

OBTAINING A LICENSE

Questions on Licensing/Certification

Appraiser applications and licensing/certification requirements information is available online at www.appraisal.state.az.us. You may also contact the Arizona Board of Appraisal (Board) for additional information regarding licensing at:

Arizona Board of Appraisal
1400 West Washington, Suite 360
Phoenix, Arizona 85007
602.542.1539
Fax: 602.542.1598
www.appraisal.state.az.us

Appraiser Requirements

APPRAISER CLASSIFICATIONS

Certified General Appraiser

Any person certified pursuant to the requirements of Arizona Law, Chapter 36, Title 32, A.R.S., to appraise all types of real property.

Certified Residential Appraiser

Any person certified pursuant to the requirements of Arizona Law, Chapter 36, Title 32, A.R.S., to appraise one to four residential units without regard to transaction value.

Licensed Residential Appraiser

Any person licensed pursuant to the requirements of Arizona Law, Chapter 36, Title 32, A.R.S., to appraise non-complex one to four residential units having a transaction value less than \$1,000,000 and complex one to four residential units having a transaction value less than \$250,000.

EXPERIENCE

Certified General Appraiser

Three thousand hours of appraisal experience during no fewer than 30 months is required. Experience documentation in the form of reports or file memoranda should be available to support the experience. Hours may be cumulative to achieve the necessary 3,000 hours of appraisal experience. At least 1,500 hours must reflect nonresidential appraisals.

Certified Residential Appraiser

Two thousand five hundred hours of appraisal experience during no fewer than 24 months is required. Experience documentation in the form of reports or file memoranda should be available to support the experience. Hours may be cumulative to achieve the necessary 2,500 hours of appraisal experience.

Licensed Residential Appraiser

Two thousand hours of appraisal experience in not less than 18 months is required. Experience documentation in the form of reports or file memoranda should be available to support the experience.

The Board is required to insure that appraiser applicants meet the current applicable federal law.

All applicants for the above are required to be at least 18 years old, honest, truthful and of good reputation.

EDUCATION

Certified General Appraiser

One hundred eighty classroom hours, which may include the 90 classroom hours required for the Licensed Real Property Appraiser Classification or the 120 classroom hour requirement for the Certified Residential Real Property Appraiser Classification, of courses in subjects related to real estate appraisal which shall include 15 classroom hours relative to the Uniform Standards of Professional Appraisal Practice.

Certified Residential Appraiser

One hundred twenty classroom hours, which may include the 90 classroom hours required 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 Uniform Standards of Professional Appraisal Practice.

Licensed Residential Appraiser

Ninety classroom hours of courses in subjects related to real estate appraisal, which shall include 15 classroom hours relative to the Uniform Standards of Professional Appraisal Practice.

APPLICATION

The State Board must approve your formal application before you will be scheduled to sit for the examination. Your application, license or certificate fee, and required documentation must be submitted to the Board.

Do not submit an application until all required education and experience hours have been completed. Incomplete applications will be returned for correction and will delay scheduling for an examination. Read all instructions carefully before you submit an application.

NONRESIDENTS OF ARIZONA

Arizona residency is not a requirement to obtain an Arizona appraiser certificate or license. However, nonresidents are required to file with their application a Consent to Service of Process form which permits notice of legal action to be served upon them through the Arizona Secretary of State.

NONRESIDENT TEMPORARY LICENSE OR CERTIFICATE

Nonresident applicants currently licensed or certified in another state may qualify for a temporary license or certificate. A nonresident temporary license or certificate shall be valid until the completion of each appraisal assignment but not for a period of more than one year from the date of issuance. Any property appraised must be federally-related.

Submit an Application for Nonresident Temporary License or Certificate, \$150 nonrefundable fee and required documentation, including a certified copy of current license or certificate, to the Arizona Board of Appraisal. Applications are available online at www.appraisal.state.az.us. No examination is required.

RECIPROCITY

If you are currently licensed or certified in a state that Arizona has reciprocity, you may qualify for a waiver of the Arizona appraiser examination. Information regarding qualifications required for each classification, a list of reciprocity states and application form is available online at www.appraisal.state.az.us.

Submit an Application for License or Certification by Reciprocity with \$400 nonrefundable fee, separate payment of \$50 National Registry fee and required documentation to the Board. No examination is required.

RENEWAL

All licensed or certified appraisers are required to file a biennial renewal application with the Arizona Board of Appraisal. Pursuant to statute, the renewal application shall be mailed to the last known address of record not more than 90 days nor less than 60 days before the renewal date. Applicants must meet the renewal requirements. This information is available online at www.appraisal.state.az.us. Failure to comply with the renewal requirements will result in nonrenewal of the appraiser's license or certificate and removal of the appraiser's name from the Board list and the National Registry list.

Submit the renewal application with \$425 renewal fee (biennial term), separate payment of \$50 National Registry fee and required documentation to the Board. A late fee of \$25 will be assessed for all applications postmarked on or received later than 30 days before the expiration date.

If an appraiser does not renew within 90 days after the expiration date, the expiration of the license or certificate will be permanent and the appraiser will have to apply as a new applicant and comply with the current application requirements.

Applying for Your License/Certificate

The Board must approve your application for licensure or certification before you can schedule your examination. If you have not yet applied for your license or certificate, follow the procedure below.

When you have completed prelicensing education and experience requirements, you **must** submit an application to the Arizona Board of Appraisal (Board) **BEFORE** scheduling an examination. Applications can be obtained from the Board's Web site at www.appraisal.state.az.us. The application must be typed or printed with ink. Please do not submit your application until you have met all education and experience requirements. Your transcripts or certificates of completion for the educational requirements and the experience log must be included.

