI based on 1,500 hours per year).

If you are a full-time practicing appraiser (ie: your experience is on-going and continuous, and your time commitments are rigorous), the SRA designation is reasonably achievable in 3-5 years, and the MAI is reasonably achievable in 4-7 years with consistent effort and nominal procrastination or professional distraction.

Q: Why does the Appraisal Institute keep changing the requirements? I’ve been an Associate for seven years, and I’m so confused because I don’t know what I need to finish.

A: The Appraisal Institute continues to strive for the designation to represent the “best-in-class” designation, and modifies the requirements as the profession evolves. Each revision however generally “grandfathers” existing Associates. There are some key dates to know if you are a seasoned Associate. They are:

January 1, 2005 (SRA Designation)

January 1, 2008 (MAI Designation)

July 1, 2006 (MAI Designation)

Prior to July 1, 2006 or January 1, 2005 (MAI and SRA respectively)

You should contact an Associate Guidance Committee Member, who will look over your transcripts and clarify your action plan if your Associate date is before July 1, 2006 or January 1, 2005 for MAI and SRA Designation. We can help you clarify your remaining requirements, and most importantly, help guide you to preserve your ability to finish the requirements so minimal new requirements are imposed on you. Also, the Appraisal Institute Designation Services, designated@appraisalinstitute.org is an excellent resource to get your questions answered by the experts.

Generally speaking however, new requirements will become mandatory after 10 years, or a specified “sunset” timeframe.

Q: Should I wait to pass the MAI comprehensive exam (“the comp”) until I submit my Demonstration Appraisal? Or should I process my experience first?

A: There is no longer any requirement on the order in which the Comp, Demo, and Experience Review need to be processed. Because the Demo is generally the step most people dread (and the alternatives are equally daunting), and it generally takes the longest and most focus to deliver – we recommend each Associate consider the following:

The Comprehensive Exam is only given four times per year on specific dates. If you pass two or more of the four modules, you only have to sit for the “un-passed” modules. If you’ve completed all your coursework, are a full-time practicing appraiser, and feel prepared – you should attempt the Comprehensive Exam as soon as 100% of your required coursework is completed.

For new Associates (after Jan 1, 2008), the Experience Review is a one-time review of all 4,500 (MAI) or 3,000 (SRA) hours. If the screener does not believe the report quality is sufficient to approve your experience, they will refer the Experience Application to a National Review Committee, who may award partial credit. The submission of your log, presentation of your best reports, and screening of your experience generally takes 3-9 months from submission to approval. It could be longer if your application gets referred to the National Review Committee. We therefore recommend you submit your experience before submitting your demonstration report. If you are an Associate prior to January 1, 2008, you probably have Level II and/or III experience to submit. We recommend you submit this immediately, and attempt to satisfy the experience review requirements even if you have not started on your demonstration appraisal (or alternatives).⁴

The demonstration appraisal is your best work. Most associates will attend the Demonstration Report Writing workshop, and will work 6-18 months to prepare their “demo” for final submission. For MAI associates, having the Comp Exam passed (or substantially completed); and for SRA and MAI, having your experience review in-process or completed, will give you the extra motivation to “finish your demo”. That being said, the demonstration report will generally take 6 months to initially grade, and approximately 50% of the Associates will re-submit their demo.

Think of these three pieces as “concurrent” events, and just be sure to leave yourself enough energy to put your best work and efforts forward during the entire process. There is no right or wrong order – but it is the committee’s experience that says “Get the Comp passed; get the Experience awarded, and then push yourself over the final hurdle by passing your Demo.”

⁴ If you are an Associate prior to January 1, 2008 and have been awarded Level I, or Level I and II experience, you do NOT need to have an additional 4,500 hours. You only need the difference between 4,500 hours, and the prior experience already received. In either case, you can still only get 1,500 hours per year credit. That being said, the earlier you submit your experience credit, the less likely it is for something to happen to your job that could complicate obtaining the experience award.

