



The Appraisal
FOUNDATION

Authorized by Congress as the Source of Appraisal
Standards and Appraiser Qualifications

Vision 2030 Strategic Plan

Working Draft V12

**Town Hall
10/19/2021**



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Project Overview

Summary of Vision 2030 Goals

BACKGROUND

The coming decade will bring change to The Appraisal Foundation and the appraisal profession. To lead rather than react as the profession and Foundation move into the future, to create a stable and innovative environment, and to ensure a consistent focus throughout the decade, the Board of Trustees deemed 2021 as an ideal time to create a long-term strategic plan, and it committed resources, time, and talents to pursue Vision 2030.

The concept for the long-term strategic plan was centered on current teachings on the subject including those found in *Lead from the Future: How to Turn Visionary Thinking into Breakthrough Growth* by Mark W. Johnson and Josh Suskewicz. The following quote, taken from the pages of this book, propelled the BOT to action:

Neither a wise man nor a brave man lies down on the tracks of history to wait for the train of the future to run over him.

Dwight D. Eisenhower

To this end, 2021 BOT Chair Jeremy Gray empaneled the Vision 2030 Task Force comprised of trustees and Foundation staff (listed, page 17) and charged them to develop a strategic plan to guide the Foundation in determining an envisioned future for the appraisal profession and The Appraisal Foundation in 2030. Further, the Board of Trustees provided funding to hire a strategic planning professional to assist the Vision 2030 Task Force and facilitate planning efforts.

PROJECT PLAN

Under the guidance of Glenn Tecker and his staff at Tecker International, a comprehensive project plan was implemented to allow input from all groups affiliated with the Foundation. The multi-phased approach included:

- Qualitative 30-minute confidential telephone interviews with 25 important stakeholders or representatives of stakeholder groups not otherwise involved in the project activities.
 - An Environment Scan involving all trustees, sponsoring organization and Foundation standards and qualifications board representatives (the Large Group) using on-line survey tools to assess the current landscape for the profession and Foundation and to identify the key drivers of anticipated change.
 - Envisioned Future sessions and on-line discussion activities with the Large Group to provide insights about what the coming years could bring in light of the identified key drivers.
 - Strategic planning sessions with the Vision 2030 Task Force to take the information gleaned in the previous sessions and develop the goals, objectives, and strategies to serve as the Foundation's guide through 2030.
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The Vision 2030 Task Force presented its preliminary report at the May BOT meeting noting two primary areas of impact that needed further exploration. Facilitated by Foundation leadership, the Task Force continued to refine the draft plan and members of the larger Envisioned Future Group assisted with its review. The seven goals outlined below and presented further on the following pages represent what will constitute the Foundation's future success.

SUMMARY OF GOALS

Goal A: The Appraisal Foundation's relationship with its sponsoring organizations will be stronger, with all actively engaged in promoting and moving forward the work of the Foundation and profession.

Goal B: Policy makers and the public will recognize the value of diverse, expert, and qualified appraisers and other valuation professionals, who meet national qualifications and adhere to standards in providing objective, independent, reliable services free of bias.

Goal C: The Appraisal Foundation will maintain its financial independence and long-term financial stability.

Goal D: Users of valuation services will have sufficient access to a diverse, competent, high-quality population of appraisers and other qualified valuation-service professionals.

Goal E: Implementation of the *Real Property Appraiser Qualification Criteria* will be more consistent across jurisdictions with uniformity in education and experience approvals and improved reciprocity of licenses/certifications across jurisdictional boundaries.

Goal F: The Appraisal Foundation will be recognized as the trusted resource for uniform standards and qualifications for all valuation professionals and services in the United States.

Goal G: The Appraisal Foundation will provide leadership in determining the reliability and credibility of the application of technology to the process of developing valuation conclusions.

CONCLUSION

The long-term Vision 2030 Strategic Plan is the result of more than 800 hours of collective effort by 70+ highly regarded and engaged individuals who completed their work in a virtual environment due to the COVID-19 pandemic. It is evident that each cares deeply about the success of the Foundation and appraisal profession. Vision 2030 is presented as a living document, one to be frequently revisited and revised as needed, to guide the Foundation through the coming decade.

