



*Before paying for
your examination registration,
be sure you understand
the contents of this bulletin.
Please retain and use it as a reference
when contacting PSI.*

**PSI licensure:certification
3210 E Tropicana
Las Vegas, NV 89121
www.psiexams.com
800-733-9267**

VERMONT BOARD OF APPRAISERS

**LICENSED/CERTIFIED APPRAISER
CANDIDATE INFORMATION BULLETIN**

TABLE OF CONTENTS

Topic	Page
INTRODUCTION	3
Vermont Board of Appraisers	3
The Appraiser Examinations	3
PREREQUISITES FOR LICENSING	3
Licensed	3
Certified Residential	3
Certified General	3
BACKGROUND	4
The Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA)	4
EXAMINATION INFORMATION	4
Who Must Take the Examinations?	4
Tips for Exam Preparation	5
REGISTRATION PROCEDURES	5
Submitting Your Registration Form and Fee	5
Walk-in Registration	5
Summary of Fees	5
Social Security Number Confidentiality	5
Missed Appointment or Late Cancellation	5
TESTING CENTER LOCATIONS	5
TAKING THE EXAMINATION	6
Required Identification	6
Security Procedures	6
Emergency Test Center Closing	6
SPECIAL TESTING ARRANGEMENTS	6
SCORE REPORTING	7
Duplicate Score Reports	7
EXAMINATION CONTENT OUTLINES	7
Examination Summary Table	7
Pretest Items	7
Content Outline	7
Sample Questions	8

INTRODUCTION

Vermont Board of Appraisers

This Candidate Information Bulletin provides you with information about the examination process for becoming licensed as a Real Estate Appraiser in the State of Vermont.

The Vermont Board of Appraisers has approved PSI licensure:certification (PSI) to administer the examination program. PSI works closely with the Board to make certain that the administration of these examinations meets the State's as well as nationally established technical and professional standards for examination administration.

In order to qualify for a license or certificate, an individual is required to pass a written examination. The examination which you will take was developed to measure your knowledge of both real estate appraisal theory and practice and of the standards of conduct adopted by the Vermont Board of Appraisers.

The Appraiser Examinations

Following are the National Uniform Licensing and Certification Examinations, developed by the Appraiser Qualifications Board (AQB), as the Licensing Examinations for Appraisers in Vermont offered by PSI:

- State Licensed Appraiser
- Certified Residential Appraiser
- Certified General Appraiser

All questions and requests for information about these examinations should be directed to:

PSI licensure:certification
3210 E Tropicana
Las Vegas, NV 89121
www.psiexams.com
800-733-9267
FAX: (702) 932-2666
TDD: 800-735-2929

Call the Board only with questions about applications for licensing.

802-828-2191
or 1-800-439-8683 in Vermont only

PREREQUISITES FOR LICENSING

Once the Board has verified that you have met all of the requirements for licensing, the Board will issue the appropriate license. *Note: Passage of the exam does not guarantee licensing.* Applicants must meet the following requirements:

State Licensed Real Estate Appraiser

1. Successful completion of the Board's examination through the state of Vermont's testing service (PSI).
2. Ninety classroom hours of courses in subjects related to real estate appraisal which shall include 15 hours relative to the USPAP.
3. Two thousand hours of appraisal experience. If requested, experience documentation in the form of reports or file memoranda should be available to support the experience claimed.

Certified Residential Real Estate Appraiser

1. Successful completion of the Board's examination through the state of Vermont's testing service (PSI).
2. One hundred twenty classroom hours, which may include the ninety classroom hour requirement for the Licensed Real Property Appraiser Classification, of courses in subjects related to real estate appraisal which shall include 15 classroom hours relative to the USPAP.
3. Two thousand five hundred hours of appraisal experience obtained over a period of not less than 24 months. If requested, experience documentation in the form of reports or file memoranda should be available to support the experience claimed.

