

Concept Paper – Skills Based Pathway

December 3, 2025

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Introduction

This Concept Paper is being issued alongside, but separate from, the First Exposure Draft that proposed changes to the *Real Property Appraiser Qualification Criteria*, released December 3, 2025. During the Board's work on that Exposure Draft, the AQB examined several broader topics that were not advanced as proposed changes. One of those topics was the possibility of a skills-based experience pathway.

Because this idea generated meaningful discussion but was not ready for proposal within the Criteria, the AQB is providing this Concept Paper to outline the issues considered and to request public comment. No changes to the *Criteria* are being proposed in this Concept Paper. Instead, this paper is intended to inform stakeholders of the Board's preliminary exploration of the concept and to gather feedback on whether, and under what conditions, a skills-based model should be developed further.

The AQB invites all interested parties to review these concepts and provide written comments. The Board values detailed, evidence-based feedback and encourages commenters to reference specific sections of the draft when possible.

Thank you in advance for your comments. If you have any questions, please contact the Board at AQB@appraisalfoundation.org

Jerry Yurek
Chair, Appraiser Qualifications Board

Join the Conversation

The AQB will also accept verbal comments at its webinar on January 22, 2026, at 1:00 PM ET. You may register [here](#).

Send Your Comments by March 3, 2026

All interested parties are encouraged to comment in writing to the AQB before the deadline of March 3, 2026. Each member of the AQB will thoroughly analyze and consider all comments.

When commenting on various aspects, it is very helpful to fully explain the reasons for concern or support, provide examples or illustrations, and suggest any alternatives or additional issues the AQB should consider.

To submit comments, please visit: <https://www.surveymonkey.com/r/AQBComments>

While for ease of processing, we prefer you use the SurveyMonkey for your comments, if you are unable to provide your comments via SurveyMonkey, you may also email AQB@appraisalfoundation.org.

All written comments will be posted for public viewing, exactly as submitted, on the Foundation's website. Names may be redacted upon request. The Foundation reserves the right not to post written comments that contain offensive or inappropriate statements.

Overview

The 2026 *Criteria* currently provides the following options for how to gain qualifying experience: the supervisor/trainee model, the Practicum model, and the PAREA (Practical Applications of Real Estate Appraisal) model. Despite these pathways, stakeholders continue to ask whether additional options are possible. The request that surfaces most frequently is for what stakeholders refer to as a “skills-based” experience model. In other words, one that would recognize demonstrated capabilities rather than accumulated hours or traditional supervision. This concept paper examines the idea in greater depth, drawing on past discussions, stakeholder input, and the AQB’s continuing review of the *Criteria*. The goal is not to determine whether such a pathway should or should not exist, but to clarify what questions must be answered before any skills-based framework could be implemented in a way that maintains fairness, feasibility, and public trust.

Background: Why Stakeholders Raise the Idea

Many individuals interested in becoming appraisers work in roles that share aspects of valuation practice. These include real estate agents, financial analysts, consultants, and others who research markets, collect and analyze data, or provide opinions about value in non-appraisal contexts. When these professionals describe a “skills-based” path, they often mean an alternative supervisory structure—one that allows them to gain credit for appraisal-related experience outside a traditional supervisor–trainee relationship.

The motivation behind these requests is easy to understand. Many aspiring appraisers find it difficult to secure a supervisor, particularly in smaller markets or for specialized property types. Others have already developed substantial analytical experience and want that work recognized. To them, a skills-based system appears to offer a way to demonstrate competency directly rather than accumulating hours. Stakeholders who advocate this idea generally describe it as a fairer and more accessible option—one that could expand entry into the profession.

From a regulatory standpoint, however, this idea raises complex questions. Experience in appraisal is not only about performing technical tasks; it is about learning to make professional judgments under an enforceable standard of ethics and competency. When stakeholders refer to “skills,” they often point to discrete tasks such as pulling comparable sales, analyzing data, or preparing models. These activities are necessary but not sufficient for what it means to perform appraisal work. Appraisal practice involves developing an opinion of value within the framework of USPAP—an independent, impartial, and objective process grounded in professional judgment and ethical conduct.

Why USPAP Standards Define the Profession

Appraisal practice is defined by standards, not isolated techniques, and USPAP is required to be followed under the circumstances stated in Title XI of FIRREA. USPAP sets the expectation that an appraiser will perform valuation services competently and in a manner that is independent, impartial, and objective. Ethics is therefore not an add-on; it is the operating environment. Appraisers learn to recognize and manage pressures—from clients, market participants, and circumstances—in order to maintain independence and impartiality while exercising professional judgment. The discipline is as much about *how* decisions are made as it is about *which* techniques are used.

