



PSI licensure:certification
 3210 E Tropicana
 Las Vegas, NV 89121
 www.psiexams.com

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

**Department of Licensing and Regulatory Affairs
 Real Estate Appraiser
 Licensing Examinations**



**CANDIDATE INFORMATION BULLETIN
 EFFECTIVE DATE JANUARY 1, 2015**

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Please refer to our website to check for the most updated information at www.psiexams.com.

EXAMINATIONS BY PSI licensure:certification

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

The Department of Licensing and Regulatory Affairs (referred to as the Department) has contracted with PSI licensure:certification (PSI) to administer the examination program. PSI works closely with the Department to make certain that the administration of these examinations meets the State's as well as nationally established technical and professional standards for examination administration. PSI provides these examinations through a network of computer examination centers in Michigan.

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

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

REQUIREMENTS FOR REAL ESTATE APPRAISER LICENSURE IN MICHIGAN

APPRAISER

NOTE: Only the State has the authority to determine a candidate's eligibility to be licensed/registered.

1. Requests for license requirement, applications and instructions are available from:

The Michigan Real Estate Appraisers Board Office:
Department of Licensing and Regulatory Affairs
Corporations, Securities & Commercial Licensing Bureau
Board of Real Estate Appraisers
P.O. Box 30219
Lansing, MI 48909
Phone: 517-241-9288 Fax: 517-373-1044
or on the web at
www.michigan.gov/appraisers

2. LICENSURE APPLICATIONS MUST BE SUBMITTED TO AND APPROVED BY THE DEPARTMENT, PRIOR TO SUBMITTING AN EXAMINATION APPLICATION TO PSI. CANDIDATES MUST HAVE ACQUIRED THE EDUCATION AND/OR EXPERIENCE REQUIRED BY LAW PRIOR TO SITTING FOR THE EXAMINATION. PERSONS WHO VIOLATE THESE PROVISIONS WILL HAVE THEIR EXAMINATION RESULTS INVALIDATED AND MUST REAPPLY FOR THE EXAMINATION AFTER BEING APPROVED BY THE DEPARTMENT.
4. **RESIDENCY:** Nonresidents of Michigan must file a Consent to Service of process form with the license application.

5. **SUBMISSION INFORMATION:** License applications must be approved by the Department prior to taking the examination. The evaluation of materials concerning education and experience often takes 30-90 days so it is important to send information to the Department as early as possible.
6. Once the Department has approved you for testing, you will receive an authorization to test notification. This notification will also be submitted to PSI allowing the authorized candidate to register, pay for and schedule the required licensure examination.
7. All licensure requirements, including the passing of the examination, must be completed within one year after the date of the authorization to test notification. If not completed within one year, the fees paid to the State will be forfeited to the Department and the license application shall be void pursuant to MCL 339.409(3).
8. Passing examination scores are considered valid for 2 years from the date of the examination.
9. Candidates that have their application for licensure denied are notified by the Department of the elements they need to complete in order to be approved for licensure.

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

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www.psiexams.com

EXAMINATION REGISTRATION PAYMENT AND SCHEDULING PROCEDURES

Upon approval of licensure eligibility, the Department will mail an authorization to test notice allowing the authorized candidate to register, pay for and schedule the required licensure examination with PSI.

The Examination Registration Form is found at the end of this Candidate Information Bulletin. You must pay for the examination at the time you register. Be sure the registration form is complete, accurate, signed, and that you include the correct fee.

Your examination fee will be forfeited if you do not test within 1 year of the date your examination fee is received by PSI.

Examination Fee **\$1265**

NOTE: REGISTRATION FEES ARE NOT REFUNDABLE. REGISTRATION FEES EXPIRE AFTER ONE YEAR OF REGISTERING.

INTERNET REGISTRATION AND SCHEDULING

For the fastest and most convenient test scheduling process, PSI recommends that candidates register for their exams using the Internet. In order to register over the Internet, candidates will need to have a valid credit card (Visa, MasterCard, American Express or Discover). Candidates register online by accessing PSI's registration website at www.psiexams.com. Internet registration is available 24 hours a day. In order to register by Internet, complete the steps below:

1. Log onto PSI's website and select the link associated with the Michigan examinations. Complete the associated registration form online and submit your information to PSI via the Internet.
2. Upon completion of the online registration form, you will be given the available exam dates and locations for scheduling your examination. Select your desired testing date and location.