Certified General Real Estate Appraiser

1. Successful completion of the Appraiser Qualifications Board endorsed Uniform State Certified General Real Property Appraiser Examination or its equivalent .
2. One hundred eighty classroom hours, which may include the ninety classroom hour requirement for the Licensed Real Property Appraiser Classification or the one hundred twenty classroom hour requirement for the Certified Residential Real Property Appraiser Classification, of courses in subjects related to real estate appraisal which shall include 15 hours relative to the USPAP.
3. Three thousand hours of appraisal experience obtained over a period of not less than 30 months. The applicant, for experience credit, must have accumulated a total of three thousand hours of appraisal experience of which at least one thousand five hundred hours must be in non-residential appraisal work. If requested, experience documentation in the form of reports or file memoranda should be available to support the experience claimed.

BACKGROUND

IMPORTANT NOTE

As you read about The Appraisal Foundation and its charter to oversee the appraisal profession, note that its oversight encompasses *education, knowledge, experience, and integrity*. In making application for an examination, you must be able to support information concerning education and work experience by documentary evidence which you must make available to the Vermont Board of Appraisers upon request.

The Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA)

The purpose of licensing and certifying real estate appraisers is set forth under the federal Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA), which provides that federal financial and public policy interests in real estate-related transactions be protected by requiring that real estate appraisals utilized in connection with federally related transactions be performed in writing, in accordance with uniform standards, and by individuals whose competency has been demonstrated and whose professional conduct will be subject to effective supervision.

Pursuant to FIRREA, licensing is approved ONLY for those candidates who:

- *Complete prescribed education courses, and*
- *Meet acceptable work experience requirements, and*
- *Complete the examination and receive a passing grade.*

EXAMINATION INFORMATION

Who Must Take the Examinations?

Only a person licensed by the Board may perform appraisals in a federally related transaction for a fee or may hold himself or herself out as a state certified or licensed real estate appraiser in Vermont. The following definitions are provided for the categories of licensing applicable in the State of Vermont:

A **state licensed real estate appraiser** is entitled to provide real estate appraisal services in connection

with non-complex one to four unit residential appraisals having a transaction value less than \$1,000,000; complex one to four unit residential appraisals having a transaction value less than \$250,000.

A **certified residential real estate appraiser** is entitled to provide real estate appraisal services in connection with one to four unit residential appraisals without regard to value or complexity; and non-residential appraisals having a market value of less than \$250,000.

A **certified general real estate appraiser** is entitled to provide real estate appraisal services in connection with all types of real property without regard to value or complexity.

Tips for Exam Preparation

The following suggestions will help you prepare for your exam. Planned preparation, in addition to the required classroom hours, increases your likelihood of passing.

- Use the exam content outlines provided in this bulletin as the basis of your study. The outline itself is a study tool because it can familiarize you with real estate appraisal terms.
- Learn the major points associated with each outline topic.
- Select study materials that cover all the topics in the content outline.
- Take notes on what you study. Putting information in writing helps you commit it to memory. Underline or highlight key ideas that will help with a later review.
- Read the study materials, making sure you understand each idea before going on to another.
- Check each topic off the outline when you feel you have an adequate understanding. Plan to take your test when all topics have been checked.
- Discuss new terms or concepts as frequently as you can with colleagues. This will test your understanding and reinforce ideas.
- Your studies will be most effective if you study frequently, for about 45 to 60 minutes. Concentration tends to wander when you study for longer periods of time.

REGISTRATION PROCEDURES

Submitting Your Registration Form and Fee

The following steps must be followed in submitting your registration form:

1. Complete the Exam Registration Form. **BE SURE TO READ ALL DIRECTIONS CAREFULLY BEFORE COMPLETING THE REGISTRATION FORM. IMPROPERLY COMPLETED FORMS OR INCORRECT FEES WILL BE RETURNED TO YOU UNPROCESSED.**
2. Return the completed form to PSI with your fee. The fee for taking the Vermont Appraisers Licensing Examination is \$75. Payment of fees can be made by money order or cashier's check made payable to PSI. **Print your Social Security Number on your money order or cashier's check to ensure that your fee is properly assigned. Cash and personal or company checks are not accepted.**

Applications must meet the postmark deadline for the examination date that you desire. Applications must arrive in PSI's offices, no later than 1:00 p.m. Pacific Standard Time on the date specified as the deadline for your desired examination (*see the separate registration form for mailing deadlines*).