Timeless Core Ideology

Core Ideology describes an organization's consistent identity that transcends all changes related to its relevant environment. In other words, the Core Ideology clarifies what does not change for an organization in an environment of rapid and unpredictable change. Core Ideology consists of the Mission and Core Values. The **Mission** describes who we are, what we do, and at a very high-level, how we do it. Our **Core Values** are the essential and enduring principles that guide the behavior of the organization. Core Values are guiding principles, standards or qualities that are so fundamentally held that we would rather suffer a penalty than break one of them. Behaving in a fashion consistent with the Core Values is necessary to be able to fulfill our Mission.

MISSION:

The Mission of The Appraisal Foundation (Foundation) is to advance the valuation profession by setting standards of excellence, promoting education, and upholding the public trust.

CORE VALUES:

The values of the Foundation are:

- Professionalism
 - Trust
 - Leadership
 - Integrity
 - Knowledgeable
 - Qualified
 - Ethical
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Key Drivers of Change

Key drivers of change are powerful forces that necessitate the Foundation develop strategies to address them. They are conditions and dynamics in the relevant environment that will make tomorrow vastly different than today. In completing interviews and preliminary surveys, the team from Tecker International found the following key drivers at the forefront of stakeholders' opinions.

KEY DRIVERS:

FINANCIAL INDEPENDENCE FOR THE FOUNDATION

1. Need for more diverse, stable, sustainable, and independent funding for the Foundation.
2. The dynamics of the Uniform Standards of Professional Appraisal Practice (USPAP) (frequency, content, authority, pressure, etc.) and identifying funding streams that do not rely on the 2-year USPAP cycle.
3. Ability of The Appraisal Foundation to remain an objective, impartial, and independent voice.
4. Relationship/dynamic with the Appraisal Subcommittee (grant funding, changing relationship, increasing oversight pressure).
5. Possible cyclical economic downturn within the next 10 years and its impact on the profession as well as the Foundation.

SIZE OF THE VALUATION PROFESSION WORKFORCE

1. Career outlook for appraisers compared to other financial services careers with similar education and training requirements (varies by discipline and geographic location).
2. Desire to increase diversity in the profession and create new career pathways.
3. Barriers to entry for new appraisers (e.g., state overlays that increase the minimum Appraiser Qualification Board (AQB) requirements for licensure/certification, training, cost, etc.).
4. Shrinking workforce, a large percentage of the workforce retiring over the next 10 years; significant technological changes that may result in many exiting the profession.
5. The number of transactions is being squeezed; could limit future growth of the profession.
6. Lack of data/evidence workforce is shrinking and/or outdated – concern it could be a scare tactic used to undermine the profession.

TECHNOLOGY

1. Increased reliance on technology/automated valuation models (AVMs)/ artificial intelligence (AI), decreasing the need for human analysis in the valuation process.
 2. New technology is being introduced by those with a vested interest in the lending process.
 3. Technology that is relied on for alternative valuation is not built to meet quality, reliability, ethical standards, or regard for long-term economic impact.
 4. Rapid pace of technological advancement and its impact on the valuation cycle.
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REGULATORY/LENDER ENVIRONMENT

1. Lender exerting more control over the data and the appraisal report (decreasing independence of data).
2. Lack of transparency on the part of the secondary market to consider and consult with appraisers as major stakeholders.
3. Carve-outs from the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) – because of exemptions by the federal banking regulators, FIRREA now covers less than 10% of the mortgage transactions.
4. New regulations and focus on fair housing; potential for increased risk of reliance on alternative valuation products or legislative mandates impacting appraisal standards and appraiser qualifications.

LICENSURE/CERTIFICATION

1. No centralized portal for all states and a national registry with limited data provides little insight into which states add additional requirements beyond the minimum set by the AQB.
2. Differences across state requirements when they exceed the minimum qualification criteria cause confusion.
3. Possibility of developing a more robust exam as another alternative to the traditional experience requirement for licensure/certification.

