

Call to Order

The State of Alaska
Board of Certified Real Estate Appraisers
Draft Agenda
August 9, 2022

Join Zoom Meeting Link: <https://us02web.zoom.us/j/83403013132>

Call In #: +1 253 215 8782

Meeting ID: 834 0301 3132

Passcode: 256654

1. 10:00 am Call to Order/Roll Call Chair Stetson
 - Review/Approve Agenda
 - Ethics Report
 - Continuing Education Statement
2. 10:10 am Review/Approve Past Meeting Minutes Chair Stetson
 - June 7, 2022
3. 10:15 am Public Comment
4. 10:30 am Division Update Ms. Dumas
 - APR FY23 Qrt 1
5. 11:00 am Investigations Ms. Gabriel
 - Investigation Report
6. 11:15 am PAREA Discussion Chair Stetson
7. 12:00 Lunch
8. 12:30 Governor's AO Regulation Discussion Chair Stetson/
Ms. Sather and Draft Amendments if Necessary
 - PAREA
 - Courtesy Licenses
 - Other regulations the Board would like to discuss
9. 2:00 CLEP Scores Ms. Sather
 - CLEP Email: How to Interpret Score, Develop CLEP Policies
 - Applicant Exam Scores for Consideration: Pass/Fail?
10. 2:30 Board Business Chair Stetson
 - Board Chair Discussion
 - May Meeting Date Reschedule

Adjourn

Ethics Report

CONFIDENTIAL

ETHICS SUPERVISOR DETERMINATION FORM
(Board or Commission Member)

Board or Commission: _____

Member Disclosing Potential Ethics Violation: _____

I have determined that the situation described on the attached ethics disclosure form

does or would violate AS 39.52.110 - .190. Identify applicable statute below.

does not or would not violate AS 39.52.110 - .190.

Signature of Designated Ethics Supervisor (Chair)

Printed Name of Designated Ethics Supervisor

Date: _____

COMMENTS (Please attach a separate sheet for additional space):

Note: Disclosure Form must be attached. Under AS 39.52.220, if the chair or a majority of the board or commission, not including the disclosing member, determines that a violation of AS 39.52.110-39.52.190 will exist if the member participates, the member shall refrain from voting, deliberating, or participating in the matter. A member will not be liable under the Ethics Act for action in accordance with such a determination so long as the member has fully disclosed all facts reasonably necessary to the determination and the attorney general has not advised the member, chair, or board or commission that the action is a violation. Forward disclosures with determinations to the State Ethics Attorney as part of your quarterly report. Quarterly reports are submitted to Litigation Assistant, Opinions, Appeals & Ethics, Department of Law, 1031 W. 4th Avenue, Suite 200, Anchorage, AK 99501.

Revised 2012

Continuing Education Statement



THE STATE
of **ALASKA**

Department of Commerce, Community and Economic Development
Division of Corporations, Business and Professional Licensing

APR

FOR DIVISION USE ONLY

Real Estate Appraisers Program

PO Box 110806, Juneau, AK 99811-0806

Phone: (907) 465-2550

Email: *RealEstateAppraisers@Alaska.Gov*

Website: *ProfessionalLicense.Alaska.Gov/RealEstateAppraisers*

Continuing Education Credit for Participation

This form certifies attendance at a meeting of the Alaska Board of Certified Real Estate Appraisers for continuing education credit. 12 AAC 70.210(g)(1-5)

Full Legal Name:	First	Middle	Last
Alaska Certification #:			

Board Meeting Date:	mm/dd/yyyy	<input type="checkbox"/> In Person	<input type="checkbox"/> Teleconference
Attendance Hours:		Hours Claimed: (7 Hours Max)	

I certify the information reported above is true and correct and that I maintained attendance for the duration of the hours claimed.

Signature:		Date:	mm/dd/yyyy
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BELOW IS FOR DEPARTMENTAL AND BOARD USE ONLY

Verified Hours of Attendance

(From Board Meeting Minutes)

Via Electronic or Mail Ballot: Approved Denied

OR

Via in Person Board Meeting: Approved Denied

Board Member Signature:		Date:	mm/dd/yyyy
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If denied, reason for denial:

Meeting Minutes

DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT
 DIVISION OF CORPORATIONS, BUSINESS AND PROFESSIONAL LICENSING
ALASKA BOARD OF CERTIFIED REAL ESTATE APPRAISERS

CONDENSED MINUTES OF THE MEETING HELD 6/7/22

These draft minutes were prepared by the staff of the Division of Corporations, Business and Professional Licensing. They have not been reviewed or approved by the Board.

Date:	June, 7, 2022
Time:	10:05 am meeting started and on record
Location:	Atwood Building and Via Zoom
Attending:	Board Members: Ashlee Stetson, Val Kudryn, Leon McKean, Mae Hayes Staff: Sara Sather, Melissa Dumass, Anna Gabriel Public Members: Karen Oberman Board member TAF, Donna Vandervies Board member TAF, William Fall Board member TAF, Scot DiBiasio AI, David Wright, Amanda Wright
Absent:	n/a

1. June 7, 2022 Agenda	
Brief Discussion:	The June 7, 2022 agenda was reviewed and approved with no edits.
Motion:	On a motion made duly by Mr. Kudryn, seconded by Ms. Hayes, it was RESOLVED to approve the meeting agenda for June 7, 2022.
	The motion passed unanimously.
Recorded Votes:	Ashlee Stetson - Y
	Valery (Val) Kudryn - Y
	William (Leon) McKean - Y
	Mae Hayes - Y
Action Items:	Meeting continues as proposed in agenda.
2. April 12, 2022 Meeting Minutes	

Brief Discussion:	The April 12, 2022 Meeting Minutes were reviewed and approved with no edits.	
	No points for discussion/concern from any Board members.	
Motion:	On a motion made duly by Mr. Kudryn, seconded by Ms. Hayes, it was RESOLVED to approve the meeting minutes for April 12, 2022.	
	The motion passed unanimously.	
Recorded Votes:	Ashlee Stetson - Y	
	Valery (Val) Kudryn - Y	
	William (Leon) McKean - Y	
	Mae Hayes - Y	
Action Items:	Meeting minutes will be signed by Board Chair and submitted to staff for publication	
	On state website.	
3. AARO Conferences		
Brief Discussion:	While working on the FY22 Annual Report, in regards to out of state travel and budget,	
	the Board discussed the AARO Conference and the importance of training and networking.	
	The consideration of expenses and travel orders were taken into consideration. The Board agrees it is imperative to stay up to date with the latest information to best serve the	
	public.	
Motion:	On a motion made duly by Mr. Kudryn, seconded by Mr. McKean, it was RESOLVED to allocate funds listed in the budget and approve sending 1 board member and 1 staff member to attend both AARO conferences, the first one being in October 14 – 17 and the second date still to be determined in spring 2023.	
	The motion passed unanimously.	
Recorded Votes:	Ashlee Stetson - Y	
	Valery (Val) Kudryn - Y	
	William (Leon) McKean - Y	
	Mae Hayes - Y	
Action Items:	The Board's intent will be documented within the Annual Report.	
	Travel requests will be initiated by staff for review.	

4. AARO Membership Fees	
Brief Discussion:	While working on the FY22 Annual Report, under additional fees, staff and the Board
	discussed the AARO Membership fee and the importance of information and contacts
	this provides. To best serve the public and keep up to date the Board agrees this is a
	needed expense.
Motion:	On a motion made duly by Mr. Kudryn, seconded by Mr. McKean, it was RESOLVED to approve the funding for the AARO membership of \$350 for the staff of real estate appraisers.
	The motion passed unanimously.
Recorded Votes:	Ashlee Stetson -
	Valery (Val) Kudryn -
	William (Leon) McKean -
	Mae Hayes -
Action Items:	The Board's intent will be documented with the Annual Report.
5. Application Review	
Brief Discussion:	The Board has received an email of concern from a public member regarding the residential real estate appraiser application. The public member was also invited to speak during the public comment period. Based on heard comments, Board review of the application, and continued review of comments from the April Board meeting, the Board made a general motion for staff review of applications due to discrepancies identified by Mr. Burns, Mr. Wright, and Mr. Kudryn's review.
Motion:	On a motion made duly by Mr. Kudryn, seconded by Mr. McKean, it was RESOLVED to request that staff review the current application for the certification of general, residential, trainees and potentially supervisor to make sure they are in line with current regulations as there are some concerns with the current regulations noted on the application being in error.
	The motion passed unanimously.
Recorded Votes:	Ashlee Stetson - Y

	Valery (Val) Kudryn - Y	
	William (Leon) McKean - Y	
	Mae Hayes - Y	
Action Items:	Staff will review Mr. Wright and Board Member notes, as well as conduct a comparison of	
	application and regulation for discrepancies.	

DRAFT

6. Regulation Project

Brief Discussion:	Regulations 70.111 and 70.135 were readdressed to provide a sufficient and encompassing	
	motion for both regulation amendments. These are regulations that were reviewed in	
	detail during the April meeting. A second review of both regulations was conducted, no	
	public comments were received during the public comment period, and the Board agreed to proceed with a motion to approve both regulations.	
Motion:	After acknowledging no public comments received and considering the cost to private persons, on a motion made duly by Mr. Kudryn, and seconded by Mr. McKean, it was RESOLVED to adopt section 12 AAC 70.111(a)(1)(B) dealing with application for trainee appraiser to residential real estate appraiser certification as proposed and publicly noticed; and also move to adopt section 12 AAC 70.135 dealing with temporary military courtesy license as proposed and amended.	
	The motion passed unanimously.	
Recorded Votes:	Ashlee Stetson - Y	
	Valery (Val) Kudryn - Y	
	William (Leon) McKean - Y	
	Mae Hayes - A	
Action Items:	Motion will be shared with regulation specialist for processing the amendments.	

7. Adjourn

Brief Discussion:	Motion to adjourn meeting.	
Motion:	On a motion duly made by Mr. Kudryn, seconded by Mr. McKean, it was RESOLVED to adjourn.	
	The motion passed unanimously.	
Recorded Votes:	Ashlee Stetson - Y	
	Valery (Val) Kudryn - Y	
	William (Leon) McKean - Y	

	Mae Hayes - Y	
Action Items:	Meeting adjourned and off record.	

Next Meeting:	August 9, 2022 10:00 am
Adjournment:	1:49 pm

Ashlee Stetson, Chair

Date

DRAFT

Public Comment

Division Update

Investigations



MEMORANDUM

DATE: July 26, 2022
 TO: Board of Certified Real Estate Appraisers
 THRU: Greg Francois, Chief Investigator *GF*
 FROM: Anna Gabriel, Investigator *AG*
 RE: Investigative Report for the August 09, 2022 Meeting

The following information was compiled as an investigative report to the Board for the period of May 24, 2022 thru July 26, 2022; this report includes cases, complaints, and intake matters handled since the last report.

Matters opened by the Paralegals in Anchorage and Juneau, regarding continuing education audits and license action resulting from those matters are covered in this report.

OPEN - 4

<u>Case Number</u>	<u>Violation Type</u>	<u>Case Status</u>	<u>Status Date</u>
REAL ESTATE APPRAISER			
2021-000853	Violation of licensing regulation	Complaint	10/14/2021
2021-001048	Violation of licensing regulation	Complaint	11/22/2021
2022-000304	Violation of licensing regulation	Complaint	04/01/2022
2019-001261	Violation of licensing regulation	Investigation	10/22/2020

Closed - 1

<u>Case #</u>	<u>Violation Type</u>	<u>Case Status</u>	<u>Closed</u>	<u>Closure</u>
REAL ESTATE APPRAISER				
2022-000502	License application problem	Closed-Intake	06/02/2022	Review Complete

END OF REPORT

PAREA Discussion

- Presentation included from 6/7
- Example Regulations included from 6/7
- Is the Board proceeding with accepting PAREA and regulation amendments?



The Appraisal **FOUNDATION**

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

Practical Applications of Real Estate Appraisal **PAREA**

The Appraisal Foundation

Agenda

- Evolution of PAREA
- What is PAREA?
- Updates & When to Expect First Program
- FAQs
- Your Questions

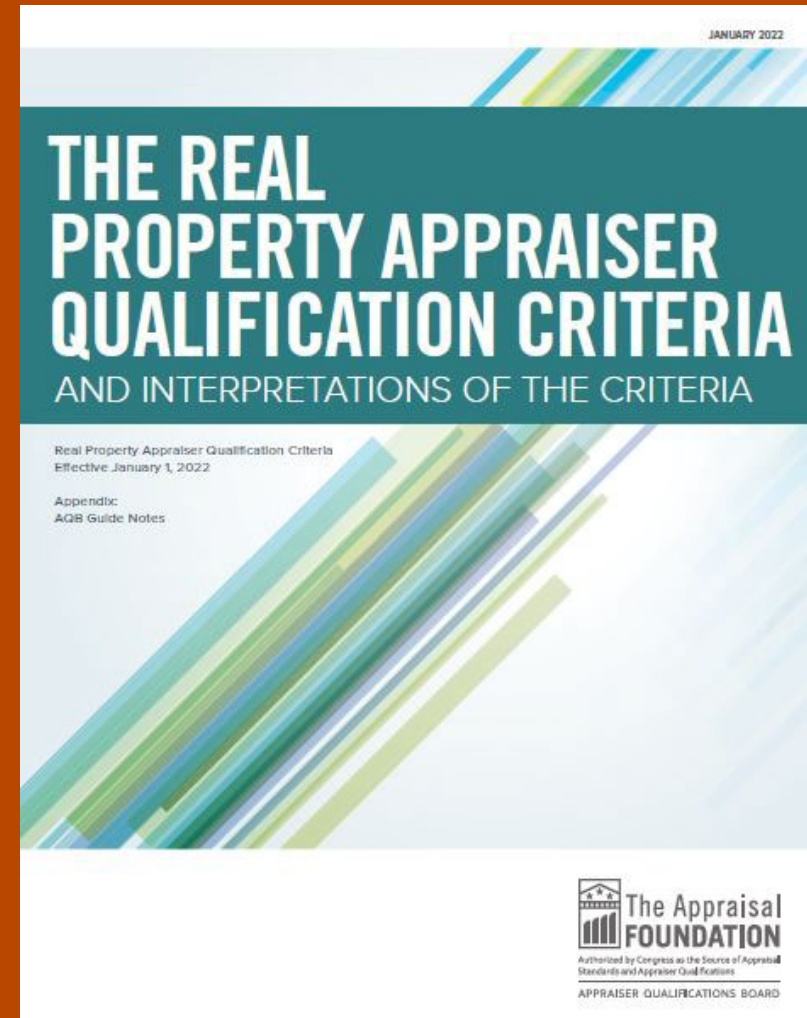
Evolution

- History of the apprentice model



- PAREA Becomes Effective January 1, 2021

What is PAREA?



PAREA is

- An alternative to the traditional Supervisor-Trainee model
- Available for Licensed Residential and Certified Residential
- Can provide up to 100% of experience credit
 - Counts toward Residential portion of the 3000 hrs. for CG
- Approved by the AQB

PAREA is NOT:

- Not intended to provide “competency”, but it provides “minimum qualifications”
- Not intended to be “partially” adopted, but states may choose to do so

Participants must:

- Complete all QE prior to entering a program
 - 150 hours of QE for Licensed
 - 200 hours of QE for Certified
- Be periodically mentored
- Produce USPAP-compliant appraisals
- Complete the PAREA program in its entirety before earning the completion certificate. No partial credit.
- Still pass the national licensing exam

Providers must:

- Offer training on all topics
- Ensure participants produce USPAP compliant appraisal reports
- Provide an adequate number of Mentors
- Provide participants access to data, research, MLS, environmental info, etc.
- Determine type of acceptable training methods
 - Computer based Learning, video gaming, video tutorial, Virtual Assistant, Virtual Reality Training
- Ensure their program is accepted in the state

Designed as “Modules”

- PAREA has two modules
 - Licensed Residential
 - Certified Residential
- Modules contain lists of required content
 - May be taken out of order
- Modules are the content which must be included in the providers’ development of exercises, examples, simulations, case studies, and applications.

Example of Content in PAREA

LICENSED MODULE

- | | |
|---|---|
| I. General Considerations and Responsibilities | VI. Subject Site Inspection |
| II. Problem Identification | VII. Subject Property Improvements Section |
| III. Review I and II With Mentor | VIII. Measuring the Subject Property Improvements |
| IV. Property Identification and Inspection... | IX. Sketch Completion |
| V. Verification of Neighborhood and Market Area | X. Review Sections IV thru IX with Mentor |

Etc.

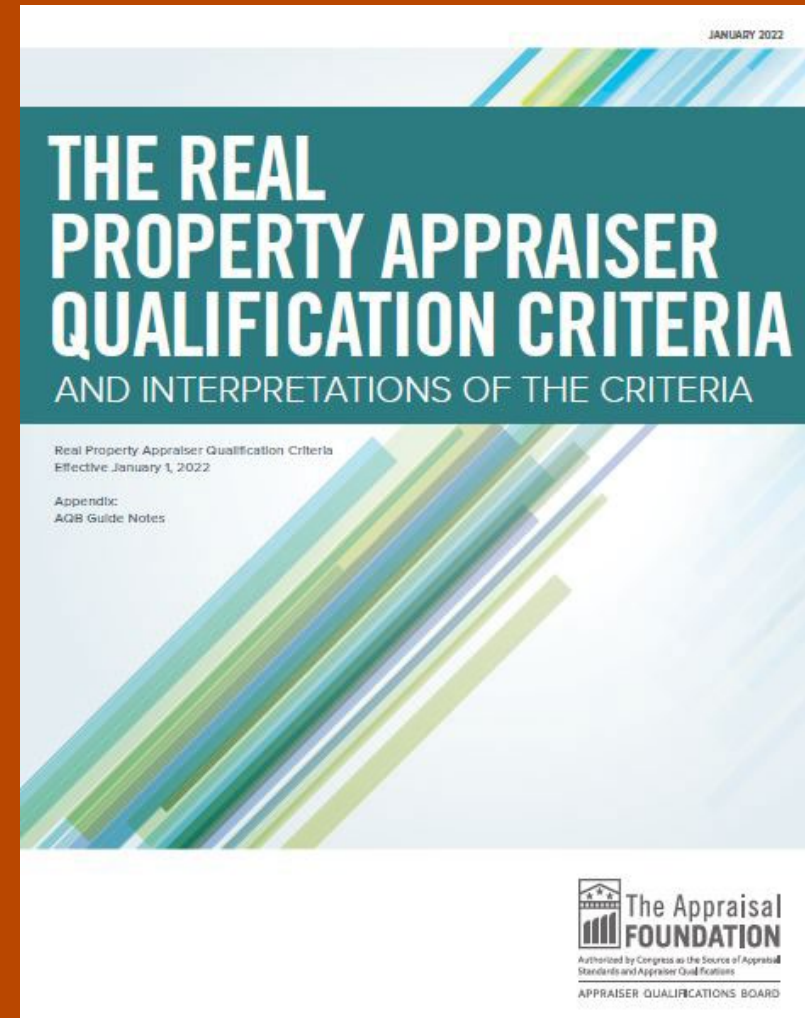
USPAP Compliant Reports

- USPAP Compliant Appraisal Reports
 - Represent a variety of appraisal assignments
 - Participants will be required to produce a specific number
 - The reports will be produced to serve as a final evaluation of the participants comprehension of PAREA training.

A new pathway for aspiring appraisers

- PAREA directly addresses the difficulty aspiring appraisers face in finding a supervisor.
- We want the appraisal profession to reflect the population of the United States.
- Our hope is that PAREA opens up the profession to a diverse new generation of appraisers.

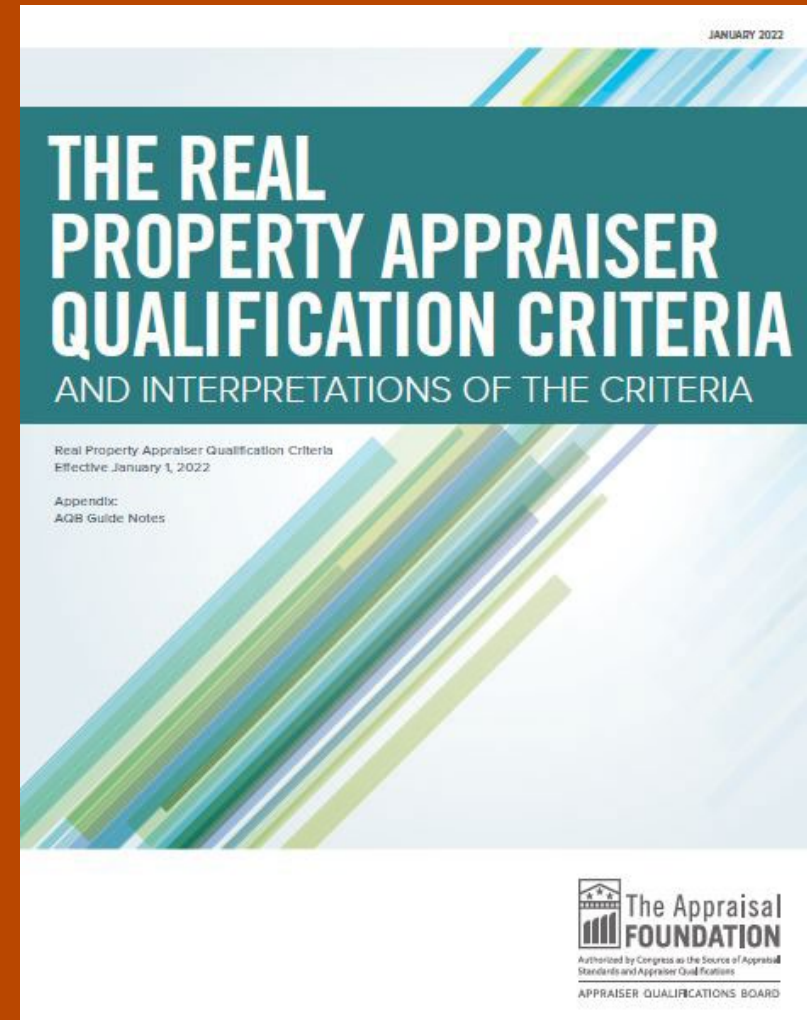
Updates on PAREA



Updates on PAREA:

- Seven concept reviews submitted to date
- AQB expects to see a first draft of a program submitted sometime this year.
- Over 1,800 interested in PAREA
- Pathways to Success Conditional Grant awarded to Appraisal Institute in collaboration with the National Society of Real Estate Appraisers

Frequently asked questions from state regulators



How many states have adopted PAREA?

- **31** states that have, one way or another, indicated that completion of PAREA will be acceptable.
 - **Fully Adopted:** Colorado, District of Columbia, Louisiana, Maine, Montana, Ohio, and Oklahoma (7)
 - **Partially Adopted:** California and Kansas (2)
 - *California adopted up to 50% for LR, 50% for CR, 25% for CG experience hours, but hopes to fully adopt PAREA in the near future.*
 - *Kansas – 50% Based upon the practicum allowance in a previous version of the Criteria*
 - **Rulemaking/Legislation in Progress for full adoption:** Florida, Iowa, Kentucky, Louisiana, Nebraska, New Hampshire, New Mexico, North Carolina, Pennsylvania, South Dakota, Utah, and Washington (12)
 - **Adoption by Reference of the *Criteria* (may also be captured in another category):** Arizona, District of Columbia, Louisiana, Michigan, Minnesota, Mississippi, Montana, New Jersey, North Carolina, North Dakota, Oklahoma, Rhode Island, South Carolina, Tennessee, Texas, and Vermont. (11 – *5 other states have Criteria plus have made other indications of PAREA acceptance*)
 - **Discussing PAREA:** Alabama, Alaska, Arkansas, Connecticut, Delaware, Georgia, Hawaii, Idaho, Illinois, Indiana, Maryland, Massachusetts, Missouri, Nevada, New York, Oregon, Virginia, West Virginia, Wisconsin, and Wyoming. (20)

How much experience can be gained by PAREA?

Certification Type	Education	Experience	Exam
Licensed Residential	150 hours	1000 hours under a Supervisor in 6 months OR PAREA can replace up to 100% of the required experience hours	Yes
Certified Residential	200 hours	1500 Hours under a Supervisor in 12 months OR PAREA can replace up to 100% of the required experience hours	Yes
Certified General	300 hours	3000 Hours under a Supervisor in 18 months OR PAREA can replace up to 50% of the required experience hours	Yes

How do I know that a PAREA Program will be high-quality without seeing it?

- Providers must follow the *Criteria*, *PAREA Implementation Policies*, and be sure they meet the PAREA Minimum Content Requirements for *Licensed Residential* and/or *Certified Residential* Classifications.
- The AQB will personally be reviewing each program to ensure that minimum standards are met.

Do states need to approve PAREA programs themselves?

- The AQB will approve PAREA programs, but it is up to each individual state to adopt PAREA as an alternative pathway, and to accept the AQB's approval of PAREA programs.

Do Mentors need to be licensed in individual states?

- No. There is not a geographical competency requirement within PAREA, so Mentors do not need to be licensed in the states where they are mentoring participants.

How will the PAREA program benefit states?

- Having participants go through a structured, AQB-approved program assures consistent and accurate training (something that is not always the result of some individual supervisor/trainee arrangements).
- With a state's full acceptance of PAREA experience, the need to review appraisal logs and appraisal work samples could be eliminated.
- Ensures the participant has experience writing USPAP compliant appraisal reports.
- Ensures the reports the participants demonstrate their own work product skills, rather than their supervisors.

How will the PAREA program benefit states?

- Participants are required to demonstrate mastery of each topic area before moving forward in the program. Thus, the emphasis is proficiency, not hours.
- PAREA will provide the participant opportunities to apply the complete appraisal process in the development of an appraisal report.
- The program is specifically designed to NOT provide competency for all types of specific appraisal problems. This is true of the existing licensing system today. As receiving an appraisal credential does not make one competent to perform all types of assignments. Just as it is now, all credentialed appraisers can gain competency before completing assignments, but they do not have to demonstrate competency before they are issued a credential.

Questions?