TELEPHONE REGISTRATION AND SCHEDULING

For telephone registration, you will need a valid VISA or MasterCard.

Call PSI Customer Service Representatives at (800) 733-9267, Monday through Friday between 7:30 am and 10:00 pm, and Saturday-Sunday between 9:00 am and 5:30 pm, Eastern Time, to register for and schedule your appointment for the examination.

FAX REGISTRATION AND SCHEDULING

For fax registration, you will need a valid credit card (Visa, MasterCard, American Express or Discover).

Complete the Examination Registration Form, including your credit card number and expiration date.

1. Fax the completed form to PSI (702) 932-2666. Fax registrations are accepted 24 hours a day.
2. If your information is incomplete or incorrect, it will be returned for correction.
3. Please allow 4 business days to process your Registration. To schedule with a PSI registrar, call (800) 733-9267, Monday through Friday between 7:30 am and 10:00 pm, or Saturday-Sunday between 9:00 am and 5:30 pm, Eastern Time. You may also schedule online by accessing PSI's registration website at www.psiexams.com.

STANDARD MAIL REGISTRATION AND SCHEDULING

For those desiring to make payment for their examination using **cashier's checks** or **money orders**, or for those that simply do not wish to provide credit card information over the phone or Internet, you must use the Standard Mail Registration. In order to register, please follow the steps below.

1. Complete the PSI registration Form (found at the end of the bulletin), and submit the form and appropriate examination fee to PSI. Payment of fees can be made by credit card, money order, company check or cashier's

check. Money orders or checks should be made payable to PSI, with your social security number noted on it to ensure that your fees are properly assigned. **CASH and PERSONAL CHECKS ARE NOT ACCEPTED.**

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2. Please allow 2 weeks to process your Registration. To schedule with a PSI registrar, call (800) 733-9267, Monday through Friday between 7:30 am and 10:00 pm, or Saturday-Sunday between 9:00 am and 5:30 pm, Eastern Time. You may also schedule online by accessing PSI's registration website at www.psiexams.com.

SCHEDULING FYI'S

- Only the candidate may schedule an appointment through a CSR, not a friend or relative.
- If space is available in the examination site of your choice, you may schedule an examination 1 day prior to the examination date of your choice, up to 7:00 pm ET.

CANCELING AN EXAMINATION APPOINTMENT

You may cancel and reschedule an examination appointment without forfeiting your fee if your *cancellation notice is received 2 days before the scheduled examination date*. For example, for a Monday appointment, the cancellation notice would need to be received on the previous Saturday. You may call PSI at (800) 733-9267.

Note: A voice mail message is not an acceptable form of cancellation. Please use the PSI Website or call PSI and speak to a Customer Service Representative.

SCHEDULING A RE-EXAMINATION

It is not possible to make a new examination appointment on the same day you have taken an examination; this is due to processing and reporting scores. A candidate who tests unsuccessfully on a Wednesday can call the next day, Thursday, and retest as soon as Friday, depending upon space availability. In order to retest, you must re-register following the steps for registration and scheduling as outlined earlier. You may re-register over the Internet, telephone or by mail. Once registered, you can reschedule for your re-examination.

MISSED APPOINTMENT OR LATE CANCELLATION

Your registration will be invalid, you will not be able to take the examination as scheduled, and you will forfeit your examination fee, if you:

- Do not cancel your appointment 2 days before the scheduled examination date;
- Do not appear for your examination appointment;
- Arrive after examination start time;
- Do not present proper identification when you arrive for the examination.



SPECIAL EXAMINATION ARRANGEMENTS

All examination centers are equipped to provide access in accordance with the Americans with Disabilities Act (ADA) of 1990, and every reasonable accommodation will be made in meeting a candidate's needs. Applicants with disabilities requesting special testing arrangements must fill out the special arrangement request form found at www.psiexams.com. Select Michigan, and the license type, and the form will be found under "Information Links." A copy of this form may also be obtained by phoning (800) 733-9267. You will need to fax this form and supporting documentation to (702) 932-2666.

Candidates applying for assistance other than an ADA accommodation must contact PSI in writing. Any costs associated with a non-ADA accommodation will be paid by the candidate.