VALUATION PROFESSION

1. Increased use of appraisal waivers, alternative valuation products that do not require a licensed or certified appraiser, such as evaluations, automated valuation models, etc.
 2. As technology/AVMs/AI become more widely used in the valuation process, mitigating risk is essential in protecting the public interest.
 3. Lack of unified voice to represent the majority of the valuation profession.
 4. No incentives for supervision combined with a desire for compensation as a trainee. Apprenticeship model is not working as it once did.
 5. Impact that the Practical Applications of Real Estate Appraisal (PAREA) (mentorship model) may have on the profession.
 6. Appraisal management companies (AMCs) can make rules, institute policies, and procedures without ever taking responsibility for the work products.
 7. Need for transparency, public education, and a standardized complaint process.
 8. Environmental, social, and governance (ESG) ratings and their impact on real estate, business valuation, and financial instruments.
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Envisioned Future

10+ Year Vision

Envisioned future conveys a concrete, yet unrealized vision for the organization. It includes a vivid description describing how the world could be different for key stakeholders and a vision statement – a clear and compelling catalyst that serves as a focal point for effort, the intersection of what a group is passionate about, what they do best, and what they can marshal the resources to accomplish.

VISION

The vision of the Foundation is to ensure public trust in the valuation profession.

VIVID DESCRIPTION

Public recognition, appreciation, and trust in the valuation profession are at an all-time high thanks to the Foundation's leadership in setting standards of excellence, developing professional-level qualification criteria, operating in an open and transparent manner, and committing to collaborative partnerships.

The Foundation has broadened its scope and sphere of influence to provide standards and determine the qualifications criteria for all professional valuation disciplines and products. The Foundation provides the unified force to maintain the public's trust in the valuation profession. Gathering the strength of all valuation organizations, the Foundation has facilitated the national harmonization of licensing and education requirements across all states and jurisdictions and helped bring uniformity in oversight of professional conduct. Valuation professionals and their organizations view the Foundation as the resource for maintaining uniformity across the profession and regulatory system. The Foundation expertly guides the nation through appraisal-related fair housing issues and communicates to the market the importance of quality valuation services to protect the public from future economic shocks due to financial industry misconduct.

Employers of valuation professionals (banks, lenders, lawyers, insurance companies, accounting firms, etc.) recognize the worth of a credentialed/designated professional and have access to a larger number of qualified candidates that reflect the diversity of the community. Employers and end-users are confident that the valuation products they receive adhere to the standards set by the Foundation. The valuation industry has successfully modernized the valuation process by merging technology and professional expertise to provide end-users with an accurate and confidence-inspiring risk-based product. All end-users, especially homeowners, are making informed decisions knowing that the valuation services received are fair and unbiased.

Federal and state regulators, education providers, and the Foundation work collaboratively throughout the United States to advance the valuation profession. They employ standardized methods to provide an accessible, unified, and centralized platform for credentials/licenses, education programs, and experience opportunities to create consistency in implementing the

minimum appraiser qualification criteria set by the AQB. There are more opportunities to provide PAREA programs for aspiring valuation professionals who seek an alternative method to gain experience, and for advanced training for supervisors, mentors, and other stakeholders connected to the valuation profession. The valuation industry benefits from thoughtful educational and experiential learning programs that remove barriers to entry for underrepresented and underserved groups, ensuring the valuation profession is inclusive of diverse backgrounds and disciplines and better reflects the community it serves.

As a result, the number of valuation professionals increases tremendously. Federal and state regulators no longer seek appraisal waivers and other flexibilities to cover potential shortages of valuation professionals.

The Foundation remains relevant and continues to serve the public with distinction as the foremost authority on the valuation profession. Through exemplary leadership and an evolving business model, the Foundation is well-positioned to anticipate and swiftly respond to unforeseen challenges, embrace new opportunities as they arise, ensure financial sustainability, and maintain public trust.

DRAFT

Goals, Objectives & Strategies

Goals are outcome-oriented statements that represent what will constitute the organization's future success. The achievement of each goal will move the Foundation toward the realization of its vision.