Walk-in Registration

Applicants may take the Vermont Appraiser Examination as walk-in candidates. Walk-in registration is on a space-available, "first-come, first-served" basis. Walk-in candidates will be admitted into the test center only after all preregistered applicants have been admitted. Admission to the test cannot be guaranteed to walk-in candidates. NOTE: The Walk-in registration fee is \$15 in addition to the Standard Registration fee.

To take the exam as a walk-in candidate:

1. Arrive at the test center early (by 7:30 a.m.) on the day of testing to improve your chances of being admitted to the examination.
2. Be sure that you bring the following with you:
 - A completed exam registration form.
 - The exam fee plus the walk-in fee, for a total of \$90, in the form of a cashier's check or money order. *Cash and personal or company checks are not accepted.*
 - One piece of identification with a photo or physical description. This may be a driver's license or a

notarized affidavit with a photo.

- One other piece of identification with your signature.

Summary of Fees

Payment of the registration fee is valid for one examination only. Registration fees are not refundable and are not transferable.

State Licensed Appraiser Examination	\$75
Certified Residential Appraiser Examination	\$75
Certified General Appraiser Examination.....	\$75

Social Security Number Confidentiality

PSI will use your Social Security Number only as an identification number in maintaining your records and reporting your grades to the Vermont Board of Appraisers. If you elect not to disclose your Social Security Number, please enclose a separate letter with your Examination Registration Form to inform PSI of your decision. PSI will issue an identification number for you.

Missed Appointment or Late Cancellation

You will not be admitted into the testing center, your registration will be invalidated, and you will forfeit your fee and application if you:

- do not appear for your examination appointment; or
- arrive too late to begin your test without disrupting the center's schedule; or
- do not present proper identification when you arrive
- for your examination (see "Required Identification" below).

TESTING CENTERS

The following are the testing centers where you will be able to take the Vermont Appraiser Examination. *Refer to the registration form for the examination schedule.*

Barre:

Spaulding High School
155 Ayers Street
Barre, Vermont

From I-89, take Exit 6 on to VT Route 63 to the intersection with Route 14 (3.7 miles). Turn left onto VT Route 14 North until intersection with Ayers Street (1.3 miles). Turn right onto Ayers Street to Spaulding High School (.3 miles) on right.

Rutland

Rutland High School
22 Stratton Road
Rutland, Vermont

Route 4 becomes Woodstock Avenue. Rutland High School parking is on the corner of Stratton Road and Woodstock Avenue.

TAKING THE EXAMINATION

On the day of the exam, you should arrive at the test center **no later than 8:00 a.m.** **No one will be admitted into the test center once the check-in process is complete and testing begins.** (Walk-in candidates should refer to the section on walk-in registration procedures above.)

Required Identification

In order to take the Vermont Appraiser Examination, you must present the following:

1. One piece of identification with a photo or physical description. This may be a driver's license or a notarized affidavit with a photo.
2. One other piece of identification with your signature.

If you cannot provide the required identification, you must contact PSI one month prior to your scheduled appointment to arrange a way to meet this security requirement. **Failure to provide all of the required identification at the test center will result in your exclusion from the examination.**

Security Procedures

The following security procedures will apply during the examination:

- No notes or books will be allowed in the testing area.
- No smoking, eating, or drinking is allowed in the test center.
- Once you have been seated and the examination begins, you may leave the test center only to use the restroom (limited to 5 minutes), and only after obtaining permission from the proctor. However, you will not receive extra time to complete the examination.
- Any candidate seen giving or receiving assistance, or

found with unauthorized materials, or who violates any security regulations will be asked to turn in all examination materials and to leave the test center. All such instances will be reported immediately to the Vermont Board of Appraisers.

