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# HOW TO CHOOSE AN AIRCRAFT APPRAISER: COMPARING APPRAISAL CREDENTIALS

Aircraft Appraisal

## Aircraft Appraisal Organizations

In our previous article we gave our top 4 things to know before getting an appraisal. Hiring an accredited appraiser is critical and there are only 3 major accrediting organizations for aircraft appraisers. The next reasonable question is, which organization's appraisers are best for your valuation?

HERE ARE THE FACTS:

A comparison of

# AIRCRAFT APPRAISAL ORGANIZATIONS

	ASA	ISTAT	PAAO
<b>ASA</b> The American Society of Appraisers			
<b>ISTAT</b> International Society of Transport Aircraft Trading			
<b>PAAO</b> Professional Aircraft Appraisal Organization			
Organization Background			
Founded	1939	1983	2018
Specialty	Corporate & Commercial	Commercial	General Aviation
USPAP	Required	Required	Turbine Aircraft Only
Appraiser Requirements			
Education	Bachelors degree, 120 hrs of appraisal education, 4 exams & board review appraisal	Bachelors degree, 4 exams Ethics, Appraisal, Finance, & Technical	Be a formerly certified NAAA appraiser (further requirements TBD)
Appraiser Experience	2 years full-time aircraft appraisal	2 years full-time aircraft appraisal	Be a formerly certified NAAA appraiser (further requirements TBD)
Senior Appraiser Experience	5 years full-time aircraft appraisal	6 years full-time aircraft appraisal	
Continued Education	USPAP update every 2 years, 100 hours CE every 5 years	Attend annual ISTAT conference	To be decided

### American Society of Appraisers

The ASA has been in existence since 1936 and was one of the founding members of the Appraisal Institute, which created and continues to disseminate the *Uniform Standards of Professional Appraisal Practice (USPAP)* which is the congress-recognized guideline for appraisal development and reporting. Today, the ASA is the largest, multi-disciplinary, non-profit appraisal organization and its members are recognized worldwide as a cornerstone of ethical and professional appraisal practice.

The ASA has a specialized program for aircraft appraisers taught in conjunction with Embry-Riddle Aeronautical University. The ASA requires successful completion of 4 Principals of Valuation courses for a total of 120 classroom hours, which each have an exam component that tests for comprehension of aircraft systems, finance, and valuation methodology. Candidates must then submit verifiable proof of experience in the aviation appraisal field, a 4-year college degree, and an appraisal report that all is reviewed by an international board of examiners. After receiving an accreditation, ASA appraisers are required to comply with USPAP and the ASA's code of ethics. Appraiser's must also fulfill the 120 hour continued education requirement every 5 years, proof of which must be submitted to the society. Flight Level's appraisers hold their designations with the ASA.

### International Society of Transport Aircraft Trading

ISTAT was founded as a non-profit educational and networking organization for professionals working in transport aircraft trading in 1983. Since then, ISTAT has developed an appraiser education and credentialing program for the valuation of transport category aircraft (think: airliners, commuters, etc...). ISTAT has varying levels of credentials that each require different levels of experience, and examination. At minimum, ISTAT Appraisers must have 5 years of experience in aviation with 2 years of full-time appraisal experience, pass a series of exams, provide proof of a 4 year college degree (or equivalent) and provide an appraisal that will be reviewed by a Board of Governors. After credentialing, Appraisers must complete on-going mandatory continued education.

ISTAT requires its members to adhere to the *Uniform Standards of Professional Appraisal Practice (USPAP)* development and reporting standards and uphold societal ethics.

### Professional Aircraft Appraisal Organization, LLC

The PAAO was created from the remnants of the now defunct National Aircraft Appraisers Association (NAAA). PAAO was founded at the end of 2018 and is currently only accepting appraiser membership from former NAAA Appraisers. The NAAA previously certified appraisers at varying levels dependent on experience in aviation and after attending in-person training courses. The PAAO is currently working on an education pathway for future appraisers, but does not have one in place at the time of writing. The PAAO requires its members to adhere to a societal code of ethics and states that its members should adhere to USPAP development and reporting guidelines when valuing "turbine" aircraft. There is currently limited information regarding what requirements there will be for incoming candidates and what will be required for re-accreditation.

### PICKING AN APPRAISER

It's important that the consumer understands what type of appraiser they are hiring since it may influence the credibility of a given report. An appraiser that has a credential restricted to valuing piston aircraft is probably not the best match for a Gulfstream valuation. Knowing the ins-and-outs of the different organizations empowers you to make well-informed, smart decisions. With money and assets on the line, mistakes can be catastrophic.

We believe the ASA holds the highest standards for their credentialed appraisers. Not only is it the oldest of the appraisal organizations, it also is the only multidisciplinary one; ensuring that appraisers of all fields are interconnected and have a pulse on not only their industry, but the economy and appraisal environment as a whole. The rigorous education, testing, credentialing and continued education requirements are recognized as the gold standard, worldwide. Flight Level is proud to have two aircraft appraisers accredited by the ASA.

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