Objectives describe what we want to happen with an issue. What would constitute success in observable or measurable terms? They indicate a direction – *increase, expand, decrease, reduce, consolidate, abandon, all, distribute, none*. Objectives have a three- to five-year timeframe and are reviewed every year by the Board of Trustees.

Strategies describe how the Foundation will commit its resources to accomplish the goal. They bring focus to the operational allocation of resources and indicate an activity – *redesign, refine, create, identify, revise, develop, improve, enhance, implement, establish*. Strategies set strategic priorities for staff and all volunteer workgroups.

DRAFT

Goal A: The Appraisal Foundation’s relationship with its sponsoring organizations will be stronger, with all actively engaged in promoting and moving forward the work of the Foundation and profession.

The work of the Foundation will benefit from a refocused effort to build upon the strengths and reach of its sponsoring organizations. By rejuvenating the symbiotic relationship between the Foundation and its sponsors, trust in the profession will flourish.

Objectives:

1. Increase collaborative efforts among the Foundation and its sponsoring organizations to support the profession and the Foundation.
2. Increase the use of the sponsoring organizations’ network to promote and support the work of the Foundation.
3. Increase the use of the Foundation’s resources and networks to promote the sponsoring organizations and their profession-building efforts.
4. Expand opportunities for communication and dialogue with and among the sponsoring organizations.

Strategies:

1. Enhance opportunities for collaborative efforts among the sponsoring organizations and the Foundation.
 2. Provide additional ways for the sponsoring organizations to be engaged in and promote Foundation efforts.
 3. Establish mechanisms for increased, timely communication between the Foundation and sponsoring organizations.
 4. Create additional methods for the Foundation to promote the sponsoring organizations.
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Goal B: Policy makers and the public will recognize the value of diverse, expert, and qualified appraisers and other valuation professionals, who meet national qualifications and adhere to standards in providing objective, independent, reliable services free of bias.

The Foundation will reach its vision to promote public trust in valuation as those making legislative decisions, users of appraisal services, and the public gain a greater understanding of the importance of valuation services performed by qualified individuals.

Objectives:

1. Increase policy maker's awareness of the development of FIRREA and the importance of returning FIRREA to its original legislative intent.
2. Increase recognition and use of credentialed/and designated appraisers and other valuation professionals who meet the qualification criteria and follow USPAP.
3. Increase policy maker's awareness of the differences between valuation products and the importance of qualified valuation professionals performing valuation services.
4. Increase the public's awareness of the importance of the standards and qualifications of licensed/certified or designated appraisers or valuers and how they differ from other valuation practitioners.
5. Increase the public's understanding of the difference between valuation products and the importance of qualified valuation professionals performing valuation services in accordance with national standards.

Strategies:

1. Promote the application of the safeguards contained in FIRREA to all mortgage transactions, including those conducted by non-banking institutions.
 2. Expand the federal government's reliance on the Foundation to create standards for all types and disciplines of valuation services and qualifications for those performing those services.
 3. Promote the use of qualified appraisers and valuation professionals by users of valuation services including federal government entities that need valuation services for loss mitigation and other purposes.
 4. Re-educate the public regarding the origin and development of USPAP. Promote its value and relevance in asset appraisals other than real property.
 5. Enhance the credibility of valuation practitioners that adhere to the professional requirements set forth by USPAP
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Goal C: The Appraisal Foundation will maintain its financial independence and long-term financial stability.

The Foundation will meet its Congressional mandates and obligations to the appraisal profession, users of appraisal services, and the public, and invest in the valuation profession's future through a sustainable revenue model that is not dependent on federal grant funding for operational expenses or reliant on a cyclical sale of the book of standards.

Objectives:

1. Increase and diversify the Foundation's sources of revenue to provide adequate funding to support the Foundation's mission and goals without giving up authority or independence.
2. Increase the generated reserves to build a dedicated funding stream to allow ample resources for innovative activities and other supports to further the mission of the Foundation and advance the profession.
3. Decrease financial reliance on the cycle of USPAP.
4. Decrease reliance on federal grant funding for operational expenses.