The Foundation is here to help you with any questions you have or to provide you with the materials you need to fully understand PAREA:

Aida Dedajic
aida@appraisalfoundation.org
(202) 624-3058

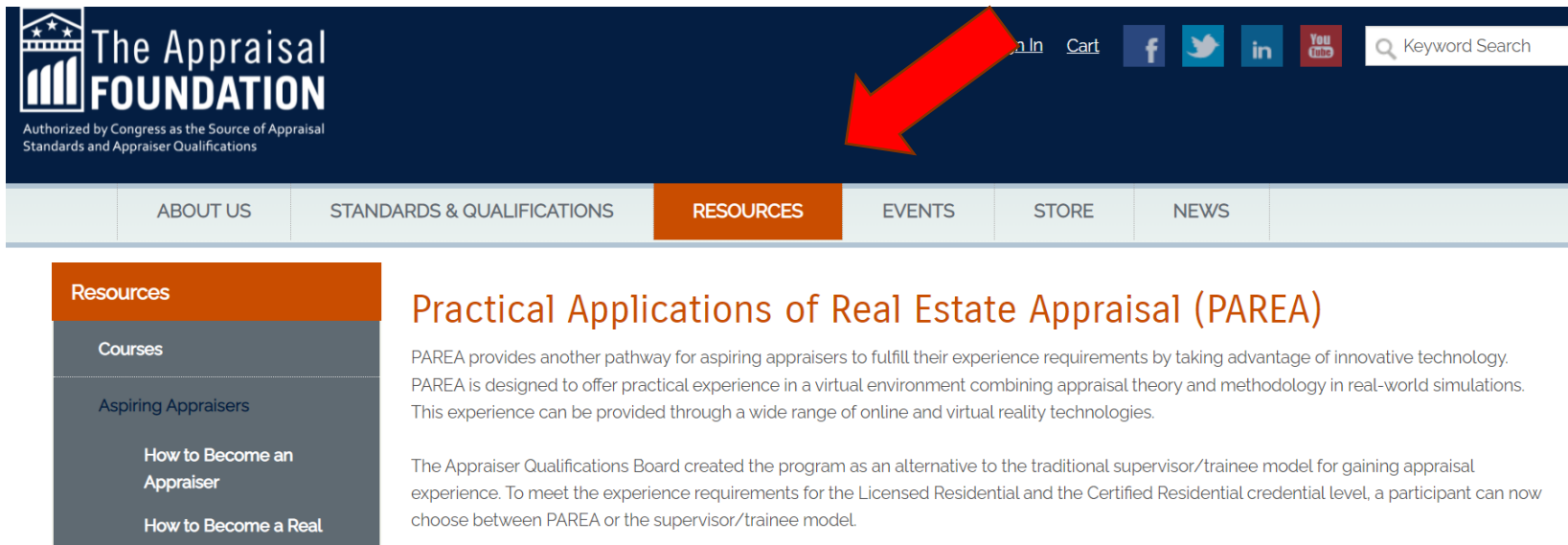


The Appraisal
FOUNDATION

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

Stay Informed

- Extensive information available on our PAREA webpage:



The screenshot shows the website header for The Appraisal Foundation, which is authorized by Congress as the source of appraisal standards and appraiser qualifications. The navigation menu includes links for ABOUT US, STANDARDS & QUALIFICATIONS, RESOURCES (highlighted in orange), EVENTS, STORE, and NEWS. A red arrow points to the RESOURCES link. Below the navigation menu, the RESOURCES dropdown is open, showing options for Courses, Aspiring Appraisers, How to Become an Appraiser, and How to Become a Real Estate Appraiser. The main content area features the title "Practical Applications of Real Estate Appraisal (PAREA)" in orange, followed by a paragraph explaining that PAREA provides a pathway for aspiring appraisers to fulfill their experience requirements through innovative technology in a virtual environment. A second paragraph states that the Appraiser Qualifications Board created the program as an alternative to the traditional supervisor/trainee model for gaining appraisal experience, allowing participants to choose between PAREA or the traditional model.

- Sign up for PAREA updates

THANK YOU

The Foundation is here to help you with any questions you have or to provide you with the materials you need to fully understand PAREA:

Aida Dedajic
aida@appraisalfoundation.org
(202) 624-3058



The Appraisal
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Example Legislation from States Who Have Accepted PAREA

Utah

R162. Commerce, Real Estate.

R162-2g. Real Estate Appraiser Licensing and Certification Administrative Rules.

R162-2g-101. Authority.

- (1) The authority to promulgate rules governing the appraisal industry is granted by Section 61-2g-201[~~(2)~~(h)].
- (2) The authority to establish and collect fees is granted by Section 61-2g-202[(+)].
- (3) The authority to exempt specific persons from complying with USPAP standards is granted by Section 61-2g-205[~~(5)~~(e)] within certain limitations as imposed by Section 61-2g-403[(+)(e)].

R162-2g-102. Definitions.

- (1) "Affiliation" means an ongoing business association:
 - (a) between:
 - (i) two individuals registered, licensed, or certified under Section 61-2g; or
 - (ii) an individual registered, licensed, or certified under Section 61-2g and:
 - (A) an appraisal entity; or
 - (B) a government agency;
 - (b) for [~~the purpose of~~] providing an appraisal service; and
 - (c) regardless of whether an employment relationship exists between the parties.
- (2) The acronym "AQB" stands for the Appraiser Qualifications Board of the Appraisal Foundation.
- (3) "Board" means the Utah Real Estate Appraiser Licensing and Certification Board.
- (4) "Business day" means a day other than:
 - (a) a Saturday;
 - (b) a Sunday; or
 - (c) a federal or state holiday.
- (5) The acronym "CAMA" stands for Computer Assisted Mass Appraisal.
- (6) "Classification" means the type of license or certification held by an appraiser.
- (7) "Day" means calendar day unless specified as "business day."
- (8) "Deferral" means the postponement or delay for completion of a continuing education requirement due to active military duty or due to the impacts of a state- or federally-declared disaster as specified in R162-2g-306a.
- (9) "Desk review" means review of an appraisal:
 - (a) including verification of the data; but
 - (b) not including a physical inspection of the property.
- (10) "Distance education" means an education process based on the geographical separation of student and instructor, including:
 - (a) computer conferencing;
 - (b) satellite teleconferencing;
 - (c) interactive audio;
 - (d) interactive computer software;
 - (e) Internet-based instruction; and
 - (f) other interactive online courses.
- (11) "Division" means the Division of Real Estate of the Department of Commerce.
- (12) "Draft report" means an appraisal report that is distributed prior to being completed, as provided in Subsection R162-2g-502b(1).
- (13) "Entity" means:

- (a) a corporation;
 - (b) a partnership;
 - (c) a sole proprietorship;
 - (d) a limited liability company;
 - (e) another business entity; or
 - (f) a subsidiary or unit of an entity described in this [S]subsection [(13)].
- (14) "Field review" means review of an appraisal, including:
- (a) a physical inspection of the property; and
 - (b) verification of the data.
- (15) "Non-certified education" means a continuing education course offered outside of Utah, but for which a licensee may apply for credit pursuant to R162-2g-307d(4).
- (16) The acronym "PAREA" stands for Practical Applications of Real Estate Appraisal approved by the AQB as an alternative to the supervisor trainee model for gaining appraisal experience.
- (17)[(16)] "Person" means an individual or an entity.
- (18)[(17)] "Reinstatement" means renewing a license or certification for an additional period after its expiration date has passed, but prior to 12 months after the expiration date.
- (19)[(18)] The acronym "RELMS" stands for Real Estate Licensing and Management System, which is the online database through which individuals registered, licensed, or certified under these rules must submit certain information to the division.
- (20)[(19)] "Renewal" means reissuing a license or certification upon its expiration for an additional period.
- (21)[(20)] "School" means:
- (a) an accredited college, university, junior college, or community college;
 - (b) any state or federal agency or commission;
 - (c) a nationally recognized real estate appraisal or real estate related organization, society, institute, or association; or
 - (d) any school or organization approved by the board.
- (22)[(21)] "School director" means an authorized individual in charge of the educational program at a school.
- (23)[(22)] "Supervisory Appraiser" means a state-certified residential appraiser or a state certified general appraiser that directly supervises a trainee.
- (24)[(23)] "Trainee" means a person who is working under the direct supervision of a state-certified residential appraiser or a state-certified general appraiser to earn experience hours for licensure, and who meets the requirements of Subsection R162-2g-302.
- (25)[(24)] "Transaction value" means:
- (a) for loans or other extensions of credit, the amount of the loan or extension of credit;
 - (b) for sales, leases, purchases, and investments in, or exchanges of, real property, the market value of the real property interest involved; and
 - (c) for the pooling of loans or interests in real property for resale or purchase, the amount of the loan or market value of the real property calculated with respect to each such loan or interest in real property.
- (26)[(25)] The acronym "USPAP" stands for the current edition of the Uniform Standards of Professional Appraisal Practice published by the Appraisal Foundation.
- (27) "Virtual-live continuing education" also described as synchronous education, means continuing education that is presented in a live, video conferencing format, using interactive

instructional methods where teacher and student may be separated by distance but not by time. The teacher is able to interact, and does interact in real time with the students.

R162-2g-302. Application for Trainee Registration.

(1) Registration required.

(a) Except for an individual who successfully completes an AQB approved Licensed Residential PAREA module, an [An]individual who intends to obtain a license to practice as a state-licensed appraiser shall first register with the division as a trainee. An individual who successfully completes an AQB approved Licensed Residential PAREA module need not register as a trainee prior to making application to sit for the state-licensed appraiser exam.

(b) The division and the board shall not award or recognize experience hours toward licensure for any appraisal work that is performed by an individual during a period of time when the individual is not registered as a trainee.

(2) Character. An individual registering with the division as a trainee shall evidence honesty, integrity, and truthfulness.

(a) A trainee applicant shall be denied registration for:

(i) a felony that resulted in:

(A) a conviction occurring within five years of the date of application; or

(B) a jail or prison release date falling within five years of the date of application; or

(ii) a misdemeanor involving fraud, misrepresentation, theft, or dishonesty that resulted in:

(A) a conviction occurring within three years of the date of application; or

(B) a jail or prison release date falling within three years of the date of application.

(b) A trainee applicant may be denied registration upon consideration of the following:

(i) criminal convictions and pleas entered at any time prior to the date of application;

(ii) the circumstances that led to any criminal convictions or pleas under consideration;

(iii) past acts related to honesty~~[or moral character]~~, with particular consideration given to any such acts involving the appraisal business;

(iv) dishonest conduct that would be grounds under Utah law for sanctioning an existing licensee;

(v) civil judgments in lawsuits brought on grounds of fraud, misrepresentation, or deceit;

(vi) court findings of fraudulent or deceitful activity in civil lawsuits;

(vii) evidence of non-compliance with court orders or conditions of sentencing;

(viii) evidence of non-compliance with terms of a probation agreement, plea in abeyance, or diversion agreement; and

(ix) failure to pay taxes or child support obligations.

(3) ~~[Competency.]~~ An individual registering with the division as a trainee shall evidence competency. In evaluating an applicant for competency, the division and board may consider any evidence, including the following:

(a) civil judgments, with particular consideration given to any such judgments involving the appraisal business;

(b) failure to satisfy a civil judgment that has not been discharged in bankruptcy;

(c) the extent and quality of the applicant's training and education in appraisal;

(d) the extent of the applicant's knowledge of the Utah Real Estate Appraiser Licensing and Certification Act;

(e) evidence of disregard for licensing laws;

(f) evidence of drug or alcohol dependency; and

- (g) the amount of time that has passed since any incident under consideration.
- (4) Pre-licensing education.
- (a) Within the five-year period preceding the date of application, an applicant shall successfully complete 81 ~~[75-classroom]~~ hours:
- (i) approved by the AQB; and
 - (ii)(A) certified by the division pursuant to Subsections R162-2g-307c(1) through ~~[-]~~(3); or (B) not required to be certified by the division pursuant to Subsection R162-2g-307c(6).
- (b) The 81~~[75]~~ hours of required education shall include:
- (i) 30 hours of appraisal principles;
 - (ii) 30 hours of appraisal procedures; ~~[and]~~
 - (iii) the 15-hour National USPAP course, or its equivalent; and
 - (iv) the six-hour Utah appraiser supervisor and trainee course.
- (c) The 15-hour National USPAP Course or its equivalent may not be accepted by the division as qualifying education unless it is:
- (i) taught by an instructor who:
 - (A) is a state-certified residential or state-certified general appraiser; and
 - (B) has been certified by the AQB; or
 - (ii) approved as a distance education course by the AQB and International Distance Education Certification Center.
- (d) A person who applies for trainee registration ~~[on or after January 1, 2015]~~ shall have successfully completed the division approved Supervisory Appraiser and Appraiser Trainee Course:
- (i) as taught by a division-approved instructor; and
 - (ii) within the two-year period preceding the date of application.
- (e) ~~[Examination.]~~ An applicant shall evidence having passed the final examination in required ~~[all]~~ pre-licensing courses.
- (5) ~~[Application to the division.]~~ An applicant shall submit the following to the division:
- (a) a completed application as provided by the division;
 - (b) course completion certificates for the 75 hours of pre-licensing education;
 - (c) a course completion certificate for the six-hour Utah appraiser supervisor and trainee course;
 - (d) ~~[(e)]~~ (i) two fingerprint cards in a form acceptable to the division; or (ii) evidence that the applicant's fingerprints have been successfully scanned at a testing center;
 - (e) ~~[(d)]~~ the ~~[all]~~ court documents related to any past criminal proceeding;
 - (f) ~~[(e)]~~ complete documentation of any sanction taken against any license in any jurisdiction;
 - (g) ~~[(f)]~~ a signed letter of waiver authorizing the division to:
 - (i) obtain the fingerprints of the applicant;
 - (ii) review past and present employment records;
 - (iii) review education records; and
 - (iv) conduct a criminal background check;
 - (h) ~~[(g)]~~ the fee for the criminal background check;
 - (i) ~~[(h)]~~ the name of the state-certified appraisers ~~[(s)]~~ with whom the trainee is affiliated;
 - (j) ~~[(i)]~~ the name and business address of any appraisal entity or government agency with which the trainee is affiliated; and
 - (k) ~~[(j)]~~ the nonrefundable application fee.

(6) ~~[Affiliation with certified appraiser(s).]~~ A trainee applicant ~~[Applicants]~~ shall affiliate with at least one supervising certified appraiser and evidence that affiliation by:

- (a) identifying each supervising certified appraiser on a form supplied by the division; and
- (b) obtaining each supervising certified appraiser's signature on the application.

R162-2g-304a. Application to Sit for the State-Licensed Appraiser Exam.

(1) An applicant to sit for the state-licensed appraiser exam shall provide the following to the division:

~~(a) evidence of having successfully completed a state-licensed appraiser pre-licensing required core curriculum of 156 hours of qualifying education as described in Appendix 4, Table 1 and that has been certified by the division pursuant to Section R162-2g-307c;~~

~~(b) required experience, including:~~

~~(i)[(a)] completed experience forms, as required by the division:~~

~~(A)[(i)] documenting [all-]experience hours completed by the applicant from the date of trainee registration to the date of application for licensure;~~

~~(B) which experience hours are completed under the supervision of one or more certified appraisers with whom the trainee is affiliated;~~

~~(C) which affiliation is evidenced by:~~

~~(I) identifying each supervising certified appraiser on a form supplied by the division; and~~

~~(II) obtaining each supervising certified appraiser's signature on the application; and~~

~~(D)[(ii)] evidencing at least 1,000 hours of appraisal experience:~~

~~(I)[(A)] pursuant to [Subsection-]Section R162-2g-304d;~~

~~(II)[(B)] completed during the time when the applicant was registered with the division as a trainee; and~~

~~(III)[(C)] accrued in no fewer than[:~~

~~(I)-] 6 months for applicants submitting experience primarily from Appendices 1 and 2, or[~~

~~(II)-] 12 months for applicants submitting experience primarily from appendix 3; or~~

~~(ii)[(b)] evidence of having successfully completed an AQB approved PAREA Licensed Residential module; and~~

~~[(b) evidence of having successfully completed a state-licensed appraiser pre-licensing required core curriculum as described in Appendix 4, Table 1 and that has been certified by the division pursuant to Subsection R162-2g-307c; and]~~

~~[(c)] a nonrefundable application fee.~~

~~(2) PAREA participants must complete, as a prerequisite prior to commencement of an AQB approved PAREA training module, 156 hours of qualifying education as specified in the Required Core Curriculum for the Licensed Appraiser classification.~~

~~(3)[(2)] The pre-licensing curriculum required by Subsection (1)(c)[(4)(b)] shall be conducted by:~~

- (a) a college or university;
- (b) a community or junior college;
- (c) a real estate appraisal or real estate related organization;
- (d) a state or federal agency or commission;
- (e) a proprietary school;
- (f) a provider approved by a state certification and licensing agency; or
- (g) the Appraisal Foundation or its boards.

~~(4)[(3)](a) Upon determining that the applicant satisfies the education and experience requirements, the division shall issue to the applicant a form permitting the applicant to register for the examination.~~

(b) Upon being approved to register for the examination pursuant to ~~[this-]~~Subsection (3)(a), an applicant shall:

(i) return the examination application form to the testing service designated by the division; and

(ii) pay a nonrefundable examination fee to the testing service designated by the division.

(c) The permission to register to sit for the examination shall be valid for 24 months after issuance.

R162-2g-304b. Application to Sit for the State-Certified Residential Appraiser Exam.

(1) An applicant to sit for the state-certified residential appraiser exam shall provide the following to the division:

(a) completed experience forms, as required by the division, evidencing at least 1,500 hours of ~~[total-]~~appraisal experience, at least 500 of which:

(i) meet the requirements of ~~[Subsection-]~~Section R162-2g-304d;

(ii) are completed during the time when the applicant is licensed as a state-licensed appraiser:

(A) with the division; or

(B) in another state, if licensure was required in that state at the time the appraisal was performed; and

(iii) are accrued in no fewer than:

(A) for applicants submitting experience primarily from appendices 1 and 2, 6 months from the date the applicant received the state-licensed appraiser credential; or

(B) for applicants submitting experience primarily from appendix 3, 12 months from the date the applicant received the state-licensed appraiser credential; or

(b) evidence of having obtained;

(i) 1,500 experience hours by successfully completing the AQB approved PAREA modules for both the Licensed Residential module and the Certified Residential module;

(ii) 1,000 experience hours by successfully completing the AQB approved Licensed Appraiser PAREA module, plus at least 500 hours of supervised appraisal experience that meets the requirements of Subsections (a)(i), (ii), and (iii); or

(iii) 500 experience hours by successfully completing the AQB approved Certified Residential Appraiser PAREA module, plus at least 1,000 hours of supervised appraisal experience, at least 500 of which meet the requirements as described in Subsections (a)(i), (ii), and (iii);

~~(c)[(b)]~~ evidence of having completed at least one of the following six education options:

(i) option 1: received a Bachelor's degree or higher in any field of study from an accredited college or university;

(ii) option 2: received an Associate's degree from an accredited college or university in a field of study related to:

(A) Business Administration;

(B) Accounting;

(C) Finance;

(D) Economics; or

(E) Real Estate;

(iii) option 3: successful completion of 30 semester hours of college-level courses that cover each of the following specific topic areas and hours:

(A) English composition (3 semester hours);

(B) micro economics (3 semester hours);

- (C) macro economics (3 semester hours);
- (D) finance (3 semester hours);
- (E) algebra, geometry, or higher mathematics (3 semester hours);
- (F) statistics (3 semester hours);
- (G) computer science (3 semester hours);
- (H) business law or real estate law (3 semester hours); and
- (I) two elective courses in: accounting, geography, agricultural economics, business management, or real estate (3 semester hours each);

(iv) option 4: successful completion of at least 30 hours of College Level Examination Program 7 (CLEP7) examinations from the following subject matter areas:

- (A) College Algebra;
- (B) College Composition;
- (C) College Composition Modular;
- (D) College Mathematics;
- (E) Principals of Macroeconomics;
- (F) Principals of Microeconomics;
- (G) Introductory Business Law; and
- (H) Principals of Management

(v) option 5: any combination of option 3 and option 4 that includes ~~all of~~ the topics identified in option 3; or

(vi) option 6: no college-level education is required for appraisers who have held a state-licensed appraiser credential for a minimum of five years and have no record of any adverse, final, and non-appealable disciplinary action affecting the state-licensed appraiser's legal eligibility to engage in appraisal practice within the five years immediately preceding the date of application for a state-certified residential credential;

~~(d)(e)~~ evidence of having successfully completed a state-certified residential appraiser pre-licensing required core curriculum as described in Appendix 4, Table 1 and that has been certified by the division pursuant to ~~Subsection~~ Section R162-2g-307c; and

~~(e)(d)~~ except as provided in ~~[this Subsection (4)(a)]~~ Subsection (5)(a), a nonrefundable application fee.

(2) The pre-licensing curriculum required by Subsection(1)I shall be provided by:

- (a) a college or university;
- (b) a community or junior college;
- (c) a real estate appraisal or real estate related organization;
- (d) a state or federal agency or commission;
- (e) a proprietary school;
- (f) a provider approved by a state certification and licensing agency; or
- (g) the Appraisal Foundation or its boards.

(3) PAREA participants must complete, as a prerequisite prior to commencement of an AQB approved PAREA training module, 206 hours of qualifying education as specified in the Required Core Curriculum for the Certified Residential Real Property Appraiser classification.

~~(4)(a)(3)(a)~~ Upon determining that the applicant satisfies the education and experience requirements, the division shall issue to the applicant a form permitting the applicant to register for the examination.

(b) Upon being approved to register for the examination pursuant to ~~[this]~~ Subsection ~~(4)(a)(3)(a)~~, an applicant shall:

(i) return the examination application form to the testing service designated by the division;
and

(ii) pay a nonrefundable examination fee to the testing service designated by the division.

I The permission to register to sit for the examination shall be valid for 24 months after issuance.

~~(5)(a)~~~~(4)(a)~~ A state-licensed appraiser who, within six months of renewing the license, submits an application and consequently qualifies for certification shall not be required to pay the entire application fee but shall instead pay the difference between the renewal fee and the application fee.

(b) A certification that is obtained under Subsection (5)(a)~~this Subsection (4)(a)~~ shall expire on the ~~same~~ date that the license was due to expire prior to the granting of certification.

R162-2g-304c. Application to Sit for the State-Certified General Appraiser Exam.

(1) An applicant to sit for the state-certified general appraiser exam shall provide the following to the division:

(a) completed experience forms, as required by the division, evidencing at least 3,000 hours of total appraisal experience, at least 1,000 of which:

(i) meet the requirements of ~~[Subsection]~~Section R162-2g-304d;

(ii) are completed during the time when the applicant is licensed as a state-licensed appraiser or state-certified residential appraiser:

(A) with the division; or

(B) in another state, if licensure was required in that state at the time the appraisal was performed;

(iii) are accrued in no fewer than:

(A) 12 months from the date the applicant received a state-licensed appraiser credential for applicants submitting experience primarily from appendices 1 and 2, or

(B) 18 months from the date the applicant received a state-licensed appraiser credential for applicants submitting experience primarily from appendix 3; and

(iv) evidence that at least 1,500 experience hours are derived from non-residential appraisal experience~~[-]~~; or

(b) completed experience forms, as required by the division, evidencing at least 3,000 hours of total appraisal experience:

(i) at least 1,000 hours of which meet either the requirements of Subsections (1)(a)(i), (ii), and (iii);

(ii) up to 1,500 hours of which may be derived from the successful completion of AQB approved PAREA program modules; and

(iii) evidence that at least 1,500 experience hours are derived from non-residential appraisal experience;

~~(c)~~~~(b)~~ evidence of having received a bachelor's degree or higher degree from an accredited college or university;

~~(d)~~~~(e)~~ evidence of having successfully completed a state-certified general appraiser pre-licensing required core curriculum as described in Appendix 4, Table 1 and that has been certified by the division pursuant to ~~[Subsection]~~Section R162-2g-307c; and

~~(e)~~~~(d)~~ except as provided in ~~this~~ Subsection (4)(a), a nonrefundable application fee.

(2) The pre-licensing curriculum required by Subsections (1)(c) shall be provided by:

(a) a college or university;

(b) a community or junior college;

- (c) a real estate appraisal or real estate related organization;
- (d) a state or federal agency or commission;
- (e) a proprietary school;
- (f) a provider approved by a state certification and licensing agency; or
- (g) the Appraisal Foundation or its boards.

(3)(a) Upon determining that the applicant satisfies the education and experience requirements, the division shall issue to the applicant a form permitting the applicant to register for the examination.

(b) Upon being approved to register for the examination pursuant to ~~[this]~~ Subsection (3)(a), an applicant shall:

- (i) return the examination application form to the testing service designated by the division; and
 - (ii) pay a nonrefundable examination fee to the testing service designated by the division.
- (c) The permission to register to sit for the examination shall be valid for 24 months after issuance.

(4)(a) A state-licensed appraiser or a state-certified residential appraiser who, within six months of renewing the license or certification, submits an application and consequently qualifies for certified general status shall not be required to pay the entire application fee but shall instead pay the difference between the renewal fee and the application fee.

(b) A certification that is obtained under ~~[this]~~ Subsection (4)(a) shall expire on the ~~[same]~~ date that the license was due to expire prior to the granting of certified general status.

R162-2g-304d. Experience Hours.

(1)(a) Except as provided in ~~[this]~~ Subsection (1)(b), appraisal experience shall be measured in hours according to the appraisal experience hours schedules found in Appendices 1 through 3 or according to AQB approved experience hours for PAREA modules.

(b)(i) An applicant who has experience in categories other than those shown on the appraisal experience hours schedules or who believes the schedules do not adequately reflect the applicant's experience or the complexity or time spent on an appraisal, may petition the board on an individual basis for approval of the experience as being substantially equivalent to that required for licensure or certification.

(ii) Upon a finding that an applicant's experience is substantially equivalent to that required for licensure or certification, the board may award the applicant an appropriate number of hours for the alternate experience.

(2) ~~[General restrictions.]~~ Appraisal experience obtained pursuant to Appendices 1 through 3 are restricted as follows:

- (a) An applicant may not accrue more than 2,000 experience hours in any 12-month period.
- (b) The board may not award credit for:
 - (i) appraisal experience earned more than five years prior to the date of application;
 - (ii) appraisals that were performed in violation of:
 - (A) Utah law;
 - (B) the law of another jurisdiction; or
 - (C) the administrative rules adopted by the division and the board;
 - (iii) appraisals that fail to comply with USPAP;
 - (iv) the performance of an evaluation as defined in the Real Estate Appraiser and Certification Act that ~~[which]~~ does not comply with USPAP;

(v) appraisals of the value of a business as distinguished from the appraisal of commercial real estate;

(vi) personal property appraisals; or

(vii) an appraisal that fails to clearly and conspicuously disclose the contribution made by the applicant in completing the assignment.

(c) At least 50% of the appraisals submitted for experience credit shall be appraisals of properties located in Utah.

(d) With regard to experience hours claimed from the schedules found in Appendices 1 and 2, no more than 25% of the total experience required for licensure or certification may be earned from appraisals where the interior of the subject property is not inspected.

(e) A maximum of 50% of required experience hours may be earned from appraisal of vacant land.

(f) Experience gained through the successful completion of an AQB approved PAREA module may, when approved, exceed 50% of the total experience requirement. Except for AQB approved PAREA modules, experience[Experience] gained for work without a traditional client may qualify for experience hours but may not [~~cannot~~] exceed 50% of the total experience requirement. Work without a traditional client includes the following:

(i) a client hiring an appraiser for a business purpose; or

(ii) a practicum course so long as the course is approved by the AQB Course Approval Program and, if the course is taught in Utah either live or by distance education, also approved by the division.

(g) An applicant may receive credit only for experience hours actually worked by the applicant and as limited by the maximum experience hours described in these rules.

(3) Specific restrictions applicable to trainees applying for licensure.

(a)(i) Except for AQB approved PAREA module experience hours, a [A] registered trainee may not claim experience hours for any appraisal work [~~performed after January 1, 2015~~] unless the trainee and the trainee's supervisor[~~s~~] have completed the division-approved Supervisory Appraiser and Appraiser Trainee Course prior to performing the work to be claimed.

(ii) Except for AQB approved PAREA module experience hours, a[A] trainee and the trainee's supervisor who signs the experience log shall document on the log the specific duties that the trainee performs for each appraisal.