The completed application, required documentation and \$400 fee payable to the Board should be sent to:

Arizona Board of Appraisal
1400 West Washington, Suite 360
Phoenix, Arizona 85007
602.542.1539
Fax: 602.542.1598

The Board will review the application and determine eligibility to test. The Board will send eligible candidates an Arizona Appraiser Approval Form (green card) that must be presented at the testing site. **You will not be allowed to test without presenting this form.** The Board will also provide you with a copy of this Candidate Information Bulletin.

THE EXAMINATION PROCESS

Process Summary

- 1. Registration:** You must first register for your examination(s) by following the exam registration procedures as described below.
- 2. Schedule Appointment:** You must call Thomson Prometric to schedule your examination appointment after you have registered.
- 3. Testing:** Take the exam on the day you have scheduled. Be sure to bring proper identification and your state-issued approval form (green card) with you to the testing center.
- 4. Exam Results:** You will receive your score results immediately upon completion of the exam.
- 5. Identification Number:** The Board will assign an identification number to each candidate. This number will be included on your Arizona Appraiser Approval Form (green card).

Examination Locations

The Arizona Board of Appraisal has contracted with Thomson Prometric (formerly Experior Assessments) to conduct its examination program. Thomson Prometric provides computerized examinations through its multistate Prometric Testing Network of testing centers. You may test at any Prometric test center across the United States. A complete list of testing centers is available at www.experioronline.com.

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

Thomson Prometric
1260 Energy Lane
St. Paul, MN 55108
800.899.4091
Fax: 800.347.9242

Exam Registration Procedures

All exam registration fees are valid for one year from the dates processed by Thomson Prometric. After one year, your exam registration fees will expire without further notice and will be forfeited.

You may register for your examination by internet, fax, phone or mail, using the registration form in this Bulletin.

INTERNET REGISTRATION AND SCHEDULING

You may register and schedule your examination online at anytime using our Internet Registration Service at www.experioronline.com. You must include MasterCard or Visa information. To use this service on our Web site, follow these easy steps:

- Go to www.experioronline.com and select *For Test Takers*.
- Choose *Arizona* from the list of states provided.
- Under *Real Estate*, click on *Appraiser License Exam*.
- Select *Online Registration and Scheduling* to create your own user ID and password.
- Follow the simple, step-by-step instructions to complete the registration process. Please have your MasterCard or Visa available for online payment of examination fees.
- Complete the process by scheduling your examination appointment online.

If you require ADA accommodations, please refer to the *Special Test Considerations* section on page 4.

PHONE REGISTRATION

Register for and schedule your examination with one phone call. Please have the registration form and your Visa or MasterCard available before you call 800.899.4091 between 6 a.m. and 7 p.m. (Mountain time).

FAX REGISTRATION

Fax your completed Examination Registration Form to Thomson Prometric at 800.347.9242 and it will be processed within 24 hours. You must include your Visa or MasterCard information on the registration form. You may then schedule your examination by calling 800.899.4091.

MAIL REGISTRATION

Mail the completed registration form to Thomson Prometric and it will be processed within 48 hours from the time it is received. Please allow four to eight days for mail delivery. Exam fee may be paid by company check, cashier's check, money order, Visa or MasterCard, payable to Thomson Prometric.

EXAMINATION FEES AND REFUND POLICY

The exam fees are:

Certified General Appraiser	\$100
Certified Residential Appraiser	\$100
Licensed Residential Appraiser	\$100

Exam fees may be paid by company check, cashier's check, money order, Visa or MasterCard, payable to Thomson Prometric. PERSONAL CHECKS AND CASH ARE NOT ACCEPTED.

FEES ARE NONREFUNDABLE AND NONTRANSFERABLE.

Scheduling the Exam Appointment

SCHEDULING YOUR APPOINTMENT

Thomson Prometric encourages you to **register and schedule** online in one easy step. Refer to the *Internet Registration and Scheduling* section for more information.

If you choose to **register** using fax or mail, you must then **schedule** your examination appointment. To schedule online, refer to the *Internet Registration and Scheduling* section. To schedule by phone, call Thomson Prometric between 6 a.m. and 7 p.m. Mountain time, Monday through Friday. Schedule your exam early to get your preferred site and time.

Testing does not take place on the following holidays or weekends on which the holiday falls:

- Martin Luther King, Jr. Day
- Labor Day
- Presidents Day
- Thanksgiving Day and Friday after
- Memorial Day
- Monday after Christmas
- Independence Day
- Friday before New Year's weekend

Note: Be advised that there may be additional state-observed holidays in the state where you schedule your exam appointment.

RESCHEDULING YOUR APPOINTMENT

To avoid a rescheduling fee, you must contact Thomson Prometric at least **three full business days** before the day of your scheduled appointment. **Before you reschedule your examination**, refer to the chart below to determine the *last day* you may reschedule without paying a \$40 rescheduling fee.

Note: The schedule below does not include holidays.

If your exam is on:	Call by 7 p.m. Mountain time the previous: <i>(this is the last day you may call without paying a rescheduling fee)</i>
Monday	Tuesday
Tuesday	Wednesday
Wednesday	Thursday
Thursday	Friday
Friday	Monday

If you do not allow at least three full business days to reschedule your appointment, as described above, you will be required to pay a \$40 rescheduling fee prior to choosing another appointment. You may pay this fee with Visa or MasterCard and reschedule your appointment online or by calling Thomson Prometric.

You may also pay the rescheduling fee by mailing a cashier's check, company check, money order, Visa or MasterCard information to Thomson Prometric.

ABSENT OR LATE FOR THE EXAM APPOINTMENT

If you miss your appointment, or arrive late for your appointment and are not allowed to test, you will need to reschedule your exam and pay a \$40 rescheduling fee prior to choosing another appointment. This fee will allow you to use your original exam registration.