Strategies:

1. Establish stable, sustainable funding that comes from more than one source.
 2. Create a revenue model that maintains the Foundation's not-for-profit status and does not require the organization to give up its independence, authority, or rights to its intellectual property.
 3. Focus the application of federal grant funding to special projects.
 4. Devote resources to fund innovative activities and other supports to further the mission of the Foundation and advance the profession.
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Goal D: Users of valuation services will have sufficient access to a diverse, competent, high-quality population of appraisers and other qualified valuation-service professionals.

Trust in valuation will reach new highs with an ample, diverse pool of qualified appraisers and valuation professionals who ethically and competently meet market demands by providing high-quality services.

Objectives:

1. Increase diversity, equity, and inclusiveness in the profession.
2. Increase the number of qualified individuals who complete credible, professional appraisals and valuation products.
3. Increase the number and diversity of supervisors, mentors, and educators.
4. Reduce unnecessary barriers to entering the profession without compromising quality or integrity.

Strategies:

1. Develop initiatives to attract an adequate number of people from diverse backgrounds choose the appraisal profession as their career.
 2. Implement initiatives to attract an adequate number of people from diverse backgrounds to serve as supervisors, mentors, educators, and the profession's future leaders.
 3. Develop additional innovative, alternative pathways for aspiring appraisers to meet entry criteria.
 4. Develop a system or pathway for qualified professionals providing non-appraisal valuation services to become appraisers without compromising quality or integrity.
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Goal E: Implementation of the *Real Property Appraiser Qualification Criteria* will be more consistent across jurisdictions with uniformity in education and experience approvals and improved reciprocity of licenses/certifications across jurisdictional boundaries.

Real property appraisers practicing in multiple jurisdictions and sponsoring organizations providing education in more than one state will benefit from uniformity in the implementation of appraiser qualification criteria and approval of educational offerings across jurisdictions.

Objectives:

1. Improve consistency across states and jurisdictions in the implementation of appraiser qualification criteria and education course approval.
2. Increase the uniformity of regulations across states and increase reciprocity for licensees/credential holders across state lines.
3. Reduce burdens of meeting requirements to maintain a license/credential in multiple states.
4. Improve the system for education approval in multiple states.
5. Increase support and buy-in from state regulatory agencies for a one-stop, central location for submission of appraiser license/certification information.

Strategies:

1. Engage the state regulatory agencies in developing solutions to homogenize practices.
 2. Establish and expand products and services to assist state regulatory agencies in meeting their regulatory requirements.
 3. Encourage refinement of Appraisal Subcommittee efforts and use of funding to support consistent implementation of qualification criteria and license/certification reciprocity.
 4. Promote and enhance the Course Approval Program for education approval.
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Goal F: The Appraisal Foundation will be recognized as the trusted resource for uniform standards and qualifications for all valuation professionals and services in the United States.

The Foundation will promote the public trust in valuation by setting the professional standards of practice for all valuation services and qualification criteria for all individuals involved in the process of developing opinions of value.

Objectives:

1. Expand The Foundation's business model to include all valuation professionals, products, and services.
2. Increase the number and types of valuation organizations, and those with an interest in valuation, affiliated with the Foundation.
3. Expand the application of standards to more valuation disciplines and services.
4. Increase the number of qualified individuals providing appraisals and other valuation services and creating professional and credible products.
5. Increase policy makers' and the public's awareness of the importance of the standards and qualifications of professionals performing appraisals and other valuation services.

Strategies:

1. Develop uniform standards for all valuation practices.
 2. Create model minimum qualification criteria for any individual performing valuation-related services.
 3. Improve awareness of the importance of qualified professionals performing appraisals and other valuation services under uniform standards.
 4. Revise the Foundation's communication plan, including visual, audio, and written messaging, to represent the broader footprint.
 5. Strengthen consistency of the valuation profession across the globe with continued collaboration with relevant international bodies.
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Goal G: The Appraisal Foundation will provide leadership in determining the reliability and credibility of the application of technology to the process of developing valuation conclusions.