Under USPAP, credibility is judged in relation to the **intended use** of the assignment results. There is no single, absolute answer in appraisal. Rather, there are opinions of value that are credible because they are developed and reported within an integrated, standards based process from start to finish. That process requires the appraiser to identify the problem, choose an appropriate scope of work, develop analyses suited to the problem, and reconcile results transparently, all while documenting work so another professional can understand what was done and why.

For this reason, “skills” cannot be evaluated in a vacuum. Selecting comparable sales, calculating adjustments, or building an income model only has meaning within the guardrails set by the assignment. Even the idea of the “best comparable sales” is contingent on definitional and procedural context. Among the factors that condition judgment are:

- I. the definition of value to be developed (e.g., market value, use value, investment value);
- II. the interest appraised (e.g., fee simple estate, leased fee, leasehold, partial interest);
- III. the effective date (current, retrospective, or prospective) and its implications for data selection;
- IV. the intended use and intended users, which inform materiality and reporting needs;
- V. relevant assignment conditions, including extraordinary assumptions, hypothetical conditions, and any jurisdictional exceptions;
- VI. the scope of work, meaning what was done, the level of detail, and why that scope is sufficient for credible assignment results;
- VII. the quality and relevance of data relied upon and how limitations were handled; and
- VIII. the reconciliation of approaches and analyses into a supportable conclusion.

USPAP ties these elements together so that techniques are applied with integrity and objectivity, and so that States can review work against a common, enforceable benchmark. When demonstration of “skills” is done outside of this framework, evaluators lose the context needed

to judge independence, impartiality, and competency. That is why, to date, it appears a skills based approach cannot stand apart from a standards based structure unless it provides an equally enforceable way to ensure ethical performance, consistent judgment, and auditable results.

Understanding What Stakeholders Mean by “Skills-Based”

Based on discussions to date, when stakeholders describe a “skills-based” model, they appear to mean a structure that either does not involve a supervisory appraiser at all or takes place outside the direct context of appraisal assignments. The AQB interprets this as an attempt to create an alternative supervisory process where appraisal experience could be recognized from other professional settings. The fundamental question becomes: if appraisal experience is to be earned outside appraisal practice, how will that experience be verified, by whom, and against what standard?

Without a supervisor who is credentialed and accountable under state law, verification becomes problematic. State regulatory agencies cannot oversee individuals or entities that do not hold an appraisal credential. As a result, any verification process that depends on unregulated parties risks becoming an attestation-only system—one that lacks enforceable accountability. Moreover, without a consistent framework for assessing performance, reviewers in different jurisdictions may interpret “skills” differently, leading to inequitable outcomes. These issues highlight why the concept of a skills-based pathway must be examined carefully before it can be considered viable.

The Regulatory Lens

Regulators depend on certainty, objectivity, repeatability, and predictability. They are responsible not only for ensuring that applicants meet the *Criteria*, but also for demonstrating to oversight bodies (such as the Appraisal Subcommittee) that they apply those *Criteria* uniformly and without bias. When requirements are vague or open to interpretation, state regulators are placed in a difficult position. They are themselves regulated and thus, would necessarily be reluctant to substitute their personal judgment for clear regulation or guidance. In such cases, they often reach out to the AQB for clarification or interpretation. These scenarios underscore why the *Criteria* must be explicit and consistently framed: regulators need well-defined requirements that they can administer confidently, defend under review, and apply in the same way across jurisdictions. These attributes allow them to make decisions that are fair, transparent, and defensible across a wide range of applicants. When experience requirements are written clearly, reviewers can verify work efficiently and apply uniform standards. When

those requirements are unclear, regulators are forced to interpret intent on their own, which increases subjectivity, inconsistency, and risk for both applicants and the public.

In considering how a skills-based pathway might work, the AQB has identified, in their opinion, four primary elements that determine whether any experience pathway can function effectively in practice. Each element is described below in complete form, along with the challenges that occur when it is poorly defined or applied.

1. Verification

Verification refers to the process through which an individual confirms that the applicant's experience actually occurred and that the work represents the applicant's own analysis and judgment. In the AQB's opinion, verification is effective only when the verifying party is both qualified and subject to regulatory oversight.

When a verifier holds a credential and is accountable to a state agency, the regulator has the authority to request records, question the basis of the attestation, and impose sanctions if necessary. This creates a reliable chain of responsibility that protects the public and ensures that applicants who follow the rules are treated fairly.

If verification is assigned to unregulated parties, regulators have no lawful mechanism to audit or discipline false or misleading attestations. As a result, reviewers may rely on subjective perceptions of credibility rather than objective evidence. This weakens consistency, undermines confidence in the process, and may allow unverified or inaccurate experience to pass unchallenged.