(b) Except for AQB approved PAREA module experience hours, for [~~For~~] each duty performed, the trainee shall be awarded a percentage of the total experience hours that may be awarded for the property type being appraised:

(i) pursuant to the appraisal experience hour schedules found in Appendices 1 through 3; and

(ii) with the following limitations for Appendix 2:

(A) participation in highest and best use analysis: 10% of total hours;

(B) participation in neighborhood description and analysis: 10% of total hours;

(C) property inspection: 20% of total hours, pursuant to [~~this~~] Subsection (3)(c);

(D) participation in land value estimate: 20% of total hours;

(E) participation in sales comparison property selection and analysis: 30% of total hours;

(F) participation in cost analysis: 20% of total hours;

(G) participation in income analysis: 30% of total hours;

(H) participation in the final reconciliation of value: 10% of total hours; and

(I) participation in report preparation: 20% of total hours.

(J) The applicant may claim up to 100% of the total hours allowed for the tasks listed in ~~[this]~~ Subsections (A) through (I).

(c) ~~For [In order for]~~ a trainee to claim credit for an inspection pursuant to ~~[this]~~ Subsection (3)(b)(ii)(C):

(i) as to the first 35 residential appraisals or first 20 non-residential appraisals completed, as applicable to the license or certification being sought, the inspection must include:

(A) exterior measurement of the relatively permanent structures located on the subject property that are designed or intended for support, enclosure, shelter, or protection of persons, animals, or property having a permanent roof supported by columns or walls; and

(B) inspection of the exterior of a property that is used as a comparable in an appraisal; and

(ii) as to appraisals after the first 35 residential appraisals or first 20 non-residential appraisals completed, as applicable to the license or certification being sought, the inspection must satisfy the ~~[all]~~ scope of work requirements.

(d) No more than one-third of the experience hours submitted toward licensure may come from any one of the categories identified in ~~[this]~~ Subsection (3)(b)(ii).

(4) Specific restrictions applicable to applicants for certification.

(a) An individual who obtained a license from the division through reciprocity shall provide to the division the ~~[all]~~ records necessary for the division to verify that the individual satisfies the experience requirements outlined in these rules.

(b) The board may not award credit:

(i) for any appraisal where the applicant cannot prove more than 50% participation in the:

(A) data collection;

(B) verification of data;

(C) reconciliation;

(D) analysis;

(E) identification of property and property interests;

(F) compliance with USPAP standards; and

(G) preparation and development of the appraisal report; or

(ii) to more than one licensed appraiser per completed appraisal, except as provided in ~~[this]~~ Subsection (5).

(c)(i) An individual applying for certification as a state-certified residential appraiser shall document 1,500 experience hours, including:

(A) up to 1,500 hours of AQB approved experience hours for PAREA modules: or

(B) at least 75% of the hours submitted from:

(I)~~(A)~~ the residential experience hours schedule found in Appendix 1; or

(II)~~(B)~~ the residential portion of the mass appraisal hours schedule found in Appendix 3.

(ii) No more than 25% of the total hours submitted may be from:

(A) the general experience hours schedule found in Appendix 2; or

(B) properties other than 1- to 4-unit residential properties identified in the mass appraisal hours schedule found in Appendix 3.

(d) An individual applying for certification as a state-certified general appraiser shall document at least 1,500 experience hours as having been earned from:

(i) the general experience hours schedule found in Appendix 2; or

(ii) properties other than 1- to 4-unit residential properties identified in the mass appraisal hours schedule found in Appendix 3.

(5) Specific restrictions applicable to mass appraisers.

(a) Single-property appraisals performed under USPAP Standards 1 and 2 by mass appraisers shall be awarded full credit pursuant to Appendices 1 and 2.

(b) Review and supervision of appraisals by mass appraisers shall be awarded credit pursuant to ~~[this]~~ Subsection (6)(b) and ~~[-]~~(c).

(c)(i) Mass appraisers and mass appraiser trainees who perform 60% or more of the appraisal work shall be awarded full credit pursuant to Appendix 3.

(ii) Mass appraisers and mass appraiser trainees who perform between 25% and 59% of the appraisal work shall be awarded 50% credit pursuant to Appendix 3.

(iii) Mass appraisers and mass appraisal trainees who perform less than 25% of the appraisal work shall be awarded no credit for the appraisal assignment.

(d) In addition to submitting proof of required experience and samples, randomly selected from the experience log, of work conforming to USPAP Standards 5 and 6:

(i) a state-licensed appraiser applicant whose experience is earned primarily through mass appraisal shall submit proof of having performed at least five appraisals conforming to USPAP Standards 1 and 2 equaling at least 65 experience hours;

(ii) a state-certified residential appraiser applicant whose experience is earned primarily through mass appraisal shall submit proof of having performed at least eight residential appraisals equaling at least 110 experience hours:

(A) conforming to USPAP Standards 1 and 2; and

(B) including at least two of each of the following property types:

(I) vacant residential or agricultural land;

(II) two- to four-unit dwelling;

(III) single-family unit; and

(IV) complex one- to four-unit ~~[four-unit]~~ residential dwellings; and

(iii) a state-certified general appraiser applicant whose experience is earned primarily through mass appraisal shall submit proof of having performed at least eight appraisals from Appendix 2 conforming to USPAP Standards 1 and 2 equaling at least 300 experience hours.

(e) No more than 200 hours for qualification for a state-licensed credential, 500 hours for a state-certified residential credential, or 1,800 hours for a certified general credential may be earned from any combination of appraisal assignments related to:

(i) property improvement inspection;

(ii) land segregation (division);

(iii) CAMA data entry; and

(iv) sale ratio study.

(f)(i) Mass appraisal of property with a personal property component of less than 50% of value shall be awarded full credit pursuant to Appendix 3 for the type of property appraised.

(ii) Mass appraisal of property with a personal property component of 50% to 75% of value shall be awarded 50% credit pursuant to Appendix 3 for the type of property appraised.

(iii) Mass appraisal of property with a personal property component greater than 75%, but less than 100%, shall be awarded 25% credit pursuant to Appendix 3 for the type of property appraised.

(iv) Mass appraisal of property with no real property component shall be awarded no credit.

(g) The appraisals submitted for review pursuant to ~~[this]~~ Subsection (5)(d) shall be selected from the applicant's most recent work.

(6) Special circumstances - condemnation appraisals, review appraisals, supervision of appraisers, other real estate experience, and government agency experience.

(a) Condemnation appraisals. A condemnation appraisal shall be awarded an additional 50% of the hours normally awarded for the appraisal if the condemnation appraisal includes a before-and-after appraisal because of a partial taking of the property.

(b) Review appraisals.

(i) Review appraisals shall be awarded experience credit when the appraiser performs technical reviews of appraisals prepared by employees, associates, or others, provided the appraiser complies with USPAP Standards 3 and 4 when the appraiser is required to comply with the rule.

(ii) Except as provided in ~~[this]~~ Subsection (6)(e)(i), the following credit shall be awarded for review of appraisals:

(A) desk review: 30% of the hours that would be awarded if a separate written review appraisal report were prepared, up to a maximum of 500 hours; and

(B) field review: 50% of the hours that would be awarded if a separate written review appraisal report were prepared, up to a maximum of 500 hours.

(c) Supervision of appraisers. Except as provided in ~~[this]~~ Subsection (6)(e)(i), supervision of appraisers shall be awarded 20% of the hours that would be awarded to the appraisal, up to a maximum of 500 hours.

(d) Other real estate experience acceptable for certification.

(i) Provided that an applicant demonstrates to the satisfaction of the board that the applicant has the ability to arrive at a fair market value of property and to properly document value conclusions, the following activities may be used to satisfy up to 50% of the experience required for certification:

(A) preliminary valuation estimates;

(B) range of value estimates or similar studies;

(C) other real estate-related experience gained by:

(I) bankers;

(II) builders;

(III) city planners and managers; or

(IV) other individuals.

(ii) A comparative market analysis by an individual licensed under Title 61, Chapter 2f ~~[Section 61-2f et seq.]~~ may be granted up to 100% experience credit toward certification if:

(A) the analysis conforms with USPAP Standards Rules 1 and 2; and

(B) the individual demonstrates to the board that the individual uses similar techniques as appraisers to value properties and effectively utilize the appraisal process.

(iii) Except as provided in ~~[this]~~ Subsection (6)(e)(i), or except for AQB approved PAREA module experience hours, no more than 50% of the total experience required for certification may be earned through any combination of experience described in ~~[this]~~ Subsections (6)(b) through (6)(d). ~~[(6)(b)-(d).]~~

(e) Government agency experience.

(i) An individual who obtains experience hours in conjunction with investigation by a government agency is not subject to the hour limitations of ~~[this]~~ Subsection (6).

(ii) In addition to submitting proof of required experience, an applicant whose experience is earned primarily in conjunction with investigations by government agencies and through review of appraisals, with no opinion of value developed, shall submit proof of having complied with USPAP Standards 1 and 2 in performing appraisals as follows:

(A) if applying for state-licensed appraiser with experience reviewing residential appraisals, five appraisals of one-unit dwellings;

(B) if applying for state-certified residential appraiser with experience reviewing residential appraisals, eight appraisals of one-unit dwellings; and

(C) if applying for state-certified general appraiser with experience reviewing appraisals of property types listed in Appendix 2, at least eight appraisals of property types identified in Appendix 2.

(7) The board, at its discretion, may request the division to verify the claimed experience by any of the following methods:

(a) verification with the clients;

(b) submission of selected reports to the board; and

(c) field inspection of reports identified by the applicant at the applicant's office during normal business hours.

(8)

R162-2g-304e. Experience Review Committee.

(1) The board may appoint a committee to review the experience claimed by applicants for licensure or certification.

(2) Experience hours obtained through completion of an AQB approved PAREA module or modules do not require review by the experience review committee.

(3)~~(2)~~ The committee shall:

(a) review each application for completion of the non PAREA experience hours required for licensure or certification;

(b) correspond with applicants concerning submissions, if necessary; and

(c) make recommendations to the division and the board for licensure or certification approval or disapproval.

(4)~~(3)~~ The committee shall be composed of appraisers selected from among the following categories:

(a) residential appraisers;

(b) commercial appraisers;

(c) farm and ranch appraisers;

(d) right-of-way appraisers; and

(e) mass appraisers.

(5)~~(4)~~ The chairperson of the committee shall be appointed by the board.

(6)~~(5)~~ Meetings may be called upon:

(a) the request of the chairperson; or

(b) the written request of a quorum of committee members.

(7)~~(6)~~ If the board denies the application on the recommendation of an experience review committee member, the applicant may, within thirty days after the denial, make a written request for board review of the applicant's experience, stating specific grounds upon which relief is requested. The board shall ~~thereafter~~ consider the request and issue a written decision.

R162-2g-306a. Renewal and Reinstatement of a Registration, License, or Certification.

(1)(a) A registration, license, or certification is valid for two years and expires unless it is renewed according to this ~~[Sub]section [R162-2g-306a-]~~before the expiration date of printed on the registration, license, or certificate.

(b) It ~~is~~ ~~shall be~~ grounds for disciplinary sanction if, after an individual's registration, license, or certification has expired, the individual continues to perform work for which the individual is required to be registered, licensed, or certified.

(2)(a) To timely renew a registration, license, or certification, an applicant shall, prior to the expiration date of the registration, license, or certification, submit to the division:

(i) a completed renewal application as provided by the division;

(ii)(A) evidence that the continuing education requirements listed in ~~this~~ Subsection (2)(b) have been completed; or

(B) evidence sufficient to enable the division ~~Division~~, in its sole discretion, to determine that a deferral of continuing education is appropriate due to the applicant's having been currently or recently:

(I) assigned to active military duty; or

(II) impacted by a state- or federally-declared natural disaster; and

(iii) the applicable non-refundable renewal fee.

(b) The continuing education required under ~~this~~ Subsection (2)(a)(ii)(A) shall be completed during the two-year period preceding the date of application and shall include:

(i)(A) the 7-hour National USPAP Update Course, taught by an instructor ~~who~~ ~~or instructors,~~ ~~at least one of whom~~ is a state certified appraiser in good standing and is USPAP certified by the AQB; or

(B) equivalent education, as determined through the course approval program of the AQB; and

(ii)(A) 21 additional hours of continuing education:

(I) certified by the division for the appraisal industry at the time the courses are taught (see Appendix 4, Table 2 for a list of continuing education topics); or

(II) not required to be certified, pursuant to Subsection R162-2g-307d(3); or

(B) if the renewal applicant is also working toward certification, 21 hours of pre-licensing education credit applicable to the certification being sought.

(iii) An appraiser may earn continuing education credit for attendance at one meeting of the ~~board~~ ~~Board~~ in each continuing education two-year cycle provided:

(A) the meeting is open to the public;

(B) the meeting is a minimum of two hours in length;

(C) the total credit for attendance at the meeting is limited to a maximum of seven hours; and

(D) the division verifies attendance to ensure that the appraiser attends the meeting for the required period of time.

~~(c)(i) A trainee who registered with the division prior to January 1, 2015 shall complete the Supervisory Appraiser and Appraiser Trainee course by or before December 31, 2014.~~

~~(ii)~~ A registered trainee may count the Supervisory Appraiser and Appraiser Trainee course toward the continuing education requirement of ~~this~~ Subsection (2)(b)(ii)(A) during any renewal cycle in which the trainee completes the course.

~~(d)(i) An appraiser who supervises a trainee [identified in Subsection (2)(c)(i)] shall complete the Supervisory Appraiser and Appraiser Trainee course by or before December 31, 2014.~~

~~(ii)~~ A supervising appraiser may count the Supervisory Appraiser and Appraiser Trainee course toward the continuing education requirement of Subsection (2)(b)(ii)(A) during any renewal cycle in which the appraiser completes the course.

(3)(a) In order to renew on time, an applicant shall complete continuing education hours by the 15th day of the month in which the registration, license, or certification expires.

(b) An applicant who complies with ~~[this]~~ Subsection (3)(a), but whose credits are not banked by the education provider ~~[pursuant to Subsection R162-2g-502a(5)(e)]~~, may obtain credit for the courses ~~[(s)]~~ taken by:

- (i) submitting to the division the original course completion certificates; and
- (ii) filing a complaint against the provider.

(4) A license, certification, or registration may be renewed for a period of 30 days after the expiration date upon payment of a late fee in addition to the requirements of ~~[this]~~ Subsection (2).

(5)(a) After the 30-day period described in ~~[this]~~ Subsection (4) and until six months after the expiration date, an individual may reinstate an expired license, certification, or registration by:

- (i) complying with ~~[this]~~ Subsection (2);
- (ii) paying a late fee; and
- (iii) paying a reinstatement fee.

(b) After the six-month period described in ~~[this]~~ Subsection (5)(a) and until one year after the expiration date, an individual may reinstate an expired license, certification, or registration by:

- (i) complying with ~~[this]~~ Subsection (2);
- (ii) paying a late fee; and
- (iii) paying a reinstatement fee; ~~and~~

~~———— (iv) completing 24 hours of additional continuing education as approved by the division].~~

(c)(i) An individual who does not reinstate an expired license, certification, or registration within 12 months of the expiration date shall:

- (A) reapply with the division as a new applicant;
- (B) retake and pass the 15-hour USPAP course; and
- (C) retake and pass any applicable licensing or certification examination.

(ii) An individual reapplying under ~~[this]~~ Subsection (4)(c)(i) shall receive credit for previously credited pre-licensing education if:

- (A) it was completed within the five-year period prior to the date of reapplication; and
- (B) it was ~~[either:~~

~~———— (I) completed after January 1, 2008; or~~

~~———— (II) certified by the division and the AQB [prior to January 1, 2008,] as approved, qualified pre-licensing education.~~

(6) If the division receives renewal documents in a timely manner, but the information is incomplete, the appraiser or trainee may be extended a 15-day grace period to complete the application.

(7) Renewal after deferment of continuing education due to active military service or the impacts of a state- or federally-declared disaster.

(a) An appraiser or trainee who is unable to complete the continuing education requirements to renew a registration, license, or certification due to active military service or because the individual has been impacted by a state- or federally-declared disaster may:

- (i) submit a timely application for renewal pursuant to Subsection (2)(a)(ii)(B); and
- (ii) request that the application for renewal be conditionally approved, with the expiration date of the applicant's registration, license, or certification extended pursuant to ~~[this]~~ Subsection (7)(b), pending the completion of the continuing education requirement.

(b) Upon the division's approving a deferral of continuing education, the expiration date of the applicant's registration, license, or certification shall be extended 90 days, during which time the applicant shall:

- (i) complete the continuing education required for the renewal; and
- (ii) submit proof of the continuing education to the division.

R162-2g-306b. Notification of Changes.

(1) An individual registered, licensed, or certified under these rules shall notify the division of any status change, including the following:

- (a) creation or termination of an affiliation, except as provided in ~~[this]~~ Subsection (2);
- (b) change of name; and
- (c) change of business, home, mailing, or e-mail address.

(2) An individual is not required to report the creation or termination of an affiliation that:

- (a) facilitates a single transaction; and
- (b) is not part of an ongoing business association.

(3) ~~Notification procedure.~~

~~_____~~(a) To report a change of name, an individual shall complete a ~~[paper]~~ change form and attach to it official documentation such as a:

- (i) marriage certificate;
- (ii) divorce decree; or
- (iii) driver license.

(b)(i) To report a change in affiliation or address, an individual shall complete and submit an electronic change form through RELMS.

(ii) A post office box without a street address is unacceptable as a business or home address. Any address may be designated as a mailing address.

~~[(e) All change forms shall be accompanied by a nonrefundable processing fee.]~~

(4) Deadlines and effective dates.

(a)(i) An individual shall comply with the notification requirements outlined in this ~~[Sub]~~section ~~[R162-2g-306b]~~ within ten business days of ~~the~~ ~~[making a]~~ status change.

(ii) If a deadline for notification falls on a day when the division is closed, the deadline shall be extended to the next business day.

(b) Status changes are effective on the date the properly executed forms and appropriate fees are received by the division.

R162-2g-307a. General Education Criteria Applicable to ~~[All]~~ Pre-Licensing Education and Continuing Education.

(1) A class hour is 60 minutes of which at least 50 minutes are instruction attended by the student.

(2) The prescribed number of class hours includes time for examinations.

(3) Experience may not be substituted for education, and education may not be substituted for experience.

R162-2g-307b. School Certification.

(1) ~~[Application.]~~ A school requesting certification shall:

(a) submit an application form as prescribed by the division, including:

(i) name, telephone number, email address, and address of:

- (A) the school;
- (B) the school director; and
- (C) ~~the~~ ~~[all]~~ owners of the school; and

(ii) as to each school director or owner, disclosure of criminal history and adverse regulatory actions;

- (b) provide a description of:
 - (i) the type of school; and
 - (ii) the school's physical facilities or method for delivery of course instruction;
- (c) provide a statement outlining the:
 - (i) number of quizzes and examinations in each course offered;
 - (ii) grading system, including methods of testing and standards of grading;
 - (iii) requirements for attendance; and
 - (iv) school's refund policy.
- (2) Standards for operation.
 - (a) The [All] courses shall be taught in an appropriate [~~classroom~~ environment] or facility and not in a private residence, except for a course approved for distance education.
 - (b) A school shall teach the approved course of study as outlined in the state-approved outline.
 - (c) At the time of registration, a school shall provide to each student:
 - (i) the statement described in [~~this~~] Subsection (1)(c);
 - (ii) a copy of the qualifying questionnaire that the student will be required by the division to answer as part of the pre-licensing [~~prelicensing~~] or precertification examination; and
 - (iii) a criminal history disclosure statement.
 - (d) A school shall require each student to attend 100% of the scheduled class time in order to earn credit for the course.
 - (e)(i) A school may not award credit to any student who fails the final examination.
 - (ii) A student who fails a school final examination must wait three days before retesting and may not retake the same final examination.
 - (iii) A student who fails a final examination a second time must wait two weeks before retesting and may not retake either exam that the student previously failed.
 - (iv) A student who fails a final exam a third time shall fail the course.
 - (f) A school may not allow a student to challenge a course or any part of a course by taking an exam in lieu of attendance.
 - (g) Credit hours.
 - (i) For a course that is taught outside of a college or university setting, one credit hour may be awarded for 50 minutes of instruction within a 60-minute period, allowing for a ten-minute break.
 - (ii) For a course that is taught in a college or university setting:
 - (A) one quarter hour is equivalent to 10 credit hours; and
 - (B) one semester hour is equivalent to 15 credit hours.
 - (iii) A school may not award more than eight credit hours per day per student.
- (3) A school shall report to the division within 10 calendar days of:
 - (a) any change in the information provided pursuant to [~~this~~] Subsection (1)(a)(i); and
 - (b) a school director or owner being convicted, or entering a plea in abeyance or diversion agreement, as to a criminal offense, excluding class C misdemeanors.
- (4)(a) A school certification is valid for two years from the date of issuance.
 - (b) To renew a school certification, an individual shall, prior to the date of expiration:
 - (i) submit a properly completed application as provided by the division; and
 - (ii) pay a nonrefundable applicable fee.

R162-2g-307c. Pre-licensing Course Certification.

- (1) To certify a pre-licensing course, an applicant shall, at least 30 days prior to the course being taught, submit a completed application as required by the division, including:

- (a) a course outline, including:
 - (i) a description of the course;
 - (ii) the length of time to be spent on each subject area, broken into segments of no more than 30 minutes each; and
 - (iii) three to five learning objectives for every three hours;
- (b) a description of any method of instruction that will be used~~[-other than lecture method]~~, including:
 - ~~[(i) webinar;~~
 - ~~— (ii) satellite broadcast; or~~
 - ~~— (iii) other form of distance education;]~~
 - (i) traditional classroom education;
 - (ii) virtual-live education, also designated as synchronous education by the AQB, or
 - (iii) distance education;
- (c) copies of at least three final examinations administered in the course and the answer keys that will be used to determine if a student passes the course;
- (d) the school procedure for maintaining the security of the final exams and answer keys;
- (e) the titles, authors, and publishers of all required textbooks;
- (f)(i) the instructor~~[(s)]~~ who will teach each class; and
- (ii) evidence that each instructor is:
 - (A) certified by the division;
 - (B) qualified to serve as a guest lecturer; or
 - (C) a college or university faculty member who has academic training or appraisal experience satisfactory to the division and the board;
- (g) a nonrefundable applicable fee; and
- (h) a signed statement agreeing that the course provider will, within 10 business days of completing the class, upload to the division the following information:
 - (i) course name;
 - (ii) course certificate number assigned by the division;
 - (iii) date the course was taught;
 - (iv) number of credit hours; and
 - (v) name and license number of each student receiving education credit.

(2) ~~[Standards for approval of traditional classroom courses. Each]~~ A traditional classroom course shall:

- (a) meet the minimum standards set forth in the state-approved course outline governing the course, including minimum hourly requirements;
- (b) be approved through the AQB course approval program;
- (c) allow a maximum of 10% of the required class time for testing, including review test and final examination;
- (d) use texts, workbooks, supplement pamphlets, and other materials that are appropriate and current in their application to the required course outline.

(3) A virtual-live course using a synchronous delivery method shall:

- (a) comply with Subsection (2);
- (b) provide verbal or written interaction between the student and instructor;
- (c) include a written examination personally proctored by an official approved by the presenting entity, or, with the prior approval of the division, remote proctoring, including bio-metric proctoring, pursuant to Subsection (5); and

- _____ (d) meet the course delivery requirements established by the AQB;
- (4)(a) A distance education course shall:
 - _____ (i) comply with Subsection (2);
 - _____ (ii) provide interaction between the student and instructor by means of a reciprocal environment where the student has verbal or written communication with the instructor;
 - _____ (iii) include a written examination:
 - _____ (A) personally proctored by an official approved by the presenting entity; or
 - _____ (B) with the prior approval of the division, proctored remotely, including bio-metric proctoring, pursuant to Subsection (5); and
 - _____ (iv) offer at least 15 credit hours.
- _____ (b) A distance education course shall obtain content approval from:
 - _____ (i) the AQB the division; or
 - _____ (ii) for an academic credit college course, content approval from an accredited college, community college, or university that offers a distance education program and is approved or accredited by the Commission on Colleges, a regional or national accreditation association, or by an accrediting agency that is recognized by the US Secretary of Education.
- _____ (c) Content for a non-academic credit college course provided by a college shall be approved by the AQB and a state appraiser regulatory jurisdiction.
- _____ (d) A distance education course shall obtain course delivery mechanism approval from one of the following sources:
 - _____ (i) an AQB approved organization that provides approval of course design and delivery;
 - _____ (ii) a college or university that qualifies for content approval in Subsection (b) and awards academic credit for the distance education course; or
 - _____ (iii) a qualifying college or university that qualifies for content approval in Subsection (b) and that has a distance education delivery program that approves the course design and delivery that incorporate interactivity.

~~[(3) Standards for approval of distance education~~

- ~~_____ (a) A distance education course shall:~~
 - ~~_____ (i) comply with Subsection (2);~~
 - ~~_____ (ii) provide interaction between the student and instructor;~~
 - ~~_____ (iii) include a written examination personally proctored by an official approved by the presenting entity;~~
 - ~~_____ (iv) meet the course delivery requirements established by the AQB and the International Distance Education Certification Center; and~~
 - ~~_____ (v) offer at least 15 credit hours.~~
- ~~_____ (b) A distance education course offered by a college or university may be deemed acceptable to meet the credit hour requirement if the course content is approved by:~~
 - ~~_____ (i) the AQB;~~
 - ~~_____ (ii) a state licensing jurisdiction; or~~
 - ~~_____ (iii) a college or university that:~~
 - ~~_____ (A) offers distance education programs in other disciplines; and~~
 - ~~_____ (B) is approved or accredited by:~~
 - ~~_____ (I) the Commission on Colleges;~~
 - ~~_____ (II) a regional or national accreditation association; or~~
 - ~~_____ (III) an accrediting agency that is recognized by the United States Secretary of Education.]~~

(5) Subject to division approval, either a synchronous course or an asynchronous course may use remote proctoring, including bio-metric proctoring.

(6)~~(4)~~ Within 10 business days after the occurrence of any material change in a course that could affect approval, the school shall give the division written notice of the change.

(7)~~(5)~~ A course certification is valid for no more than 24 months.

(8)~~(6)~~ Credit for non-certified pre-licensing education.

(a) Division certification is not required for a pre-licensing course that is offered by a school, as defined in Subsection R162-2g-102(21)~~[R162-2g-102(17)]~~ as long as:

(i) the course content:

(A) meets the minimum standards set forth in the Utah state-approved course outline; and

(B) is approved by the AQB course approval program;

(ii) the course provides at least 15 credit hours, including examinations~~[(s)]~~;

(iii) a closed-book, closed-note final examination is administered at the end of each course;

(iv) students are not allowed to earn credit from the course provider by challenge examination without first attending the course;

(v) credit is not awarded for duplicate or highly comparable classes;

(vi) where multiple classes are offered, they represent a progression in a student's knowledge;

and

(vii) in order to receive credit, a student is required to:

(A) attend 100% of the scheduled class hours;

(B) complete all required exercises and assignments; and

(C) pass the course final examination.

(b) Hourly credit for a course taken from a professional appraisal organization shall be granted according to the division approved list.

(c) An applicant who wishes to be awarded credit for non-certified pre-licensing education shall:

(i) provide to the division ~~[a list of]~~ the name of the course ~~[course(s)]~~ taken, including:

(A) the course title~~[(s)]~~;

(B) the name~~[(s)]~~ of the sponsoring organization~~[(s)]~~;

(C) the number of classroom hours completed;

(D) the date ~~[date(s)]~~ of course completion; and

(E) evidence that the course meets ~~[course(s) meet]~~ the requirements of:

(I) the AQB; and

(II) if distance education, the International Distance Education Certification Center;

(ii) request review of the course by the division and board;

(iii) establish that the criteria outlined in ~~[this-]~~Subsection (6)(a) are met;

(iv) attest on a notarized affidavit that the course has ~~[courses have]~~ been completed as documented; and

(v) if requested by the division, provide proof of completion of the course[s] in the form of a certificate[s], transcript[s], report card[s], letter[s] of verification, or similar proof.

