

# 2006 Course Catalogue



## Real Estate Education

As of March 1, 2006



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# General Information

## Who May Attend?

your registration.

Our courses are designed to aide all individuals seeking competency in real estate, including those subject to state licensing or certification and continuing education requirements imposed by professional organizations, client groups, or employers. Programs are open to the public but are crafted for those with an interest and strong desire to enhance their real estate knowledge and further their career.

## Registration

In order to be registered for a class, you must provide the necessary information and make arrangements for payment at least 48 hours prior to the class beginning. Other students cannot be guaranteed a seat or course materials and may be declined admission.

## Payment Policy

All fees for courses, materials, books, and equipment must be paid for prior to beginning the class unless prior arrangements have been made with the registrar. Registration "at the door" is subject to a late fee. We do accept personal checks, VISA, MasterCard and government purchase orders with proper documentation. Fees will vary by class size, duration, amount of course materials, etc. and are posted individually for each course.

## Refund Policy

Full refund up to 5 days prior to seminar date, and 50% refund until 48 hours prior to seminar date. Less than 48 hours notice results in forfeiture of entire payment.

## Transfers

There will be no transferring to other classes when you are a "No Show". Transfer requests must be received in writing at least 48 hours prior to seminar date. Please e-mail us at [leda.turner@dennisbadger.com](mailto:leda.turner@dennisbadger.com) or call to confirm

## **Class Cancellations**

We reserve the right to cancel courses. It is possible as a result of inadequate interest or emergency circumstances that a class would be cancelled. In such instance, a full refund will be provided promptly or you may transfer to another similar course offering.

## **Class Attendance**

You must attend all of each program in order to receive credit for either pre-license or continuing education courses. This is a requirement of most regulatory agencies and will be strictly enforced. Absence, class cuts, tardiness, and unsatisfactory attendance may result in a student's dismissal without credit.

## **Class Participation and Preparation**

Students are expected to participate in class. You can expect the instructor to ask questions and should be prepared to consider and discuss relevant concepts. Conditions for dismissal also include unsatisfactory conduct such as unnecessary or excessive interruptions, lack of participation, and conduct unbecoming. We reserve the right to disallow readmittance to any student dismissed for unsatisfactory conduct.

For courses that require pre-course preparation, Dennis Badger & Associates, Inc. will send the pre-requisite assignment to the individual prior to the session date.

## **Equal Opportunity**

This school is committed to a policy of Equal Opportunity with regard to any and all students, regardless of race, color, religion, national origin, gender, marital status, familial status, age, receipt of public assistance, or handicap.

## General Information (continued)

### Dress Code

Participants may wear comfortable, casual business attire appropriate for a business environment. Coat and tie are not required. However, T-shirts and or shorts should not be worn.

### Examination retake policy

Any student failing a Dennis Badger & Associates examination can retake the examination up to three times within 6 months after the original course offering without retaking the course. A student wishing to retake only the examination must make arrangements 1 week in advance and pay \$30. Any student failing the examination can also attend future offerings of the course within 12 months at a discount providing:

- A. The student has the current course materials,
- B. There is a seat available, i.e. stand-by only,
- C. The student gives a one week notice of the intent to retake the course (no walk-ins), and
- D. Pay \$50 for the examination and retaking any part of the course. This fee must be paid in advance.

## Senior Administrators

Leda Turner  
Dennis Badger & Associates, Inc.  
P.O. Box 991222  
Louisville, KY 40269  
[leda.turner@dennisbadger.com](mailto:leda.turner@dennisbadger.com)  
(877) 463-3323

Dennis Badger  
Dennis Badger & Associates, Inc.  
P.O. Box 23220  
Lexington, KY 40523  
[dennis.badger@dennisbadger.com](mailto:dennis.badger@dennisbadger.com)  
(859) 252-3445

### **Questions?**

For more information: call, write or email.

**Dennis Badger & Associates, Inc.**

P.O. Box 991222

Louisville, KY 40269

**Toll free:** (877) 463-3323

**Fax:** (502) 267-7057

**Email:** [leda.turner@dennisbadger.com](mailto:leda.turner@dennisbadger.com)

## Prelicense Course Calendar

Course	Hours	Date	Location	Fees
Basic Appraisal Principles I	15	April 6 and 8, 2006	McKendree College 11850 Commonwealth Dr. Louisville, KY	\$225
Basic Appraisal Principles II	15	April 13 and 15, 2006	McKendree College 11850 Commonwealth Dr. Louisville, KY	\$225
Basic Appraisal Procedures I	15	April 27 and 29, 2006	McKendree College 11850 Commonwealth Dr. Louisville, KY	\$225
Basic Appraisal Procedures II	15	May 4 and 6, 2006	McKendree College 11850 Commonwealth Dr. Louisville, KY	\$225
Basic Income Capitalization	15	May 11 and 13, 2006	McKendree College 11850 Commonwealth Dr. Louisville, KY	\$225
National USPAP Course	15	May 25 and 27, 2006	McKendree College 11850 Commonwealth Dr. Louisville, KY	\$250
<b>Total</b>	<b>90</b>			<b>\$1,375</b>
<b>All fees reflect payment received in advance. If paying at the door, add \$25. Textbook fees included if registering for 90 hours.</b>				

All prelicense courses can be taken for continuing education credit with or without an exam.