The Appraisal Foundation will meet its responsibilities to valuation professionals, the public, and users of valuation services by providing a means to determine the reliability and credibility of outputs produced by technology used in valuation.

Objectives:

1. Increase recognition of the Foundation's role in establishing the quality control standards and criteria by which technology is used and relied upon in performing an appraisal and other valuation services.
2. Ensure the uniform standards and qualification criteria encompass the use of any current or future technology in appraisal or other valuation process.
3. Increase collaboration among holders of relevant data.
4. Improve access to relevant data for use by valuation professionals.

Strategies:

1. Establish criteria by which automated valuation models and other technologies used in the development of opinions of value can be assessed for reliability and credibility.
 2. Provide expertise and guidance as technology is developed for use in valuation.
 3. Build awareness by communicating the importance of using AVMs, and other types of technology used in valuation, that meet standards and reliability criteria.
 4. Create methods by which relevant data is shared with and among valuation professionals.
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With Great Appreciation to Those Who Gave Their Time, Talents, and Insights for Vision 2030

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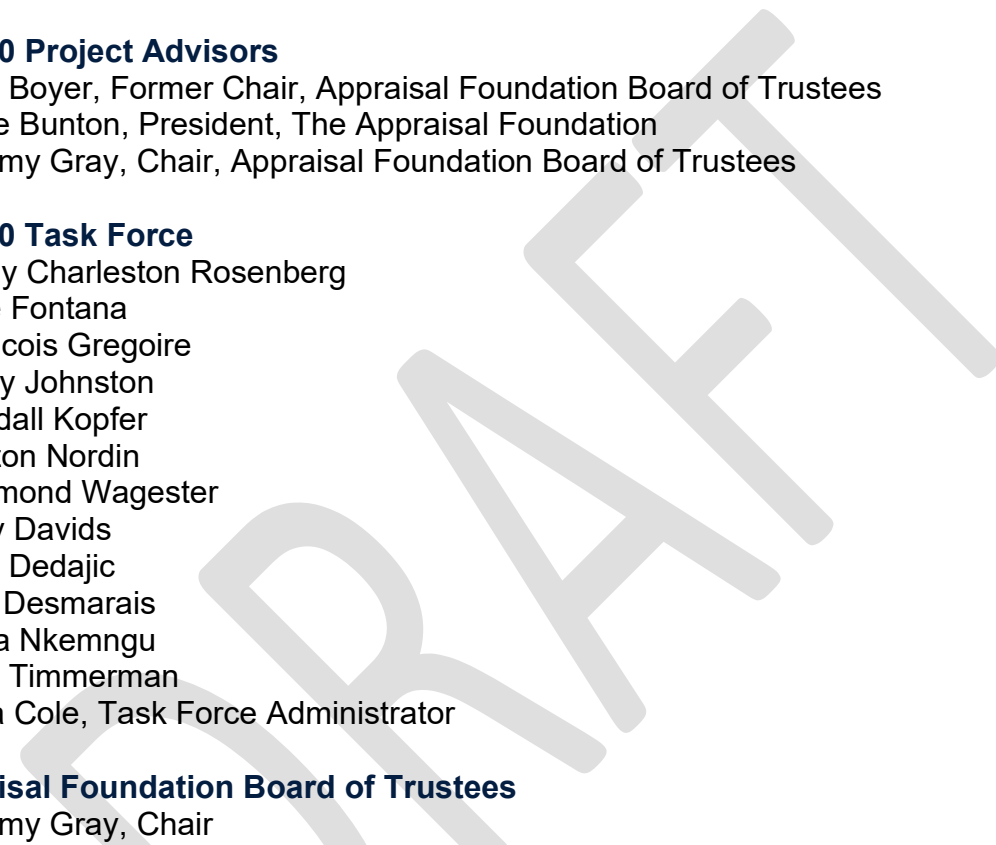
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And with special thanks to each of you who gave your time and talents to review and provide input on the strategic plan and participate in the Town Hall discussion.