(9)~~(7)~~ ~~Supervisory Appraiser and Appraiser Trainee Course.~~] In order to obtain certification of the supervisory appraiser and appraiser trainee course, a course provider shall:

(a) comply with ~~[this-]~~Subsection (1); and

(b) sign a written attestation agreeing to provide a ~~[paper-]~~copy of the course manual to each attendee.

R162-2g-307d. Continuing Education Course Registration and Certification.

(1) The division and the board may not award continuing education credit for a course that is taught in Utah to registered, licensed, or certified appraisers unless the course is registered or certified prior to its being taught.

(2) To certify a continuing education course, an applicant shall, at least 30 days prior to the course being taught, submit a completed application as required by the division, including:

(a) the name and contact information of the course sponsor and the entity through which the course will be provided;

(b)(i) if the application is for a course using the traditional classroom education, a description of the physical facility where the course will be taught; and

(ii) if the application is for a course using live-virtual or distance education, the delivery method for the course;

(c) the proposed number of credit hours for the course;

(d) identification of whether the method of instruction will be ~~traditional education or distance education~~];

(i) traditional education;

(ii) virtual-live education, including synchronous education as designated by the by the AQB;

(iii) distance education, including asynchronous education as designated by the AQB; or

(iv) a hybrid form of education that employs both synchronous and asynchronous delivery methods of education;

(e) title of the course;

(f) statement defining how the course will meet the objectives of continuing education by increasing the licensee's knowledge, professionalism, and ability to protect and serve the public;

(g) course outline including:

(i) a description of the subject matter covered in each 15-minute segment; and

(ii) a minimum of one learning objective for every hour of class time;

(h) the name and certification number of each certified instructor who will teach the course;

(i) copies of all materials that will be distributed to the participants;

(j) the procedure for pre-registration;

(k) the tuition or registration fee and a copy of the cancellation and refund policy;

(l) ~~[except for courses approved for distance education,]~~the procedure for taking and maintaining control of attendance during class time;

(m) sample of the completion certificate;

(n) signed statement agreeing that the course provider will, within 10 business days of completing the class, upload to the division the following information:

(i) course name;

(ii) course certificate number assigned by the division;

(iii) date the course was taught;

(iv) number of credit hours; and

(v) names and license numbers of all students receiving continuing education credit;

(o) signed statement agreeing not to market personal sales products; and

(p) other information the division might require.

(3) Standards for approval of a certified course.

(a)(i) A distance education course shall:

(A) provide interaction between the student and instructor; and

(B) include a written examination that requires a student to demonstrate mastery and fluency.

(ii) The division may approve a distance education course offered by a college or university if the college or university:

(A) offers distance education programs in other disciplines; and

(B)(I) is accredited by the Commission on Colleges or a regional accreditation association; or

(II) is approved by the International Distance Education Certification Center.

(b) The course topic must be AQB-approved.

(c) The procedure for taking and maintaining control of attendance shall be more extensive than having the students sign a class roll.

(d) The completion certificate shall allow for entry of:

(i) licensee's name;

(ii) type of license;

(iii) license number;

(iv) date of course;

(v) name of the course provider;

(vi) course title;

(vii) course certification number and expiration date;

(viii) credit hours awarded; and

(ix) signatures of the course sponsor and the licensee.

(e) A real estate appraisal-related field trip that is submitted for continuing education credit may not include transit time to or from the field trip location as part of the credit hours awarded.

(4) ~~[Non-certified continuing education credit.]~~ Except as provided in Subsection R162-2g-307d(1), the board may award non-certified continuing education credit on a case-by-case basis for the following:

(a) up to one-half of an individual's continuing education credit requirement for:

(i) participation, other than as a student, in appraisal educational processes and programs; or

(ii) teaching, program development, authorship of textbooks, or similar activities that are determined by the board to be equivalent to obtaining continuing education;

(b) service as a member of the experience review committee, or the technical advisory panel, if approved by the board and offered in accordance with AQB standards as a:

(i) practicum course under ~~[this]~~ Subsection (3)(a); or

(ii) course under ~~[this]~~ Subsection (3)(b); and

(c) completion of any course that:

(i) meets the continuing education objectives of increasing the licensee's knowledge, professionalism, and ability to protect and serve the public; and

(ii) is taught outside the state of Utah.

(5) Standards for approval of a registered course.

(a) A professional appraisal education organization may register a special event for continuing education, subject to the following conditions:

(i) the professional appraisal education organization shall submit a one-time application and registration fee to the division to register the organization as a qualified continuing education course provider and the special event for continuing education;

(ii) the division may grant approval of the special event based on the demonstrated experience of the professional appraisal education organization in providing, monitoring, and supervising quality professional course offerings.

(b) The registered organization is solely responsible for and accountable to the division:

(i) for the selection of appraisal instructors who are subject matter experts and industry qualified in the course~~[(s)]~~ or segment of the course~~[(s)]~~ they teach;

(ii) to ensure that:

(A) course instructors have subject matter expertise in the content area they are instructing;

and

(B) the course content of classes taught by both appraiser and non-appraiser course instructors is directly industry pertinent, relevant, and beneficial to and enhances the professional skills of the attending appraisers, and promotes the protection and wellbeing of the industry and the general public;

(iii) to monitor the attendance of each appraiser during the presentation of the course by taking and maintaining a list of attendees actually present during the presentation to ensure that an appraiser actually attends each CE course segment before providing a CE certificate or CE credit to the appraiser; and

(iv) to ensure that the registered course complies with the general criteria applicable to continuing education set forth in sections R162-2g-307a and R162-2g-307b.

(6)(a) The special event registered course may last for a maximum of seven consecutive days.

(b) The special event registered course is a single, one-time event and may not be repeated unless the professional appraisal education organization submits to the division an application and registration fee and receives division approval for a subsequent, single, one-time event.

(c) A professional appraisal education organization shall submit a separate course application for each course taught at the special event, however, only a single application fee is required to be paid to the division for each special event.

(d) The division maintains a fee schedule based on the total number of CE hours awarded for a CE course. The application and registration fee for a special event course is the fee from the division fee schedule.

R162-2g-307e. Instructor Certification for Pre-licensing Education.

(1) To certify as a pre-licensing education instructor, an individual shall:

(a) evidence that the applicant meets the character and competency requirements outlined in Subsections R162-2g-302(2)~~[-]~~ and (3);

(b) submit a completed application as provided by the division;

(c) demonstrate knowledge of the subject matter to be taught as evidenced by:

(i) current, active licensure or certification as applicable to the pre-licensing course proposed to be taught;

(ii) a minimum of five years active experience in appraising; and

(iii)(A) college or other appropriate courses specific to the topic proposed to be taught; or

(B) other experience acceptable to the board in the topic proposed to be taught;

(d) if the individual proposes to teach a course in USPAP, evidence that the individual is an AQB-certified USPAP instructor; and

(e) pay a nonrefundable application fee.

(2) A pre-licensing instructor certification is valid for 24 months from the date of issuance.

(3) To renew a pre-licensing instructor certification, an individual shall:

(a) submit a completed application, as provided by the division;

(b) evidence having taught at least 20 hours of ~~[in-class]~~ instruction in a certified course~~[(s)]~~ during the preceding term of certification;

(c) evidence having attended a real estate instructor development workshop sponsored or approved by the division during the preceding two years; and

- (d) pay a nonrefundable application fee.
- (4)(a) To reinstate an expired pre-licensing instructor certification within 30 days following the expiration date, an individual shall:
 - (i) comply with ~~[this-]~~Subsection (3); and
 - (ii) pay a nonrefundable late fee.
- (b) To reinstate an expired pre-licensing instructor certification after 30 days and within six months following the expiration date, an individual shall:
 - (i) comply with ~~[this-]~~Subsection (3);
 - (ii) pay a nonrefundable reinstatement fee; and
 - (iii) submit proof of having completed six classroom hours of education related to real estate appraisal or teaching techniques.
- (c) After a pre-licensing instructor certification has been expired for six months, an individual is required to apply as an original applicant and obtain a new certification.
- (5) A certified instructor shall comply with the reporting requirements of Section 61-2g-306~~(3)~~.

R162-2g-307f. Instructor Certification for Continuing Education.

- (1) Except for the limited circumstances provided for in Section R162-2g-307d for special continuing education events conducted by a professional appraisal education organization, a continuing education course that is required to be certified shall be taught by a certified instructor.
- (2) To obtain a continuing education instructor certification, an ~~and~~ individual shall, at least 30 days prior to the date on which instruction is proposed to begin:
 - (a) evidence that the applicant meets the character and competency requirements outlined in Subsections R162-2g-302(2) and ~~[-]~~(3);
 - (b) submit a completed application form, as provided by the division;
 - (c) evidence:
 - (i) at least three years of full-time experience in the course subject;
 - (ii) college-level education related to the course subject; or
 - (iii) a combination of experience and education acceptable to the division;
 - (d) evidence:
 - (i) at least 12 months of full-time teaching experience;
 - (ii) part-time teaching experience equivalent to 12 months of full-time teaching experience;

or

 - (iii) attendance at the division's Instructor Development Workshop;
 - (e) provide a signed statement agreeing to allow the instructor's courses to be randomly audited on an unannounced basis by the division or its representative;
 - (f) provide a signed statement agreeing not to market personal sales products;
 - (g) provide any other information the division requires; and
 - (h) pay a nonrefundable application fee.
- (3) A continuing education instructor certification is valid for two years.
- (4) To renew a continuing education instructor certification, an individual shall, prior to the date of expiration:
 - (a) submit a completed renewal application, as provided by the division;
 - (b)(i) evidence having taught a minimum of 12 continuing education credit hours during the past term of certification; or

(ii) provide a written explanation outlining the reason for not meeting the requirement having taught 12 continuing education credit hours and provide evidence satisfactory to the division that the applicant maintains an appropriate level of expertise; and

(c) pay a nonrefundable renewal fee.

(5)(a) To reinstate an expired continuing instructor certification within 30 days following the expiration date, an individual shall:

(i) comply with Subsection (4); and

(ii) pay a nonrefundable late fee.

(b) To reinstate an expired continuing instructor certification after 30 days and within six months following the expiration date, an individual shall:

(i) comply with Subsection (4); and

(ii) pay a nonrefundable reinstatement fee;

(c) After a continuing instructor certification has been expired for six months, an individual is required to apply as an original applicant and obtain a new certification.

R162-2g-308. Application for a Six-Month Temporary Permit.

(1) A non-resident of this state who is licensed or certified in another state and who wishes to apply for a six-month temporary permit to perform one or more specific appraisal assignments in Utah shall:

(a) evidence that each specific appraisal assignment is covered by a contract to provide appraisals;

(b) submit an application as provided by the division and including the following:

(i) name of the client;

(ii) specific property addresses[address(es)] to be appraised;

(iii) types[(s)] of property being appraised; and

(iv) estimated time to complete each assignment;

(c) complete and submit a qualifying questionnaire as provided by the division;

(d) sign an irrevocable consent to service authorizing the division to receive service of any lawful process on behalf of the applicant in any non-criminal proceeding arising out of the applicant's practice as an appraiser in this state;

(e) pay a nonrefundable application fee in the amount established by the division; and

(f) provide the starting date of the appraisal assignment for which the temporary permit is being sought.

(2)(a) A non-resident is limited to two temporary permits per calendar year, each of which may be extended one time for an additional six-month period if the assignments[(s)] for which the permit is issued have not been completed within the original six-month term of the temporary permit.

(b) A temporary permit may be extended by submitting the forms required by the division.

R162-2g-310. Application for Licensure or Certification Through Reciprocity.

An individual who is licensed or certified as an appraiser by another state may be licensed or certified in Utah by reciprocity on the following conditions:

(1) The applicant shall provide evidence that:

(a) the state in which the applicant is licensed requires appraisal pre-licensing education that is:

(i) approved by that state; and

- (ii) substantially equivalent in number to the hours required for the license or certification for which the applicant is applying in Utah;
 - (b) the applicant's pre-licensing education included either:
 - (i) the 15-hour National USPAP Course; or
 - (ii) equivalent education as determined through the course approval program of the AQB; and
 - (c) the applicant has passed an examination that has been approved by the AQB for the license or certification for which the applicant is applying.
- (2) The applicant shall:
- (a) obtain and study the Utah Real Estate Appraiser Licensing and Certification Act and the rules promulgated thereunder; and
 - (b) sign an attestation that the applicant understands and will abide by both the statute and the rules.
- (3) If the applicant resides outside ~~[of the state]~~ of Utah, the applicant shall sign an irrevocable consent to service authorizing the division to receive service of any lawful process on behalf of the applicant in any noncriminal proceeding arising out of the applicant's practice as an appraiser in this state.
- ~~[(4) The board may not issue a license or certification to an applicant who has been convicted of a criminal offense involving moral turpitude relating to the applicant's ability to provide services as an appraiser.]~~

R162-2g-311. Scope of Authority.

(1) Trainees.

- (a) An individual who has properly qualified as a trainee pursuant to Section R162-2g-302 may perform appraisal-related duties within the competence and scope of authority of the state-certified supervisory appraiser as follows:
 - (i) participating in property inspections;
 - (ii) measuring or assisting in the measurement of properties;
 - (iii) performing appraisal-related calculations;
 - (iv) participating in the selection of comparable properties for an appraisal assignment;
 - (v) making adjustments to comparable properties; and
 - (vi) drafting or assisting in the drafting of an appraisal report.
- (b) The trainee may have more than one supervisory appraiser.
- (c) The supervising appraiser shall be responsible to determine the point at which a trainee is competent to participate in each of the activities identified in ~~[this]~~ Subsection (1)(a), within the following limitations:
 - (i) As to a minimum of the trainee's first 35 inspections of residential properties:
 - (A) the trainee shall be accompanied and supervised by a state-certified appraiser;
 - (B) both the interior and the exterior of the properties shall be inspected; and
 - (C) the appraisal report shall comply with the requirements of Subsection R162-2g-502a(1)(g).
 - (ii) After the trainee's first 35 inspections, the supervising appraiser shall determine whether the trainee has demonstrated sufficient competency to continue making inspections of residential properties without being accompanied by the supervising appraiser.
 - (iii) As to the trainee's first 20 inspections of non-residential properties:
 - (A) the trainee shall be accompanied and supervised by a state-certified general appraiser;
 - (B) both the interior and the exterior of the properties shall be inspected; and

(C) the appraisal report shall comply with the requirements of Subsection R162-2g-502a(1)(g).

(d) A trainee may not:

(i) solicit or accept an assignment on behalf of anyone other than:

(A) the trainee's supervisor; or

(B) the supervisor's appraisal firm;

(ii) discuss an appraisal assignment with anyone other than:

(A) the supervisory appraiser responsible for the assignment;

(B) state enforcement agencies;

(C) third parties as may be authorized by due process of law; and

(D) a duly authorized professional peer review committee.

(e) The following persons are not subject to the scope of authority limitations of this subsection~~[Subsection (1)]~~:

(i) full-time elected county assessors; and

(ii) any person performing an appraisal for the purposes of establishing the fair market value of real estate for the assessment roll.

(2) ~~[State-licensed appraisers.]~~ In a federally-related transaction, state-licensed appraisers may appraise:

(a) non-complex one- to four-residential units having a transaction value of less than \$1,000,000;

(b) complex one- to four- residential units having a transaction value of less than \$250,000; and

(c) vacant or unimproved land that is utilized for one- to four-family purposes, or for which the highest and best use is one- to four-family purposes, so long as net income capitalization analysis is not required by the terms of the assignment.

(3) State-licensed appraisers and state-certified residential appraisers may not perform appraisals of the following:

(a) subdivisions for which:

(i) a development analysis~~[/appraisal]~~ is necessary; or

(ii) a discounted cash flow analysis is required by the terms of the assignment;

(b) vacant land, if the highest and best use of the land is for five or more one- to four-family units;

(c) commercial real property; or

(d) vacant land if the highest and best use of the vacant land is commercial use.

R162-2g-502a. Standards of Conduct and Practice.

(1) ~~[Affirmative duties in general.]~~ A person registered, licensed, or certified by the division shall:

(a) if employing an unlicensed assistant who is not registered as a trainee pursuant to Section R162-2g-302:

(i) actively supervise the unlicensed assistant; and

(ii) ensure that the assistant performs only clerical duties, including:

(A) typing research notes or reports completed by a trainee or an appraiser;

(B) taking photographs of properties; and

(C) obtaining copies of public records;

(b) except as provided in Subsection (2):

(i) comply with the current edition of USPAP; and

- (ii) observe the advisory opinions of USPAP;
- (c) in order to authorize another individual to sign an appraisal report on behalf of the individual who completes the report:
 - (i) grant authority to the signer in writing;
 - (ii) limit the signing authority to a specific property address;
 - (iii) explicitly disclose within the appraisal report that the signer is authorized by the appraiser to sign the report on the appraiser's behalf;
 - (iv) attach a copy of the written permission required pursuant to ~~[this]~~ Subsection (1)(c)(i) to the report; and
 - (v) ensure that the signer signs the appraiser's name, followed by the word "by," and then followed by the signer's own name;
 - (d) if using a digital signature in place of a handwritten signature, ensure that:
 - (i) the software program that generates the digital signature has a security feature; and
 - (ii) no one other than the appraiser has control of the digital signature;
 - (e) retain a photocopy or other exact copy of each report as it is provided to the client, including the appraiser's signature;
 - (f) analyze and report the sales and listing history of the subject property for the three years preceding the appraisal if such information is available to the appraiser from a multiple listing service, listing agents, property owner, or other verifiable sources;
 - (g)(i) include in each appraisal report a statement indicating whether or not the subject property was inspected as part of the appraisal process; and
 - (ii) if any inspections were done, include the following information concerning each inspection:
 - (A) the names of appraisers and trainees who participated in the inspection;
 - (B) whether the inspection was an exterior inspection only or both an exterior and an interior inspection; and
 - (C) the date that the inspection was performed; and
 - (h) unless Subsection (2)(b) applies, respond within ten business days to division notification:
 - (i) of a complaint against the individual; or
 - (ii) that information is needed from the individual; and
 - (i) immediately following the signature on the report in an appraisal report prepared and signed by a state-licensed or certified appraiser, state either:
 - ~~(i)(A)~~ the credential type of State-Licensed Appraiser, State-Certified Residential Appraiser, or State-Certified General Appraiser; or
 - ~~(ii)(B)~~ the license or certification number assigned to the appraiser by the division.
- (2) Exceptions.
 - (a) An individual is exempt from complying with ~~[the provisions of]~~ USPAP when acting in an official capacity as:
 - (i) a division staff member or employee;
 - (ii) a member of the experience review committee as appointed and approved by the board;
 - (iii) a member of the technical review panel as appointed and approved by the board;
 - (iv) a hearing officer;
 - (v) a member of a county board of equalization;
 - (vi) an administrative law judge;
 - (vii) a member of the Utah State Tax Commission; or
 - (viii) a member of the board.

(b) If a deadline for response under ~~[this]~~ Subsection (1)(h) falls on a day when the division is closed, the deadline shall be extended to the next business day.

(c) When performing an evaluation as defined in the Real Estate Appraiser and Certification Act, an appraiser trainee or a licensed or certified appraiser is exempt from complying with Standards 1 through 4 of USPAP.

(3) A trainee shall:

(a) using forms provided by the division, maintain a separate log of experience hours for each supervising appraiser with whom the trainee works; and

(b) include in each log the following information for each appraisal:

(i) file number;

(ii) report date;

(iii) subject address;

(iv) client name;

(v) type of property;

(vi) report form number or type;

(vii) number of work hours;

(viii) description of work performed by the trainee; and

(ix) scope of the review and supervision of the supervising appraiser.

(4) Unless there is a client assignment condition prohibiting an appraiser trainee from signing an appraisal report, when an appraiser trainee performs significant appraisal assistance on an appraisal, the trainee may sign the appraisal report if the appraisal report is also signed by the trainee's supervisory appraiser. The appraiser trainee shall state, immediately following the trainee's signature in the report, "Trainee" and include the registration number assigned to the appraiser trainee by the division

(5)(a) A supervisory appraiser shall delegate to a trainee only such duties as the trainee is authorized to perform under Subsection R162-2g-311(1).

(b) A supervisory appraiser shall directly train and supervise the trainee in the performance of assigned duties by:

(i) critically observing and directing each aspect[s] of the appraisal process;

(ii) accepting full responsibility for the appraisal and the contents of the appraisal report by signing and certifying the appraisal complies with USPAP; and

(iii) reviewing and signing the trainee appraisal reports.

(c) A supervisory appraiser shall personally inspect:

(i) each property that is appraised with a trainee until the supervisory appraiser determines the trainee is competent to inspect the property in accordance with the competency rule of USPAP for the property type, and the trainee has performed at least:

(A) 35 residential inspections as provided in Subsection R162-2g-311(1)(c)(i); and

(B) 20 non-residential inspections as provided in Subsection R162-2g-311(1)(b)(ii); and

(ii) any property for which the appraisal report scope of work or certification requires appraiser inspection.

(d) A supervisory appraiser shall be state-certified and in good standing with the division for a period of at least three years prior to being eligible to become a supervisory appraiser.

(e) An appraiser may not act as a supervisory appraiser if the appraiser has been subject to a disciplinary action in any jurisdiction:

(i) within the three year period preceding the date that ~~[on which]~~ the appraiser proposes to act as a supervisor; and

(ii) where the supervisory appraiser's legal eligibility to engage in the appraisal practice was impacted or impaired.

(f) A supervisory appraiser subject to a disciplinary action will be considered to be in good standing three years after the successful completion or termination of the sanction imposed against the appraiser.

(g) A supervisory appraiser shall comply with the competency rule of USPAP for the property type and geographic location for which the trainee appraiser is being supervised.

(h) Although a trainee is permitted to have more than one supervisory appraiser, a supervisory appraiser may not supervise more than three trainees at one time, unless a division program provides for progress monitoring, supervisory certified appraiser qualifications, and supervision and oversight requirements for supervisory appraisers.

(i) Except for AQB approved PAREA module experience hours, an [A#] appraisal experience log shall be maintained jointly by the supervisory appraiser and the trainee. It is the responsibility of both the supervisory appraiser and the trainee to ensure the experience log is accurate, current, and complies with division requirements.

(6) A school or continuing education provider shall:

(a) maintain a record of each student's attendance for a minimum of five years after the student enrolls;

(b) display the certification number of each continuing education course[s] in advertising and marketing;

(c) upload course completion information as to each student who provides the school or continuing education provider the student's name according to division records and the student's license number:

(i) within 10 days after the end of a course offering; and

(ii) to the database specified by the division;

(d) upon request of the division, substantiate any claim made in advertising or marketing;

(e) within 15 calendar days of any material change in the information outlined in R162-2g-307b(1), provide to the division written notice of the change;

(f) with regard to the criminal history disclosure required under R162-2g-307b(2)(c)(iii):

(i) obtain each student's signature before allowing the student to participate in course instruction;

(ii) retain each signed criminal history disclosure for a minimum of two years; and

(iii) make any signed criminal history disclosure available to the division upon request;

(g) maintain a high quality of instruction;

(h) adhere to the state laws and administrative rules regarding school and instructor certification;

(i) provide the instructor[~~s~~] for each course with the required course content outline;

(j) require instructors to adhere to the approved course content;

(k) comply with a division request for information within 10 business days of the date of the request; and

(l) verify that the material is current in any course taught on:

(i) Utah statutes;

(ii) Utah administrative rules;

(iii) Federal laws; and

(iv) Federal regulations.

(7) An instructor shall adhere to the approved outline for any course taught.

R162-2g-502b. [Prohibited] Unprofessional Conduct.

- (1) An individual registered, licensed, or certified by the division may not:
 - (a) release to a client a draft report of a one- to four-unit residential real property;
 - (b) release to a client a draft report of a property other than a one- to four-unit residential real property unless:
 - (i) the first page of the report prominently identifies the report as a draft;
 - (ii) the draft report is signed by the appraiser; and
 - (iii) the appraiser complies with USPAP in the preparation of the draft report;
 - (c) affix a signature to an appraisal report by means of a signature stamp; or
 - (d) sign a blank or partially completed appraisal report that will be completed by anyone other than the appraiser who has signed the report;
 - (e) sign an appraisal report containing a statement indicating that an appraiser has inspected a property if the appraiser has not inspected the property; or
 - (f) split appraisal fees with any person who is not a state-licensed or state-certified appraiser, except that a supervising appraiser may pay a trainee reasonable compensation proportionate to the lawful services actually performed by the trainee in connection with appraisals.
- (2) A trainee may not:
 - (a) solicit a client to address an engagement letter directly to the trainee; or
 - (b) accept payment for appraisal services from anyone other than:
 - (i) the trainee's supervisor; or
 - (ii) an appraisal or government entity with which the trainee is affiliated.
- (3) A supervising appraiser may not:
 - (a) sign a report that is completed in response to an engagement letter that is addressed to a trainee;
 - (b) sign an appraisal report as the supervising appraiser without having given adequate supervision to the trainee, appraiser, or assistant being supervised.
- (4) A state-licensed appraiser may not place a seal on an appraisal report or use a seal in any other manner likely to create the impression that the appraiser is a state-certified appraiser.
- (5) A school may not:
 - (a) in advertising and marketing:
 - (i) make a misrepresentation about any course of instruction;
 - (ii) make statements or implications that disparage the dignity and integrity of the appraisal profession;
 - (iii) disparage a competitor's services or methods of operation;
 - (iv) as to a continuing education course, use language that indicates division approval is pending or otherwise forthcoming;
 - (b) attempt by any means to obtain or use the questions on the state licensure or certification exam unless those questions have been dropped from the current exam bank;
 - (c) accept payment from a student without first providing to that student the information outlined in R162-2g-307b(2)(c);
 - (d) continue to operate after the expiration date of the school certification without renewing;
 - (e) continue to offer a course after its expiration date without renewing;
 - (f) allow an instructor whose instructor certification has expired to continue teaching;
 - (g) allow an individual student to earn more than eight credit hours of education in a single day;

(h) award credit to a student who has not complied with the minimum attendance requirements;

(i) allow a student to obtain credit for all or part of a course by taking an examination in lieu of attending the course;

(j) give valuable consideration to a person licensed with or certified by the division under the Real Estate Appraiser Licensing and Certification Act [~~Section 61-2g~~] for referring students to the school;

(k) accept valuable consideration from a person licensed with or certified by the division under the Real Estate Appraiser Licensing and Certification Act [~~Section 61-2g~~] for referring students to a licensed or certified appraiser; or

(l) require a student to attend any program organized for [~~the purpose of~~] solicitation.

(6) A continuing education provider may not:

(a) in advertising and marketing:

(i) make a misrepresentation about any course of instruction;

(ii) make statements or implications that disparage the dignity and integrity of the appraisal profession; or

(iii) as to a continuing education course, use language that indicates division approval is pending or otherwise forthcoming;

(b) continue to offer a course after its expiration date without renewing;

(c) allow an instructor whose instructor certification has expired to continue teaching;

(d) allow an individual student to earn more than eight credit hours of education in a single day;

(e) award credit to a student who has not complied with the minimum attendance requirements; or

(f) allow a student to obtain credit for all or part of a course by taking an examination in lieu of attending the course.