## Continuing Education (CE) Course Calendar

Course	Hours	Date	Location	Fees
Visit online for the most current schedule				
All fees reflect payment received in advance.				

**For our most current schedule...  
PLEASE check online for additional course/seminar offerings.**

**Questions?**

please call us at 1-877-463-3323 or  
Email: [leda.turner@dennisbadger.com](mailto:leda.turner@dennisbadger.com)

<http://www.dennisbadger.com>

# Registration Information

Name: \_\_\_\_\_

Address: \_\_\_\_\_

City, State, ZIP: \_\_\_\_\_

Phone - Home: \_\_\_\_\_ Work: \_\_\_\_\_

Phone - Fax: \_\_\_\_\_ License #: \_\_\_\_\_ St: \_\_\_\_\_

SSN# \_\_\_\_\_ (Required by the Kentucky Real Estate Commission)

Course Title: \_\_\_\_\_ Course Date: \_\_\_\_\_

Email: \_\_\_\_\_ Fee: \_\_\_\_\_

VISA / MC / AmEx / Discover #: \_\_\_\_\_

Expiration Date: \_\_\_\_\_ Signature: \_\_\_\_\_

## Acceptance of Terms/Policies

Submission of Registration Information signifies student's awareness and acceptance to the terms, conditions and policies specified in this catalog. Thank you.

## Registration

To register by phone, call toll free (877) 463-3323 with VISA/MC, AmEx, or Discover. You may also fax your registration to (502) 267-7057. Make checks payable to **Dennis Badger & Associates, Inc.** and mail payment along with this form to P.O. Box 991222, Louisville, KY 40269. Seating may be limited.

## Recording

No audio recording or videotaping is permitted.

## Frequently Asked Questions (FAQ)

### **Do I need to obtain a credential or license in order to appraise real property?**

Federal law requires all individuals appraising properties in a federally related transaction (e.g. a Federally insured lender is involved in the transaction) to be either state licensed or certified. In addition, many states have enacted laws that require any real property appraisal to be performed by an individual who is state licensed or certified.

### **Who regulates real property appraisers?**

Each state and territory has a real property appraiser regulatory program. In the vast majority of instances, a board composed of between five and nine individuals governs the program. In addition to issuing licenses and certificates, the board is also responsible for disciplining appraisers. In Kentucky, the Kentucky Real Estate Appraisers Board regulates all licensed and certified appraisers.

### **What are the minimum qualifications I need in order to become a state licensed or certified appraiser?**

The qualifications are set by the Appraiser Qualifications Board of The Appraisal Foundation and cover education, experience, examination and continuing education. For example, to become a state licensed appraiser, you will need at least 90 hours of classroom instruction, 2,000 hours of experience, pass the state appraiser examination and complete 14 hours of continuing education annually. The minimum qualifications for all three categories (State Licensed, State Certified Residential and State Certified General) will increase significantly after January 1, 2008. Both the current and future minimum qualifications are contained in a publication entitled Real Property Appraiser Qualification Criteria and Interpretations of the Criteria, which is available on a complimentary basis from The Appraisal Foundation (<http://appraisalfoundation.org>).

### **How can I gain the necessary experience?**

Many states offer a trainee classification that formalizes the relationship between the state licensed or certified appraiser and someone who is wishing to become one. In Kentucky, one must obtain an Associate Real Property Appraiser credential (201 KAR Chapter 30) and apprentice with a state licensed or certified appraiser. Effective January 1, 2008, apprenticeship is only valid under certified appraisers.

### **What do I have to do to qualify to sit for the examination?**

In order to qualify to take the state examination, you must have completed your qualifying education classroom hour requirement. The KREAB also recommends associates wait until their qualifying experience requirement is nearly complete before sitting for the examination as scores from examinations shall be acceptable for no more than two years.

### **Do appraisers have to follow any set of performance standards or guidelines?**

The *Uniform Standards of Professional Appraisal Practice* (USPAP), which is promulgated by the Appraisal Standards Board of The Appraisal Foundation, are the generally recognized performance standards for the appraisal profession. Violation of these standards can lead to disciplinary action by government regulators and appraisal organizations. A copy of USPAP can be obtained from The Appraisal Foundation.