If you are unable to attend your scheduled examination due to illness or emergency, call Thomson Prometric. Under certain circumstances, the fee to reschedule may be waived. Thomson Prometric reserves the right to request documentation to support any illness or emergency claim.

EMERGENCY CLOSINGS

In the event of severe weather or an emergency, Thomson Prometric may need to cancel scheduled exams. Thomson Prometric will attempt to contact you by phone or e-mail; however, you may check for test site closures by calling Thomson Prometric. If the site is closed, your exam will be rescheduled without a rescheduling fee.

If a test center is open for testing and you choose not to appear for testing, you will be required to pay a \$40 rescheduling fee prior to choosing another appointment.

RETAKE AN EXAM

If you do not pass the exam, you must re-register using another exam registration form and schedule another examination appointment by following the procedures above. Another exam registration fee is required.

Special Test Considerations

AMERICANS WITH DISABILITIES ACT (ADA)

If you require testing accommodations under the *Americans with Disabilities Act* (ADA), please call Thomson Prometric at 888.226.9406 to obtain an Accommodation Request Form. Reasonable testing accommodations are provided to allow candidates with documented disabilities, which are recognized under the *Americans with Disabilities Act* (ADA), an opportunity to demonstrate their skills and knowledge. Candidates should submit professional documentation of the disability with their application to help determine the necessary testing arrangements. Thirty days' advance notice is required for all testing arrangements. There is no additional charge for these accommodations.

Note: If English is your second language, a language barrier is not considered a disability.

Overview of Exam Content Outlines

The license examinations for each type of license will consist of questions that test knowledge of topical areas listed in the content outline for that examination beginning on Page 7.

In addition to the topical areas to be tested, the outlines also indicate the proportion of the examination questions that will be drawn from each subject area. For example, if a test contains 100 questions and a section is labeled 10 percent, then 10 percent of 100 (or 10 questions) will be drawn from that area.

Study Materials

Arizona Statutes Reference. The state-specific examinations contain sections on Arizona statutes. In addition to the study material, you may wish to consult the latest Arizona statutes and rules, which are generally available at any public library, law library or on the state's Web site at www.appraisal.state.az.us.

Taking the Examination

Your examination(s) will be given by computer at a Prometric testing center. You do not need computer experience or typing skills to take this examination. You will have a personalized introduction to the testing system and an introductory lesson, which takes place on the computer, before you start your test. You should arrive at least 15 minutes before your scheduled examination appointment in order to verify your identification, have your photo taken and allow time for you to sign in.

You must present a valid form of identification before you may test, it must meet all of the following criteria:

- current, valid and government-issued photo identification (driver's license, state-issued identification card or military identification);
- the name on the government-issued photo identification must be the same as the name used to register for the examination (including designations such as "Jr." or "III," etc.); and
- must have a current photo and your signature.

You must also present the state-issued approval form (green card) you will receive from the Board.

FAILURE TO PROVIDE APPROPRIATE IDENTIFICATION AND THE STATE-ISSUED ELIGIBILITY CARD AT THE TIME OF THE EXAMINATION IS CONSIDERED A MISSED APPOINTMENT.

If you cannot provide the identification as listed, contact Thomson Prometric before scheduling your exam appointment to arrange for an alternative form of meeting this requirement.

Regulations at the Test Center

To ensure that all candidates are tested under equally favorable conditions, the following regulations and procedures will be observed at each test center:

- Candidates may not use any reference materials, papers or study materials at the test center. Candidates found with these or any other aids will not be allowed to continue the exam and their answers will not be scored.
- Candidates may bring a calculator or slide rule to the test center. Only silent, handheld, solar or battery-operated, nonprogrammable calculators (without paper tape-printing capabilities or alphabetic keypads) may be used. Calculators will be available at the test center.
- Thomson Prometric is not responsible for items left in the reception area of the testing center. While lockers are provided, it is recommended that personal items not be brought into the testing center. Note the following:
 - Electronic equipment such as cameras, tape recorders, cell phones, PDAs and pagers are not permitted in the testing room and must be powered off while stored in a locker.
 - Other personal items not allowed in the testing room include digital watches, outerwear that is not being worn while testing (sweater, jacket, etc.), brief cases, purses, etc.
 - Pocket items (wallet, keys, etc.) must remain in candidate's pocket during testing or placed in a locker.
- Weapons are not allowed at the testing center.
- Candidates that leave the examination room while an exam is in progress must sign out/in on the roster and will lose exam time.
- Candidates will not be permitted to use any electronic devices or phones during breaks.
- No guests, visitors or family members are allowed at the testing center.
- Candidates who engage in any kind of misconduct or disruptive or offensive behavior, such as giving or receiving help, taking part in an act of impersonation, removing test materials or notes from the testing room, rude or offensive language, or behavior that delays or interrupts testing, may be dismissed from the examination.

Failure to follow any of these security procedures may result in the disqualification of your examination. Thomson Prometric reserves the right to audio and videotape any examination session.

Copyrighted Exam Questions

All test questions are the copyrighted property of Thomson Prometric. It is forbidden under federal copyright law to copy, reproduce, record, distribute or display these test questions by any means, in whole or in part, without our written permission. Doing so may subject you to severe civil and criminal penalties, including up to five years in prison and/or a \$250,000 fine for criminal violations.

Understanding the Examination Results

EXAMINATION SCORE REPORT

A passing score required is at least 75 percent.

You will receive a score report immediately upon completion of your exam. The score report will state your pass/fail status. At the end of your test, your score will be shown on the screen, and you will receive a printed photo-bearing Score Report.