(7) An instructor may not:

(a) continue to teach any course after the course has expired and without renewing the course certification; or

(b) continue to teach any course after the individual's certification has expired and without renewing the instructor certification.

R162-2g-504. Administrative Proceedings.

(1) Formal adjudicative proceedings. An adjudicative proceeding conducted subsequent to the issuance of a cease and desist order or other emergency order shall be conducted as a formal adjudicative proceeding.

(2) Informal adjudicative proceedings.

(a) An adjudicative proceeding as to any matter not specifically designated as requiring a formal adjudicative proceeding shall be conducted as an informal adjudicative proceeding.

(b) A hearing shall be held in an informal adjudicative proceeding only if required or permitted by the Utah Real Estate Appraiser Licensing and Certification Act or by these rules.

(3)(a) A hearing before the board will be held in:

(i) a proceeding conducted subsequent to the issuance of a cease and desist order or other emergency order;

(ii) a case where the division seeks to deny an application for original or renewed registration, licensure, or certification for failure of the applicant to meet the criteria of ~~[-good moral character,]~~ honesty, integrity or truthfulness;

(iii) a case where the division seeks disciplinary action pursuant to Sections 61-2g-501 and 502 against a trainee or an appraiser; and

(iv) an appeal from an automatic revocation under Section 61-2g-302(2)(d), if the appellant requests a hearing.

(b) If properly requested by the applicant, a hearing will be held before the board to consider an application:

(i) that is denied by the division on the grounds of ~~[that]~~ the instructor's failure to evidence honesty, integrity or truthfulness~~[attestation to upstanding moral character is false]~~;

(ii) for an initial appraiser license or certification that is denied by the board on the recommendation of the experience review committee; and

(iii) for a temporary permit that is denied by the division for any reason.

(c) A hearing is not required and will not be held in the following informal adjudicative proceedings:

(i) the issuance, renewal, or reinstatement of a trainee registration or an appraiser license or certification by the division;

(ii) the issuance or renewal of an appraisal course, school, or instructor certification;

(iii) the issuance of any interpretation of statute, rule or order, or the issuance of any written opinion or declaratory order determining the applicability of a statute, rule or order, when enforcement or implementation of the statute, rule or order lies within the jurisdiction of the division; and

(iv) the denial of renewal or reinstatement of a trainee registration or an appraiser license or certification for failure to complete any continuing education required by statute or rule; and

(v) the denial of an application for an original or renewed school, instructor, or course certification on the ground that it does not comply with the requirements stated in these rules.

(4)(a) Request for agency action. The following applications shall be deemed a request for agency action:

(i) registration as a trainee;

(ii) licensure or certification as an appraiser;

(iii) certification of a course, school, or instructor; and

(iv) issuance of a temporary permit.

(b) Any other request for agency action shall be in writing, signed by the requestor, and shall contain the following:

(i) the names and addresses of all persons to whom a copy of the request for agency action is being sent;

(ii) the agency's file number or other reference number, if known;

(iii) the date of mailing of the request for agency action;

(iv) a statement of the legal authority and jurisdiction under which the agency action is requested, if known;

(v) a statement of the relief or action sought from the division; and

(vi) a statement of the facts and reasons forming the basis for relief or agency action.

(c) A complaint against a trainee, an appraiser, or the holder of a temporary permit requesting that the division commence an investigation or a disciplinary action is not a request for agency action.

(5) Procedures for hearings in informal adjudicative proceedings.

(a) All informal adjudicative proceedings shall adhere to procedures as outlined in:

- (i) Utah Administrative Procedures Act Title 63G, Chapter 4;
- (ii) Utah Administrative Code Rule R151-4[~~et seq.~~]; and
- (iii) the rules promulgated by the division.

(b) Except as provided in [~~this~~] Subsection (6)(b), a party is not required to file a written answer to a notice of agency action from the division in an informal adjudicative proceeding.

(c) In any proceeding under this section, [~~Subsection R162-2g-504,~~] the board and division may at their discretion delegate a hearing to an administrative law judge or request that an administrative law judge assist the board and the division in conducting the hearing. Any delegation of a hearing to an administrative law judge shall be in writing.

(d)(i) Upon the scheduling of a hearing by the division and at least 30 days prior to the hearing, the division shall, by first class postage-prepaid delivery, mail written notice of the date, time, and place scheduled for the hearing, to the respondent at the address last provided to the division pursuant to S[~~ubs~~]ection R162-2g-306b.

(ii) The notice shall set forth the matters to be addressed in the hearing.

(e) Formal discovery is prohibited.

(f) The division may issue subpoenas or other orders to compel production of necessary evidence:

(i) on its own behalf; or

(ii) on behalf of a party where the party:

(A) makes a written request;

(B) assumes responsibility for effecting service of the subpoena; and

(C) bears the costs of the service, any witness fee, and any mileage to be paid to a witness.

(g) Upon ordering a licensee to appear for a hearing, the division shall provide to the licensee the information that the division will introduce at the hearing.

(h) Intervention is prohibited.

(i) Hearings shall be open to all parties unless the presiding officer closes the hearing pursuant to:

(i) Title 63G, Chapter 4, the Utah Administrative Procedures Act; or

(ii) Title 52, Chapter 4, the Open and Public Meetings Act.

(j) Upon filing a proper entry of appearance with the division pursuant to Utah Administrative Code Subsection[~~Section~~] R151-4-110(1)(a), an attorney may represent a party.

(6) Additional procedures for disciplinary proceedings.

(a) The division shall commence a disciplinary proceeding by filing and serving on the respondent:

(i) a notice of agency action;

(ii) a petition setting forth the allegations made by the division;

(iii) a witness list, if applicable; and

(iv) an exhibit list, if applicable.

(b) Answer.

(i) At the time the petition is filed, the presiding officer, upon a determination of good cause, may require the respondent to file an answer to the petition by so ordering in the notice of agency action.

(ii) The respondent may file an answer, even if not ordered to do so in the notice of agency action.

(iii) Any answer shall be filed with the division no later than 30 days following the mailing date of the notice of agency action pursuant to [~~this~~] Subsection (6)(a).

- (c) Witness and exhibit lists.
 - (i) Where applicable, the division shall provide its witness and exhibit lists to the respondent at the time it mails its notice of agency action.
 - (ii) Any witness list shall contain:
 - (A) the name, address, and telephone number of each witness; and
 - (B) a summary of the testimony expected from the witness.
 - (iii) Any exhibit list:
 - (A) shall contain an identification of each document or other exhibit that the party intends to use at the hearing; and
 - (B) shall be accompanied by copies of the exhibits.
 - (iv)(A) The presiding officer, upon a determination of good cause, may require a respondent to file a witness and exhibit list.
 - (B) Failure to comply with a requirement to file a witness and exhibit list may result in the exclusion of any witness or exhibit not disclosed.
- (d) Pre-hearing motions.
 - (i) Any pre-hearing motion permitted under the Administrative Procedures Act or the rules promulgated by the Department of Commerce shall be made in accordance with those rules.
 - (ii) The division director shall receive and rule upon any pre-hearing motions.

R162-2g-601. Appendices.

Appendix 1. Residential Experience Hours Schedule. An applicant may submit experience for the successful completion of an AQB approved PAREA program module including the Licensed Residential Module of 1,000 experience hours and the Certified Residential Module of 500 experience hours. Alternatively, the hours shown in the following schedule shall be awarded for form appraisals. Fifteen hours may be added to the hours shown if the appraisal is a narrative appraisal instead of a form appraisal.

<u>TABLE</u>	
<u>Property Type</u>	<u>Hours that may be earned</u>
<u>(a) one-unit dwelling, above-grade:</u>	
<u>(i) living area less than 4,000 square feet, including a site</u>	<u>Up to 10 hours (Expected avg hrs 7.5)</u>
<u>PART 1</u>	
<u>Task</u>	<u>Hours</u>
<u>Highest and Best Use Analysis</u>	<u>0.25</u>
<u>Neighborhood Description</u>	<u>0.5</u>

<u>Exterior Inspection</u>	<u>0.5</u>
<u>Interior Inspection</u>	<u>0.5</u>
<u>Market Conditions</u>	<u>0.75</u>
<u>Land Value Estimate</u>	<u>0.5</u>
<u>Improvement Cost Estimate</u>	<u>0.5</u>
<u>Income Value Estimate</u>	<u>2.5</u>
<u>Sales Comparison Value Estimate</u>	<u>2.5</u>
<u>Final Reconciliation</u>	<u>0.25</u>
<u>Appraisal Report Preparation</u>	<u>1.75</u>
<u>Restricted Appraisal Report Preparation</u>	<u>0.5</u>
<u>(ii) living area 4,000 square feet or more, including a site</u>	<u>Up to 10 hours</u>
<u>PART 2</u>	
<u>Task</u>	<u>Hours</u>
<u>Highest and Best Use Analysis</u>	<u>0.25</u>
<u>Neighborhood Description</u>	<u>0.5</u>
<u>Exterior Inspection</u>	<u>0.75</u>
<u>Interior Inspection</u>	<u>0.75</u>
<u>Market Conditions</u>	<u>0.75</u>
<u>Land Value Estimate</u>	<u>0.75</u>
<u>Improvement Cost Estimate</u>	<u>0.75</u>
<u>Income Value Estimate</u>	<u>3.0</u>
<u>Sales Comparison Value Estimate</u>	<u>3.0</u>
<u>Final Reconciliation</u>	<u>0.25</u>
<u>Appraisal Report Preparation</u>	<u>2.0</u>

<u>Restricted Appraisal Report Preparation</u>	<u>0.5</u>
<u>(b) multiple one-unit dwellings in the same subdivision or condominium project, which dwellings are substantially similar:</u> <u>(ii) over 25 dwellings</u>	<u>7 hours per dwelling, up to a maximum of 42 hours</u>
<u>(c) two to four-unit dwelling</u> <u>(i) 1-25 dwellings</u>	<u>70 hours maximum</u>
<u>PART 3</u>	
<u>Task</u>	<u>Hours</u>
<u>Highest and Best Use Analysis</u>	<u>0.25</u>
<u>Neighborhood Description</u>	<u>0.5</u>
<u>Exterior Inspection</u>	<u>0.5</u>
<u>Interior Inspection</u>	<u>0.5</u>
<u>Market Conditions</u>	<u>0.75</u>
<u>Land Value Estimate</u>	<u>0.5</u>
<u>Improvement Cost Estimate</u>	<u>0.5</u>
<u>Income Value Estimate</u>	<u>3.0</u>
<u>Sales Comparison Value Estimate</u>	<u>3.0</u>
<u>Final Reconciliation</u>	<u>0.25</u>
<u>Appraisal Report Preparation</u>	<u>2.0</u>
<u>Restricted Appraisal Report Preparation</u>	<u>0.5</u>
<u>(d) employee relocation counsel reports completed on currently accepted Employee Relocation Counsel form</u>	<u>Up to 10 hours</u>
<u>(e) residential lot, 1-4 unit</u>	<u>Up to 7 hours</u>
<u>PART 4</u>	

<u>Task</u>	<u>Hours</u>
<u>Highest and Best Use Analysis</u>	<u>0.25</u>
<u>Neighborhood Description</u>	<u>0.5</u>
<u>Site Inspection</u>	<u>0.25</u>
<u>Market Conditions</u>	<u>0.75</u>
<u>Sales Comparison Value Estimate</u>	<u>1-3</u>
<u>Final Reconciliation</u>	<u>0.25</u>
<u>Appraisal Report Preparation</u>	<u>2.0</u>
<u>Restricted Appraisal Report Preparation</u>	<u>0.5</u>
<u>(f) multiple lots in the same subdivision, which lots are substantially similar</u>	<u>5 hours per lot, up to a maximum of 30 hours</u>
<u>(i) 1-25 lots</u>	
<u>(ii) Over 25 maximum lots</u>	<u>50 hours</u>
<u>(g) small parcel of less than 20 acres</u>	<u>Up to 6.5 hours</u>
<u>PART 5</u>	
<u>Task</u>	<u>Hours</u>
<u>Highest and Best Use Analysis</u>	<u>0.25</u>
<u>Neighborhood Description</u>	<u>0.5</u>
<u>Site Inspection</u>	<u>0.25</u>
<u>Market Conditions</u>	<u>0.75</u>
<u>Sales Comparison Value Estimate</u>	<u>1-3</u>
<u>Final Reconciliation</u>	<u>0.25</u>
<u>Appraisal Report Preparation</u>	<u>2.0</u>

<u>Restricted Appraisal Report Preparation</u>	<u>0.5</u>
<u>(h) vacant land, 20-640 acres</u>	<u>20-40 hours, per board decision</u>
<u>(k) review of residential appraisals with no opinion of value developed as part of the review performed in conjunction with investigations by government agencies</u>	<u>10-50 hours</u>
<u>(i) recreational, farm, or timber acreage suitable for a house site:</u>	
<u>(i) up to 10 acres</u>	<u>10 hours</u>
<u>(ii) 10 acres or more</u>	<u>15 hours</u>
<u>(j) other unusual structures or acreage that are much larger or more complex than typical properties</u>	<u>5-35 hours, per board decision</u>
<u>(k) review of residential appraisals with no opinion of value developed as part of the review performed in conjunction with investigations by government agencies</u>	<u>10-50 hours</u>

Appendix 2. General experience Hours Schedule. Appraisal reports claimed for property types identified in sections (a) through (k) of the following schedule shall be narrative appraisal reports. Experience hours listed in this schedule may be increased by 50% for unique and complex properties if the applicant notes the number of extra hours claimed on the appraiser experience log submitted by the applicant, and if the applicant maintains in the workfile for the appraisal an explanation as to why the extra hours are claimed.

<u>TABLE</u>	
<u>Property Type</u>	<u>Hours that may be earned</u>
<u>(a) Apartment buildings:</u>	
<u>(i) 5-100 units</u>	<u>40 hours</u>
<u>(ii) over 100 units</u>	<u>50 hours</u>
<u>(b) hotel or motels:</u>	
<u>(i) 50 units or fewer</u>	<u>30 hours</u>

<u>(ii) 51-150 units</u>	<u>40 hours</u>
<u>(iii) over 150 units</u>	<u>50 hours</u>
<u>(c) nursing home, rest home, care facilities:</u> <u>(i) fewer than 80 beds</u>	<u>40 hours</u>
<u>(ii) 80 beds or more</u>	<u>50 hours</u>
<u>(d) industrial or warehouse building:</u> <u>(i) smaller than 20,000 square feet</u>	<u>30 hours</u>
<u>(ii) 20,000 square feet or more, single tenant</u>	<u>40 hours</u>
<u>(iii) 20,000 square feet or more, multiple tenants</u>	<u>50 hours</u>
<u>e) office buildings:</u> <u>(i) smaller than 10,000 square feet</u>	<u>30 hours</u>
<u>(ii) 10,000 square feet or more, single tenant</u>	<u>40 hours</u>
<u>(iii) 10,000 square feet or more, multiple tenants</u>	<u>50 hours</u>
<u>(f) entire condominium projects, using income approach to value:</u>	
<u>(i) 5- to 30-unit project</u>	<u>30 hours</u>
<u>(ii) 31- or more-unit project</u>	<u>50 hours</u>
<u>(g) retail buildings:</u> <u>(i) smaller than 10,000 square feet</u>	<u>30 hours</u>
<u>(ii) 10,000 square feet or more, single tenant</u>	<u>40 hours</u>
<u>(iii) 10,000 square feet or more, multiple tenants</u>	<u>50 hours</u>
<u>(ii) 10,000 square feet or more, single tenant</u>	<u>40 hours</u>

<u>(iii) 10,000 square feet or more, multiple tenants</u>		<u>50 hours</u>
<u>(f) entire condominium projects, using income approach to value:</u>		<u>30 hours</u>
<u>(i) 5- to 30-unit project</u>		
<u>(ii) 31- or more-unit project</u>		<u>50 hours</u>
<u>(h) commercial, multi-unit, industrial, or other nonresidential use acreage:</u>		<u>20-40 hours</u>
<u>(i) 1 to less than 100 acres</u>		
<u>(ii) 100 acres or more, income approach to value</u>		<u>50-60 hours</u>
<u>(i) other unusual structures or assignments that are much larger or more complex than the properties described in Subsection (a) to (h)</u>		<u>5 to 100 hours per board decision</u>
<u>(j) entire subdivisions or planned unit developments (PUDs):</u>		<u>30 hours</u>
<u>(i) 1- to 25-unit subdivision or PUD</u>		
<u>(ii) over 25-unit subdivision or PUD</u>		<u>50 hours</u>
<u>(k) feasibility or market analysis</u>		<u>5 to 100 hours, each per board decision, up to a maximum of 500 hours</u>
	<u>Form</u>	<u>Narrative</u>
<u>(l) farm and ranch appraisals:</u>		
<u>(i) irrigated cropland, pasture other than rangeland:</u>		
<u>(A) 1 to less than 11 acres</u>	<u>10 hrs</u>	<u>15 hrs</u>
<u>(B) 11-less than 40 acres</u>	<u>12.5 hrs</u>	<u>20 hrs</u>

<u>(C) 40-less than 160 acres</u>	<u>15 hrs</u>	<u>25 hrs</u>
<u>(D)160-less than 1280 acres</u>	<u>25 hrs</u>	<u>40 hrs</u>
<u>(E) 1280 acres or more</u>	<u>40 hrs</u>	<u>50 hrs</u>
<u>(ii) dry farm:</u>		
<u>(A) 1 to less than 1280 acres</u>	<u>15 hrs</u>	<u>25 hrs</u>
<u>(B) 1280 acres or more</u>	<u>20 hrs</u>	<u>40 hrs</u>
<u>m) Improvements on properties other than a rural residence, maximum 10 hours:</u>		
<u>(i) dwelling</u>	<u>5 hrs</u>	<u>5 hrs</u>
<u>(ii) shed</u>	<u>2.5 hrs</u>	<u>2.5 hrs</u>
<u>(n) cattle ranches</u>		
<u>(i) 0-200 head</u>	<u>15 hrs</u>	<u>20 hrs</u>
<u>(ii) 201-500 head</u>	<u>25 hrs</u>	<u>30 hrs</u>
<u>(iii) 501-1,000 head</u>	<u>30 hrs</u>	<u>40 hrs</u>
<u>(iv) more than 1,000 head</u>	<u>40 hrs</u>	<u>50 hrs</u>
<u>(o) sheep ranches</u>		
<u>(i) 0-2,000 head</u>	<u>25 hrs</u>	<u>30 hrs</u>
<u>(ii) more than 2,000 head</u>	<u>35 hrs</u>	<u>45 hrs</u>
<u>(ii) 101-300 head</u>	<u>25 hrs</u>	<u>30 hrs</u>
<u>(iii) more than 300 head</u>	<u>30 hrs</u>	<u>35 hrs</u>
<u>(q) orchards</u>		
<u>(i) up to 50 acres</u>	<u>30 hrs</u>	<u>40 hrs</u>
<u>(ii) more than 50 acres</u>	<u>40 hrs</u>	<u>50 hrs</u>
<u>(r) rangeland or timber</u>		
<u>(i) 0-640 acres</u>	<u>20 hrs</u>	<u>25 hrs</u>

<u>(ii) more than 640 acres</u>	<u>30 hrs</u>	<u>35 hrs</u>
<u>(s) poultry</u>		
<u>(i) 0-100,000 birds</u>	<u>30 hrs</u>	<u>40 hrs</u>
<u>(ii) more than 100,000 birds</u>	<u>40 hrs</u>	<u>50 hrs</u>
<u>(t) mink</u>		
<u>(i) 0-5,000 cages</u>	<u>30 hrs</u>	<u>35 hrs</u>
<u>(ii) more than 5,000 cages</u>	<u>40 hrs</u>	<u>50 hrs</u>
<u>(u) fish farm</u>	<u>40 hrs</u>	<u>50 hrs</u>
<u>(v) hog farm</u>	<u>40 hrs</u>	<u>50 hrs</u>
<u>(w) review of appendix 2 appraisals with no opinion of value developed as part of the review, performed in conjunction with investigations by government agencies</u>	<u>20-100 hours</u>	
<u>(x) natural resource properties, depending on complexity:</u>		
<u>(i) sand and gravel</u>		<u>1-20 hours per site</u>
<u>(ii) mine</u>		<u>1-110 hours</u>
<u>(iii) oil and gas</u>		<u>1-50 hours per site</u>
<u>(y) pipelines and gas distribution properties, depending on complexity</u>		<u>10-40 hours</u>
<u>(z) telephone and electrics properties, depending on complexity</u>		<u>5-80 hours</u>
<u>(aa) airline and railroad properties, depending on complexity</u>		<u>10-80 hours</u>
<u>(bb) appraisal review or audit, depending on complexity</u>		<u>2.5-125 hours</u>
<u>(cc) capitalization rate study</u>		<u>10 to 100 hours</u>
<u>(dd) mineral pricing study</u>		<u>10 to 100 hours</u>

<u>(ee) effective tax rate study</u>	<u>10 to 100 hours</u>
<u>(ff) Ad valorem centrally assessed property tax appeal preparation</u>	<u>5 to 125 hours</u>

Appendix 3. Mass Appraisal Experience Hours Schedule.

<u>TABLE</u>	
<u>Property Type</u>	<u>Hours that may be earned</u>
<u>(a) one-unit dwelling, above-grade living area less than 4,000 square feet:</u>	
<u>PART 1</u>	
<u>Task</u>	<u>Hours</u>
<u>Highest and Best Use Analysis</u>	<u>0.25</u>
<u>Income Value Estimate</u>	<u>2.5</u>
<u>Neighborhood Description</u>	<u>0.5</u>
<u>Exterior Inspection</u>	<u>0.5</u>
<u>Interior Inspection</u>	<u>0.5</u>
<u>CAMA Data Input and Review</u>	<u>0.5</u>
<u>Market Conditions</u>	<u>0.75</u>
<u>Land Value Estimate</u>	<u>0.5</u>
<u>Improvement Cost Estimate</u>	<u>0.5</u>
<u>Sales Comparison Value Estimate</u>	<u>2.5</u>
<u>Final Reconciliation</u>	<u>0.25</u>
<u>Appraisal Report Preparation</u>	<u>1.75</u>
<u>Restricted Appraisal Report Preparation</u>	<u>0.5</u>

<u>(b) one-unit dwelling, above-grade living area area 4,000 square feet or more:</u>	
<u>PART 2</u>	
<u>Highest and Best Use Analysis</u>	<u>0.25</u>
<u>Neighborhood Description</u>	<u>0.5</u>
<u>Exterior Inspection</u>	<u>0.75</u>
<u>Interior Inspection</u>	<u>0.75</u>
<u>CAMA Data Input and Review</u>	<u>0.5</u>
<u>Market Conditions</u>	<u>0.75</u>
<u>Land Value Estimate</u>	<u>0.75</u>
<u>Improvement Cost Estimate</u>	<u>0.75</u>
<u>Income Value Estimate</u>	<u>3.0</u>
<u>Sales Comparison Value Estimate</u>	<u>3.0</u>
<u>Final Reconciliation</u>	<u>0.25</u>
<u>Appraisal Report Preparation</u>	<u>2.0</u>
<u>Restricted Appraisal Report Preparation</u>	<u>0.5</u>
<u>(c) two- to four-unit dwelling:</u>	
<u>PART 3</u>	
<u>Highest and Best Use Analysis</u>	<u>0.25</u>
<u>Neighborhood Description</u>	<u>0.5</u>
<u>Exterior Inspection</u>	<u>0.5</u>
<u>Interior Inspection</u>	<u>0.5</u>
<u>CAMA Data Input and Review</u>	<u>0.5</u>
<u>Market Conditions</u>	<u>0.75</u>
<u>Land Value Estimate</u>	<u>0.5</u>

<u>Improvement Cost Estimate</u>	<u>0.5</u>
<u>Income Value Estimate</u>	<u>3.0</u>
<u>Sales Comparison Value Estimate</u>	<u>3.0</u>
<u>Final Reconciliation</u>	<u>0.25</u>
<u>Appraisal Report Preparation</u>	<u>2.0</u>
<u>Restricted Appraisal Report Preparation</u>	<u>0.5</u>
<u>(d) commercial and industrial buildings, depending on complexity:</u>	
<u>PART 4</u>	
<u>Highest and Best Use Analysis</u>	<u>0.25</u>
<u>Neighborhood Description</u>	<u>0.5</u>
<u>Exterior Inspection</u>	<u>0.5-4.5</u>
<u>Interior Inspection</u>	<u>0.5-9.5</u>
<u>CAMA Data Input and Review</u>	<u>0.5</u>
<u>Market Conditions</u>	<u>1.5</u>
<u>Land Value Estimate</u>	<u>2.0</u>
<u>Improvement Cost Estimate</u>	<u>2.0</u>
<u>Income Value Estimate</u>	<u>2-15</u>
<u>Sales Comparison Value Estimate</u>	<u>2-15</u>
<u>Final Reconciliation</u>	<u>0.5</u>
<u>Appraisal Report Preparation</u>	<u>1-10</u>
<u>Restricted Appraisal Report Preparation</u>	<u>0.5</u>
<u>(e) agricultural and other improvements, depending on complexity:</u>	
<u>PART 5</u>	

<u>Highest and Best Use Analysis</u>	<u>0.25 - 0.5</u>
<u>Neighborhood Description</u>	<u>0.5</u>
<u>Exterior Inspection</u>	<u>0.25 - 0.5</u>
<u>Interior Inspection</u>	<u>0.5-1</u>
<u>CAMA Data Input and Review</u>	<u>0.5</u>
<u>Market Conditions</u>	<u>0.75</u>
<u>Land Value Estimate</u>	<u>0.5 - 1</u>
<u>Improvement Cost Estimate</u>	<u>0.5 - 1</u>
<u>Income Value Estimate</u>	<u>1 - 3</u>
<u>Sales Comparison Value Estimate</u>	<u>1 - 3</u>
<u>Final Reconciliation</u>	<u>0.25</u>
<u>Appraisal Report Preparation</u>	<u>2.0</u>
<u>Restricted Appraisal Report Preparation</u>	<u>0.5</u>
(f) vacant land, depending on complexity:	
<u>PART 6</u>	
<u>Highest and Best Use Analysis</u>	<u>0.25 - 0.5</u>
<u>Neighborhood Description</u>	<u>0.5</u>
<u>Site Inspection</u>	<u>0.25</u>
<u>Land Segregation</u>	<u>0.25</u>
<u>CAMA Data Input and Review</u>	<u>0.5</u>
<u>Inspection</u>	<u>0.25 - 2.25</u>
<u>Market Conditions</u>	<u>0.75</u>
<u>Income Value Estimate</u>	<u>1-3</u>
<u>Sales Comparison Value Estimate</u>	<u>1-3</u>

<u>Final Reconciliation</u>	<u>0.25</u>
<u>Appraisal Report Preparation</u>	<u>2.0</u>
<u>Restricted Appraisal Report Preparation</u>	<u>0.5</u>
<u>g) land valuation guideline (development):</u>	
<u>(i) 25 or fewer parcels</u>	<u>10 hours</u>
<u>(ii) 26 to 500 parcels</u>	<u>30 hours</u>
<u>(iii) over 500 parcels</u>	<u>25 additional hours for each 500 parcels, up to a maximum of 125 hours for each guideline</u>
<u>(h)land valuation guideline (update):</u>	<u>1 hour</u>
<u>(i) 25 or fewer parcels</u>	
<u>(ii) 26 to 500 parcels</u>	<u>3 hours</u>
<u>(iii) over 500 parcels</u>	<u>2.5 additional hours for each 500 parcels, up to a maximum of 12.5 hours for each guideline</u>
<u>(i) assessment or sales ratio study, data collection, verification, sample inspection, analysis, conclusion, and implementation:</u>	
<u>(i) base study of 100 reviewed sales</u>	<u>125 hours</u>
<u>(ii) additional increments of 100 sales</u>	<u>25 additional hours for each 100 additional</u>

	<u>sales, up to a maximum of 375 hours for each study</u>
<u>(j) multiple regression model, development and implementation:</u>	<u>100 hours</u>
<u>(i) fewer than 5,000 parcels</u>	
<u>(ii) additional increments of 500 parcels</u>	<u>5 additional hours for each additional 500 parcels, up to a maximum of 375 hours for each regression model</u>
<u>(k) industry depreciation study and analysis</u>	<u>5 to 40 hours</u>
<u>(l) reviews of "land value in use" in accordance with U.C.A. Section 59-2-505:</u>	
<u>" (i) office review only</u>	<u>0.25 hours</u>
<u>(ii) field review</u>	<u>0.5 hours</u>
<u>(m) natural resource properties, depending on complexity:</u>	
<u>(i) sand and gravel</u>	<u>1-20 hours per site</u>
<u>(ii) mine</u>	<u>1-110 hours</u>
<u>(iii) oil and gas</u>	<u>1-50 hours per site</u>
<u>(n) pipelines and gas distribution properties, depending on complexity</u>	<u>10-40 hours</u>
<u>(o) telephone and electrics properties, depending on complexity</u>	<u>5-80 hours</u>
<u>(p) airline and railroad properties, depending on complexity</u>	<u>10-80 hours</u>
<u>(q) appraisal review or audit, depending on complexity</u>	<u>2.5-125 hours</u>

<u>(r) capitalization rate study</u>	<u>10 to 100 hours</u>
<u>(s) mineral pricing study</u>	<u>10 to 100 hours</u>
<u>(t) effective tax rate study</u>	<u>10 to 100 hours</u>
<u>(u) Ad valorem centrally assessed property tax appeal preparation</u>	<u>5 to 125 hours</u>

Appendix 4. Appraiser Education.