### **May I appraise any type of property once I become state licensed?**

Generally, real property appraisers can obtain one of three types of credentials issued by a state. Each credential allows an appraiser to perform assignments within the following parameters:

**State Licensed Appraiser.** May appraise non-complex 1-4 family residential units with a transaction value less than \$1,000,000 and 1-4 family residential units with a transaction value less than \$250,000.

**State Certified Residential.** May appraise 1-4 family residential units without regard to transaction value or complexity.

**State Certified General.** May appraise all types of real property.

## **Pre-license Education Courses**

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# **Basic Appraisal Principles I**

## **Course**

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### **Summary**

If you are considering a career in professional valuation services, your journey should begin with Basic Appraisal Principles. This course, the first of a two-part series, will introduce you to the appraisal profession. It provides an overview of real property concepts and characteristics as well as the ethical considerations of an appraiser.

### **Learning Objectives**

At the completion, participants will be able to:

- ! Identify influences on the appraisal profession
- ! Identify license/certification requirements
- ! Recognize the purpose and general framework of the Uniform Standards of Professional Appraisal Practice (USPAP)
- ! Understand basic real property concepts and characteristics
- ! Examine differing legal considerations such as forms of ownership, public and private controls and real estate contracts

### **Instructor(s)**

Thomas P. Veit and/or Dennis L. Badger  
AQB Certified USPAP Instructors and  
KY Certified General Real Property Appraisers

### **Target Audience**

Beginning appraisers, real estate professionals, users of appraisal services.

### **Classroom Hours**

15 (including 1-hour exam)

### **Course Fee**

\$225 if payment received one day in advance; \$250 if paid at the door (however seating may be limited). Textbooks are included in registration fee when registering for 75 or more hours at one time.

### **Requirements**

The following textbooks are required:

- The Appraisal of Real Estate, 12<sup>th</sup> Edition, The Appraisal Institute (\$65)
- Uniform Standards of Professional Appraisal Practice (USPAP), 2005 Edition, The Appraisal Foundation (\$30)

**Attendees must bring a  
financial calculator**

### **Prerequisites**

None

### **Examination**

Successful completion of a final examination is required for pre-license (15-hours) credit. The one-hour exam consists of multiple choice questions.

### **Recording**

No audio recording or videotaping permitted.

### **Pre-license Education Approval**

Approved for 15 hours of pre-license (qualifying) education credit by:

- ! Kentucky Real Estate Appraisers Board

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# **Basic Appraisal Principles II**

## **Course**

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### **Summary**

If you are considering a career in professional valuation services, your journey should begin with Basic Appraisal Principles. This course, the second of a two-part series, will introduce you to influences on real estate values, types of value, economic principles, and real estate markets and analysis.

### **Learning Objectives**

At the completion, participants will be able to:

- ! Identify influences on real estate values
- ! Describe the different types of value
- ! Understand economic principles of real estate such as Anticipation, Conformity, Opportunity Cost and Surplus Productivity
- ! Recognize market fundamentals, characteristics, and critical definitions necessary to understand the basic components of supply and demand analysis
- ! Identify the role of money and capital markets and the basic types of financing

### **Instructor(s)**

Thomas P. Veit and/or Dennis L. Badger  
Both are AQB Certified USPAP Instructors and  
KY Certified General Real Property Appraiser

### **Target Audience**

Beginning appraisers, real estate professionals,  
users of appraisal services.

### **Classroom Hours**

15 (including 1-hour exam)

### **Recording**

No audio recording or videotaping permitted.

### **Course Fee**

\$225 if payment received one day in advance; \$250 if paid at the door (however seating may be limited). Textbooks are included in registration fee when registering for 75 or more hours at one time.

### **Requirements**

The following textbooks are required:

- The Appraisal of Real Estate, 12<sup>th</sup> Edition, The Appraisal Institute (\$65)
- Uniform Standards of Professional Appraisal Practice (USPAP), 2005 Edition, The Appraisal Foundation (\$30)

**Attendees must bring a  
financial calculator**

### **Prerequisites**

Basic Appraisal Principles I or instructor approval prior to registration.

### **Examination**

Successful completion of a final examination is required for pre-license (15-hours) credit. The one-hour exam consists of multiple choice questions.

### **Pre-license Education Approval**

Approved for 15 hours of pre-license (qualifying) education credit by:

- ! Kentucky Real Estate Appraisers Board

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# **Basic Appraisal Procedures I**

## **Course**

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### **Summary**

In this two-day course, you will apply the principles and concepts you learned in Basic Appraisal Principles. The course will take you step-by-step through the valuation process including defining the problem, collecting and analyzing data, reaching a final opinion of value and communicating the appraisal. You will learn about the three approaches to reaching an opinion of value—income capitalization, cost, and sales comparison—and apply them in true-to-life case studies and problems.