License Examination Score Report Sample			
Arizona Certified General Appraiser National Uniform Examination			
	Number of Questions	Number Correct	Percent Correct
Appraiser Total Test Score	100	80	80%
Influences on Real Estate Value	3	2	67%
Legal Consideration in Appraisal	4	3	75%
Types of Value	3	2	67%
Economic Principles	4	3	75%
Real Estate Markets & Analysis	11	9	82%
Valuation Process	5	4	80%
Property Description	8	7	88%
Highest and Best Use Analysis	9	7	78%
Appraisal Math and Statistics	6	4	67%
Sales Comparison Approach	6	5	83%
Site Value	6	5	83%
Cost Approach	7	6	86%
Income Approach	12	11	92%
Valuation of Partial Interests	3	2	67%
Appraisal Standards & Ethics	13	10	77%
Score: 80%			
Grade: Pass			
(A total score of 75% is required to pass)			
Signature _____	Date _____		

You may call or write to Thomson Prometric up to five years after the completion of the examination to request a duplicate of your report. There is a \$10 charge for this optional service if the examination was taken less than one year before the request. After one year, the duplicate score report cost is \$25. Duplicate score reports can be requested by calling 800.899.4091 or by using the Examination Registration form. Any questions or comments regarding the examination should be directed to Thomson Prometric at the address and phone number given in this Bulletin.

Sample Questions

The questions that will appear on your licensing examination are multiple-choice and give you four options from which to choose your answer.

Sample questions are shown below. *An asterisk (*) indicates the correct answer.*

An article that was once personal property, but that has been more or less permanently installed in or attached to the land or a building is known as:

- * 1. fixture.
- 2. trade fixture.
- 3. chattel.
- 4. chattel personal.

A refrigerator and fireplace equipment are considered

- 1. real estate.
- * 2. personal property.
- 3. real property.
- 4. fixtures.

When a large quantity of an item is available for sale, the general opinion is that the price of the item will decrease. However, if the item is relatively scarce and desired, the price will increase. This is an example of which economic principle?

- * 1. supply and demand.
- 2. highest and best use.
- 3. substitution.
- 4. conformity.

Approximately what percentage of an acre is constituted by a lot 100 feet by 12 feet?

- 1. 22%
- * 2. 29%
- 3. 31%
- 4. 60%

Appeal Committee

Our goal is to provide a quality examination and pleasant testing experience for every candidate. If you are dissatisfied with either and believe we can correct the problem, we would like to hear from you. We provide an opportunity for general comments at the end of your exam. Your comments will be reviewed by our personnel, but you will not receive a direct response.

If you are requesting a response concerning the exam content, registration, scheduling or test administration (testing site procedures, equipment, personnel, etc.), please submit an appeal in writing. Your appeal letter must include your name, identification number, exam title, date tested and details of your concern including all relevant facts, your signature and return address. Mail your appeal letter to:

Thomson Prometric
ATTN: Appeal Committee
1260 Energy Lane
St. Paul, MN 55108

The Appeal Committee will review your concern and send you a written response within 10 business days of receipt. **Faxed appeals will not be accepted, as an original signature is required.**

Certificate of Achievement

Candidates passing their examination deserve recognition for their accomplishment. Thomson Prometric has prepared a beautifully designed 8.5 x 11 Certificate of Achievement suitable for framing. This certificate is optional and is **NOT** a license. The certificate cost is \$15 and can be requested by calling 800.899.4091 or by using the Examination Registration form.

About the Examinations

The nationally approved Certified General Appraiser, Certified Residential Appraiser and Licensed Residential Appraiser examinations were developed by an expert committee of practitioners in the field of appraisal for more than 10 years. All examination items underwent a rigorous review and have been statistically equated to insure a constant difficulty level.

All test questions are in a multiple-choice format, with one correct answer and three incorrect options. Each of the examinations includes five unscored pretest questions throughout the exam. Answers given to pretest questions will not affect the score results.

ARIZONA APPRAISER EXAMINATION CONTENT OUTLINES

The following outlines describe the content of each of the Arizona appraiser examinations. The outlines are the basis of the examinations. The examination will contain questions on the subjects contained in the outline. The percentages indicate the relative weight assigned to each section of the examination. For example, 10 percent means that 10 questions will be drawn from the section on a 100-question exam.

Content Outlines

Examinations will include questions requiring general knowledge of appraising as well as knowledge of the specific topics listed below.

In addition to the topical areas to be tested, the outlines also indicate the proportion of the examination questions that will be drawn from each subject area. For example, if a test contains 40 questions and a section is labeled 10 percent, then 10 percent of 40 (or 4 questions) will be drawn from that area.

These are closed-book exams and are based on the content outlines listed below. You may use a silent, simple nonprogrammable calculator during your examination.

Certified General Appraiser National Uniform Examination

**100 questions
Three-hour time limit**

I. Influences on Real Estate 3%

- A. Physical and Environmental
- B. Economic
- C. Governmental and legal
- D. Social

II. Legal Considerations in Appraisal 4%

- A. Real estate vs. Real property
- B. Real property vs. Personal property
 - 1. Fixtures
 - 2. Trade fixtures
 - 3. Machinery and equipment

C. Limitations on real estate ownership

- 1. Private
 - a. Deed restrictions
 - b. Leases
 - c. Mortgages
 - d. Easements
 - e. Liens
 - f. Encroachments
- 2. Public
 - a. Police power
 - (1) Zoning
 - (2) Building and fire codes
 - (3) Environmental regulations
 - b. Taxation
 - (1) Property tax
 - (2) Special assessments
 - c. Eminent domain
 - d. Escheat

D. Legal rights and interests

- 1. Fee simple estate
- 2. Life estate
- 3. Leasehold interest
- 4. Leased fee interest
- 5. Other legal interests
 - a. Easement
 - b. Escheat

E. Forms of property ownership

- 1. Individual
- 2. Tenancies and undivided interests
- 3. Special ownership forms
 - a. Condominiums
 - b. Cooperative