- **Candidates will not be permitted to use any calculator that is alpha programmable.** In addition, as stipulated by the AQB, each candidate is required to bring the **written instructional manual** that was provided with the programmable calculator when purchased by the candidate or instructions downloaded from the manufacturer's website so that the test center proctor can ensure that all numeric programs previously stored in the calculator are cleared before the candidate is permitted to use the calculator during the examination. If you do **NOT** bring these instructions, you will not be permitted to use the calculator. Moreover, all programmable calculators must be cleared upon conclusion of the examination by the test center proctor to prohibit potential security breaches. **Note:** Candidates need to bring their own financial calculator. One is not available at the test center. Candidates may not share a calculator during the exam.

Emergency Test Center Closing

Inclement weather or other emergencies may force the closure of the test center on the assigned test date. In that event, the examination will be rescheduled. You will receive notification by mail or phone of the new date and time of the test.

Information about test center closures is recorded on the main greeting at PSI and updated as required when weather or other conditions are being monitored. Call 1-800-733-9267 to hear if your test center is closed.

Special Accommodations

Applicants with disabilities or those who would otherwise have difficulty in taking the examination should contact PSI to make alternative arrangements. Every reasonable accommodation will be made in meeting a candidate's needs.

Requests for any special accommodation must be made at the time of registration. Candidates must specify the accommodation requested and provide supporting material from a licensed healthcare professional, documenting the need for the accommodation.

SCORE REPORTING

In order to pass the examination, you must achieve a minimum scaled score of 75. You will receive your score report via mail, within 10 business days from the examination date.

Candidates passing the examination will receive ONLY a score indication of PASS. Passing numeric scores are not available. Candidates who do not pass will receive an individual score for each of the major sections in the examination outline. Candidates should use this information to assist them in studying for the re-examination.

The Appraiser Qualifications Board will update the National Uniform Licensing and Certification Examinations **effective July 1, 2008** and with the changes in the examinations, revise the scaled passing score to 75 from 100. The change in the scaled passing score was implemented to increase understanding of the meaning of the scaled scores. Scores around 75 have been historically accepted as representing passing. On the previous version of the examinations, if candidates received a score greater than 75, but less than 100, they would have failed. On the updated examinations any scaled score of 75 or greater is passing. It is important to understand that this change does **not** mean the passing scores are being lowered. A scaled score of 75 on the updated examinations is equivalent to a scaled score of 100 on the previous examinations. Scaled scores can range from 0 to 150, with 75 representing passing.

Scores are reported to candidates as scaled scores. The scaled scores are computed from raw scores. Raw scores, or percentage scores, are the actual number of questions answered correctly. Raw scores are mathematically converted to scaled scores to maintain a consistency in the meaning of scores, regardless of when the examination was taken or the difficulty of the examination.

Examinations change over time. Each examination may vary in difficulty with one examination easier or more difficult than other examinations. However, when converting raw scores to scaled scores, it should not make a difference whether candidates take an easier or more difficult examination. With the mathematical adjustment, the scaled score accounts for differences by adjusting the scores up or down depending on the difficulty of examinations. When these adjustments are made, the effect is to produce an unbiased and constant passing standard that does not change from one examination to another. A scaled score is not a percentage score, but simply a transformation of a raw score to report comparable results

when examinations vary in difficulty.

Duplicate Score Report

You can write to PSI to request a duplicate of your failed score report.

EXAMINATION CONTENT OUTLINES

National Uniform Licensing and Certification Examinations, developed by the Appraiser Qualifications Board (AQB)

Vermont utilizes the National Uniform Licensing and Certification Examinations that are developed by the Appraiser Qualifications Board (AQB).

For further information or to express concerns about the examination content, please contact:
The Appraiser Qualifications Board
C/O The Appraisal Foundation
1155 15th Street, NW, Suite 1111
Washington, DC 20005
www.appraisalfoundation.org
Main Number: 202.347.7722 Fax: 202-347-7727

Examination Summary Table

Examination	# of Questions	Passing Scaled Score	Time Allowed
State Licensed Appraiser	150	75	6 hours
Certified Residential Appraiser	150	75	6 hours
Certified General Appraiser	150	75	8 hours

Pretest Items

In addition to the number of examination items specified, fifteen “pretest” questions will be administered to candidates during the examinations. **These questions will not be scored.** The administration of such non-scored experimental questions is an essential step in developing future licensing examinations.