### **Learning Objectives**

At the completion, participants will be able to:

- ! Understand basic elements of the approaches to value
- ! Examine the components of the Valuation Process
- ! Identify relevant property characteristics
- ! Apply basic recognized methods techniques

### **Instructor(s)**

Thomas P. Veit and/or Dennis L. Badger  
Both are AQB Certified USPAP Instructors and  
KY Certified General Real Property Appraisers

### **Target Audience**

Beginning appraisers, real estate professionals,  
users of appraisal services.

### **Classroom Hours**

15 (including 1-hour exam)

### **Course Fee**

\$225 if payment received one day in advance; \$250 if paid at the door (however seating may be limited). Textbooks are included in registration fee when registering for 75 or more hours at one time

### **Requirements**

The following textbooks are required:

- The Appraisal of Real Estate, 12<sup>th</sup> Edition, The Appraisal Institute (\$65)
- Uniform Standards of Professional Appraisal Practice (USPAP), 2005 Edition, The Appraisal Foundation (\$30)

**Attendees must bring a  
financial calculator**

### **Prerequisites**

Basic Appraisal Principles

### **Examination**

Successful completion of a final examination is required for pre-license (15-hours) credit. The one-hour exam consists of multiple choice questions.

### **Recording**

No audio recording or videotaping permitted.

### **Pre-license Education Approval**

Approved for 15 hours of Pre-license (qualifying) education credit by:

- ! Kentucky Real Estate Appraisers Board

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# **Basic Appraisal Procedures II**

## **Course**

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### **Summary**

In this two-day course, you will apply the principles and concepts you learned in Basic Appraisal Principles. The course will take you step-by-step through the valuation process including defining the problem, collecting and analyzing data, reaching a final opinion of value and communicating the appraisal. You will learn about the three approaches to reaching an opinion of value—income capitalization, cost, and sales comparison—and apply them in true-to-life case studies and problems.

### **Learning Objectives**

At the completion, participants will be able to:

- ! Understand basic elements of the approaches to value
- ! Examine the components of the Valuation Process
- ! Identify relevant property characteristics
- ! Apply basic recognized methods techniques

### **Instructor(s)**

Thomas P. Veit and/or Dennis L. Badger  
Both are AQB Certified USPAP Instructors and  
KY Certified General Real Property Appraisers

### **Target Audience**

Beginning appraisers, real estate professionals,  
users of appraisal services.

### **Classroom Hours**

15 (including 1-hour exam)

### **Course Fee**

\$225 if payment received one day in advance; \$250 if paid at the door (however seating may be limited). Textbooks are included in registration fee when registering for 75 or more hours at one time

### **Requirements**

The following textbooks are required:

- The Appraisal of Real Estate, 12<sup>th</sup> Edition, The Appraisal Institute (\$65)
- Uniform Standards of Professional Appraisal Practice (USPAP), 2005 Edition, The Appraisal Foundation (\$30)

**Attendees must bring a  
financial calculator**

### **Prerequisites**

Basic Appraisal Principles Course and Appraisal Procedures I

### **Examination**

Successful completion of a final examination is required for pre-license (15-hours) credit. The one-hour exam consists of multiple choice questions.

### **Recording**

No audio recording or videotaping permitted.

### **Pre-license Education Approval**

Approved for 15 hours of Pre-license (qualifying) education credit by:

- ! Kentucky Real Estate Appraisers Board



# 15-Hour National USPAP Course

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## Summary

The National USPAP Course is intended to fulfill the 15-hour requirement as established by the Appraiser Qualifications Board of The Appraisal Foundation for those embarked on an educational path to state certification / licensing.

This course is designed to aid appraisers in all areas of appraisal practice seeking competency in the Uniform Standards, including those subject to state licensing or certification and education requirements established by professional organizations, client groups, or employers.

In addition to lectures, the course includes discussion examples that show how the Uniform Standards apply to situations that appraisers encounter in everyday practice.

## Learning Objectives

At the completion of the course, participants will be able to:

- ! Recognize the relationship between the organization of USPAP and the essential steps in the appraisal process.
- ! Demonstrate familiarity with how terms set forth in USPAP are defined and used in the document.
- ! Recognize the significance of the Comments, Statements, and Advisory Opinions in USPAP

## Instructor

Dennis L. Badger, AQB Certified USPAP  
Instructor and KY Certified General Real Property  
Appraiser

## Target Audience

The 15-Hour National USPAP Course is directed at individuals wishing to become licensed/certified real property appraisers.

## Length

The two day classroom session consists of two 7-hour sessions with a one-hour exam. Sessions begin promptly at 8:30 a.m. and end at 4:30 p.m. The exam begins at 4:30 p.m. on the second day.