F. Legal descriptions

- 1. Metes and bounds
- 2. Government survey
- 3. Lot and block

G. Transfer of title

- 1. Basic types of deeds
- 2. Recordation

III. Types of Value 3%

- A. Market Value or Value in Exchange
- B. Price
- C. Cost
- D. Investment Value
- E. Value in Use
- F. Assessed Value
- G. Insurable Value
- H. Going Concern Value

IV. Economic Principles 4%

- A. Anticipation
- B. Balance
- C. Change
- D. Competition
- E. Conformity
- F. Contribution
- G. Increasing and decreasing returns

H. Opportunity cost

- I. Substitution
- J. Supply and demand
- K. Surplus productivity

V. Real Estate Markets and Analysis 11%

- A. Characteristics of real estate markets
 - 1. Availability of information
 - 2. Changes in supply vs. demand
 - 3. Immobility of real estate
 - 4. Segmented markets
 - 5. Regulations
- B. Absorption analysis
 - 1. Demographic data
 - 2. Competition
 - 3. Absorption
 - 4. Forecasts
 - 5. Existing space inventory
 - 6. Current and projected space surplus
 - 7. New space

C. Role of money and capital markets

- 1. Competing investments
- 2. Sources of capital

D. Real estate financing

- 1. Mortgage terms and concepts
 - a. Mortgager
 - b. Mortgagee
 - c. Principal and interest
- 2. Mortgage payment plans
 - a. Fixed rate, level payment
 - b. Adjustable rate
 - c. Buydown
 - d. Other
- 3. Types of mortgages
 - a. Conventional
 - b. Insured

VI. Valuation Process 5%

- A. Definition of the problem
 - 1. Purpose and use of appraisal
 - 2. Interests to be appraised
 - 3. Type of value to be estimated
 - 4. Date of the value estimate
 - 5. Limiting conditions
- B. Collection and analysis of data
 - 1. National and regional trends
 - 2. Economic base
 - 3. Local area and neighborhood
 - a. Employment
 - b. Income
 - c. Trends
 - d. Access
 - e. Locational convenience
 - 4. Site and improvements
- C. Analysis of highest and best use

- D. Application and limitations of each approach to value
 - 1. Sales comparison
 - 2. Cost
 - 3. Income capitalization
- E. Reconciliation and final value estimate
- F. The appraisal report
- VII. Property Description 8%**
 - A. Site description
 - 1. Utilities
 - 2. Access
 - 3. Topography
 - 4. Size
 - B. Improvement description
 - 1. Size
 - 2. Condition
 - 3. Utility
 - C. Basic construction and design
 - 1. Techniques and materials
 - a. Foundations
 - b. Framing
 - c. Finish (exterior and interior)
 - d. Mechanical
 - 2. Functional utility
- VIII. Highest and Best Use Analysis 9%**
 - A. Four tests
 - 1. Physically possible
 - 2. Legally permitted
 - 3. Economically feasible
 - 4. Maximally productive
 - B. Vacant site or as if vacant
 - C. As improved
 - D. Interim use
- IX. Appraisal Math and Statistics 6%**
 - A. Compound interest concepts
 - 1. Future value of \$1.00
 - 2. Present value of \$1.00
 - 3. Future value of an annuity of \$1.00 per period
 - 4. Present value of an annuity of \$1.00 per period
 - 5. Sinking fund factor
 - 6. Installment of amortize \$1.00 (loan constant)
 - B. Statistical concepts used in appraisal
 - 1. Mean
 - 2. Median
 - 3. Mode
 - 4. Range
 - 5. Standard deviation
- X. Sales Comparison Approach 6%**
 - A. Research and selection of comparables
 - 1. Data sources
 - 2. Verification
- 3. Units of comparison
 - a. Income
 - (1) Potential gross income multiplier
 - (2) Effective gross income multiplier
 - (3) Overall rate
 - b. Size
 - (1) Square foot
 - (2) Acres
 - (3) Other
 - c. Utility (examples only)
 - (1) Motel and apartment units
 - (2) Theater seats
 - (3) Other
- B. Elements of comparison
 - 1. Property rights conveyed
 - a. Easements
 - b. Leased fee/leasehold
 - c. Mineral rights
 - d. Others
 - 2. Financing terms and cash equivalency
 - a. Loan payment
 - b. Loan balance
 - 3. Conditions of sale
 - a. Arms-length sale
 - b. Personality
 - 4. Market conditions at time of contract and closing
 - 5. Location
 - 6. Tenant improvements
- C. Adjustment process
 - 1. Sequence of adjustments
 - 2. Dollar adjustments
 - 3. Percentage adjustments
 - 4. Paired sales analysis
- D. Application of sales comparison approach
- XI. Site Value 6%**
 - A. Sales comparison
 - B. Land residual
 - C. Allocation
 - D. Extraction
 - E. Ground rent capitalization
 - F. Subdivision analysis
 - 1. Development cost: direct and indirect
 - 2. Contractor's overhead and profit
 - 3. Forecast absorption and gross sales
 - 4. Entrepreneurial profit
 - 5. Discounted value conclusion
 - G. Plottage and assemblage
- XII. Cost Approach 7%**
 - A. Steps in cost approach
 - 1. Reproduction vs. replacement cost
 - a. Comparative unit method
 - b. Unit-in-place method
 - c. Quantity survey method
 - d. Cost service index
- 2. Accrued depreciation
 - a. Types of depreciation
 - (1) Physical depreciation
 - (a) Curable
 - (b) Incurable
 - (c) Short-lived
 - (d) Long-lived
 - (2) Functional obsolescence
 - (a) Curable
 - (b) Incurable
 - (3) External obsolescence
 - (a) Locational
 - (b) Economic
 - b. Methods of estimating depreciation
 - (1) Age-life method
 - (2) Breakdown method and sequence of deductions
 - (3) Market extraction of depreciation
- B. Application of the cost approach
- XIII. Income Approach 12%**
 - A. Estimation of income and expenses
 - 1. Gross market income
 - 2. Effective gross income
 - a. Vacancy
 - b. Collection loss
 - 3. Operating expenses
 - a. Fixed expenses
 - b. Variable expenses
 - c. Reserve for replacements
 - 4. Net operating income
 - B. Operating statement ratios
 - 1. Operating expense ratio
 - 2. Net income ratio
 - 3. Break-even ratio
 - C. Direct capitalization
 - 1. Relevance and limitations
 - 2. Overall capitalization rate
 - 3. Gross income multiplier and net income ratio
 - 4. Band of investment (mortgage equity) techniques
 - 5. Residual techniques
 - a. Land (building value given)
 - b. Building (land value given)
 - c. Equity (mortgage value given)
 - D. Cash flow estimates (before tax only)
 - 1. Operating years
 - a. Estimating NOI with a change in NOI

