



200 W. Madison
Suite 2000
Chicago, IL 60606

T (312) 335-4100
F (312) 335-4200
www.appraisall.org



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Ronald K. Rouse, Esquire
Board Counsel
Board of Certified Real Estate Appraisers
P.O. Box 69523
Harrisburg, PA 17106-9523

Via E-mail: RA-STRegulatoryCounsel@pa.gov

Re: Proposed Rulemaking, 49 PA. CODE CH. 36, "Distance Education and PAREA"

Dear Ronald:

The Appraisal Institute (AI), the nation's largest organization of professional real estate appraisers, appreciates the opportunity to provide these written comments regarding the Pennsylvania Board of Certified Real Estate Appraisers (BCREA) Proposed Rulemaking regarding 49 PA. CODE CH. 36, Distance Education and PAREA.

The AI is strongly supportive of the proposed addition of the Practical Applications of Real Estate Appraisal (PAREA) as an acceptable alternative to satisfy all, or a portion, of the experience requirements to obtain the Pennsylvania Certified Residential and Certified General Appraiser credentials. We are also supportive of the distance education portions of this rulemaking and offer the following comments for the Board's consideration.

PAREA

Under current Pennsylvania regulations, an aspiring appraiser must find an in-person supervisor to work with in the field for anywhere from twelve to eighteen months. However, many Pennsylvania aspiring appraisers have encountered difficulty in finding a supervisor. History shows us that the inability to find a supervisor is the highest barrier to entry into the appraisal profession. In addition, the inability to find a supervisor disproportionately affects historically underrepresented communities.

PAREA was approved by the Appraiser Qualifications Board as an update to the Real Property Appraiser Qualification Criteria (RPAQC) beginning on January 1, 2021. PAREA provides another, equivalent pathway for aspiring appraisers to fulfill their experience requirements to become an appraiser by taking advantage of technology. PAREA offers practical experience in a virtual environment combining appraisal theory and methodology in real-world simulations. This experience can be provided through a wide range of online and virtual technologies. More

information on the PAREA pathway to licensure is available from the AQB at [PAREA \(appraisalfoundation.org\)](https://www.pareaappraisalfoundation.org).

The AI now offers both the Licensed and Certified Residential PAREA modules in accordance with strict criteria established by the AQB. AI-PAREA Licensed Residential was approved by the AQB on May 16, 2023, and AI PAREA for Certified Residential received approval by the AQB on October 17, 2023.

There are currently approximately 150 aspiring appraisers enrolled in the AI PAREA program and we have an extensive waiting list. Several aspiring appraisers have already completed the AI PAREA program for LR. Three of these appraisers have already passed the National Uniform Licensing Exam and have been issued their Licensed Residential credential. One is continuing to shadow another appraiser as an employee of an appraisal firm, and one graduate is continuing into AI PAREA for CR. I would encourage the Board and staff to view this [YouTube](#) video in which two AI PAREA participants recount their experiences working through the program.

The AI PAREA program is functioning as intended. In fact, it is taking participants longer than we anticipated to complete each of the 10 practice assignments in each module. This indicates that participants are being appropriately challenged in the application of the appraisal principles and procedures learned as part of the qualifying education. We are confident that aspiring appraisers that complete the AI PAREA program will be at least as qualified if not more qualified than those that take the traditional supervisor/trainee path.

We note for the Board that 63 Pa.C.S. § 3107.1 (enacted by P.L. 488, No. 100) (Act 100 of 2021)) states that:

“In order to meet the supervision requirements for license, certificate, registration or permit hours in a practice act, each licensing board and licensing commission shall establish rules and regulations providing for virtual supervision in a manner that meets the requirements for licensure, certification, registration or permit and is acceptable to the licensing board and licensing commission.

We believe that the adoption of PAREA by the Board as an alternative and equivalent pathway to gain the experience necessary for certification satisfies the Board’s obligation to adopt rules to allow for “virtual supervision”.

During our review of the proposed regulations, we noticed a few items that we would like to bring to the Board's attention for possible clarification:

§ 36.1. Definitions

- 1) The proposed rulemaking states that, "Mentor—A State-certified residential or general real estate appraiser who meets the AQB Qualification Criteria for guiding, advising and counseling PAREA program participants."

We would appreciate clarification that a Mentor can be a State-certified residential or general real estate appraiser in any jurisdiction and does not necessarily need to hold a credential issued by the Commonwealth of Pennsylvania. All of AI's PAREA mentors are state certified residential or general practitioners and all of them hold the MAI and/or SRA designations. However, depending on the mentor that the participant is assigned at the beginning of the program, that mentor may or may not already be certified in Pennsylvania. While it would not be onerous to require them to be certified in PA, we do not see it as being necessary.

- 2) The proposed rulemaking states that "PAREA—Practical Applications of Real Estate Appraisal—An AQB-approved simulated experience training program that serves as an alternative to the licensed appraiser trainee pathway to **certification licensure** under § 36.12a and provides creditable appraisal experience without direct supervision of a supervisory appraiser.

Since Pennsylvania does not have the LR credential, we suggest the use of the term "certification" in lieu of "licensure" to be consistent with 63 P.S. § 457.6 (a) which establishes "Classes of Certification".

§ 36.11. Qualifications for certification as residential real estate appraiser.

We are supportive of the addition of subsection (f) as proposed.

§ 36.12. Qualifications for certification as general real estate appraiser

We are supportive of the addition of subsection (f) as proposed.

§ 36.13. Experience options for preparation of appraisal reports; experience log

We are supportive of the addition of subsection (a)(2)(v) and (vi), (c.1) and (c.2) as proposed.

Distance Education

We are strongly supportive of the proposed addition of regulations regarding distance education. We especially appreciate the Board's inclusion of language in proposed § 36.31(c) to allow for aspiring and currently licensed appraisers to utilize courses that have been approved by another state's appraiser regulatory agency, but that have not been specifically approved by the Board, to satisfy the qualifying and continuing education requirements.

AI believes that adoption of this proposed regulation will provide aspiring appraisers and current licensees with many more options and opportunities to satisfy the qualifying and continuing education requirements. In addition, this proposed regulation will save education providers from having to take all of the steps necessary to obtain approval for a course in Pennsylvania if only a few students from the Commonwealth have enrolled in an offering.

The Appraisal Institute appreciates the opportunity to offer these comments in support of the proposed rulemaking and look forward to continuing to work with the Board to maintain public trust in the appraisal profession. If you should have any questions, please do not hesitate to contact Scott DiBiasio, Director of Government Affairs at (202) 298-5593 or sdibiasio@appraisalinstitute.org

Respectfully submitted,

Appraisal Institute