## Course Fee

\$250 if payment received one day in advance; \$300 if paid at the door.

## Requirements

2005 edition of USPAP is required, however students may bring their own copy. Spiral-bound copies will be available for sale (\$30.00) at the seminar. The 15-hour Student Manual (\$25.00) is included in Course Fee.

## Examination

A final examination is required for completion of this course for Pre-license (15-hours) credit. The one-hour exam consists of multiple choice questions. You will be required to recognize definitions and concepts presented in the course, but not to memorize all of the Standards Rules. A final examination is not required for CE (14-hours) credit in Kentucky.

## Recording

No audio recording or videotaping permitted.

## Pre-license Education Approval

Approved for 15 hours of qualifying education credit by:

- ! Kentucky Real Estate Appraisers Board

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# **Beginning Income Capitalization Course**

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## **Summary**

The class consists of 15 hours of education including a one-hour examination. Since this is a beginning appraisal course, no prerequisite course work is required. However, knowledge of a financial calculator is helpful.

This pre-qualifying course will help you understand how different rates are developed to process income into a value conclusion and how to analyze investments to extract different components. You will also learn the six functions of a dollar and how cash flows are forecast and capitalized.

## **Instructor**

Thomas P. Veit, AQB Certified USPAP Instructor and KY Certified General Real Property Appraiser

## **Target Audience**

The 15-Hour Beginning Income Course is directed at individuals wishing to become licensed/certified real property appraisers.

## **Length**

The two day classroom session consists of two 7-hour sessions with a one-hour exam. Sessions begin promptly at 8:30 a.m. and end at 4:30 p.m. The exam begins at 4:30 p.m. on the second day.

## **Course Fee**

\$250 if payment received one day in advance; \$300 if paid at the door.

## **Requirements**

There are no required texts.

**Attendees must bring a  
financial calculator**

## **Examination**

A final examination is required for completion of this course for Pre-license (15-hours) credit. The one-hour exam consists of multiple choice questions. A final examination is not required for CE (14-hours) credit in Kentucky.

## **Recording**

No audio recording or videotaping permitted.

## **Pre-license Education Approval**

Approved for 15 hours of Pre-license (qualifying) education credit by:

! Kentucky Real Estate Appraisers Board

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## **Continuing Education (CE) Courses**

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# **ANSI #Z765 - Square Footage Method of Calculating Course**

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## **Summary**

Before the adoption of ANSI #Z765, no nationwide standard existed in the United States for measuring square footage in single-family houses.

While it is a voluntary standard in most jurisdictions (unless agreed to otherwise), adhering to a nationally recognized standard increases a practitioner's professionalism while reducing their exposure to disputes.

## **Instructor**

Dennis L. Badger  
AQB Certified USPAP Instructor and  
KY Certified General Real Property Appraiser

## **Target Audience**

This course is directed at licensed or certified real property appraisers and real estate brokers/agents.

## **Length**

This half-day classroom session consists of a 3.5-hour continuing education seminar. Check our schedule for start times (i.e. morning or afternoon session).

## **Course Fee**

\$75 if payment received in advance; \$100 if payment is received at door.

## **Requirements**

There are no required texts.

**Attendees should bring a calculator**

## **Examination**

There is no examination for continuing education.

## **Recording**

No audio recording or videotaping permitted.

## **Continuing Education Approval**

Approved for 3.5 hours of continuing education credit by:

**!** Kentucky Real Estate Appraisers Board

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# **FNMA's New Forms for 2005**

## **Course**

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**Summary**

This 7 hour continuing education class is designed to help you understand all the new forms that FNMA has released for 2005.

We will cover the new URAR form (FNMA Test Form 1004) and the actual form after revisions have been made by FNMA (appraiser comments to FNMA have resulted in changes to the new URAR form).

Other forms that will be covered include:

- ! Appraisal Update and/or Completion Report
- ! Manufactured Home
- ! Exterior-Only Inspection Residential Appraisal Report
- ! Two-Four-Unit Residential Appraisal Field Review Report
- ! One-Unit Residential Appraisal review
- ! Small Residential Income Property Appraisal Report

**Instructor**

Tom P. Veit  
AQB Certified USPAP Instructor and  
KY Certified General Real Property Appraiser

**Target Audience**

This course is directed at licensed or certified real property appraisers and individuals in the mortgage financing services industry.

**Length**

This one day classroom session consists of a 7-hour continuing education seminar. It begins promptly at 8:30 a.m. and ends at 4:30 p.m.

**Course Fee**

\$125 if payment received one day in advance; \$150 if paid at the door.

**Requirements**

There are no required texts.

**Examination**

There is no examination for continuing education.

**Recording**

No audio recording or videotaping permitted.