EXAMINATION SITE CLOSING FOR AN EMERGENCY

In the event that severe weather or another emergency forces the closure of an examination site on a scheduled examination date, your examination will be rescheduled. PSI personnel will attempt to contact you in this situation. However, you may check the status of your examination schedule by calling (800) 733-9267. Every effort will be made to reschedule your examination at a convenient time as soon as possible. You will be rescheduled at no additional charge.

SOCIAL SECURITY NUMBER CONFIDENTIALITY

PSI will use your social security number only as an identification number in maintaining your records and reporting your examination results to the state. A Federal law requires state agencies to collect and record the social security numbers of all licensees of the professions licensed by the state.

EXAMINATION REVIEW

AQB will be consistently evaluating the examinations being administered to ensure that the examinations accurately measure competency in the required knowledge areas. While taking the examination, examinees will have the opportunity to provide comments on any questions, by using the comments key on the keyboard. These comments will be analyzed by AQB examination development staff. Although AQB does not respond to individuals regarding these comments, all substantive comments are reviewed. **This is the only review of examination materials available to candidates.**

EXAMINATION SITE LOCATIONS

Dearborn Examination Center
3200 Greenfield Road, Suite 253
Dearborn, MI 48120

From Detroit: Merge onto I-94 W. Take exit 209 (Rotunda Dr.) from I-94 W. Turn left onto Rotunda Dr. Follow Rotunda Dr to Commerce Drive South. Turn left on Commerce Dr S, then turn right onto Greenfield Rd. Site is on the right.

Holt-Lansing Examination Center
4202 Charlar Drive, Suite 1
Holt, Michigan 48842

Follow I-496 E, which becomes US-127 S. Take the Holt Rd exit 70. Turn right onto Holt Rd. Turn left onto Cedar St. Turn right onto Charlar Dr.

Southfield-Crossroads Examination Center
Crossroads Building
16250 Northland Drive, Suite 359
Southfield, MI 48075

From I-75 North and South, exit West 8 Mile. Northland Drive is West of Greenfield Road. Do not go over the Bridge. Pass the Lodge Fwy (Hwy 10). Turn right on Northland Drive.

From Southfield Fwy North and South, exit East 8 Mile. Go east on 8 Mile to Northland Drive. Northland Drive is next to the Northland Shopping Center.

Southfield-Lahser Road Examination Center
26400 Lahser Road, Suite 150
Southfield, Michigan 48033

From I-96 E merge onto I-696 E. Then merge onto MI-10 S. Take the Lahser Road exit. Keep left at the fork in the ramp. Turn left onto Northwestern Hwy. Turn right onto Lahser Road.

Grand Rapids Examination Center
4595 Broadmoor Ave SE, Suite 201
Grand Rapids, MI 49512

From I-96, exit East Beltline Avenue and proceed South approximately 4 miles. Once you pass 28th Street, Beltline becomes Broadmoor. Continue South an additional 2 miles. 4595 Broadmoor is just South of 44th Street on the right. The office is in the Davenport University Building. Use the North Entrance. Room 201 is at the top of the stairs.

From US-131, take exit 77 (M6 the new highway) East toward Lansing. Take exit 15 (M37/Broadmoor), head North (left) on Broadmoor. 4595 Broadmoor is just North of Barden street, South of 44th Street on the left. The office is in the Davenport University Building. Use the North Entrance to the second floor. Room 201 is at the top of the stairs.

Gaylord Examination Center
440 W. Main St., Suite D
Gaylord, MI 49735

From I-75 take exit # 282 / M-32 toward Alpena / Gaylord. From the exit ramp, turn east onto W Main (M-32) and go about half a mile. 440 W Main is at the northeast corner of Main and Indiana, halfway between KFC and Subway. Suite D opens off the parking lot.

Marquette Examination Center
Mid Towne Office Complex
1229 W. Washington
Marquette, MI 49855

Complex is across the street from Shopko. Enter the building on the left, and go up the stairs. Go left at the top of the stairs; suite is at the end of the hall on the right.