Content Outlines

The examination content outlines have been prepared by the AQB.

Use the outline as a guide for pre-examination review course material. The outlines list the domains that are on the examination and the percentage of questions for each domain. Do not schedule your examination until you are familiar with the domains in the outline.

National Uniform and Certification Examination Content Outlines

DOMAIN & SUBTOPICS	State Licensed Appraiser	Certified Residential Appraiser	Certified General Appraiser
I. Influences on RE Value	5%	5%	5%
Governmental Economic Social Environmental, geographic and physical			
II. Legal Considerations	5%	5%	4%
Forms of ownership Public and private controls Real estate contracts Leases			
III. Types of Value	5%	5%	6%
Market value Other value types			
IV. Economic Principles	5%	5%	6%
Classical economic principles Application/illustrations of economic principles			
V. Real Estate Markets & Analysis	4%	4%	5%
Market fundamentals, characteristics, definitions Supply analysis Demand analysis Use of market analysis			
VI. Property Description	11%	11%	10%
Geographic characteristics of the land/site Geologic characteristics of the land/site Location and neighborhood characteristics Land/site considerations for highest and best use Improvements-architectural styles/types of construction			
VII. Highest and Best Use Analysis	9%	9%	9%
Test constraints: legal, physical, financially feasible and maximally productive Application of highest and best use Market analysis			
VIII. Appraisal Math and Statistics	3%	3%	4%
Statistics Valuation models (AVMs and mass appraisal) Real estate finance			

IX. Sales Comp Approach	15%	15%	10%
Valuation principles Procedures: Identification, derivation and measurement of adjustments Partial interests Reconciliation			
X. Site Value	5%	5%	4%
XI. Cost Approach	9%	9%	6%
Concepts and definitions Replacement/reproduction cost new Methods of estimating accrued depreciation			
XII. Income Approach	7%	7%	15%
Valuation principles Valuation procedures: Direct capitalization			
XIII. Valuation of Partial Interest	1%	1%	1%
XIV. Appraisal Standards and Ethics	16%	16%	15%
Preamble and rules Standards 1-6 Statements and advisory opinions			

Sample Questions

The following questions are offered as examples of the types of questions you will be asked during the course of the. The examples do not represent the full range of content or difficulty levels found in the actual examinations. They are intended to familiarize you with the types of questions you can expect to find in the examinations. (The answer key is found after each sample question.)

- The subject property is a 10,000 s.f. office building encumbered by a full-service lease with a contract base rent of \$1.25 per s.f. monthly. Stabilized vacancy/credit loss allowance for similar properties within the market area is 7% of PGI. The operating expense ratio for similar properties is 30% of EGI, plus reserves for replacement of \$0.15 per s.f. Based on these facts, what is the projected net operating income?

- \$97,650
- \$93,000
- \$96,150
- \$94,500

Answer = C

- The assignment is a warehouse located in an industrial park. The client requires the cost approach be completed. There are no vacant land comparables in the market area. There are 3 sales of commercial buildings in the industrial park with similar lots that the appraiser has researched extensively. The appraiser found the following information:

Sale 1 sold for \$1,750,000. The buyer allocated 20% of the value to the site and 80% to the value of the structure.

Sale 2 sold for \$1,000,000. The buyer was not available for verification, but the seller was available. The seller had just built the structure after holding the lot for 10 years as an investment property. He paid \$100,000 for the lot and had earned 25% straight line annual return on his investment over the cost of the

structure and its entrepreneurial profit.

Sale 3 sold for \$3,500,000. The buyer estimated that 90% of what he paid was for the structure.

What is the indicated value of the lot using the allocation approach?

- A. \$350,000
- B. \$500,000
- C. \$135,000
- D. \$125,000

Answer = A

3. During the research of a subject property an appraiser learns the occupants (parents) have been granted a life estate by their children. What interest do the children hold in the property?

- A. Remainderman
- B. Life tenant
- C. Trustee
- D. Trustor

Answer = A

4. A homeowner purchased two adjacent lots in a tract subdivision 20 years ago and built a single-unit residence entirely on one lot, utilizing the second lot as a side yard. The homeowner has decided to build a smaller home on the vacant side lot and retain the existing home as a rental. What term applies to the second yard?