**Continuing Education Approval**

Approved for 7 hours of continuing education credit by:

- ! Kentucky Real Estate Appraisers Board

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# ***Fraud and Flipping Course***

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## **Summary**

Fraud and fraudulent flipping transactions are growing in epidemic proportions across the nation. Learn how to recognize a suspicious real property transaction when fraud or flipping is present.

Fraud and Flipping provides real estate professionals with information on the elements of fraud, misrepresentation, and concealment. Different types of fraud are discussed, including padding, bogus claims, flipping and other common schemes. Common fraud indicators, available to assist in the identification process, are also covered.

## **Learning Objectives**

At the completion of the course, participants will be able to:

- ! Recognize a suspicious property transaction when fraud or flipping is present.
- ! Broaden recognition of common elements contributing to fraudulent transactions that have been missed by individuals in recent years.
- ! Explain common appraiser errors contributing to potential fraud in appraisals.
- ! Recognize a legal flip versus an illegal flip.
- ! Identify the parts of the Uniform Standards of Professional Practice to assist in preventing violations of fraud and flipping transactions.

## **Instructor**

Dennis L. Badger  
AQB Certified USPAP Instructor and  
KY Certified General Real Property Appraiser

## **Target Audience**

The Fraud and Flipping Course is directed at licensed or certified real property appraisers, real estate sales practitioners, and individuals in the financial services industry.

## **Length**

The one day classroom session consists of a 7-hour continuing education seminar. It begins promptly at 8:30 a.m. and ends at 4:30 p.m.

## **Course Fee**

\$125 if payment received one day in advance; \$150 if paid at the door.

## **Requirements**

**Attendees should bring a calculator**

There are no required texts.

## **Examination**

There is no examination for continuing education.

## **Recording**

No audio recording or videotaping permitted.

## **Continuing Education Approval**

Approved for 7 hours of continuing education credit by:

- ! Kentucky Real Estate Appraisers Board
- ! Tennessee Real Estate Appraiser Commission

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# 7-Hour National USPAP Update Course

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## Summary

Learn the key features of the 2005 USPAP and sections that have been identified as problem areas. The 7-hour course provides an overview of changes in USPAP over the past couple of years, addresses current USPAP issues as well as a review of some of the most common misconceptions that have been identified by appraisers, instructors and regulators.

## Learning Objectives

At the completion of the course, participants will be able to:

- ! Understand the significance of “ public trust” in appraisals
- ! Identify key revisions to the USPAP document since 2001
- ! Examine differing obligations in valuation services and appraisal practice
- ! Identify services provided by appraisers within appraisal practice, but that have no specific performance standards
- ! Summarize the scope of work definition and identify key components of the scope of work decision
- ! Identify the external tests for the acceptability of the scope of work

## Instructor

Dennis L. Badger  
AQB Certified USPAP Instructor and  
KY Certified General Real Property Appraiser

## Target Audience

The 7-Hour National USPAP Update Course is directed at licensed or certified real property appraisers. This course fulfills the 7-hour national USPAP mandate as established by the Appraisal Qualifications Board (AQB) of the Appraisal Foundation.

ALERT: The annual KREAB USPAP Update seminars DO NOT satisfy the AQB's National USPAP requirement.

## Length

The one day classroom session consists of a 7-hour continuing education seminar. It begins promptly at 8:30 a.m. and ends at 4:30 p.m.

## Course Fee

\$175 if payment received one day in advance; \$200 if paid at the door.

## Requirements

2005 edition of USPAP is required, however students may bring their own copy. Spiral-bound copies will be available for sale (\$30.00) at the seminar. The 7-hour Student Manual (\$22.00) is included in Course Fee.

## Examination

There is no examination for continuing education.

## Recording

No audio recording or videotaping permitted.

## Continuing Education Approval

Approved for 7 hours of continuing education credit by:

- ! Kentucky Real Estate Appraisers Board
- ! Tennessee Real Estate Appraiser Commission

# **Pre-licensing Education Course Outlines**

# **Basic Appraisal Principles I**

## **Course Outline\***

Hours

- I. Introduction
  - A. Course Learning Objectives
  - B. Course Rules, Policies, Requirements
- II. Real Property Concepts and Characteristics 5
  - A. What/who is an appraiser and why are we here?
  - B. Value vs. Cost vs. Price Concepts
  - C. Appraisal Practice vs. Valuation Service
  - D. Math Skills
    - 1. Review of basic math
    - 2. Overview of statistical concepts used in appraisal
    - 3. Overview of compound interest concepts
  - E. Overview of ASC, TAF, and State Regulators
    - 1. The Appraisal Subcommittee (ASC)
    - 2. The Appraisal Foundation (TAF)
    - 3. State Appraiser Regulators
  - F. Licensing/certification requirements
    - 1. AQB's Real Property and Qualification Criteria
      - a. Current Criteria
        - (1) Education
        - (2) Examination
        - (3) Experience
      - b. Prospective Criteria (Effective January 1, 2008)
        - (1) Education
        - (2) Examination
        - (3) Experience
    - 2. Kentucky's Laws and Regulations
      - a. KRS 324A
      - b. 201 KAR Chapter 30
  - G. Overview of USPAP
    - 1. Preamble
    - 2. Definitions
    - 3. Rules
    - 4. Standards Rules
    - 5. Statements
    - 6. Advisory Opinions and Other Communications