Q: I'm confused about the Demonstration Report, Alternatives, and the upcoming 2009 "E-Demo." Should I wait to write my demo? Will there ever be an easier way to meet this requirement?

A: This is absolutely a matter of personal choice. There are no shortcuts. The alternatives to the Demonstration Appraisal ("three-report alternatives") require that each of your three reports combine to satisfy all of the demo requirements. So instead of one report being reviewed, you will be submitting three. The Metro NJ Associate Guidance Committee has no official statistics on how many people successfully navigate the alternative, but based on informal discussions to date, the three report alternative has not been very heavily adopted.

The 2009 "E-Demo" is under development by National, and is expected to be released in the Third Quarter of 2009. If you are a new Associate, this may be a viable alternative but at this point, insufficient information exists to make that statement. What we do know is that the "E-Demo" will have a defined timeframe in which to complete. As this program rolls out, contact the Associate Guidance Committee to explore this option. The risk with the E-Demo is that if you cannot finish within the prescribed period, you will have to start over. This could make the program good if you have the time to commit and finish, but more time consuming if you cannot finish and need to start over.

Overall, it is our Committee's experience that the actual "old-school" Demonstration Appraisal is still one of the best tools for developing your skills. It mirrors the actual process of appraisal development and reporting that happens in real life, and it forces you to examine the range of appraisal problems you are likely to face your entire career.

The alternatives have all been developed to make them equally (or more) challenging than writing the actual demo, and we recommend you just consider making the commitment to writing the old-school demo.

If you are near to finishing your requirements, we absolutely do NOT recommend you wait for the E-Demo since this program deployment could be delayed, which would delay your opportunity to finish your designation.

Q: This sounds like an awful lot of work to get a few letters after my name. Is this really worth it?

A: There is an old maxim that says “Wisdom is knowing what you do not know”. As an Associate Member of this chapter, you have access to hundreds of designated General Members (SRA / MAI). Talk to them, and ask them “Is it worth it?” A consistent theme will be revealed that the member did not realize the full breadth and understanding of the profession until they finished their designation. For most, the one critical piece of the path was writing the Demonstration Appraisal. But the entire process, including the amount of time and the concerted effort that’s necessary to achieve the designation tends to make you a better professional.

Some will tell you the designation helps them earn more money. The Appraisal Institute has commissioned studies that show their members earn more money on average. The designation certainly carries significant weight in the credibility of an appraiser as an expert witness in the courts. While some of these considerations may matter, nothing matters more than knowing you are the most qualified in your profession; and there is no other designation with such rigorous requirements to prove your commitment to the profession.

Q: I really want to get my designation, but at this point, I’m embarrassed at how long it’s taken me to get this far. How can I get started again?

A: First – reset your mindset. Everyone designated by this organization knows that life is what happens in between the plans you make. People have kids, people change jobs, people are building a business, and people have different priorities over a 3-7 year time horizon. Everyone in this organization is committed to helping new and seasoned Associates achieve their designation. There are members who took 10+ years, or even 15+ years, to get their designation. They will all tell you it needn’t have taken that long, but life happens.

Recommit yourself. Find a friend on the Associate Guidance Committee, and stay in touch. Just as important, find other Associates who you can talk to, and check in with them periodically to celebrate the journey along the way.

Most important – don’t give up. Nothing worth doing should ever be easy. We value the things most we work the hardest to achieve.

Contacting the AIDC Associate Guidance Committee:

Questions? Please don't hesitate to contact us.

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NOTE: We encourage Associates to provide us with feedback on the process and their individual situations. All committee members are available for discussions or meetings throughout the year on an as-needed basis, and upon request. Feel free to contact any of us for guidance and support. We also encourage Associates who would like to serve on the committee to advise any committee member who will make recommendations to next year's committee composition⁵. Having active Associates who are going through the process is a critical part of helping new and existing Associates navigate the process.

⁵ Chapter by-laws require only that the Chairperson is designated SRA or MAI. All other committee members may be selected/appointed from among the General Membership (General Associate or General Member).