REPORTING TO THE EXAMINATION SITE

On the day of the examination, you should arrive at least 30 minutes prior to your scheduled appointment time. This allows time for sign-in and identification verification. *If you arrive late, you may not be admitted to the examination site and you will forfeit your examination registration fee.*

REQUIRED IDENTIFICATION AT EXAMINATION SITE

You **MUST** present two (2) valid forms of identification before you may test:

1. One form of ID must meet ALL of the following criteria:
 - ◆ be a current (not expired), valid and government-issued, photo identification (example: driver's license, state-issued identification card, passport);
 - ◆ show the name on the government-issued photo identification as the same name used to register for the exam (including designations such as "Jr." or "III", etc.) and
 - ◆ have your current photo and your signature.
2. The second form of identification must contain a signature that matches the official photo ID (e.g., credit card, bankcard, military or school identification).

If you cannot provide the required identification, you must contact PSI at least two (2) weeks prior to your scheduled examination appointment to arrange a way to meet this security requirement. *Failure to provide the required identification at the examination center will result in your not being admitted to the examination and forfeiture of your examination fee. You will be required to re-register and pay another examination fee.*

SECURITY PROCEDURES

The following security procedures apply during examinations:

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

- All personal belongings of candidates, with the exception of close-fitting jackets or sweatshirts, should be placed in the secure storage provided at each site prior to entering the examination room. Personal belongings **include, but are not limited to**, the following items:
 - **Electronic devices of any type**, including cellular / mobile phones, recording devices, electronic watches, cameras, pagers, laptop computers, tablet computers (e.g., iPads), music players (e.g., iPods), smart watches, radios, or electronic games.
 - **Bulky or loose clothing or coats** that could be used to conceal recording devices or notes, including coats, shawls, hooded clothing, heavy jackets, or overcoats.
 - **Hats or headgear not worn for religious reasons** or as religious apparel, including hats, baseball caps, or visors.
 - **Other personal items**, including purses, notebooks, reference or reading material, briefcases, backpacks, wallets, pens, pencils, other writing devices, food, drinks, and good luck items.
- Person(s) accompanying an examination candidate may not wait in the examination center, inside the building or on the building's property. This applies to guests of any nature, including drivers, children, friends, family, colleagues or instructors.
- No smoking, eating, or drinking is allowed in the examination center.
- During the check in process, all candidates will be asked if they possess any prohibited items. Candidates may also be asked to empty their pockets and turn them out for the proctor to ensure they are empty. The proctor may also ask candidates to lift up the ends of their sleeves and the bottoms of their pant legs to ensure that notes or recording devices are not being hidden there.
- Proctors will also carefully inspect eyeglass frames, tie tacks, or any other apparel that could be used to harbor a recording device. Proctors will ask to inspect any such items in candidates' pockets.
- If prohibited items are found during check-in, candidates shall put them in the provided secure storage or return these items to their vehicle. PSI will not be responsible for the security of any personal belongings or prohibited items.
- Any candidate possessing prohibited items in the examination room shall immediately have his or her test results invalidated, and PSI shall notify the examination sponsor of the occurrence.
- Any candidate seen giving or receiving assistance on an examination, found with unauthorized materials, or who violates any security regulations will be asked to surrender all examination materials and to leave the examination center. All such instances will be reported to the examination sponsor.
- Copying or communicating examination content is violation of a candidate's contract with PSI, and federal and state law. Either may result in the disqualification of examination results and may lead to legal action.
- Once candidates have been seated and the examination begins, they may leave the examination room only to use the restroom, and only after obtaining permission from the proctor. Candidate will not receive extra time to complete the examination.



IMPORTANT NOTICE FOR ALL CANDIDATES

Due to many complaints from the buildings' tenants, PSI (and the properties which house the PSI test centers) cannot accommodate any individuals other than the person who is being tested.

PSI understands that test candidates are often comforted by having guests accompany them to their exams. It may also be necessary for a guest to drive the candidate to the test center. However, incidents from previous guests have prompted warnings from Property Management. For this reason, PSI has adopted the following policy concerning guests.

“Person(s) accompanying a test candidate may not wait in the test center, inside the building or on the building's property. This applies to guests of any nature, including drivers, children, friends, family, colleagues or instructors.”