#### IV. Legal Considerations

7

- 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
  - 3. Legal Rights and interests
    - a. Fee Simple
    - b. Life estate
    - c. Leasehold interest
    - d. Leased fee interest
    - e. Other legal interests
      - (1) Easement
      - (2) Encroachment
  - 4. Forms of property ownership
    - a. Individual
    - b. Tenancies and undivided interest
    - c. Special ownership forms
      - (1) Condominiums
        - (a) Cooperative

(b) Timesharing

- 5. Legal descriptions
  - a. Metes and bounds
  - b. Government survey
  - c. Lot and Block
  - d. Transfer of Title
    - (1) Basic types of deeds
    - (2) Recordation

V. Examination 1

Total Hours 15

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# ***Basic Appraisal Principles II***

## ***Course Outline\****

	<u>Hours</u>
I. Influences on Real Estate Values	0.5
A. Governmental and Legal	
B. Economic	
C. Social	
D. Environmental, Geographic and Physical	
II. Types of Value	0.5
A. Market Value or Value in Exchange	
B. Price	
C. Cost	
D. Investment value	
E. Value in use	
F. Assessed value	
G. Insurable value	
H. Going concern value	
I. Other Value Types	
III. Economic Principles	6
A. Classical Economic Principles	
1. Anticipation	
2. Balance	
3. Change	
4. Competition	
5. Conformity	
6. Contribution	
7. Externalities	
8. Increasing and decreasing returns	
9. Opportunity cost	
10. Substitution	
11. Supply and demand	
12. Surplus productivity	
B. Factors of value	
1. Utility	
2. Scarcity	
3. Desire	
4. Effective purchasing power	
C. Application and Illustration of the Economic Principles	

A. Market Fundamentals, Characteristics, and Definitions

1. Characteristics of real estate markets
  - a. Availability of information
  - b. Changes in supply vs. demand
  - c. Immobility of real estate
  - d. Segmented markets
  - e. Regulations
2. Absorption Analysis (Market Analysis: Supply and Demand)
  - a. Demographic data
  - b. Competition
  - c. Absorption
  - d. Forecasts
  - e. Existing space inventory
  - f. Current and projected space surplus
  - g. New space
3. Role of money and capital markets
  - a. Competing investments
  - b. Sources of capital
4. Real estate financing
  - a. Mortgage terms and concepts
    - (1) Mortgagor
    - (2) Mortgagee
    - (3) Principal and interest
  - b. Mortgage payment plans
    - (1) Fixed rate, level payment
    - (2) Adjustable rate
    - (3) Buydown
    - (4) Other
  - c. Types of mortgages
    - (1) Conventional
    - (2) Insured

V. Examination

Total

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# ***Basic Appraisal Procedures I***

## ***Course Outline\****

	<u>Hours</u>
I. Overview of Approaches to Value	7
A. The basics of the Cost Approach	
B. The basics of the Sales Comparison Approach	
C. The basics of the Income Capitalization Approach	
D. The basics of land/site valuation	
II. Valuation Procedures	7
A. Defining 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. Determining the Scope of the Assignment	
1. Client/intended users	
2. Intended use	
3. Type and definition of value	
4. Effective date	
5. Relevant characteristics	
6. Extraordinary Assumptions	
7. Hypothetical conditions	
C. Collecting and Selecting Data	
1. Primary vs. Secondary	
2. National and regional trends	
3. Economic base	
4. Local area and neighborhood	
a. Employment	
b. Income	
c. Trends	
d. Access	
e. Locational convenience	
5. Site and improvements	
D. Analysis of Highest and Best Use	
1. Testing Criteria	

- a. Physically possible
- b. Legally permissible
- c. Financially feasible
- d. Maximally productive
- 2. As [if] vacant
- 3. As [if] Improved
- 4. Interim Uses
- E. Application and limitations of each approach to value
  - 1. Sales comparison approach
  - 2. Cost approach
  - 3. Income Capitalization approach
- F. Reconciling and Final Value Opinion
- G. Communicating the Appraisal
  - 1. Written/oral
  - 2. Standards Rule 2-2
    - a. Self-Contained Appraisal Report
    - b. Summary Appraisal Report
    - c. Restricted Use Appraisal Report
  - 3. Forms/Narrative
    - a. Residential
    - b. Commercial