<u>TABLE 1</u> <u>Required Core Curriculum</u>	
<u>Trainee Appraiser</u>	<u>Hours</u>
<u>Basic Appraisal Principles</u>	<u>30 Hours</u>
<u>Basic Appraisal Procedures</u>	<u>30 Hours</u>
<u>15-Hour national USPAP Course or its Equivalent</u>	<u>15 Hours</u>
<u>Utah Appraiser and Trainee Course</u>	<u>6 Hours</u>
<u>Trainee Appraiser Education Requirements</u>	<u>81 Total Hours</u>
<u>Licensed Appraiser</u>	
<u>Basic Appraisal Principles</u>	<u>30 Hours</u>
<u>Basic Appraisal Procedures</u>	<u>30 Hours</u>
<u>15-Hour national USPAP Course or its Equivalent</u>	<u>15 Hours</u>
<u>Utah Appraiser and Trainee Course</u>	<u>6 Hours</u>
<u>Residential Market Analysis and Highest and Best Use</u>	<u>15 Hours</u>
<u>Residential Appraiser Site Valuation and Cost Approach</u>	<u>15 Hours</u>
<u>Residential Sales Comparison and Income Approaches</u>	<u>30 Hours</u>
<u>Residential Report Writing and Case Studies</u>	<u>15 Hours</u>

<u>Licensed Residential Education Requirements</u>	<u>156 Total Hours</u>
<u>Certified Residential</u>	
<u>Basic Appraisal Principles</u>	<u>30 Hours</u>
<u>Basic Appraisal Procedures</u>	<u>30 Hours</u>
<u>15-Hour national USPAP Course or its Equivalent</u>	<u>15 Hours</u>
<u>Utah Appraiser and Trainee Course</u>	<u>6 Hours</u>
<u>Residential Market Analysis and Highest and Best Use</u>	<u>15 Hours</u>
<u>Residential Appraiser Site Valuation and Cost Approach</u>	<u>15 Hours</u>
<u>Residential Sales Comparison and Income Approaches</u>	<u>30 Hours</u>
<u>Residential Report Writing and Case Studies</u>	<u>15 Hours</u>
<u>Statistics, Modeling and Finance</u>	<u>15 Hours</u>
<u>Advanced Residential Applications and Case Studies</u>	<u>15 Hours</u>
<u>Appraisal Subject Matter Electives</u> <u>(May include hours over the minimum shown in other modules)</u>	<u>20 Hours</u>
<u>Certified Residential Education Requirements</u>	<u>206 Total Hours</u>
<u>Certified General*</u>	
<u>Basic Appraisal Principles</u>	<u>30 Hours</u>
<u>Basic Appraisal Procedures</u>	<u>30 Hours</u>
<u>15-Hour national USPAP Course or its Equivalent</u>	<u>15 Hours</u>
<u>Utah Appraiser and Trainee Course</u>	<u>6 Hours</u>

<u>*General Appraiser Market Analysis and Highest and Best Use</u>	<u>30 Hours</u>
<u>Statistics, Modeling and Finance</u>	<u>15 Hours</u>
<u>*General Sales Comparison and Income Approaches</u>	<u>30 Hours</u>
<u>*General Appraiser Site Valuation and Cost Approach</u>	<u>30 Hours</u>
<u>General Appraiser Income Approach</u>	<u>60 Hours</u>
<u>*General Appraiser Report Writing and Case Studies</u>	<u>30 Hours</u>
<u>Appraisal Subject Matter Electives</u> <u>(May include hours over the minimum shown in other modules)</u>	<u>30 Hours</u>
<u>Certified General Education Requirements</u>	<u>306 Total Hours</u>

*The four Certified General courses identified with an asterisk * may substitute for the equivalent four Licensed Appraiser or Certified Residential courses when a candidate provides proof of completion of these courses when applying for a Licensed or Certified Residential appraisal credential.

<u>TABLE 2</u> <u>Continuing Education Topics</u> <u>(Division Certification Required)</u>
<u>(1) Ad valorem taxation</u>
<u>(2) Arbitration, dispute resolution</u>
<u>(3) Courses related to the practice of real estate appraisal or Consulting</u>
<u>(4) Development cost estimating</u>
<u>(5) Ethics and standards of professional practice, USPAP</u>
<u>(6) Land use planning, zoning</u>

<u>(7) Management, leasing, timesharing</u>
<u>(8) Property development, partial interests</u>
<u>(9) Real estate law, easements, and legal interests</u>
<u>(10) Real estate litigation, damages, condemnation</u>
<u>(11) Real estate financing and investment</u>
<u>(12) Real estate appraisal related computer applications</u>
<u>(13) Real estate securities and syndication</u>
<u>(14) Developing opinions of real property value in appraisals that also include personal property or business value</u>
<u>(15) Seller concessions and impact on value</u>
<u>(16) Energy efficient items and "green building" appraisals</u>

~~R162-2g-601. Appendices.~~

~~Appendix 1. Residential Experience Hours Schedule. The hours shown in the following schedule shall be awarded to form appraisals. Fifteen hours may be added to the hours shown if the appraisal is a narrative appraisal instead of a form appraisal.~~

TABLE

Property Type	Hours that may be earned
(a) one-unit dwelling, above grade:	
(i) living area less than 4,000 square feet, including a site	Up to 10 hours
	(Expected avg hrs 7.5)

Part 1

Task	Hours
Highest and Best Use Analysis	0.25
Neighborhood Description	0.5
Exterior Inspection	0.5
Interior Inspection	0.5
Market Conditions	0.75
Land Value Estimate	0.5
Improvement Cost Estimate	0.5

Income Value Estimate	2.5
Sales Comparison Value Estimate	2.5
Final Reconciliation	0.25
Appraisal Report Preparation	1.75
Restricted Appraisal Report Preparation	0.5

(ii) living area 4,000 square feet or more, including a site Up to 10 hours

Part 2

Task	Hours
Highest and Best Use Analysis	0.25
Neighborhood Description	0.5
Exterior Inspection	0.75
Interior Inspection	0.75
Market Conditions	0.75
Land Value Estimate	0.75
Improvement Cost Estimate	0.75
Income Value Estimate	3.0
Sales Comparison Value Estimate	3.0
Final Reconciliation	0.25
Appraisal Report Preparation	2.0
Restricted Appraisal Report Preparation	0.5

(b) multiple one-unit dwellings in the same subdivision or condominium project, which dwellings are substantially similar:

- (i) 1-25 dwellings 7 hours per dwelling, up to a maximum of 42 hours
- (ii) over 25 dwellings 70 hours maximum
- (c) two to four unit dwelling

Part 3

Task	Hours
Highest and Best Use Analysis	0.25
Neighborhood Description	0.5
Exterior Inspection	0.5
Interior Inspection	0.5
Market Conditions	0.75

Land Value Estimate	0.5
Improvement Cost Estimate	0.5
Income Value Estimate	3.0
Sales Comparison Value Estimate	3.0
Final Reconciliation	0.25
Appraisal Report Preparation	2.0
Restricted Appraisal Report Preparation	0.5

- (d) employee relocation counsel reports completed on currently accepted Employee Relocation Counsel form Up to 10 hours
- (e) residential lot, 1-4 unit Up to 7 hours

Part 4

Task	Hours
Highest and Best Use Analysis	0.25
Neighborhood Description	0.5
Site Inspection	0.25
Market Conditions	0.75
Sales Comparison Value Estimate	1-3
Final Reconciliation	0.25
Appraisal Report Preparation	2.0
Restricted Appraisal Report Preparation	0.5

- (f) multiple lots in the same subdivision, which lots are substantially similar
- (i) 1-25 lots 5 hours per lot, up to a maximum of 30 hours
- (ii) Over 25 lots 50 hours maximum
- (g) small parcel of less than 20 acres up to 6.5 hours

Part 5

Task	Hours
Highest and Best Use Analysis	0.25
Neighborhood Description	0.5
Site Inspection	0.25
Market Conditions	0.75
Sales Comparison Value Estimate	1-3
Final Reconciliation	0.25
Appraisal Report Preparation	2.0

~~Restricted Appraisal Report Preparation — 0.5~~

- ~~(h) vacant land, 20-640 acres ————— 20-40 hours, per
board decision~~
- ~~(i) recreational, farm, or
timber acreage suitable for a house site:~~
 - ~~(i) up to 10 acres ————— 10 hours~~
 - ~~(ii) 10 acres or more ————— 15 hours~~
- ~~(j) all other unusual structures or ————— 5-35 hours, per
acreage which are much larger or more ————— board decision
complex than typical properties~~
- ~~(k) review of residential appraisals with no
opinion of value developed as part of the
review performed in conjunction with
investigations by government agencies — 10-50 hours~~

~~Appendix 2. General Experience Hours Schedule. All appraisal reports claimed for property types identified in sections (a) through (k) of the following schedule shall be narrative appraisal reports. Experience hours listed in this schedule may be increased by 50% for unique and complex properties if the applicant notes the number of extra hours claimed on the appraiser experience log submitted by the applicant, and if the applicant maintains in the workfile for the appraisal an explanation as to why the extra hours are claimed.~~

TABLE

Property Type	Hours that may be earned
(a) Apartment buildings:	
(i) 5-100 units	40 hours
(ii) over 100 units	50 hours
(b) hotel or motels:	
(i) 50 units or fewer	30 hours
(ii) 51-150 units	40 hours
(iii) over 150 units	50 hours
(c) nursing home, rest home, care facilities:	
(i) fewer than 80 beds	40 hours
(ii) 80 beds or more	50 hours
(d) industrial or warehouse building:	
(i) smaller than 20,000 square feet	30 hours
(ii) 20,000 square feet or more, single tenant	40 hours
(iii) 20,000 square feet or more, multiple tenants	50 hours
(e) office buildings:	

- ~~(i) smaller than 10,000 square feet — 30 hours~~
- ~~(ii) 10,000 square feet or more, single tenant — 40 hours~~
- ~~(iii) 10,000 square feet or more, multiple tenants — 50 hours~~
- ~~(f) entire condominium projects, using income approach to value:~~
 - ~~(i) 5 to 30 unit project — 30 hours~~
 - ~~(ii) 31 or more unit project — 50 hours~~
- ~~(g) retail buildings:~~
 - ~~(i) smaller than 10,000 square feet — 30 hours~~
 - ~~(ii) 10,000 square feet or more, single tenant — 40 hours~~
 - ~~(iii) 10,000 square feet or more, multiple tenants — 50 hours~~
- ~~(h) commercial, multi-unit, industrial, or other nonresidential use acreage:~~
 - ~~(i) 1 to less than 100 acres — 20-40 hours~~
 - ~~(ii) 100 acres or more, income approach to value — 50-60 hours~~
- ~~(i) [all] other unusual structures or assignments that are much larger or more complex than the properties described in (a) to (h) — 5 to 100 hours per board decision herein.~~
- ~~(j) entire subdivisions or planned unit developments (PUDs):~~
 - ~~(i) 1 to 25 unit subdivision or PUD — 30 hours~~
 - ~~(ii) over 25 unit subdivision or PUD — 50 hours~~
- ~~(k) feasibility or market analysis — 5 to 100 hours, each per board decision, up to a maximum of 500 hours~~
- ~~(l) farm and ranch appraisals: Form — Narrative~~
 - ~~(i) irrigated cropland, pasture other than rangeland:~~
 - ~~(A) 1 to less than 11 acres — 10 hrs — 15 hrs~~
 - ~~(B) 11 less than 40 acres — 12.5 hrs — 20 hrs~~
 - ~~(C) 40 less than 160 acres — 15 hrs — 25 hrs~~
 - ~~(D) 160 less than 1280 acres — 25 hrs — 40 hrs~~
 - ~~(E) 1280 acres or more — 40 hrs — 50 hrs~~
 - ~~(ii) dry farm:~~
 - ~~(A) 1 to less than 1280 acres — 15 hrs — 25 hrs~~

(B) 1280 acres or more	20 hrs	40 hrs
(m) Improvements on properties other than a rural residence, maximum 10 hours:		
(i) dwelling	5 hrs	5 hrs
(ii) shed	2.5 hrs	2.5 hrs
(n) cattle ranches		
(i) 0-200 head	15 hrs	20 hrs
(ii) 201-500 head	25 hrs	30 hrs
(iii) 501-1000 head	30 hrs	40 hrs
(iv) more than 1000 head	40 hrs	50 hrs
(o) sheep ranches		
(i) 0-2000 head	25 hrs	30 hrs
(ii) more than 2000 head	35 hrs	45 hrs
(p) dairy, including all improvements except a dwelling		
(i) 0-100 head	20 hrs	25 hrs
(ii) 101-300 head	25 hrs	30 hrs
(iii) more than 300 head	30 hrs	35 hrs
(q) orchards		
(i) up to 50 acres	30 hrs	40 hrs
(ii) more than 50 acres	40 hrs	50 hrs
(r) rangeland/timber		
(i) 0-640 acres	20 hrs	25 hrs
(ii) more than 640 acres	30 hrs	35 hrs
(s) poultry		
(i) 0-100,000 birds	30 hrs	40 hrs
(ii) more than 100,000 birds	40 hrs	50 hrs
(t) mink		
(i) 0-5000 cages	30 hrs	35 hrs
(ii) more than 5000 cages	40 hrs	50 hrs
(u) fish farm	40 hrs	50 hrs
(v) hog farm	40 hrs	50 hrs
(w) review of appendix 2 appraisals with no opinion of value developed as part of the review, performed in conjunction with investigations by government agencies		
20-100 hours		

~~Appendix 3. Mass Appraisal Experience Hours Schedule.~~

TABLE

Property Type	Hours that may be earned
(a) one-unit dwelling, above-grade living	

—area less than 4,000 square feet:

Part 1

Task	Hours
Highest and Best Use Analysis	0.25
Neighborhood Description	0.5
Exterior Inspection	0.5
Interior Inspection	0.5
CAMA Data Input and Review	0.5
Market Conditions	0.75
Land Value Estimate	0.5
Improvement Cost Estimate	0.5
Income Value Estimate	2.5
Sales Comparison Value Estimate	2.5
Final Reconciliation	0.25
Appraisal Report Preparation	1.75
Restricted Appraisal Report Preparation	0.5

(b) one unit dwelling, above grade living area
—area 4,000 square feet or more:

Part 2

Task	Hours
Highest and Best Use Analysis	0.25
Neighborhood Description	0.5
Exterior Inspection	0.75
Interior Inspection	0.75
CAMA Data Input and Review	0.5
Market Conditions	0.75
Land Value Estimate	0.75
Improvement Cost Estimate	0.75
Income Value Estimate	3.0
Sales Comparison Value Estimate	3.0
Final Reconciliation	0.25
Appraisal Report Preparation	2.0
Restricted Appraisal Report Preparation	0.5

(c) two to four unit dwelling:

Part 3

Task	Hours
------	-------

Highest and Best Use Analysis	0.25
Neighborhood Description	0.5
Exterior Inspection	0.5
Interior Inspection	0.5
CAMA Data Input and Review	0.5
Market Conditions	0.75
Land Value Estimate	0.5
Improvement Cost Estimate	0.5
Income Value Estimate	3.0
Sales Comparison Value Estimate	3.0
Final Reconciliation	0.25
Appraisal Report Preparation	2.0
Restricted Appraisal Report Preparation	0.5

(d) commercial and industrial buildings,
 –depending on complexity:

Part 4

Task	Hours
Highest and Best Use Analysis	0.25
Neighborhood Description	0.5
Exterior Inspection	0.5-4.5
Interior Inspection	0.5-9.5
CAMA Data Input and Review	0.5
Market Conditions	1.5
Land Value Estimate	2.0
Improvement Cost Estimate	2.0
Income Value Estimate	2-15
Sales Comparison Value Estimate	2-15
Final Reconciliation	0.5
Appraisal Report Preparation	1-10
Restricted Appraisal Report Preparation	0.5

(e) agricultural and other improvements,
 –depending on complexity:

Part 5

Task	Hours
Highest and Best Use Analysis	0.25-0.5
Neighborhood Description	0.5
Exterior Inspection	0.25-0.5
Interior Inspection	0.5-1

CAMA Data Input and Review	0.5
Market Conditions	0.75
Land Value Estimate	0.5-1
Improvement Cost Estimate	0.5-1
Income Value Estimate	1-3
Sales Comparison Value Estimate	1-3
Final Reconciliation	0.25
Appraisal Report Preparation	2.0
Restricted Appraisal Report Preparation	0.5

(f) vacant land, depending on complexity:

Part 6

Task	Hours
Highest and Best Use Analysis	0.25-0.5
Neighborhood Description	0.5
Site Inspection	0.25
Land Segregation	0.25
CAMA Data Input and Review	0.5
Inspection	0.25-2.25
Market Conditions	0.75
Income Value Estimate	1-3
Sales Comparison Value Estimate	1-3
Final Reconciliation	0.25
Appraisal Report Preparation	2.0
Restricted Appraisal Report Preparation	0.5

(g) land valuation guideline (development):

- (i) 25 or fewer parcels 10 hours
- (ii) 26 to 500 parcels 30 hours
- (iii) over 500 parcels 25 additional
hours for each 500
parcels, up to a
maximum of 125
hours for each
guideline

(h) land valuation guideline (update):

- (i) 25 or fewer parcels 1 hour
- (ii) 26 to 500 parcels 3 hours
- (iii) over 500 parcels 2.5 additional
hours for each 500
parcels, up to a
maximum of 12.5

_____ hours for each
_____ guideline

(i) assessment/sales ratio study, data

—collection, verification, sample inspection,
—analysis, conclusion, and implementation:

—(i) base study of 100 reviewed sales — 125 hours

—(ii) additional increments of 100 sales — 25 additional
_____ hours for each 100

_____ additional sales,
_____ up to a maximum
_____ of 375 hours for
_____ each study

(j) multiple regression model,

—development and implementation:

—(i) fewer than 5,000 parcels — 100 hours

—(ii) additional increments of 500 parcels — 5 additional hours
_____ for each

_____ additional 500
_____ parcels, up to a
_____ maximum of 375
_____ hours for each
_____ regression model

(k) industry depreciation study and analysis — 5 to 40 hours

(l) reviews of "land value in use" in

—accordance with U.C.A. Section 59-2-505:

—(i) office review only — 0.25 hours

—(ii) field review — 0.5 hours

(m) natural resource properties,

—depending on complexity:

—(i) sand and gravel — 1-20 hours per
_____ site

—(ii) mine — 1-110 hours

—(iii) oil and gas — 1-50 hours per
_____ site

(n) pipelines and gas distribution

—properties, depending on complexity — 10-40 hours

(o) telephone and electric properties,

—depending on complexity — 5-80 hours

(p) airline and railroad properties,

—depending on complexity — 10-80 hours

(q) appraisal review/audit, depending

—on complexity — 2.5-125 hours

(r) capitalization rate study — 10 to 100 hours

(s) mineral pricing study ————— 10 to 100 hours
 (t) effective tax rate study ————— 10 to 100 hours
 (u) Ad valorem centrally assessed
 property tax appeal preparation ————— 5 to 125 hours

————— Appendix 4. Appraiser Education.

TABLE 1
 Required Core Curriculum

Trainee Appraiser

Basic Appraisal Principles ————— 30 Hours
 Basic Appraisal Procedures ————— 30 Hours
 15-Hour national USPAP Course or its
 —Equivalent ————— 15 Hours
 Trainee Appraiser Education Requirements — 75 Total Hours

Licensed Appraiser

Basic Appraisal Principles ————— 30 Hours
 Basic Appraisal Procedures ————— 30 Hours
 15-Hour national USPAP Course or its
 —Equivalent ————— 15 Hours
 Residential Market Analysis and Highest and
 —Best Use ————— 15 Hours
 Residential Appraiser Site Valuation and
 —Cost Approach ————— 15 Hours
 Residential Sales Comparison and Income
 —Approaches ————— 30 Hours
 Residential Report Writing and Case Studies — 15 Hours
 Licensed Residential Education Requirements — 150 Total
 ————— Hours

Certified Residential

Basic Appraisal Principles ————— 30 Hours
 Basic Appraisal Procedures ————— 30 Hours
 15-Hour national USPAP Course or its
 —Equivalent ————— 15 Hours
 Residential Market Analysis and Highest and
 —Best Use ————— 15 Hours
 Residential Appraiser Site Valuation and Cost
 —Approach ————— 15 Hours
 Residential Sales Comparison and Income
 —Approaches ————— 30 Hours
 Residential Report Writing and Case Studies — 15 Hours

~~Statistics, Modeling and Finance — 15 Hours~~
~~Advanced Residential Applications and Case~~
~~—Studies — 15 Hours~~
~~Appraisal Subject Matter Electives — 20 Hours~~
~~(May include hours over minimum shown above~~
~~—in other modules)~~
~~Certified Residential Education Requirements — 200 Total~~
~~Hours~~

~~Certified General*~~

~~Basic Appraisal Principles — 30 Hours~~
~~Basic Appraisal Procedures — 30 Hours~~
~~15-Hour national USPAP Course or its~~
~~—Equivalent — 15 Hours~~
~~*General Appraiser Market Analysis and~~
~~—Highest and Best Use — 30 Hours~~
~~Statistics, Modeling and Finance — 15 Hours~~
~~*General Sales Comparison and Income~~
~~—Approaches — 30 Hours~~
~~*General Appraiser Site Valuation and Cost~~
~~—Approach — 30 Hours~~
~~General Appraiser Income Approach — 60 Hours~~
~~*General Appraiser Report Writing and Case~~
~~—Studies — 30 Hours~~
~~Appraisal Subject Matter Electives — 30 Hours~~
~~(May include hours over minimum shown above~~
~~—in other modules)~~
~~Certified General Education Requirements — 300 Total~~
~~Hours~~

~~*The four Certified General courses identified with an asterisk * may substitute for the equivalent four Licensed Appraiser or Certified Residential courses when a candidate provides proof of completion of these courses when applying for a Licensed or Certified Residential appraisal credential.~~

TABLE 2

Continuing Education Topics (Division Certification Required)

- ~~(1) Ad valorem taxation~~
- ~~(2) Arbitration, dispute resolution~~
- ~~(3) Courses related to the practice of real estate appraisal or~~
~~—consulting~~

- ~~(4) Development cost estimating~~
- ~~(5) Ethics and standards of professional practice, USPAP~~
- ~~(6) Land use planning, zoning~~
- ~~(7) Management, leasing, timesharing~~
- ~~(8) Property development, partial interests~~
- ~~(9) Real estate law, easements, and legal interests~~
- ~~(10) Real estate litigation, damages, condemnation~~
- ~~(11) Real estate financing and investment~~
- ~~(12) Real estate appraisal related computer applications~~
- ~~(13) Real estate securities and syndication~~
- ~~(14) Developing opinions of real property value in appraisals
— that also include personal property and/or business value~~
- ~~(15) Seller concessions and impact on value~~
- ~~(16) Energy efficient items and "green building" appraisals]~~

KEY: real estate appraisals, school certification, instructor certification, education options

Date of Enactment or Last Substantive Amendment: June 30, 2020

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Authorizing, and Implemented or Interpreted Law: 61-2g-201(2)(h); 61-2g-202(1); 61-2g-205(5)(c); 61-2g-307(3); 61-2g-401(5)

New Jersey

PLEASE READ

Rules and regulations of the New Jersey Division of Consumer Affairs (Division), the boards and committees in, and other units of, the Division are codified in Title 13 of the New Jersey Administrative Code, published by LexisNexis. Notices of proposal and notices of adoption are printed in the New Jersey Register, also published by LexisNexis. The official text of the rules and regulations and their regulatory history and notices of rule proposals and adoptions can be found through LexisNexis.

- **LexisNexis:** <https://www.lexisnexis.com/en-us/gateway.page>

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NEW JERSEY ADMINISTRATIVE CODE

TITLE 13

LAW AND PUBLIC SAFETY

CHAPTER 40A

STATE BOARD OF REAL ESTATE APPRAISERS

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SUBCHAPTER 1. PURPOSE AND SCOPE; DEFINITIONS

13:40A-1.1 PURPOSE AND SCOPE

- a) The rules in this chapter implement the provisions of the Real Estate Appraisers Act, P.L. 1991, c.68, as amended by P.L. 1997, c. 401, and P.L. 2017, c. 72 (N.J.S.A. 45:14F-1 et seq.).
- b) This chapter shall apply to all persons applying for licensure as a licensed real estate appraiser or certification as a certified residential real estate appraiser or as a certified general real estate appraiser, or for registration as an appraisal management company, and to persons licensed, certified, or registered by the Board of Real Estate Appraisers in the State of New Jersey.
- c) All persons applying for licensure or certification will be required to satisfy the education and experience requirements contained in the Real Property Appraiser Qualification Criteria, which are incorporated herein by reference, as amended and supplemented, and available at http://www.appraisalfoundation.org/imis/TAF/Standards/Qualification_Criteria/Qualification_Criteria_RP_TAF/AQB_RPAQC.aspx?hkey=5ec61b8d-751b-4a97-90b1-9b3dae51beea, prior to taking the AQB-approved National Uniform Licensing and Certification Examination.

13:40A-1.2 DEFINITIONS

The following words and terms, when used in this chapter, shall have the following meanings, unless the context clearly indicates otherwise:

"Appraisal Foundation" means the Appraisal Foundation incorporated in the State of Illinois as a nonprofit corporation on November 30, 1987, as denominated in Title XI of Publ. L. 101-73 (12 U.S.C. section 3331 et seq.).