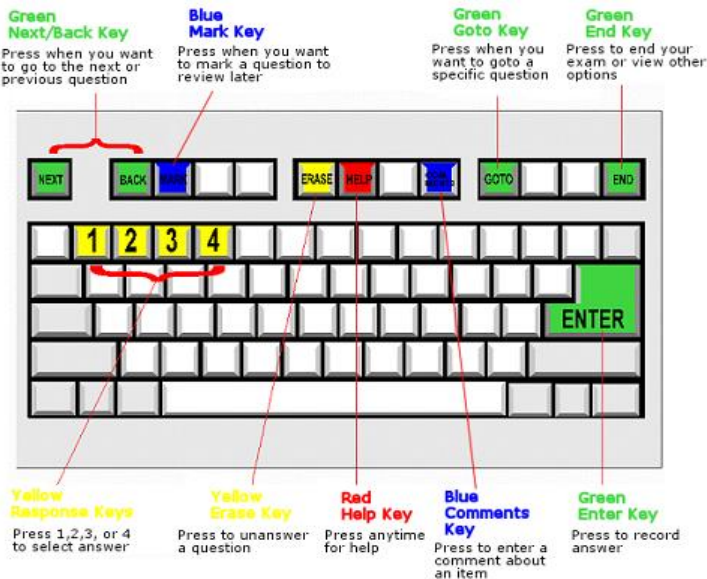
There are facilities nearby such as shopping malls, stores or restaurants where guests may go while the candidate takes a test. Please take the time to visit those locations instead of waiting in or around the building.

Also of note, many candidates have been arriving hours before their scheduled exam time. This is not necessary. Please plan to arrive no earlier than 30 minutes before the start-time of your exam. This will provide plenty of time for check-in.

Thank you for your understanding and for your cooperation.

TAKING THE EXAMINATION BY COMPUTER

Taking the PSI examination by computer is simple. You do not need any computer experience or typing skills. You will use fewer keys than you use on a touch-tone telephone. All response keys are colored and have prominent characters. An illustration of the special keyboard is shown here.



IDENTIFICATION SCREEN

You will be directed to a semiprivate testing station to take the examination. When you are seated at the testing station, you will be prompted to confirm your name, identification number, and the examination for which you are registered.

TUTORIAL

Before you start your examination, an introductory tutorial to the computer and keyboard is provided on the computer screen. The time you spend on this tutorial, up to 15 minutes, DOES NOT count as part of your examination time. Sample questions are included as part of the tutorial so that you may practice using the keys, answering questions, and reviewing your answers.

One question appears on the screen at a time. During the examination, minutes remaining will be displayed at the top of the screen and updated as you record your answers.

EXAMINATION QUESTION EXAMPLE

During the examination, you should press 1, 2, 3, or 4 to select your answer or press “MARK” to mark it for later review. You should then press “ENTER” to record your answer and move on to the next question. A sample question display follows:



IMPORTANT: After you have entered your responses, you will later be able to return to any question(s) and change your response, provided the examination time has not run out.

SCORE REPORTING

In order to pass the examination, you must achieve a minimum scaled score of 75. You will receive your score report immediately following the completion of the examination.

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

Scaled scores can range from 0 to 110, with 75 and above representing passing. Scores are reported to candidates as scaled scores. The scaled scores are computed from raw scores. Raw scores, or percentage scores, are the actual

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

VERIFICATION OF FAILED SCORE

If you receive a failing score on the examination, you may request that the examination be re-scored for verification of the score.

Re-scoring of computer based examinations **WILL NOT** include any verification of the content of an examination, or the content or accuracy of specific items received by the candidate. Re-scoring of computer based examinations also will not include any investigation of comments about items entered by the candidate during administration of the examination.

You can write to PSI to request the re-scoring of your failing examination. Please include your name, last 4 digits of your social security number, name and date of the test.

DUPLICATE FAILED SCORE REPORT

You may request a duplicate score report after your examination by emailing scorereport@psionline.com or by calling 800-733-9267.

TIPS FOR PREPARING FOR YOUR LICENSE EXAMINATION

The following suggestions will help you prepare for your examination.

- Planned preparation increases your likelihood of passing.
- Start with a current copy of this Candidate Information Bulletin and use the examination content outline as the basis of your study.
- Read study materials that cover all the topics in the content outline.
- Take notes on what you study. Putting information in writing helps you commit it to memory. Underline or highlight key ideas that will help with a later review.
- Discuss new terms or concepts as frequently as you can with colleagues. This will test your understanding and reinforce ideas.
- Your studies will be most effective if you study frequently, for periods of about 45 to 60 minutes. Concentration tends to wander when you study for longer periods of time.