- b. Estimating NOI using lease information
- c. Cash flow (NOI less mortgage payment)
- 2. Reversion
 - a. Estimating resale with a change in value
 - b. Estimating resale with a terminal capitalization rate
 - c. Cash flow (sale price less mortgage balance)
 - d. Deductions for costs of sale and legal fees to arrive at a net reversion

E. Measures of cash flow

- 1. Equity dividend rate (cash on cash rate)
- 2. Debt coverage ratio

F. Discounted cash flow analysis (DCF)

- 1. Relevance and limitations
- 2. Potential gross income and expense estimate
 - a. Market vs. contract rents
 - b. Vacancy and lease commissions
 - c. Tenant improvements and concessions
- 3. Discount rates and yield rates (definition and concept but no calculations of yield rate)
- 4. Discounting cash flows (from operations and reversion where all cash flows projected in dollar amounts and tables or calculators can be used)

XIV. Valuation of Partial Interests 3%

- A. Interests created by a lease
 - 1. Leased fee
 - 2. Leasehold
 - 3. Subleasehold
 - 4. Renewal options
 - 5. Tenant improvements
 - 6. Concessions
- B. Lease Provisions
 - 1. Overage rent
 - 2. Expense stops
 - 3. Net leases
 - 4. Minimum rent
 - 5. Percentage rent
 - 6. CPI adjustments
 - 7. Excess rent
- C. Valuation considerations
 - 1. Identifying the cash flows to the different interests, including turnover ratios
 - 2. Discount rate selection for different interests

- 3. Relationship between the values of the interests
- D. Other partial interests
 - 1. Life estates
 - 2. Undivided interest in commonly held property
 - 3. Easements
 - 4. Timeshares
 - 5. Cooperatives

XV. Appraisal Standards and Ethics 13%

<p>Certified Residential Appraiser National Uniform Examination</p>
<p>100 questions</p> <p>Three-hour time limit</p>

I. Influences on Real Estate 5%

- A. Physical and Environmental
- B. Economic
- C. Governmental and legal
- D. Social

II. Legal Considerations in Appraisal 5%

- A. Real estate vs. Real property
- B. Real property vs. Personal property
 - 1. Fixtures
 - 2. Trade fixtures
- C. Limitations on real estate ownership
 - 1. Private
 - a. Deed restrictions
 - b. Leases
 - c. Mortgages
 - d. Easements
 - e. Liens
 - f. Encroachments
 - 2. Public
 - a. Police power
 - (1) Zoning
 - (2) Building and fire codes
 - (3) Environmental regulations
 - b. Taxation
 - (1) Property tax
 - (2) Special assessments
 - c. Eminent domain
 - d. Escheat
- D. Legal rights and interests
 - 1. Fee simple estate
 - 2. Life estate
 - 3. Leasehold interest
 - 4. Leased fee interest

- 5. Other legal interests
 - a. Easement
 - b. Escheat
- E. Forms of property ownership
 - 1. Individual
 - 2. Tenancies and undivided interests
 - 3. Special ownership forms
 - a. Condominiums
 - b. Cooperative
- F. Legal descriptions
 - 1. Metes and bounds
 - 2. Government survey
 - 3. Lot and block
- G. Transfer of title
 - 1. Basic types of deeds
 - 2. Recordation

III. Types of Value 5%

- A. Market Value or Value in Exchange
- B. Price
- C. Cost
- D. Investment Value
- E. Value in Use
- F. Assessed Value
- G. Insurable Value

IV. Economic Principles 6%

- A. Anticipation
- B. Balance
- C. Change
- D. Competition
- E. Conformity
- F. Contribution
- G. Increasing and decreasing returns
- H. Opportunity cost
- I. Substitution
- J. Supply and demand
- K. Surplus productivity

V. Real Estate Markets and Analysis 9%

- A. Characteristics of real estate markets
 - 1. Availability of information
 - 2. Changes in supply vs. demand
 - 3. Immobility of real estate
 - 4. Segmented markets
 - 5. Regulations
- B. Absorption analysis
 - 1. Demographic data
 - 2. Competition
 - 3. Absorption
 - 4. Forecasts
 - 5. Existing space inventory
 - 6. Current and projected space surplus
 - 7. New space
- C. Role of money and capital markets
 - 1. Competing investments
 - 2. Sources of capital

