



THE USPAP NATIONAL UPDATE COURSE

For the right of way appraiser

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All licensed/certified real estate appraisers in the United States are required to comply with the Uniform Standards of Professional Practice (USPAP). Furthermore, every member of IRWA is required to comply with USPAP when acting as an appraiser or when providing valuation services whether licensed/certified or not.

USPAP History

In the 1980s, leaders of the major U.S. professional appraisal organizations developed USPAP with the express purpose of promoting and preserving public trust in appraisal practice. Even though there are different asset types, USPAP establishes one set of standards for the appraisal profession. All appraisal disciplines (real property, mass appraisal, personal property, and business [intangible] property) are included.

The Appraisal Foundation sets the congressionally authorized standards through its independent board, the Appraisal Standards Board. Currently, the Foundation has three separate classroom update courses: one for personal property appraisals, one for mass appraisals (typically, ad valorem assessments) and the national course (offered by the IRWA).

USPAP Update Course

All licensed/certified real estate appraisers in the United States complete a 7-Hour Update Course on the Uniform Standards of Professional Appraisal Practice (USPAP) every two years. Participation in this continuing education course is a requirement for license renewal. Any IRWA member seeking R/W-AC recertification is also required to prove attendance at this course.

The 7-Hour USPAP Update Course aims to: 1) alert appraisers to changes in the rules and standards; and 2) stimulate thinking about how these standards bear on everyday practice. As USPAP has matured over the years, the second function has arguably become more important than the first. While most real estate appraisers have a basic understanding of the general do's and don'ts, they may periodically struggle with the application of the rules and standards to their specific branch of appraisal practice. For instance, a standard that is obvious when applied to an appraisal made to confirm sufficient collateral for a mortgage loan may be more difficult to meet in an appraisal made to allocate values of interests between beneficiaries of an estate or for one to be used in litigating an eminent domain case.

Relevance to Right of Way

Many USPAP issues are different for right of way appraisals and others are less relevant to our practice. Some of the USPAP issues that especially affect right of way appraisers are:

- ▶ When and How the Jurisdictional Exception Rule Applies
- ▶ Competency Rule—Especially Geographic Competency
- ▶ Scope of Work Rule—Role of Client and Appraiser in Determining
- ▶ Extraordinary Assumptions/Hypothetical Conditions – including some that apply to ALL right of way appraisals.
- ▶ Retrospective Effective Date of Valuation
- ▶ Project Influence
- ▶ Reliance on Other Experts
- ▶ Role of the Review Appraiser (Standard Rules 3 and 4)
- ▶ Report Format Adequacy
- ▶ The Uniform Act and Regulation 49 CFR 24
- ▶ UASFLA (The Yellow Book)

Many of these issues involve the relationship between USPAP and the Uniform Relocation Assistance and Real Property Acquisitions Act of 1970 (or “Uniform Act”) under which the vast majority of right of way appraisals are performed. Some requirements of The Uniform Standards for Federal Land Acquisitions (The Yellow Book) may also raise questions on USPAP topics.

IRWA Offerings

Currently IRWA offers two ways for appraiser members to meet their USPAP Update Course obligation. IRWA members can enroll in an online USPAP Update course supplied by a third-party private vendor (McKissock Learning) or they can participate in a classroom presentation of Course 406B—7 Hour National USPAP Course presented as an IRWA Chapter education event. So far, most IRWA-member appraisers have fulfilled their USPAP Update obligation through the online course offering that is designed for the broad mass of real estate appraisers. This is a general course that is not specific to right of way.

The authors of this article are USPAP instructors whose appraisal practices specialize in right of way. We have had many years of experience in reconciling/applying USPAP to our own work. We have taught the USPAP Update Course in the classroom setting for IRWA Chapters on numerous occasions. Several



Cover of course material presented in Course 406B



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Chapters—including Michigan, Wisconsin and New York—routinely offer the in-classroom USPAP Update Course with robust attendance. We agree with most participants of these Chapter-sponsored classes who have found these face-to-face encounters involving right of way appraiser peers particularly valuable.

Our branch of the appraisal profession is fairly specialized. While we share the same basic concerns with all appraisers, some topics covered in the USPAP Update Course are more important to us than to those working in other fields, while some topics important to most appraisers are of less significance to us. One way we are able to tailor the USPAP Update Course to the issues that concern right of way appraisers is through discussion of relevant Advisory Opinions. Another is by focusing attention on “frequently asked questions” that have been raised by right of way appraisers across the country. We have enjoyed robust, meaningful debates about topics like performing a waiver valuation or whether the project influence rule of the Uniform Act conflicts with USPAP Standards Rule 1-4(f).

Classroom Sessions

Participants (both IRWA members and non-members) have overwhelmingly stated their preference for right of way-focused, in-class sessions over spending yet another seven hours taking quizzes at a computer. They have found that interaction with USPAP/IRWA instructors and participants who specialize in right of way is invaluable.

We hope that our experience with the in-classroom variant will move more right of way appraisers to seek out a classroom opportunity to meet with their peers. We encourage our IRWA Chapters to offer Course 406B as part of their regular education programs. To do so is not only a service to our members. These courses, which every

appraiser is required to complete every two years, can also be a worthwhile source of Chapter income. Finally, offering these classes can provide excellent exposure for your Chapter to non-member appraisers who prefer a classroom setting to online learning. 🌐

These five IRWA members are currently AQB-Certified USPAP Instructors and also CLIMB-Certified Instructors. Any and all of these IRWA CLIMB-Certified Instructors are available and happy to facilitate USPAP Course 406B anywhere in the United States.



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