DESCRIPTION OF EXAMINATIONS

Michigan utilizes the National Uniform Licensing and Certification Examinations which are developed by the Appraiser Qualifications Board (AQB). For further information or to express concerns about the examination content, please contact:

The Appraiser Qualifications Board
C/O The Appraisal Foundation
1155 15th Street, NW, Suite 1111
Washington, DC 20005
www.appraisalfoundation.org
Telephone: 202-347-7722
Fax: 202-347-7727

EXAMINATION SUMMARY TABLE

Examination	Number of Scored Questions	Number of Non-Scored Questions	Passing Scaled Score	Time Allowed
State Licensed Appraiser (LR)	110	15	75	4 hours
Certified Residential Appraiser (CR)	110	15	75	4 hours
Certified General Appraiser (CG)	110	15	75	6 hours

In addition to the number of scored examination items specified, fifteen non-scored questions will be administered to candidates during the examinations. The time taken to answer the non-scored questions will not count against the time allowed. The administration of such non-scored questions is essential in developing future licensing examinations.

NATIONAL UNIFORM AND CERTIFICATION EXAMINATION CONTENT OUTLINES

The examination content outlines have been prepared by the AQB. Use the outline as a guide for pre-examination review course material. The outlines list the content domains and sub-domains that are on the examination and the number of questions for each domain. Do not schedule your examination until you are familiar with the topics in the outline.

AQB EXAMINATION CONTENT OUTLINES	CG	CR	LR
1. Real estate market	22	22	22
Types of influences on real estate value	3	3	3
Agents of production			
Factors of value (e.g. desire, utility, scarcity, EPP)			
Forces on value (e.g. social, economic, gov., environmental)			
Principles of real estate			
Types of government power	2	2	2
Police power			
Eminent domain			



Escheat			
Taxation			
Types of real estate value	3	3	3
Value in use			
Market value			
Going concern			
Investment value			
Ad valorem / assessed			
Liquidation / disposition			
Insurable value			
Cost vs. Price vs. Value			
Date of value premise	2	2	2
Retrospective			
Current			
Prospective			
Market analysis	3	3	3
Market delineation (e.g. neighborhood, linkages)			
Market conditions (e.g. supply/demand, absorption)			
Types of market analysis			
Investment analysis	3	3	3
Mortgage calculations			
Financial calculations (e.g. net present value)			
Tests of highest and best use	2	2	2
Legally-allowable			
Physically-possible			
Financially-feasible			
Maximally-productive			
Analysis of highest and best use	4	4	4
As improved			
As vacant			
2. Property description	12	13	13
Description of land or site	3	3	4
Physical and functional description			
Legal description			
Metes and bounds			
Government survey			
Lot and block			
Description of improvements and building components	2	3	3
Physical and functional description			
Personal property items vs. fixtures			
Legal interest	3	3	2
Fee simple			
Leased fee			
Leasehold			
Life estate and remainders			
Partial / fractional interest (e.g. condominiums, co-ops)			
Types of ownership and legal documents (e.g. joint tenancy)			
Rights to use	2	2	2
Public restrictions			
Private restrictions			
Property taxation	2	2	2
3. Land or site valuation	4	4	4
Land or site valuation methods	4	4	4
Allocation			
Extraction			
Residual			
Subdivision			
Sales comparison (e.g. paired sales)			
Ground rent capitalization (CG ONLY)			
4. Sales comparison approach	16	24	24

Identification of comparable sales	3	4	4
Units of comparison	3	4	4
Elements of comparison	3	4	4
Property rights			
Financing			
Condition of sale			
Expenditures immediately upon sale			
Market conditions			
Location			
Physical characteristics			
Economic characteristics			
Use / legal			
Non-realty components of value			
Quantitative adjustments	2	5	6
Paired data			
Statistical methods (e.g. linear regression, graphic analysis)			
Cost analysis			
Income capitalization			
Qualitative adjustments	2	4	3
Trend analysis			
Ranking analysis / bracketing			
Relative comparison analysis			
Interviews with market participants			
Reconciliation to indicated value by the sales comparison approach	3	3	3
5. Cost approach	14	16	17
Sources of cost information	2	2	2
Cost manuals and services			
Actual costs			
Market-extracted			
Cost components	2	1	2
Direct			
Indirect			
Entrepreneurial incentive and profit			
Reproduction vs. replacement cost			
Depreciation	3	6	6
Physical deterioration	1	2	2
Physical curable			
Physical incurable short-lived			
Physical incurable long-lived			
Functional obsolescence	1	2	2
Curable			
Incurable			
External obsolescence	1	2	2
Locational			
Economic			
Methods of estimating depreciation	5	5	5
Age-life and modified age-life			
Breakdown			
Market extraction			
Reconciliation to indicated value by the cost approach	2	2	2
6. Income approach	22	11	10
Sources of income generation	2	2	2
Rent and leases			
Reimbursements			
Other			
Occupancy / vacancy analysis	2	1	1
Expenses	2	2	2
Fixed			
Variable			
Replacement allowance / reserves			
Capital expenses vs. ordinary expenses			