2. Standards Framework

A standards framework is the body of rules that governs how work is performed and reported, and it provides the benchmark against which a reviewer measures credibility, ethics, and competency. A strong framework (such as USPAP or another recognized standard) gives regulators a shared and enforceable yardstick. It ensures that ethical obligations of independence, impartiality, and objectivity are not *implied* but are actually *demonstrated* through the development and reporting process.

When a standards framework is missing or vague, reviewers must substitute personal judgment for objective criteria. This leads to inconsistent results across jurisdictions and diminishes public protection. It also complicates appeals because there is no clear reference point for determining whether a reviewer's decision was correct or arbitrary. Without a defined standard, ethical performance cannot be verified, and the concept of "credibility" becomes subjective rather than rule-based.

3. Evidence

Evidence refers to the information or documentation that supports an applicant's claim of competency. In a traditional experience model, that evidence is anchored to a standards-based assignment—typically reports, workfiles, or other materials that can be reviewed for compliance with USPAP. In a skills-based model, by contrast, the definition of evidence becomes uncertain.

If the experience occurs outside an appraisal context, what constitutes acceptable proof of learning or mastery? Is it a worksheet, a case study, a signed statement from an employer, or a portfolio of unrelated tasks? And what exactly is being demonstrated, is it mastery of a mechanical process, understanding of reasoning, or the exercise of professional judgment?

These questions reveal why evidence is such a critical issue. For regulators, evidence must be tangible, reviewable, and tied to an objective reference so that conclusions are defensible. When work is performed outside a standards framework, even well-intended documentation may lack clear meaning. Without a governing structure, reviewers cannot determine what the evidence proves, who validated it, or whether the claimed competency aligns with professional expectations. In short, evidence that is disconnected from an enforceable standard becomes ambiguous—it no longer demonstrates skill in a way that can be consistently and objectively measured, compared, or verified.

4. Review Consistency

Review consistency refers to the ability of different reviewers and jurisdictions to reach comparable conclusions based on the same criteria. It depends on standardized definitions, documentation templates, and clearly established thresholds for acceptable performance. Consistency enables predictable results, timely processing, and fairness to all applicants. It also limits administrative burden by preventing case-by-case interpretation.

When review consistency is weak, similar applications may produce different outcomes. Applicants perceive the process as unfair, appeals increase, and state agencies must devote additional resources to reconcile conflicting decisions. Over time, portability of credentials between states diminishes because requirements are interpreted differently. The result is confusion for applicants, inefficiency for regulators, and reduced confidence in the system.

Taken together, these four elements- verification, standards, evidence, and consistency- explain why a standards-anchored approach has endured for decades. Any new pathway must demonstrate how these same qualities will be maintained if experience is to be measured differently. Without them, neither regulators nor the public can rely on the results.

Types of Models Discussed

The discussion above outlined the general concepts that guide regulation and explain why standards and verifiable oversight are essential. In spite of those realities, the AQB has continued to explore, in good faith, whether there might still be practical ways to design a skills-based approach that preserves those safeguards. This exploration has not been driven by formal stakeholder proposals but by the Board's own effort to test ideas, challenge its assumptions, and see what a functional skills-based checklist or framework might look like in real operation. The goal has been to identify whether there are models that could broaden entry into the profession without diminishing public trust, and to understand what barriers must be solved before such an option could ever work. Over time, several conceptual approaches have

surfaced in discussions among the AQB. This is a very high-level general summary of some of those ideas that have been explored:

1. National Skills Checklist

The most common suggestion is the idea of a national checklist of appraisal skills—defining specific tasks such as market analysis, cost estimation, adjustment development, or reconciliation. Candidates would demonstrate each skill through evidence or attestation. On its face, this model is clear and easily understood. However, once examined through the lens of regulation, its limitations become apparent. Each of these tasks takes on meaning only within the context of a particular assignment, property type, and scope of work. For example, a “market analysis” for a residential subdivision differs significantly from one for a rural farm or a downtown office tower. Without a defined standard of application, a checklist cannot ensure consistency or comparability across candidates. The model risks devolving into a subjective exercise that depends more on the reviewer’s interpretation than on uniform criteria.

2. Tiered Competency Framework

Another concept groups skills into tiers—technical, analytical, and professional judgment. Candidates would demonstrate proficiency across and within these tiers, providing examples or written explanations of their decisions. This model recognizes that appraisers grow in complexity and reasoning over time. Yet, as with the checklist approach, the absence of a consistent, standards-based context for review makes objective evaluation difficult. Determining “adequate” demonstration of professional judgment outside a USPAP framework would be speculative and unenforceable.