D. Real estate financing					
1. Mortgage terms and concepts					
a. Mortgager					
b. Mortgagee					
c. Principal and interest					
2. Mortgage payment plans					
a. Fixed rate, level payment					
b. Adjustable rate					
c. Buydown					
d. Other					
3. Types of mortgages					
a. Conventional					
b. Insured					
VI. Valuation Process	7%				
A. Definition of the problem					
1. Purpose and use of appraisal					
2. Interests to be appraised					
3. Type of value to be estimated					
4. Date of the value estimate					
5. Limiting conditions					
B. Collection and analysis of data					
1. National and regional trends					
2. Economic base					
3. Local area and neighborhood					
a. Employment					
b. Income					
c. Trends					
d. Access					
e. Locational convenience					
4. Site and improvements					
C. Analysis of highest and best use					
D. Application and limitations of each approach to value					
1. Sales comparison					
2. Cost					
3. Income capitalization					
E. Reconciliation and final value estimate					
F. The appraisal report					
VII. Property Description	9%				
A. Site description					
1. Utilities					
2. Access					
3. Topography					
4. Size					
B. Improvement description					
1. Size					
2. Condition					
3. Utility					
C. Basic construction and design					
1. Techniques and materials					
a. Foundations					
b. Framing					
c. Finish (exterior and interior)					
d. Mechanical					
2. Functional utility					
5. Location					
6. Physical characteristics					
C. Adjustment process					
1. Sequence of adjustments					
2. Dollar adjustments					
3. Percentage adjustments					
4. Paired sales analysis					
5. Application of sales comparison approach					
XI. Site Value	5%				
A. Sales comparison					
B. Land residual					
C. Allocation					
D. Extraction					
E. Plottage and assemblage					
XII. Cost Approach	6%				
A. Steps in cost approach					
1. Reproduction vs. replacement cost					
a. Comparative unit method					
b. Unit-in-place method					
c. Quantity survey method					
d. Cost service index					
2. Accrued depreciation					
a. Types of depreciation					
(1) Physical deterioration					
(a) Curable					
(b) Incurable					
(c) Short-lived					
(d) Long-lived					
(2) Functional obsolescence					
(a) Curable					
(b) Incurable					
(3) External obsolescence					
(a) Locational					
(b) Economic					
b. Methods of estimating depreciation					
(1) Age-life method					
(2) Breakdown method and sequence of deductions					
(3) Market extraction of depreciation					
B. Application of the cost approach					
XIII. Income Approach	8%				
A. Estimation of income and expenses					
1. Gross market income					
2. Effective gross income					
a. Vacancy					
b. Collection loss					
3. Operating expenses					
a. Fixed expenses					
b. Variable expenses					
c. Reserve for replacements					
4. Net operating income					
VIII. Highest and Best Use		8%			
Analysis					
A. Four tests					
1. Physically possible					
2. Legally permitted					
3. Economically feasible					
4. Maximally productive					
B. Vacant site or as if vacant					
C. As improved					
D. Interim use					
IX. Appraisal Math and Statistics		6%			
A. Compound interest concepts					
1. Future value of \$1.00					
2. Present value of \$1.00					
3. Future value of an annuity of \$1.00 per period					
4. Present value of an annuity of \$1.00 per period					
5. Sinking fund factor					
6. Installment of amortize \$1.00 (loan constant)					
B. Statistical concepts used in appraisal					
1. Mean					
2. Median					
3. Mode					
4. Range					
5. Standard deviation					
X. Sales Comparison Approach		7%			
A. Research and selection of comparables					
1. Data sources					
2. Verification					
3. Units of comparison					
a. Data sources					
b. Income					
(1) Potential gross income multiplier					
(2) Effective gross income multiplier					
(3) Overall rate					
c. Size					
(1) Square foot					
(2) Acres					
(3) Other					
d. utility (examples only)					
(1) Rooms					
(2) Beds					
(3) Other					
B. Elements of comparison					
1. Property rights conveyed					
a. Easements					
b. Leased fee/leasehold					
c. Others					
2. Financing terms and cash equivalency					
a. Loan payment					
b. Loan balance					
3. Conditions of sale					
a. Arms-length sale					
b. Personality					
4. Market conditions at time of contract and closing					

- B. Operating statement ratios
- C. Direct capitalization
 - 1. Relevance and limitations
 - 2. Overall capitalization rate
 - 3. Gross income multiplier and net income ratio
 - 4. Band of investment (mortgage equity) techniques

D. Gross rent multiplier analysis

XIV. Valuation of Partial Interests 1%

- A. Life estates
- B. Undivided interest in commonly held property
- C. Easements
- D. Timeshares
- E. Cooperatives
- F. Leased fee estate
- G. Leasehold estate

XV. Appraisal Standards and Ethics 13%

Ethics 13%

<p>Licensed Residential Appraiser National Uniform Examination</p>
<p>100 questions Three-hour time limit</p>

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- B. Economic
- C. Governmental and legal
- D. Social

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- B. Real property vs. Personal property
- C. Limitations on real estate ownership
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 - a. Deed restrictions
 - b. Leases
 - c. Mortgages
 - d. Easements
 - e. Liens
 - f. Encroachments
 - 2. Public
 - a. Police power
 - (1) Zoning
 - (2) Building and fire codes
 - (3) Environmental regulations
 - b. Taxation
 - (1) Property tax
 - (2) Special assessments
 - c. Eminent domain
 - d. Escheat

D. Legal rights and interests

- 1. Fee simple estate
- 2. Life estate
- 3. Leasehold interest
- 4. Leased fee interest
- 5. Other legal interests
 - a. Easement
 - b. Escheat

E. Forms of property ownership

- 1. Individual
- 2. Tenancies and undivided interests
- 3. Special ownership forms
 - a. Condominiums
 - b. Cooperative
 - c. Timesharing

F. Legal descriptions

- 1. Metes and bounds
- 2. Government survey
- 3. Lot and block

G. Transfer of title

- 1. Basic types of deeds
- 2. Recordation

III. Types of Value 5%

- A. Market Value or Value in Exchange
- B. Price
- C. Cost
- D. Investment Value
- E. Value in Use
- F. Assessed Value
- G. Insurable Value