Capitalization	10	4	3
Direct capitalization	4	3	2
Multipliers			
Overall rates (e.g. equity rates)			
Reconstruction of operating statement (e.g. NOI, EGI, ratios)			
Derivation of capitalization rates	2	1	1
Band of investment			
Market-extracted			
Yield capitalization (CG ONLY)	4	0	0
Discounted cash flow			
Property models			
Yield rates			
Estimation of value using income approach	4	1	1
Using direct capitalization	2	1	1
Fee simple			
Leased fee			
Leasehold			
Using yield capitalization (CG ONLY)	2	0	0
Fee simple			
Leased fee			
Leasehold			
Reconciliation to indicated value by the income approach	2	1	1
7. Reconciliation of value indications	2	2	2
Reconciliation of approaches to value	2	2	2
8. Uniform standards of prof. appr. practice	18	18	18
Definitions and preamble	2	2	2
Ethics rule	2	2	2
Record keeping rule	2	2	2
Competency rule	2	2	2
Scope of work rule	2	2	2
Jurisdictional exception rule	1	1	1
Standard 1	2	2	2
Standard 2	2	2	2
Standard 3	1	1	1
Statements on appraisal standards	2	2	2

SAMPLE QUESTIONS

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

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

- A. \$93,000
- B. \$94,500
- C. \$96,150
- D. \$97,650

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

- A. \$15 per square foot
- B. \$33 per square foot
- C. \$65 per square foot
- D. \$80 per square foot

3. The occupants of a dwelling have been granted a life estate by their daughter. What interest does the daughter hold in the property?

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

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

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

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

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

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

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

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

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

6. While working on an appraisal of a residential property in a new home subdivision, the appraiser finds that the builders have a total of 100 home sites currently offered for sale. In measuring market demand, the appraiser notes that all of the builders combined are currently averaging two new sales contracts per month, and are expecting to sell 24 dwellings within the next year. What conclusion can be drawn with regard to the 100 available home sites and a market period of the next 12 months?
- A. The market is in a condition of supply and demand
 - B. The market is in a condition of balance
 - C. The market is in a condition of undersupply
 - D. The market is in a condition of oversupply

ANSWERS: 1 = C, 2 = C, 3 = B, 4 = C, 5 = A, 6 = D

COMPLETING THE EXAMINATION REGISTRATION FORM

- 1. Legal Name** Print your legal name in the boxes provided, using one box per letter. If your name is longer than the boxes allow, print as many letters as possible. **NOTE: If you recently changed your name, or if your last name includes a generation indicator (e.g., Jr., III), be sure that your name is the same on your license application, examination registration form and your two forms of VALID identification.**
- 2. Social Security Number** You must include your Social Security Number on the registration form. This number is required by the Department in order to issue you a license. Your Social Security Number is held in the strictest of confidence.
- 3. Mailing Address** Your license must include a mailing address. PO Box numbers alone are not acceptable. Print only one letter or number per box. Do not include punctuation marks; leave blank spaces to show spaces.
- 4. Telephone** Please provide both home and office telephone numbers (including area codes).
- 5. Email Address** Please provide your email address.
- 6. Examination Type** Check the box indicating the examination for which you are registering: State Licensed, Certified Residential or Certified General.
- 7. Examination Fee** You must include the correct examination fee.
- 8. Special Accommodations Request** If you will require special accommodations because of a disability, please check "YES." If you have checked "YES," follow the instructions on the Registration Form to obtain a special arrangement request form. (For more information, please refer to the Special Examination Arrangements section on page 3 of this Candidate Information Bulletin)..
- 9. Signature** Sign and date this Examination Registration Form in the space provided.



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