3. Structured Skills Log

Some discussions have focused on the idea of a streamlined skills log. Candidates would record appraisal-related activities, summarize what was learned, and provide limited documentation as evidence. The simplicity is appealing, and it mirrors aspects of the existing log system. However, the problem remains that the work being recorded may not be performed under appraisal standards or supervision. Without that assurance, the log becomes a self-reported summary rather than verifiable evidence of competency.

4. Employer Verification

A fourth idea involves employer or peer verification of skills. Under this approach, companies employing valuation-related professionals could attest that their employees have demonstrated specific skills. While potentially expanding opportunities, this model raises significant challenges. Employers may not be licensed appraisers, and state agencies lack authority to enforce standards against them. The quality of oversight would vary widely, leading to inconsistent and potentially unreliable attestations.

5. Supervisor/trainee variation with employer occurrence verification.

Some stakeholders suggested a variation in which a candidate's employer or manager verifies that specific work tasks were performed, while a qualified supervisor reviews the substance of that work and determines experience credit using a structured skills list or periodic progress checks. Where work culminates in a USPAP-compliant report under the supervisor's signature, this functions as an enhanced form of the existing log-based process. Where work does not culminate in a USPAP report, questions remain about the standards framework, calibration of any skills and mastery thresholds, the authority for employer verification, and review consistency across jurisdictions.

6. Limited Skill Sampling

A final concept is to allow states to review specific skill "artifacts or work file documentation" such as a cost analysis, income approach, or adjustment study, rather than full reports. This might appear efficient, but in practice it strips away the context needed to evaluate whether the work was credible under USPAP principles. The parts of an appraisal cannot be assessed meaningfully in isolation from the whole.

A Closer Look: The Market Analysis Example

One example demonstrates these challenges clearly. When a stakeholder says they can perform "market analysis," what does that mean outside the context of an appraisal? Does it involve examining comparable sales within a defined market area? Identifying trends in absorption, supply, and demand? Evaluating external obsolescence? Each of these steps may be performed correctly or incorrectly depending on the problem being solved. Without a defined scope of work or intended use, reviewers have no way to determine whether the analysis is credible or whether it reflects independent and impartial judgment. This single example illustrates the broader issue: skills divorced from standards cannot be evaluated consistently or equitably.

Emerging Options That Maintain Standards

A deep review of the skills-based concept by the AQB did produce some very constructive outcomes. By working through the skills-based issues, the Board did identify two narrower pathways that appear to be workable within existing *Criteria*. Both approaches preserve the standards-based foundation of appraisal practice while offering flexibility in specific circumstances where traditional supervision or disclosure of work product is constrained. These options have been incorporated into the *First Exposure Draft of Proposed Changes to the Criteria* for public comment and represent meaningful progress in identifying ways to expand pathways into the profession while maintaining public trust.

These two narrower pathways that show promise and are included in the current *First Exposure Draft of Proposed Changes to the Criteria* for comment are the:

- A. **Confidential Work-Product Pathway:** For candidates whose qualifying experience occurs in legally confidential environments, such as certain federal programs, program-level approval could recognize internal verification while the individual submits USPAP-compliant demonstration reports for state review.
- B. **Recognized Alternative Standards Pathway:** For candidates whose experience was performed under another AQB-recognized valuation standard, such as IVS, the individual would submit USPAP-compliant demonstration reports for review. These options preserve the standards anchor, maintain state auditability, and accommodate unique professional contexts where supervision is restricted.

Continuing Dialogue

This concept paper reflects the AQB's current understanding of the skills-based discussion and the regulatory questions that accompany it. The Board recognizes the creativity and commitment of stakeholders who wish to expand pathways into the profession. The AQB welcomes detailed feedback, particularly suggestions that address how verification, standards alignment, evidence, and consistency could be achieved without undermining the ethical and competency framework that defines appraisal practice. The conversation remains open, and the AQB looks forward to collaborative exploration of practical ways to balance flexibility with the public trust that underpins the profession.

Stakeholders are welcome to comment in any manner they believe appropriate. The AQB is especially interested in hearing broad perspectives on several themes:

- I. Whether a skills-based pathway should exist at all, and what need or problem it would address within the current system.
- II. How such a pathway could remain credible and verifiable without compromising the standards and ethical expectations that define appraisal practice.
- III. What kinds of documentation or demonstrations might give regulators confidence that skills have been mastered when there is no direct supervision.
- IV. How states might realistically review or administer a pathway that relies on skills rather than hours, and what safeguards would be essential to keep the process fair and consistent.
- V. Any other ideas that could help the AQB see the full picture of how a skills-based approach might function in practice.

The AQB encourages commenters not to feel constrained by format or by these questions. Thoughtful, experience-based feedback, whether conceptual, practical, or policy-oriented, will

help the Board understand how the profession envisions a skills-based option and what conditions would need to be met for it to work effectively.