- A. Surplus land
- B. Vacant site
- C. Excess land
- D. Underutilized site

Answer = C

5. The subject assignment is to appraise an 1880's vintage house using the cost approach. The house has metal stamped ceilings, lath and plaster walls, which are items not easily available in today's construction. The estimated replacement cost using modern materials is \$120 per s.f. Contractors charge \$15 more per s.f. to work on older houses. The estimated reproduction cost is \$185 per s.f. What is the estimated loss in utility?

- A. \$65 per s.f.
- B. \$33 per s.f.
- C. \$80 per s.f.
- D. \$15 per s.f.

Answer = A

6. While working on an appraisal of a residential property in a new home subdivision, the appraiser finds that the builders have a total of 100 home sites currently offered for sale. In measuring market demand the appraiser notes that all of the builders are currently averaging two new sales contracts per month (combined), and are expecting to sell 24 homes within the next year. What conclusion could be drawn with regard to the 100 available home sites and a market period of the next 12 months?

- A. The market is in a condition of supply and

demand.

- B. The market is in a condition of balance.
- C. The market is in a condition of oversupply.
- D. The market is in a condition of undersupply.

Answer = C



**VERMONT APPRAISER
LICENSING EXAMINATIONS
Registration Form**

TESTING SCHEDULE

Registration Deadline	Test Date	Test Location	PSI Mails Score Reports
November 9, 2011	November 19, 2011	Rutland	November 26, 2011
December 7, 2011	December 17, 2011	Barre	December 24, 2011

PSI will no longer be administering Vermont Real Estate and Appraiser examinations effective January 2012. Please contact the Vermont Real Estate Commission at www.vtprofessionals.org for more information.

REGISTRATION PROCEDURES

After completing the form on the reverse side of this page, mail it with your examination fee to PSI at the address shown below. Please note that you should keep a copy of your registration form for your records should you have a need to call PSI about your registration.

Send the registration form with your examination fee to:

PSI licensure:certification
ATTN: Examination Registration VT RE APP
3210 E Tropicana * Las Vegas, NV * 89121
(800) 733-9267 · FAX (702) 932-2666 · TDD (800) 735-2929 · www.psiexams.com

Fees **MUST** be paid by cashier's check or money order. Cash, company checks, and personal checks are **NOT** accepted. **Registration fees are not refundable and not transferable.** (Please write your Social Security Number on your cashier's check or money order.)

VERMONT REGISTRATION FORM

Read the Vermont Candidate Licensing Information Bulletin before filling out this form. You must provide all information requested and submit the appropriate fee. PLEASE TYPE OR PRINT LEGIBLY. Registration forms that are incomplete, illegible, or not accompanied by the proper fee will be returned unprocessed. Registration fees are not refundable or transferable.

1. Legal Name: [Last Name boxes] [Jr, III]

[First Name boxes] [MI]

2. Social Security: [Social Security Number boxes] (FOR IDENTIFICATION PURPOSES ONLY)

3. Mailing Address: [Number, Street boxes] [Apt/Suite]

[City boxes] [State] [Zip Code]

4. Email Address: _____ @ _____

5. Telephone Home [Home Number boxes] Office [Office Number boxes]

6. Birth Date: [MM] - [DD] - [YY]

7. Test: (Check one) [] State Licensed Real Estate Appraiser (06) [] Certified Residential Real Estate Appraiser (04) [] Certified General Real Estate Appraiser (03) [] FIRST TIME [] RETAKE

8. Test Date: [] Nov 2011 [] Dec 2011

9. Fee Enclosed: Mailed Registration [] \$75 Walk-in Registration [] \$90

10. Special Arrangement Request: I am enclosing a Special Arrangement Request letter. [] Yes [] No I am enclosing the required supporting documentation. [] Yes [] No

11. Signature: You must sign and date this application on the lines below. Unsigned registration forms will be returned.

Sign here: _____ Date: _____

PSI licensure:certification
3210 E TROPICANA
LAS VEGAS, NV 89121