"Appraisal Qualification Board (AQB)" means the independent board of the Appraisal Foundation, which under the provisions of Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA) establishes the minimum education, experience, and examination requirements for real property appraisers to obtain a state certification or license. The address and phone number of the AQB is 1155 15th Street, NW Suite 1111, Washington, DC 20005, (202) 347-7722. The website for the AQB is www.appraisalfoundation.org.

"Board" means the State Real Estate Appraiser Board in the Division of Consumer Affairs.

"Jurisdiction" means the 50 United States, the District of Columbia, American Samoa, Guam, Mariana Islands, Puerto Rico and the United States Virgin Islands.

"State certified general real estate appraiser" ("SCGREA") means an individual who has satisfied the experience and education requirements as set forth in this chapter, has successfully completed the Board approved examination, and holds a current, valid certificate as a certified general real estate appraiser.

"State certified residential real estate appraiser" ("SCRREA") means an individual who has satisfied the experience and education requirements as set forth in this chapter, has successfully completed the Board approved examination, and holds a current, valid certificate as a certified residential real estate appraiser.

"State licensed real estate appraiser" ("SLREA") means an individual who has satisfied the experience and education requirements as set forth in this chapter, has successfully completed the Board approved examination, and holds a current, valid license for real estate appraisal.

"Trainee" means an individual in the process of acquiring the hours of appraisal experience and qualifying education required for certification or licensure under the direct supervision of a certified appraiser pursuant to this chapter.

"Uniform Standards of Professional Appraisal Practice (USPAP)" means the published standards set forth by the Appraisal Standards Board of the Appraisal Foundation (1155 15th Street, NW, Suite 1111, Washington, D.C. 20005) (July 1, 2006). The standards include the generally accepted standards of appraisal practice; a history of changes to those standards; all statements on Appraisal Standards; all Advisory Opinions issued for general distribution; a Glossary and an Index. The Uniform Standards of Professional Appraisal Practice are hereby incorporated by reference, as amended and supplemented, in the established rules for the review and interpretation of the competency and practice of appraisers licensed or certified by the Board.

13:40A-1.3 SCOPE OF PRACTICE

- a) The scope of practice of appraisers with the licensed real estate appraiser qualification is the appraisal of non-complex one to four residential units having a transaction value less than \$1,000,000 and complex one to four residential units having a transaction value less than \$250,000.
- b) The scope of practice of appraisers with the certified residential real estate appraiser qualification is the appraisal of one to four residential units without regard to transaction value or complexity.
- c) The scope of practice of appraisers with the certified general real estate appraiser classification is the appraisal of all types of property.
- d) The scope of practice of appraiser trainees is the appraisal of those properties which the supervising appraiser is permitted to appraise.

**SUBCHAPTER 2.
CERTIFICATION OF GENERAL REAL ESTATE APPRAISERS**

13:40A-2.1 ELIGIBILITY FOR CERTIFICATION AS A GENERAL REAL ESTATE APPRAISER

In order to be eligible for certification as a general real estate appraiser, an applicant shall be required to successfully complete the education and experience requirements set forth in N.J.A.C. 13:40A-2.2 and shall successfully complete the Board-approved examination for the certification of general real estate appraisers.

13:40A-2.2 ELIGIBILITY FOR ADMISSION TO EXAMINATION

- a) An applicant for certification as a general real estate appraiser shall present the following:
 - 1) Evidence that he or she is at least 18 years of age;
 - 2) Evidence of good moral character, as established by references from individuals, schools, and other records acceptable to the Board;
 - 3) A high school diploma or its equivalent;
 - 4) Completion of the educational requirements described in N.J.A.C. 13:40A-2.3;

- 5) The level of education as established by "The Real Property Appraiser Qualification Criteria and Interpretation of the Criteria" as promulgated by the AQB of the Appraisal Foundation as amended and supplemented, which are incorporated herein by reference as part of this rule;
- 6) Real estate appraisal experience as described in N.J.A.C. 13:40A-2.4; and
- 7) The certification and authorization form for criminal history background check, as provided by the Board, and the applicant's fingerprints as processed by the vendor under contract with the State.

13:40A-2.3 SOURCE OF EDUCATION FOR CERTIFICATION AS A GENERAL REAL ESTATE APPRAISER

- a) All qualifying education taken on or after December 3, 2007, to satisfy the educational requirements for certification as a general real estate appraiser, with the exception of the college level course requirement as defined by the AQB, shall be approved by the AQB's Course Approval Program.
- b) Credit towards qualifying educational requirements may be obtained via the completion of a degree program in real estate from an accredited degree-granting college or university provided the college or university has had its curriculum reviewed and approved by the AQB.

13:40A-2.4 EXPERIENCE REQUIREMENTS FOR CERTIFICATION AS A GENERAL REAL ESTATE APPRAISER

Each applicant applying for certification as a general real estate appraiser shall be required to complete, by the time the application is submitted to the Board, the experience requirements for a general real estate appraiser as established by "The Real Property Appraiser Qualification Criteria and Interpretation of the Criteria" as promulgated by the AQB of the Appraisal Foundation as amended and supplemented, which are incorporated herein by reference as part of this rule.

13:40A-2.5 TEMPORARY VISITING CERTIFICATE; CERTIFIED GENERAL REAL ESTATE APPRAISER

- a) Upon application to the Board and payment of a registration fee, an appraiser certified as a general real estate appraiser in another jurisdiction may be issued a temporary visiting certificate as a general real estate appraiser for a specific appraisal assignment, provided that the individual submits satisfactory proof to the Board that the individual has a current valid certificate to practice as a general real estate appraiser in another jurisdiction.

- b) An appraiser certified by another jurisdiction may apply for no more than three temporary certificates, within one calendar year, except that the Board may waive the limitation based on a showing of good cause by the applicant.
- c) For purposes of this section, the term "Federally related transaction" shall mean any real estate-related financial transaction, which a Federal financial institutions regulatory agency engages in, contracts for, or regulates. An appraiser certified by another jurisdiction shall apply for a temporary visiting certificate without the limitations stated in (b) above if the property to be appraised is part of a Federally related transaction. The temporary visiting certificate issued under this section shall be valid for at least six months and shall be extended upon request for extension to the Board by the applicant.
- d) The temporary visiting certificate issued under (c) above shall become invalid if the appraiser certified as a general real estate appraiser in another jurisdiction no longer holds a valid license in that jurisdiction.
- e) As a condition of receiving a temporary visiting certificate, an applicant shall consent to service of process within the State.

13:40A-2.6 CREDIT TOWARDS CERTIFICATION AS A GENERAL REAL ESTATE APPRAISER FOR EDUCATION, TRAINING, AND EXPERIENCE RECEIVED WHILE SERVING AS A MEMBER OF THE ARMED FORCES

- a) An applicant who has served in the Armed Forces of the United States (Armed Forces) and who does not meet all of the training, education, and experience requirements for certification under N.J.A.C. 13:40A-2 may apply to the Board for recognition of the applicant's training, education, and/or experience received while serving as a member of the Armed Forces, which the Board shall consider, together with any training, education, and/or experience obtained outside of the Armed Forces, for determining substantial equivalence to the training, education, and experience required for certification.
- b) The Board shall issue a certification as a general real estate appraiser to the applicant if the applicant presents evidence to the Board that:
 - 8) The applicant has been honorably discharged from active military service;
 - 9) The relevant training, experience, and education the applicant has received in the military, together with any training, education, and experience obtained outside of the Armed Forces, is substantially equivalent in scope and character to the training, experience, and education required for certification under N.J.A.C. 13:40A-2;

i) An applicant seeking credit for military training and experience shall submit to the Board the applicant's Verification of Military Experience and Training (VMET) Document, DD Form 2586 or a successor form, as amended and supplemented;

ii) An applicant seeking credit for education courses and/or training completed while in the military that are not approved by the AQB's Course Approval Program shall submit to the Board a Joint Services Transcript of his or her education/training for a determination that the education courses and/or training completed are substantially equivalent in level, scope, and intent to the courses and/or training approved by the AQB's Course Approval Program as required for certification under N.J.A.C. 13:40A-2.3. For the purpose of determining substantial equivalence of the applicant's military education and/or training, the Board shall consider only those education courses and/or training relevant to the practice of real estate appraising that have been evaluated by the American Council on Education for substantial equivalence to civilian postsecondary curricula.

iii) An applicant seeking credit for education courses and/or training completed while in the military that are not part of a degree program in real estate from an accredited degree-granting college or university whose curriculum was reviewed and approved by the AQB shall submit to the Board a Joint Services Transcript of his or her education/training for a determination that the education courses and/or training completed are substantially equivalent in level, scope, and intent to those in a degree program in real estate from an accredited degree-granting college or university whose curriculum was reviewed and approved by the AQB as required for certification under N.J.A.C. 13:40A-2.3. For the purpose of determining substantial equivalence of the applicant's military education or training, the Board shall consider only those education courses and/or training relevant to the practice of real estate appraising that have been evaluated by the American Council on Education for substantial equivalence to civilian postsecondary curricula.

3) The applicant complies with all other requirements for certification, including successful completion of the examination as set forth in N.J.A.C. 13:40A-2.1.

- c) It is the applicant's responsibility to provide timely and complete evidence of the education, training and/or experience gained in the military for review and consideration.
- d) If the applicant's military training, education, and/or experience, or a portion thereof, is not deemed to be substantially equivalent to that required for certification, the Board shall credit whatever portion of the military training, education, and/or experience that is

substantially equivalent towards meeting the requirements under N.J.A.C. 13:40A-2.4 for the issuance of the certification as a general real estate appraiser.

- e) Satisfactory evidence of such education, training, and/or experience will be assessed on a case by case basis.

SUBCHAPTER 2A. CERTIFICATION OF RESIDENTIAL REAL ESTATE APPRAISERS

13:40A-2A.1 ELIGIBILITY FOR CERTIFICATION AS A RESIDENTIAL REAL ESTATE APPRAISER

In order to be eligible for certification as a residential real estate appraiser, an applicant shall be required to successfully complete the education and experience requirements set forth in N.J.A.C. 13:40A-2A.2 and shall successfully complete the Board-approved examination for the certification of residential real estate appraisers.

13:40A-2A.2 ELIGIBILITY FOR ADMISSION TO EXAMINATION

- a) An applicant for certification as a residential real estate appraiser shall present the following:
 - 1) Evidence that he or she is at least 18 years of age;
 - 2) Evidence of good moral character, as established by references from individuals, schools and other records acceptable to the Board;
 - 3) A high school diploma or its equivalent;
 - 4) Completion of the educational requirements described in N.J.A.C. 13:40A-2A.3;
 - 5) The level of education as established by "The Real Property Appraiser Qualification Criteria and Interpretation of the Criteria" as promulgated by the AQB of the Appraisal Foundation as amended and supplemented, which are incorporated herein by reference as part of this rule;
 - 6) Real estate appraisal experience as described in N.J.A.C. 13:40A-2A.4; and

- 7) The certification and authorization form for criminal history background check, as provided by the Board, and the applicant's fingerprints as processed by the vendor under contract with the State.

13:40A-2A.3 SOURCE OF EDUCATION FOR CERTIFICATION AS A RESIDENTIAL REAL ESTATE APPRAISER

- a) All qualifying education taken on or after December 3, 2007, to satisfy the educational requirements for certification as a residential real estate appraiser, with the exception of the college level course requirement as defined by the AQB, shall be approved by the AQB's Course Approval Program.
- b) Credit towards qualifying education requirements may be obtained via the completion of a degree program in real estate from an accredited degree-granting college or university provided the college or university has had its curriculum reviewed and approved by the AQB.

13:40A-2A.4 EXPERIENCE REQUIREMENTS FOR CERTIFICATION AS A RESIDENTIAL REAL ESTATE APPRAISER

Each applicant applying for certification as a residential real estate appraiser shall complete, by the time the application is submitted to the Board, the experience requirements for a residential real estate appraiser as established by The Real Property Appraiser Qualification Criteria and Interpretation of the Criteria, as promulgated by the AQB of the Appraisal Foundation, which are incorporated herein by reference, as amended and supplemented, as part of this section.

13:40A-2A.5 TEMPORARY VISITING CERTIFICATE; CERTIFIED RESIDENTIAL REAL ESTATE APPRAISER

- a) Upon application to the Board and payment of a registration fee, an appraiser certified as a residential real estate appraiser in another jurisdiction may be issued a temporary visiting certificate as a residential real estate appraiser for a specific appraisal assignment, provided that the individual submits satisfactory proof to the Board that the individual has a current valid certificate to practice as a residential real estate appraiser in another jurisdiction.
- b) An appraiser certified by another jurisdiction may apply for no more than three temporary certificates within one calendar year, except that the Board may waive the limitation based on a showing of good cause by the applicant.
- c) For purposes of this section, the term "Federally related transaction" shall mean any real estate-related financial transaction, which a Federal financial institutions regulatory

agency engages in, contracts for, or regulates. An appraiser certified by another jurisdiction shall apply for a temporary visiting certificate without the limitations stated in (b) above if the property to be appraised is part of a Federally related transaction. The temporary visiting certificate issued under this section shall be valid for at least six months and shall be extended upon request for extension to the Board by the applicant.

- d) The temporary visiting certificate issued under (c) above shall become invalid if the appraiser certified as a residential real estate appraiser in another jurisdiction no longer holds a valid license in that jurisdiction.
- e) As a condition of receiving a temporary visiting certificate an applicant shall consent to service of process within the State.

13:40A-2A.6 CREDIT TOWARDS CERTIFICATION AS A RESIDENTIAL REAL ESTATE APPRAISER FOR EDUCATION, TRAINING, AND EXPERIENCE RECEIVED WHILE SERVING AS A MEMBER OF THE ARMED FORCES

a) An applicant who has served in the Armed Forces of the United States (Armed Forces) and who does not meet all of the training, education, and experience requirements for certification under N.J.A.C. 13:40A-2A may apply to the Board for recognition of the applicant's training, education, and/or experience received while serving as a member of the Armed Forces, which the Board shall consider, together with any training, education, and/or experience obtained outside of the Armed Forces, for determining substantial equivalence to the training, education, and experience required for certification.

b) The Board shall issue a certification as a residential real estate appraiser to the applicant if the applicant presents evidence to the Board that:

- 1) The applicant has been honorably discharged from active military service;
- 2) The relevant training, experience, and education the applicant received in the military, together with any training, education, and experience obtained outside of the Armed Forces, is substantially equivalent in scope and character to the training, experience, and education required for certification under N.J.A.C. 13:40A-2A.
 - i) An applicant seeking credit for military training and experience shall submit to the Board the applicant's Verification of Military Experience and Training (VMET) Document, DD Form 2586 or a successor form, as amended and supplemented;
 - ii) An applicant seeking credit for education courses and/or training completed while in the military that are not approved by the AQB's Course Approval Program shall submit to the Board a Joint Services Transcript of his or her

education/training for a determination that the education courses and/or training completed are substantially equivalent in level, scope, and intent to those approved by the AQB's Course Approval Program as required for certification under N.J.A.C. 13:40A-2A.3. For the purpose of determining substantial equivalence of the applicant's military education and/or training, the Board shall consider only those education courses and/or training relevant to the practice of real estate appraising that have been evaluated by the American Council on Education for substantial equivalence to civilian postsecondary curricula.

iii) An applicant seeking credit for education courses and/or training completed while in the military that are not part of a degree program in real estate from an accredited degree-granting college or university whose curriculum was reviewed and approved by the AQB, shall submit to the Board a Joint Services Transcript of his or her education/training for a determination that the education courses and/or training completed are substantially equivalent in level, scope, and intent to those in a degree program in real estate from an accredited degree-granting college or university whose curriculum was reviewed and approved by the AQB as required for certification under N.J.A.C. 13:40A-2A.3. For the purpose of determining substantial equivalence of the applicant's military education and/or training, the Board shall consider only those education courses and/or training relevant to the practice of real estate appraising that have been evaluated by the American Council on Education for substantial equivalence to civilian postsecondary curricula; and

- 3) The applicant complies with all other requirements for certification, including successful completion of the examination as set forth in N.J.A.C. 13:40A-2A.1.
- c) It is the applicant's responsibility to provide timely and complete evidence of the education, training, and/or experience gained in the military for review and consideration.
- d) If the applicant's military training, education and/or experience, or a portion thereof, is not deemed to be substantially equivalent to that required for certification, the Board shall credit whatever portion of the military training, education, and/or experience that is substantially equivalent towards meeting the requirements under N.J.A.C. 13:40A-2A.4 for the issuance of the certification as a residential real estate appraiser.
- e) Satisfactory evidence of such education, training, and/or experience will be assessed on a case by case basis.

SUBCHAPTER 3. LICENSING OF RESIDENTIAL REAL ESTATE APPRAISERS

13:40A-3.1 ELIGIBILITY FOR LICENSURE

In order to be eligible for licensure as a residential real estate appraiser, an applicant shall be required to successfully complete the education and experience requirements set forth in N.J.A.C. 13:40A-3.2 and shall successfully complete the Board-approved examination for the licensure of residential real estate appraisers.

13:40A-3.2 ELIGIBILITY FOR ADMISSION TO EXAMINATION

- a) An applicant for licensure as a residential real estate appraiser shall present the following:
- 1) Evidence that he or she is at least 18 years of age;
 - 2) Evidence of good moral character, as established by references from individuals, schools and other records acceptable to the Board;
 - 3) A high school diploma or its equivalent;
 - 4) Completion of the educational requirements as described in N.J.A.C. 13:40A-3.3;
 - 5) Real estate appraisal experience as described in N.J.A.C. 13:40A-3.4; and
 - 6) The certification and authorization form for criminal history background check, as provided by the Board, and the applicant's fingerprints as processed by the vendor under contract with the State.

13:40A-3.3 EDUCATION REQUIREMENTS FOR LICENSURE

- a) In order to be eligible to take the examination for licensure as a licensed residential real estate appraiser, an applicant shall complete, by the time the application is submitted to the Board, the education requirements for a licensed residential real estate appraiser as established by "the Real Property Appraiser Qualification Criteria and Interpretation of the Criteria" as promulgated by the AQB of the Appraisal Foundation as amended and supplemented, which are incorporated herein by reference as part of this rule.

- b) All qualifying education taken on or after December 3, 2007, to satisfy the educational requirements for licensure as a licensed real estate appraiser shall be approved by the AQB's Course Approval Program.

13:40A-3.4 EXPERIENCE REQUIREMENTS FOR LICENSURE

- a) Each applicant applying for licensure as a licensed residential real estate appraiser shall complete, by the time the application is submitted to the Board, the experience requirements for a licensed real estate appraiser as established by "The Real Property Appraiser Qualification Criteria and Interpretation of the Criteria" as promulgated by the AQB of the Appraisal Foundation as amended and supplemented, which are incorporated herein by reference as part of this rule.

- b) The experience requirement shall be completed in no fewer than 12 months.

13:40A-3.5 CREDIT TOWARDS LICENSURE AS A RESIDENTIAL REAL ESTATE APPRAISER FOR EDUCATION, TRAINING, AND EXPERIENCE RECEIVED WHILE SERVING AS A MEMBER OF THE ARMED FORCES

- a) An applicant who has served in the Armed Forces of the United States and who does not meet all of the training, education, and experience requirements for licensure under N.J.A.C. 13:40A-3 may apply to the Board for recognition of the applicant's training, education, and experience received while serving as a member of the Armed Forces, which the Board shall consider together with any training, education, and experience obtained outside of the Armed Forces, for determining substantial equivalence to the training, education, and experience required for licensure.

- b) The Board shall issue a license as a residential real estate appraiser to the applicant if the applicant presents evidence to the Board that:
 - 1) The applicant has been honorably discharged from active military service;

 - 2) The relevant training, experience, and education the applicant received in the military, together with any training, education, and experience obtained outside of the Armed Forces, is substantially equivalent in scope and character to the training, experience, and education required for certification under N.J.A.C. 13:40A-3.

 - i) An applicant seeking credit for military training and experience shall submit to the Board the applicant's Verification of Military Experience and Training (VMET) Document, DD Form 2586 or a successor form, as amended and supplemented.

ii) An applicant seeking credit for education courses and/or training completed while in the military that are not approved by the AQB's Course Approval Program shall submit to the Board a Joint Services Transcript of his or her education/training for a determination that the education courses and/or training completed are substantially equivalent in level, scope, and intent to those approved by the AQB Course Approval Program as required for certification under N.J.A.C. 13:40A-3.3. For the purpose of determining substantial equivalence of the applicant's military education and/or training, the Board shall consider only those education courses and/or training relevant to the practice of real estate appraising that have been evaluated by the American Council on Education for substantial equivalence to civilian postsecondary curricula.

iii) An applicant seeking credit for education courses and/or training completed while in the military that are not part of a degree program in real estate from an accredited degree-granting college or university whose curriculum was reviewed and approved by the AQB shall submit to the Board a Joint Services Transcript of his or her education/training for a determination that the education courses and/or training completed are substantially equivalent in level, scope, and intent to those in a degree program in real estate from an accredited degree-granting college or university whose curriculum was reviewed and approved by the AQB as required for licensure under N.J.A.C. 13:40A-3.3. For the purpose of determining substantial equivalence of the applicant's military education and/or training, the Board shall consider only those education courses and/or training relevant to the practice of real estate appraising that have been evaluated by the American Council on Education for substantial equivalence to civilian postsecondary curricula; and

3) The applicant complies with all other requirements for licensure, including successful completion of the examination as set forth in N.J.A.C. 13:40A-3.1.

- c) It is the applicant's responsibility to provide timely and complete evidence of the education, training, and/or experience gained in the military for review and consideration.
- d) If the applicant's military training, education, and/or experience, or a portion thereof, is not deemed to be substantially equivalent to that required for licensure, the Board shall credit whatever portion of the military training, education, and/or experience that is substantially equivalent towards meeting the requirements under N.J.A.C. 13:40A-3.4 for the issuance of the license as a residential real estate appraiser.
- e) Satisfactory evidence of such education, training, or/and experience shall be assessed on a case-by-case basis.

13:40A-3.6 TEMPORARY VISITING LICENSES

- a) Upon application to the Board and payment of a registration fee, an appraiser licensed in another jurisdiction may be issued a temporary visiting license for a specific appraisal assignment, provided that the individual submits satisfactory proof to the Board that the individual has a current valid license to practice in another jurisdiction.
- b) An appraiser licensed by another jurisdiction may apply for no more than three temporary licenses within one calendar year, except that the Board may waive the limitation based on a showing of good cause by the applicant.
- c) For purposes of this section, the term "Federally related transaction" shall mean any real estate-related financial transaction, which a Federal financial institutions regulatory agency engages in, contracts for, or regulates. An appraiser licensed by another jurisdiction shall apply for a temporary visiting license without the limitations stated in (b) above if the property to be appraised is part of a Federally related transaction. The temporary visiting license issued under this section shall be valid for at least six months and shall be extended upon request for extension to the Board by the applicant.
- d) The temporary visiting license issued under (c) above shall become invalid if the appraiser licensed by another jurisdiction no longer holds a valid license in that jurisdiction.
- e) As a condition of receiving a temporary visiting license an applicant shall consent to service of process within the State.

**SUBCHAPTER 4.
TRAINEE PERMITS**

13:40A-4.1 PURPOSE AND SCOPE; APPLICATION

- a) The rules in this chapter establish a voluntary real estate appraiser trainee program for individuals in the process of acquiring the appraisal experience required in order to be licensed or certified pursuant to this chapter.
- b) The successful application of and compliance with the rules in this subchapter by a real estate appraiser trainee does not grant the trainee automatic certification or licensure.

13:40A-4.2 (RESERVED)**13:40A-4.3 EDUCATION REQUIREMENTS**

- a) Each applicant applying for a trainee permit shall complete, within a five-year period prior to the time the application is submitted to the Board, the education requirements for a trainee as established by "The Real Property Appraiser Qualification Criteria and Interpretation of the Criteria" as promulgated by the AQB of the Appraisal Foundation as amended and supplemented, which are incorporated herein by reference as part of this rule.
- b) Prior to obtaining a trainee appraiser credential, a trainee applicant shall complete a course that, at a minimum, is oriented to the expectations for trainee appraisers and complies with the specifications for the course content established by the AQB.

13:40A-4.4 ANNUAL TRAINEE PERMIT RENEWAL

All trainee permits shall be valid for a period of one year. A trainee may renew his or her annual permit a maximum total of three times, upon submission to the Board of a renewal application, the permit renewal fee, and a log in the form set forth in N.J.A.C. 13:40A-4.7.

13:40A-4.5 RESPONSIBILITIES OF TRAINEE

- a) The holder of a trainee permit issued by the Board shall work only under the "direct supervision," as that term is defined in N.J.A.C. 13:40A-4.6, of a "supervising appraiser," who shall be an individual certified in good standing by the Board, who has not been subject to any disciplinary action within the previous three years that affected the supervising appraiser's legal ability to engage in appraisal practice, and who has acknowledged in writing an agreement to perform the responsibilities of a supervising appraiser set forth in N.J.A.C. 13:40A-4.6. Prior to commencing any work as a trainee, the holder of a trainee permit shall inform the Board in writing of the identity of any individual(s) who have agreed to serve as a "supervising appraiser" for the trainee. The holder of a trainee permit shall inform the Board in writing, within seven days, in the event that any individual previously designated as a "supervising appraiser" ceases to agree to perform the responsibilities of a "supervising appraiser," or in the event that any individual not previously designated as a "supervising appraiser" agrees to supervise the work product of the trainee. A trainee may have more than one approved "supervising appraiser."
- b) The holder of a trainee permit issued by the Board shall have the following duties and responsibilities:

- 1) The trainee shall maintain and submit to the Board upon application for permit renewal a log, which meets the requirements set forth in N.J.A.C. 13:40A-4.7. The trainee and his or her "supervising appraiser" shall have the shared responsibility to make sure that the log is accurate and current and meets the requirements set forth in N.J.A.C. 13:40A-4.7;
 - 2) The trainee shall ensure that the log is available at all times for inspection by the Board;
 - 3) When performing appraisal assignments, the trainee shall carry the permit issued by the Board;
 - 4) In the event a supervising appraiser can no longer provide direct supervision to a trainee, the trainee shall return the permit within 30 days to the Board;
 - 5) The Board shall reissue the permit to the trainee when the trainee has obtained a new supervising appraiser.
 - 6) The trainee shall comply with the provisions of the Uniform Standards of Professional Appraisal Practice (USPAP).
- c) The holder of a trainee permit issued by the Board shall not solicit or maintain a direct relationship with a client, a party or parties who engage an appraiser by employment or contract in a specific assignment. The trainee shall not collect any fees from the client, except when acting as an agent of the supervising appraiser. The supervising appraiser shall ensure that any form of payment shall be directed to the supervising appraiser.
- d) The holder of a trainee permit issued by the Board shall not advertise. Any advertisement in the name of a supervising appraiser with whom the trainee is associated may include the name of the trainee by clearly indicating such person as a trainee. This shall not prohibit a trainee's use of standard business cards which clearly indicate such person as a trainee.

13:40A-4.6 RESPONSIBILITIES OF SUPERVISING APPRAISER

- a) Any individual designated as a "supervising appraiser" by the holder of a trainee permit shall acknowledge in writing to the Board that he or she agrees to perform all responsibilities set forth in (f) below.
- b) Supervising appraisers shall be in good standing with the Board and shall not have been subject to any disciplinary action that affects their legal eligibility to engage in appraisal

practice, including revocation or suspension, within any jurisdiction within the last three years.

