



200 W. Madison  
Suite 1500  
Chicago, IL 60606

T 312-335-4100  
F 312-335-4400  
www.appraisalinstitute.org

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Department of Licensing and Regulatory Affairs  
Bureau of Professional Licensing– Boards and Committees Section  
P.O. Box 30670  
Lansing, MI 48909-8170

Attention: Departmental Specialist

**Via E-mail to:** [BPL-BoardSupport@michigan.gov](mailto:BPL-BoardSupport@michigan.gov)

**Re: *Administrative Rules for Real Estate Appraisers - General Rules, Rule Set 2021-52 LR***

The Appraisal Institute (AI), the nation and state's largest organization of professional real estate appraisers, appreciates the opportunity to provide comments on "*Administrative Rules for Real Estate Appraisers - General Rules, Rule Set 2021-52 LR*" that was published in the Michigan Register on October 15, 2022. The AI is strongly supportive of the rules as published, including the addition of the Practical Applications of Real Estate Appraisal (PAREA) as an experience option and the adoption of the changes to the Real Property Appraiser Qualification Criteria (RPAQC) related to distance education.

### **Practical Applications of Real Estate Appraisal**

The Appraisal Institute supports and appreciates the incorporation of PAREA as an alternative path to obtain all of the appraisal experience necessary to obtain the State Licensed and Certified Residential Appraiser licenses, as well as part of the appraisal experience necessary to obtain the State Certified General Appraiser license.

Under current Michigan regulations, an aspiring appraiser must find a supervisor to work with for anywhere from six to eighteen months. However, many aspiring appraisers have encountered difficulty in finding a supervisor. History shows us that the inability to find a supervisor is one of the highest barriers to entry into the appraisal profession. This has resulted in a significant decline in the number of people interested in pursuing real estate appraisal as a career. Further, research has shown that the inability to find a supervisor disproportionately impacts people of color. As such, the supervisor/trainee model has contributed to the profession being 98% white.

PAREA was incorporated into the RPAQC by the AQB effective on January 1, 2021. PAREA provides another pathway for aspiring appraisers to fulfill their experience requirements to become an appraiser by taking advantage of technology. PAREA is designed to offer 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 reality simulations.

The AI is developing both the Licensed and Certified Residential PAREA modules. We plan to have our program fully developed, AQB-approved, and ready for use by aspiring appraisers in Utah no later than September 2023 – maybe sooner.

### **Distance Education**

The AI strongly supports and appreciates the incorporation of the RPAQC provisions regarding distance education by reference. The AI is a national provider of qualifying, continuing and advanced appraiser education. As such, we are required to comply with the laws regarding the approval and provision of education in each of those jurisdictions. When a jurisdiction adopts the RPAQC provisions regarding education by reference, it makes the AI's process of developing and seeking approval for education much easier and more streamlined. Further, when the AQB makes changes to the RPAQC provisions regarding education, we know what will be expected of us in each of the jurisdictions that has adopted the RPAQC by reference, including Michigan.

The Appraisal Institute appreciates the opportunity to offer this testimony and provide our suggestions. If you should have any questions, please do not hesitate to contact Scott DiBiasio, Manager of State and Industry Affairs at (202) 298-5593 or [sdibiasio@appraisalinstitute.org](mailto:sdibiasio@appraisalinstitute.org)

Sincerely,

Appraisal Institute