IV. Economic Principles 6%

- A. Anticipation
- B. Balance
- C. Change
- D. Competition
- E. Conformity
- F. Contribution
- G. Increasing and decreasing returns
- H. Substitution
- I. Supply and demand
- J. Surplus productivity

V. Real Estate Markets and Analysis 9%

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 - 1. Availability of information
 - 2. Changes in supply vs. demand
 - 3. Immobility of real estate
 - 4. Segmented markets
 - 5. Regulations
- B. Absorption analysis
 - 1. Demographic data
 - 2. Competition
 - 3. Absorption
 - 4. Forecasts
- C. Role of money and capital markets
 - 1. Competing investments
 - 2. Sources of capital

D. Real estate financing

- 1. Mortgage terms and concepts
 - a. Mortgager
 - b. Mortgagee
 - c. Principal and interest
- 2. Mortgage payment plans
 - a. Fixed rate, level payment
 - b. Adjustable rate
 - c. Buydown
 - d. Other
- 3. Types of mortgages
 - a. Conventional
 - b. Insured

VI. Valuation Process 7%

- A. Definition of the problem
 - 1. Purpose and use of appraisal
 - 2. Interests to be appraised
 - 3. Type of value to be estimated
 - 4. Date of the value estimate
 - 5. Limiting conditions
- B. Collection and analysis of data
 - 1. National and regional trends
 - 2. Economic base
 - 3. Local area and neighborhood
 - a. Employment
 - b. Income
 - c. Trends
 - d. Access
 - e. Locational convenience
 - 4. Site and improvements
- C. Analysis of highest and best use
- D. Application and limitations of each approach to value
 - 1. Sales comparison
 - 2. Cost
 - 3. Income capitalization
- E. Reconciliation and final value estimate
- F. The appraisal report

VII. Property Description 9%

- A. Site description
 - 1. Utilities
 - 2. Access
 - 3. Topography
 - 4. Size
- B. Improvement description
 - 1. Size
 - 2. Condition
 - 3. Utility
- C. Basic construction and design
 - 1. Techniques and materials
 - a. Foundations
 - b. Framing
 - c. Finish (exterior and interior)
 - 2. Functional utility

VIII. Highest and Best Use Analysis	8%		
A. Four tests			
1. Physically possible			
2. Legally permitted			
3. Economically feasible			
4. Maximally productive			
B. Vacant site or as if vacant			
C. As improved			
D. Interim use			
IX. Appraisal Math and Statistics	6%		
A. Mean			
B. Median			
C. Mode			
D. Range			
E. Standard deviation			
X. Sales Comparison Approach	10%		
A. Research and selection of comparables			
1. Data sources			
2. Verification			
3. Units of comparison			
a. Data sources			
b. Size			
(1) Square foot			
(2) Acres			
(3) Other			
c. Utility (examples only)			
(1) Rooms			
(2) Beds			
(3) Other			
B. Elements of comparison			
1. Property rights conveyed			
a. Easements			
b. Leased fee/leasehold			
c. Others			
2. Financing terms and cash equivalency			
a. Loan payment			
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		3. Conditions of sale	
		a. Arms-length sale	
		b. Personality	
		4. Market conditions at time of contract and closing	
		5. Location	
		6. Physical characteristics	
		C. Adjustment process	
		1. Sequence of adjustments	
		2. Dollar adjustments	
		3. Percentage adjustments	
		4. Paired sales analysis	
		5. Application of sales comparison approach	
			(3) External obsolescence
			(a) Locational
			(b) Economic
			b. Methods of estimating depreciation
			(1) Age-life method
			(2) Breakdown method and sequence of deductions
			(3) Market extraction of depreciation
			B. Application of the cost approach
			XIII. Income Approach
			6%
			A. Estimation of income and expenses
			1. Gross market income
			2. Effective gross income
			a. Vacancy
			b. Collection loss
			3. Operating expenses
			a. Fixed expenses
			b. Variable expenses
			c. Reserve for replacements
			4. Net operating income
			B. Operating expenses ratios
			C. Gross rent multiplier
			XIV. Valuation of Partial Interests
			1%
			A. Life estates
			B. Undivided interest in commonly held property
			C. Easements
			D. Timeshares
			E. Cooperatives
			F. Leased fee estate
			G. Leasehold estate
			XV. Appraisal Standards and Ethics
			13%
		XI. Site Value	5%
		A. Sales comparison	
		B. Land residual	
		C. Allocation	
		D. Extraction	
		E. Ground rent capitalization	
		F. Plottage and assemblage	
		XII. Cost Approach	5%
		A. Steps in cost approach	
		1. Reproduction vs. replacement cost	
		a. Comparative unit method	
		b. Unit-in-place method	
		c. Quantity survey method	
		d. Cost service index	
		2. Accrued depreciation	
		a. Types of depreciation	
		(1) Physical deterioration	
		(a) Curable	
		(b) Incurable	
		(c) Short-lived	
		(d) Long-lived	
		(2) Functional obsolescence	
		(a) Curable	
		(b) Incurable	

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Arizona Appraiser Examination Registration

Last Name	First Name	Middle Initial
Mailing Address (Street or P.O. Box)		
City	State	ZIP Code
Employer		Date of Birth
Daytime Phone Number (including area code)	Evening Phone Number (including area code)	Fax Number (including area code)
Identification Number (This is a number assigned by the Board and is found on your Arizona Appraiser Approval Form (green card).)		

Exam Title	Fee	Total
Certified General Appraiser	\$100	
Certified Residential Appraiser	\$100	
Licensed Residential Appraiser	\$100	
	Total Fees	\$

Optional Services	Fee	Total
Duplicate Score Report \$10 if requested within first year of exam; \$25 after one year	\$10 or \$25	
Certificate of Achievement	\$15	
	Total Fees	\$

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