III. Examination

1

Total Hours                    15

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# **Basic Appraisal Procedures II**

## **Course Outline\***

	<u>Hours</u>
I. Property Description	7
A. Geographic Characteristics of the Land/Site	
B. Geologic Characteristics of the Land/Site	
C. Location and Neighborhood Characteristics	
D. Land/Site Considerations for Highest and Best Use	
1. Site description	
a. Utilities	
b. Access	
c. Topography	
d. Size	
E. Improvements - Architectural Styles and Types of Construction	
1. Improvement Description	
a. Size	
b. Condition	
c. Utility	
2. Basic construction and design	
a. Techniques and materials	
b. Foundations	
c. Framing	
d. Finish (exterior and interior)	
e. Mechanical	
3. Functional Utility	
F. Site observation from the appraiser's perspective	
G. Overview of building measurement	
II. Residential Applications/Case Studies	7
A. Cost Approach	
1. Site valuation	
2. Replacement/reproduction cost	
3. Accrued depreciation	
a. Market extraction	
b. Age-life method	
c. Breakdown method	
B. Sales Comparison Approach	

1. Comparable sale selection		
2. Types of adjustments		
3. Adjustment process		
4. Reconciliation of adjusted sales		
C. Income Capitalization Approach		
1. Estimation of income and expense		
2. Income multipliers		
3. Income rates		
III. Examination		1
		_____
Total Hours	15	

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# ***Beginning Income Capitalization, Part A***

## **Course Outline**

8:30 a.m. to 9:20 a.m.	Terminology Used in Processing Income, Analysis of Rent Types, Estimating Vacancy and Collection Loss and Effective Gross Income, Calculating a Replacement Allowance
9:20 a.m. to 9:30 a.m.	Break
9:30 a.m. to 10:20 a.m.	Learning the Steps and Format of a Reconstructed Operating Statement, & Setting Up a Comparable Analysis Chart Determining the Factors to be Considered When Estimating Income and Expenses
10:20 a.m. to 10:30 a.m.	Break
10:30 a.m. to 11:20 a.m.	Learning the Steps and Format of a Reconstructed Operating Statement, & Setting Up a Comparable Analysis Chart Determining the Factors to be Considered When Estimating Income and Expenses
11:20 a.m. to 11:30 a.m.	Break
11:30 a.m. to 12:30 p.m.	Lunch
12:30 p.m. to 1:20 p.m.	Application of Direct Capitalization, Gross Income Multipliers (GRM), Basic Applications, Case Studies
1:20 p.m. to 1:30 p.m.	Break
1:30 p.m. to 2:20 p.m.	Capitalization (income rates), Case Studies
2:20 p.m. to 2:30 p.m.	Break
2:30 p.m. to 3:20 p.m.	Case Studies
3:20 p.m. to 3:30 p.m.	Break

3:30 p.m. to 4:30 p.m.

Case Studies

## ***Beginning Income Capitalization, Part B***

### **Course Outline**

8:30 a.m. to 9:20 a.m.

Time Value of Money (six functions of a dollar), Use of Compound Interest and Discount Factors, & Case Studies

9:20 a.m. to 9:30 a.m.

Break

9:30 a.m. to 10:20 a.m.

Case Studies

10:20 a.m. to 10:30 a.m.

Break

10:30 a.m. to 11:20 a.m.

Rate Development, Rates of Capitalization and Rates of Return, & Case Studies

11:20 a.m. to 11:30 a.m.

Break

11:30 a.m. to 12:30 p.m.

Lunch

12:30 p.m. to 1:20 p.m.

Residual Valuation, Building Residual Analysis, Land Residual Analysis, Property Analysis & Case Studies

1:20 p.m. to 1:30 p.m.

Break

1:30 p.m. to 2:20 p.m.

Case Studies

2:20 p.m. to 2:30 p.m.

Break

2:30 p.m. to 3:20 p.m.

Mortgage Equity and Analysis & Case Studies

3:20 p.m. to 3:30 p.m.

Break



# National USPAP Course

## Course Outline

	<u>Hours</u>
A. History, Professionalism, Valuation Services and Appraisal Practice, and the Structure of USPAP	2
B. Definitions and Rules	3
C. Standard 1	2
D. Standard 2	2
E. Standard 3	1
F. Standards 4 and 5	1
G. Standard 6	1
H. Standards 7-10	1
I. Statements, Advisory Opinions, and Review	1
J. Exam	1

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Total Hours 15

**Addendum**

**Kentucky Real Estate Appraisers Board**

**Advisory**

**2008 AQB Criteria**

**Educator Providers/Applicants/Licensees**



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