- c) No appraiser shall serve as a supervising appraiser until he or she has held a certification from the Board for at least three years.
- d) Only those individuals who are certified by the Board as either a State-certified general real estate appraiser or a State-certified residential real estate appraiser shall be a supervising appraiser.
- e) A supervising appraiser shall have the following duties and responsibilities:
 - 1) The supervising appraiser shall at all times be responsible for and provide direct supervision of the work performed by the trainee. For purposes of this section, "direct supervision" means:
 - i) To personally review the work product of the trainee;
 - ii) To approve, sign, and accept responsibility for each appraisal report including work product prepared by the trainee or in which the trainee has made a professional contribution and to sign all such reports and certify that all such reports have been independently and impartially prepared in compliance with the Uniform Standards of Professional Appraisal Practice, these rules and applicable statutory standards; and
 - iii) To indicate, within the certification section of the appraisal report, the name of the trainee providing significant real property appraisal assistance. For purposes of this subparagraph, "significant" means the exercise of appraisal knowledge and training and does not mean clerical or fact gathering tasks.
 - 2) The supervising appraiser shall, at least once a month, sign the log required to be kept by the trainee pursuant to N.J.A.C. 13:40A-4.7 and shall set forth thereon his or her certification number. A "supervising appraiser" and any trainee that he or she is supervising shall have the shared responsibility to make sure that the log is accurate and current and meets the requirements set forth in N.J.A.C. 13:40A-4.7.
 - 3) The supervising appraiser shall provide the trainee with a copy of any final appraisal report in which the trainee's work product has been utilized or in which the trainee made a professional contribution.

- 4) The supervising appraiser shall immediately notify the Board and his or her trainee(s), in writing, in the event that he or she ceases to perform or is unable to perform the responsibilities set forth in this section.
- 5) A supervising appraiser shall not supervise more than three trainees at one time.
- 6) The supervising appraiser shall personally inspect, with the trainee, the interior and exterior of each appraised property until the supervising appraiser determines that the trainee is competent in accordance with the Competency Rule of the Uniform Standards of Professional Appraisal Practice. Upon making the determination of competency, the supervising appraiser shall request a competency certification form from the Board. The supervising appraiser shall submit, to the Board, within 30 days of receipt of the competency certification form, the certification that the trainee is competent to perform property inspections independently. Examples of competency include, but are not limited to, properly identifying the problem to be addressed, being familiar with a specific type of property, market, geographic area, or analytical method.
- 7) The supervising appraiser shall prepare and furnish a signed statement describing the nature and extent of the assistance rendered to each trainee who provided services on an appraisal assignment. This statement shall be placed in the workfile of the appraisal assignment.
- 8) Upon the termination of the supervising appraiser and the trainee relationship, the supervising appraiser shall request an evaluation certification form from the Board. The supervising appraiser shall submit, to the Board, within 30 days of receipt of the evaluation certification form, the certification evaluating the activities performed by his or her trainee.
- 9) Prior to supervising trainee appraisers, a supervising appraiser shall complete a course that, at a minimum, is oriented to the requirements and responsibilities of supervising appraisers and complies with the specifications for the course content established by the AQB.
- 10) Failure to comply with this section may be deemed professional misconduct.

13:40A-4.7 REAL ESTATE APPRAISER TRAINEE LOG

- a) A real estate appraiser trainee shall maintain a log on forms provided by the Board, which shall include the following information concerning each appraisal assignment in which the trainee participates:

- 1) The name and address of the client;
 - 2) The type of appraisal report;
 - 3) The address of the appraised property;
 - 4) A description of the work performed and the scope of review and supervision;
 - 5) The number of hours claimed for the assignment;
 - 6) The type of property;
 - 7) The date of report;
 - 8) The number of actual work hours by the trainee on the assignment; and
 - 9) The signature and certification number of the supervising appraiser. Separate logs shall be maintained for each supervising appraiser, if applicable.
- b) Appraisal logs submitted to the Board shall indicate the nature of the trainee's participation in each assignment and the trainee shall set forth within the log, for each assignment, information indicating whether the trainee was involved in obtaining, calculating, or preparing:
- 1) Land/site inspections and descriptions;
 - 2) Building inspections and descriptions;
 - 3) Neighborhood descriptions and analysis;
 - 4) Highest and best use analysis;
 - 5) Research of comparable sales and analysis;
 - 6) Cost analysis;
 - 7) Income analysis (only for trainees whose experience includes income properties);
 - 8) Meaningful sales analysis;

- 9) Correlation of data into final value; and
 - 10) Any other components of the appraisal process.
- c) The trainee shall:
- 1) Include in the appraisal log submitted to the Board only those appraisal report(s) which indicate(s) that the trainee provided significant assistance;
 - 2) Verify that the trainee's contribution to the report has been indicated in the report before entering the report into the appraisal log; and
 - 3) Notify the Board immediately, in writing, if the trainee has provided significant real property appraisal assistance to a supervising appraiser with an appraisal report, and the supervising appraiser has not indicated that the trainee provided significant real property appraisal assistance in the report, and the scope of the trainee's contribution. For purposes of this subsection, "significant" means the exercise of appraisal knowledge and training, and does not mean clerical or fact gathering tasks.
- d) Failure to comply with this section shall be grounds for:
- 1) Denial of renewal of the trainee permit;
 - 2) Revocation of the trainee permit;
 - 3) Denial of experience credit for the entire year in which the lack of compliance occurred; and/or
 - 4) Denial of licensure or certification.

13:40A-4.8 CONTINUING EDUCATION REQUIREMENTS

- a) An individual holding a trainee permit shall complete the continuing education requirements as established by "The Real Property Appraiser Qualification Criteria and Interpretation of the Criteria" as promulgated by the AQB of the Appraisal Foundation as amended and supplemented, which, are incorporated herein by reference as part of this rule.
- b) An individual holding a trainee permit for more than two years shall retain documentation as required in N.J.A.C. 13:40A-5.8.

- c) As provided in N.J.A.C. 13:40A-5.10(b), an individual holding a trainee permit may request, due to extenuating circumstances, to be placed on inactive status to complete all continuing education requirements.

SUBCHAPTER 5. CONTINUING PROFESSIONAL EDUCATION

13:40A-5.1 REQUIREMENTS FOR LICENSURE AND CERTIFICATION RENEWAL

- a) The purpose of continuing education activities is to ensure that the appraiser participates in a program that maintains and increases the appraiser's skill, knowledge and competency in real estate appraising.
- b) A licensed or certified real estate appraiser shall confirm on the renewal application that the licensed or certified real estate appraiser has completed all continuing education requirements pursuant to this subchapter during the biennial period preceding application for renewal.

13:40A-5.2 (RESERVED)

13:40A-5.3 CONTINUING EDUCATION CREDIT-HOUR REQUIREMENTS; CARRYOVER PROHIBITED; REPEAT OF SAME COURSE PROHIBITED

- a) Each applicant applying for renewal as a licensed or certified real estate appraiser shall be required to complete, by the time the renewal application is submitted to the Board, the continuing education requirements for either the certified residential, certified general, or the licensed, real estate appraiser as established by "The Real Property Appraiser Qualification Criteria and Interpretation of the Criteria" as promulgated by the AQB of the Appraisal Foundation as amended and supplemented, which are incorporated herein by reference as part of this rule.
- b) Carryover of continuing education credits is prohibited.
- c) Aside from complying with the requirement to complete the 7-Hour National USPAP Update Course (or its AQB-approved equivalent) set forth in N.J.A.C. 13:40A-5.4, a certified or licensed appraiser shall not receive credit for completion of the same continuing education course more than once during a biennial period preceding application for renewal.

13:40A-5.4 SPECIAL COURSE REQUIREMENT(S)

- a) All licensed and certified real estate appraisers shall be required to complete the seven-hour National Update Course on the Uniform Standards of Professional Appraisal Practice or its equivalent at least once every 24 months.

- b) All licensed and certified real estate appraisers shall be required to complete a two hour course on New Jersey law and rules governing the practice of real estate appraising. The course at a minimum shall include: the origin and history of the Real Estate Appraisers Act, the Board composition, scope of practice, mixed practice conflicts of interest, continuing education requirements and criteria, temporary visiting certificates, trainee and supervisor requirements, appraisal reporting and common deficiencies, and the complaint process.

13:40A-5.5 PRE-APPROVAL OF COURSE OFFERINGS

- a) The Board shall maintain a list of all approved courses, lecturers and programs at the Board's offices and shall furnish this information to the licensees or certificate holders upon request.

- b) An applicant seeking to take a course for continuing professional education credit which has not been pre-approved by the Board may apply to the Board for pre-approval of the course offering. The applicant shall submit information similar to that which is required to be supplied by course providers, as more fully detailed in N.J.A.C. 13:40A-5.9(a)2.

- c) Determinations as to whether to award credit for an offering which has not been pre-approved shall be within the Board's discretion to determine whether the offering is deemed to be consistent with the purpose of continuing education.

13:40A-5.6 ACCEPTABLE COURSE TOPICS

- a) The Board shall approve only those continuing education activities and course topics as are deemed by the Board to be consistent with the purpose of continuing education. Examples of such course topics may include, but are not limited to: changes in the Uniform Standards of Professional Appraisal Practice; ad valorem taxation; arbitration; business courses related to practice of real estate appraisal; construction estimating; land use planning; zoning and taxation; management, leasing, brokerage, timesharing; property development; State law and rules governing the practice of real estate appraising; real estate appraisal (valuation/evaluations), law, litigation, financing and investment; real estate appraisal related computer applications; real estate securities and syndication; real property exchange; green building; seller concessions; and developing

opinions on real estate value in appraisals that also include personal property and/or business value.

- b) The Board shall approve only such continuing education programs as are available and advertised on a reasonably nondiscriminatory basis to all real estate appraisers in the State.
- c) The Board may revoke approval of those continuing education activities and course topics deemed by the Board to no longer be consistent with the purpose of continuing education.

13:40A-5.7 SOURCES OF CONTINUING EDUCATION

- a) The licensee or certificate holder may obtain continuing education credits for the following:
 - 1) Training programs offered by State or Federal agencies or commissions;
 - 2) Educational programs provided during trade organization conferences;
 - 3) Colleges or universities accredited by the New Jersey Commission on Higher Education or any state accrediting agency approved by the Board; community or junior colleges accredited by the New Jersey Commission on Higher Education; proprietary schools;
 - 4) Seminars offered by real estate appraisal or real estate related organizations;
 - 5) Seminars offered by vendors of commercial products, provided that at least one other commercial vendor from a different company participates in the seminar;
 - 6) Participation, other than as a student, in appraisal education processes and programs, as approved by the Board.
 - i) Examples of activities for which credit may be granted include teaching appraisal courses, developing appraisal programs, authoring appraisal textbooks or articles, or participating in other like activities deemed by the Board to be equivalent to obtaining continuing education.
 - ii) No more than one-half of the total hours of credit required per biennial renewal cycle may be awarded for activities qualifying under this paragraph;

- 7) Courses approved for initial certification and licensing; and
 - 8) Distance learning courses on qualifying topics where a written, proctored examination is required. The term "written" refers to an examination that might be written on paper or administered electronically on a computer workstation or other device.
- b) The award of credit is subject to Board approval of the course offering either prior to filing the renewal application or upon submission of documentation required pursuant to N.J.A.C. 13:40A-5.8 at the time of license or certification renewal.

13:40A-5.8 REQUIRED DOCUMENTATION

- a) A licensee or certificate holder shall retain documentation for at least four years of the continuing education hours which the licensee or certificate holder completes in order to verify program attendance and/or activity completion. Each licensee or certificate holder shall submit such documentation to the Board upon request. The Board shall review the records of the licensees and/or certificate holders from time to time, on a random basis, to determine compliance with continuing education requirements.
- b) Documentation of continuing education requirements shall consist of the following:
- 1) For courses, seminars and training programs approved by the Board, the licensee or certificate holder shall be required to maintain a "Uniform Continuing Education Form" or other form acceptable to the board signed and dated by both the applicant and the course instructor(s), attesting that the licensee or certificate holder attended an approved continuing education offering. The licensee or certificate holder shall list the continuing education completed during the biennial licensing period on the Board-provided renewal application.
 - 2) For participation other than as a student in appraisal education processes or programs:
 - i) A written request for continuing education credit which shall include at least the following information:
 - (1) A description of the activities for which credit is sought;
 - (2) The number of credits sought;
 - (3) The time spent on such activities;

- (4) The reasons the applicant believes such activities meet the Board's continuing education requirements; and
 - (5) Any further information as may be requested by the Board;
- ii) For publication of a book or an article in a professional journal, submission of the book or article;
 - iii) For teaching or research appointments, a statement of appropriate school authority verifying the appointment and a statement of the subject matter to be taught or the nature of the research to be performed.
- c) For courses, seminars or training programs which have not been pre-approved by the Board:
 - 1) A copy of the course description and/or outline; and
 - 2) A completed "Uniform Continuing Education Form" or other certified form acceptable to the Board or a signed and dated certification, from both the applicant and course instructor(s), attesting that the applicant attended the course listed and satisfactorily completed all course requirements.
 - d) Falsification of any information submitted with the renewal application may result in penalties and/or the suspension or revocation of a license or certification.
 - e) A licensed and certified appraiser shall be required to maintain records pertaining to his or her continuing education for at least four years from the date the course or seminar was taken.

13:40A-5.9 RESPONSIBILITIES OF CONTINUING EDUCATION PROVIDERS

- a) All providers of continuing education courses shall:
 - 1) Secure Board approval prior to advertising or otherwise representing that any course is approved for continuing education credit in New Jersey;
 - 2) Submit, on forms provided by the Board, for each course for which appraisal is sought, the following for evaluation by the Board:
 - i) A detailed description of course content and estimated hours of instruction;

- ii) Any printed material describing the course;
 - iii) A description of the method used to monitor attendance and the policy for making up missed classes;
 - iv) A curriculum vitae of the instructor(s), including information concerning the specific background which qualifies the instructor to teach the particular course offering;
 - v) Any additional information as may be requested by the Board;
 - vi) The name of the instructor(s) proposed to teach the course or seminar;
- 3) Monitor the attendance at each approved course; and
 - 4) Retain accurate records of attendance for a four-year period and shall submit such documentation to the Board upon request.

13:40A-5.10 EXTENSIONS

- a) An applicant for biennial renewal may not obtain an extension of time within which to satisfy continuing education requirements, except where a deferral is authorized pursuant to the Real Property Appraiser Qualification Criteria and Interpretations of the Criteria, effective January 1, 2008, as promulgated by the AQB of the Appraisal Foundation as amended and supplemented and incorporated herein by reference as part of this rule and can be found at http://www.appraisalfoundation.org/s_appraisal/bin.asp?CID=117&DID=287&DOC=FILE_PDF.
- b) If, upon application by a credential holder, the Board determines that an applicant for biennial renewal is not able to satisfy continuing education requirements for the preceding cycle due to extenuating circumstances, the credential holder shall be placed in inactive status for a period of up to 90 days pending completion of all continuing education requirements, as set forth in the Real Property Appraiser Qualification Criteria and Interpretations of the Criteria, as promulgated by the AQB of the Appraisal Foundation, as amended and supplemented and incorporated herein by reference as part of this rule.

SUBCHAPTER 6. STANDARDS FOR APPRAISALS

13:40A-6.1 GENERAL REQUIREMENTS

- a) The appraiser shall ensure that all appraisals shall, at a minimum conform to the Uniform Standards of Professional Appraisal Practice (USPAP) in effect on the date on which the appraisal was prepared, which standards are incorporated herein by reference.
- b) An appraiser's failure to comply with the provisions of USPAP may be construed to be professional misconduct in violation of N.J.S.A. 45:1-21(e).

SUBCHAPTER 7. GENERAL PROVISIONS

13:40A-7.1 FEE SCHEDULE

- a) Charges for credentialing, certification, licensure, registration, and other services are as follows:
 - 1) Application fee:
 - i) Certified General Real Estate Appraiser..... \$125.00
 - ii) Certified Residential Real Estate Appraiser..... \$100.00
 - iii) Licensed Real Estate Appraiser \$75.00
 - iv) Appraisal management company.....\$250.00
 - 2) Credentialing fee:..... \$125.00
 - 3) Initial certification fee, general real estate appraiser:
 - i) During the first year of a biennial renewal period..... \$550.00
 - ii) During the second year of a biennial renewal period \$275.00
 - 4) Initial certification fee, residential real estate appraiser:

- i) During the first year of a biennial renewal period..... \$550.00
- ii) During the second year of a biennial renewal period \$275.00
- 5) Initial license fee:
 - i) During the first year of a biennial renewal period..... \$550.00
 - ii) During the second year of a biennial renewal period \$275.00
- 6) Certification renewal fee for general real estate appraiser, biennial \$550.00
- 7) Certification renewal fee for residential real estate appraiser, biennial \$550.00
- 8) License renewal fee, biennial..... \$550.00
- 9) Late renewal fee: \$100.00
- 10) Temporary visiting registration fee \$150.00
- 11) Reciprocity Application fee:..... \$75.00
- 12) Reinstatement fee:..... \$150.00
- 13) Duplicate wall certificate fee: \$40.00
- 14) Duplicate registration certificate fee: \$25.00
- 15) Change of name or address fee: \$25.00
- 16) Verification of certification/licensure:..... \$40.00
- 17) Verification of continuing education credits: \$40.00
- 18) Federal surcharge, biennial:..... \$80.00
- 19) Trainee permit fee; annual: \$100.00
- 20) Initial registration fee, appraisal management company:

- i. During the first year of the biennial period.....\$2,500
- ii. During the second year of the biennial period.....\$1,250
- 21) Biennial registration renewal fee, appraisal management company.....\$2,500

13:40A-7.2 DISCLOSURE OF TITLE AND CERTIFICATE OR LICENSE NUMBER

An appraiser shall include on all appraisal reports, at the place wherever the appraiser's signature appears, the appraiser's designation and state license or certification number. The appraiser shall use only the designations permitted pursuant to N.J.A.C. 13:40A-7.3.

13:40A-7.3 USE OF DESIGNATIONS AND ABBREVIATIONS

- a) The following shall apply in connection with the use of designations and abbreviations on appraisal reports or in any advertisement or public representation:
 - 1) Individuals holding a current valid real estate appraiser certificate or license may use only the following designations and abbreviations to indicate the type of certificate or license held:

Permissible Designation	Permissible Abbreviation
State Certified General Real Estate Appraiser	SCGREA
State Certified Residential Real Estate Appraiser	SCRREA
State Licensed Real Estate Appraiser	SLREA

- 2) Abbreviations shall appear in capital letters, without a period or space after each letter, and shall not be in type or lettering larger than the individual's name.
- 3) A certified or licensed appraiser shall use his or her designation or abbreviation only in conjunction with his or her name and not in conjunction with the name of a firm, corporation or partnership. For example, a firm, corporation or partnership shall not be identified as being certified or licensed.
- 4) An individual who is not certified or licensed pursuant to the Real Estate Appraisers Act, N.J.S.A. 45:14F-1 et seq., and this chapter shall not use the designations or abbreviations set forth in (a)1 above or any other designation or abbreviation using similar combinations of words or letters to imply that the individual is state certified or licensed.

- 5) A certified or licensed appraiser shall not permit his or her name and designation to be used on an appraisal where the appraiser has not participated in the appraisal pursuant to the Uniform Standards of Professional Appraisal Practice.
- 6) Trainee real estate appraisers shall use the full designation "trainee real estate appraiser" followed by their permit number. No abbreviation shall be permitted.

13:40A-7.4 CRITERIA FOR QUALIFYING EDUCATION INSTRUCTOR AND USPAP INSTRUCTORS

- a) An individual applying to be an instructor of qualifying education courses shall, at a minimum, have one of the following requirements:
 - 1) A baccalaureate degree in any field and three years of experience directly related to the subject matter to be taught;
 - 2) A master's degree in any field and one year of experience directly related to the subject matter to be taught;
 - 3) A masters or higher degree in a field that is directly related to the subject matter to be taught;
 - 4) Five years of real estate appraisal teaching experience directly related to the subject matter to be taught; or
 - 5) Seven years of real estate appraisal experience directly related to the subject matter to be taught.
- b) Instructors for qualifying education, with an appraisal license or certification, shall be in good standing.
- c) Approvals to teach as an instructor of qualifying education courses shall be issued by the Board for two year periods and shall be renewed biennially upon submission by the instructor of an application for re-approval.
- d) Instructors for qualifying education who teach either full time or part time as part of the faculty staff at colleges, universities, community colleges, or junior colleges accredited by the Commission on Higher Education or any real estate appraisal or real estate related organizations that are sponsors of the Appraisal Foundation need not satisfy the criteria set forth in (a) above. Adjunct instructors shall not qualify for this exemption and shall satisfy the criteria in (a) above in order to qualify as an instructor of education courses.

- e) Instructors for USPAP courses shall be required to satisfy the USPAP instructor criteria as established by "The Real Property Appraiser Qualification Criteria and Interpretation of the Criteria" as promulgated by the AQB of the Appraisal Foundation as amended and supplemented, which are incorporated herein by reference as part of this rule.

13:40A-7.5 MIXED PRACTICE; CONFLICT OF INTEREST

- a) For the purposes of this section, "real estate licensee" means any natural person licensed as a real estate broker, broker-salesperson or salesperson pursuant to N.J.S.A. 45:15-1et seq. and "transaction" means the buying, selling, leasing, mortgaging, auctioning or exchanging of real estate.

- b) A real estate appraiser, who is also a real estate licensee or who is employed as an appraiser by a licensed real estate broker, shall not prepare an appraisal upon a property while:
 - 1) The real estate appraiser also is acting in the capacity of a real estate licensee for any party with respect to any transaction involving the property to be appraised;
 - 2) The employing broker of the real estate appraiser is acting as a real estate licensee for any party with respect to any transaction involving the property to be appraised; or
 - 3) Any real estate licensee who is working for the employing broker of the real estate appraiser acts as a real estate licensee for any party with respect to such transaction.

- c) The prohibitions listed in (b) above shall continue until the transaction closes.
 - 1) A sale or buy transaction is considered closed at the time the closing has been completed and title has passed from the seller to the buyer;
 - 2) A lease transaction is considered closed at the time the lease is fully executed and delivered to the parties or, if there is no written lease, at the time of occupancy of the leased premises by the tenant;
 - 3) A mortgage transaction is considered closed at the time a mortgage document is executed by the mortgagor and delivered to the mortgagee; and
 - 4) An exchange is considered closed at the time the closing has been completed and title has passed between the parties.

- d) Notwithstanding (b) above, this section shall not be construed to preclude a real estate appraiser who is also a real estate licensee, acting in the capacity of a real estate licensee, from giving or offering to give, for a fee or otherwise, counsel and advice on the pricing, listing, selling, renting and use of real property, directly to a property owner or prospective purchaser if the intended use of the counsel or advice is solely for the individual knowledge of or use by the property owner or prospective purchaser or lessee and not by any third party. When providing such counsel or advice, the licensed real estate appraiser, acting in the capacity of a real estate licensee, shall disclose, in writing, to the property owner or prospective purchaser or lessee that such counsel and advice is not a "certified appraisal" or a "licensed appraisal."

13:40A-7.6 LICENSE OR CERTIFICATION RENEWAL

- a) The Board shall send a notice of renewal to each licensee or certificate holder, at least 60 days prior to the expiration of the license or certification. The notice of renewal shall explain inactive renewal and advise the licensee or certificate holder of the option to renew as inactive. If the notice to renew is not sent 60 days prior to the expiration date, no monetary penalties or fines shall apply to the licensee or certificate holder for failure to renew provided that the license or certification is renewed within 60 days from the date the notice is sent or within 30 days following the date of license or certification expiration, whichever is later.
- b) A licensee or certificate holder shall renew his or her license or certification for a period of two years from the last expiration date. The licensee or certificate holder shall submit a renewal application to the Board, along with the renewal fee set forth in N.J.A.C. 13:40A-7.1, prior to the date of license or certification expiration.
- c) A licensee or certificate holder may renew his or her license or certification by choosing inactive status. A licensee or certificate holder electing to renew his or her license or certification as inactive shall not engage in the practice of real estate appraising, or hold himself or herself out as eligible to engage in the practice of real estate appraising in New Jersey, until such time as the license or certification is returned to active status.
- d) If a licensee or certificate holder does not renew the license or certification prior to its expiration date, the licensee or certificate holder may renew the license or certification within 30 days of its expiration by submitting a renewal application, a renewal fee, and a late fee as set forth in N.J.A.C. 13:40A-7.1. During this 30-day period, the license or certification shall be valid and the licensee or certificate holder shall not be deemed practicing without a license or certification, as applicable.
- e) A licensee or certificate holder who fails to submit a renewal application within 30 days of license or certification expiration shall have his or her license or certification suspended without a hearing.

- f) A licensee or certificate holder who continues to engage in the practice of real estate appraising with a suspended license or certification shall be deemed to be engaging in the unauthorized practice of real estate appraising and shall be subject to action consistent with N.J.S.A. 45:1-14 et seq., even if no notice of suspension has been provided to the individual.

13:40A-7.7 LICENSE OR CERTIFICATION REACTIVATION

- a) A licensee or certificate holder who holds an inactive license or certification pursuant to N.J.A.C. 13:40A-7.6(c) may apply to the Board for reactivation of the inactive license or certification. A licensee or certificate holder seeking reactivation of an inactive license or certification shall submit:
 - 1) A renewal application;
 - 2) A certification of employment listing each job held during the period of the inactive license or certification, which includes the names, addresses, and telephone number of each employer;
 - 3) The renewal fee for the biennial period for which reactivation is sought as set forth in N.J.A.C. 13:40A-7.1; and
 - 4) Evidence of having completed all continuing education credits for the current biennial registration period which were required to be completed within two years prior to the beginning of the renewal period for which reactivation is sought, consistent with the requirements set forth in N.J.A.C. 13:40A-5.
 - i. An applicant who holds a valid, current license or certification in good standing issued by another state to engage in the practice of real estate appraising and submits proof of having satisfied that state's continuing education requirements for that license or certification during the biennial period immediately prior to the renewal period for which reactivation is sought, shall be deemed to have satisfied the requirements of subsection (a)4. If the other state does not have any continuing education requirements, the requirements of (a)4 apply.
- b) If a Board review of an application establishes a basis for concluding that there may be practice deficiencies in need of remediation prior to reactivation, the Board may require the applicant to submit to and successfully pass an examination or an assessment of skills, a refresher course, or other requirement(s) as determined by the Board prior to

reactivation of the license or certification. If the examination or assessment identifies deficiencies or educational needs, the Board may require the applicant, as a condition of reactivation of licensure or certification, to take and successfully complete any education or training or to submit to any supervision, monitoring, or limitations, as the Board determines are necessary to assure that the applicant practices with reasonable skill. The Board in its discretion may restore the license or certification subject to the applicant's completion of the training within a period of time prescribed by the Board following the restoration of the license or certification. In making its determination whether there are practice deficiencies requiring remediation, the Board shall consider the following, but not limited to:

- 1) Length of duration license or certification was inactive;
- 2) Employment history;
- 3) Professional history;
- 4) Disciplinary history and any action taken against the applicant's license or certification by any licensing board;
- 5) Actions affecting the applicant's privileges taken by any institution, organization, or employer related to the practice of real estate appraising or other professional or occupational practice in New Jersey, any other state, the District of Columbia or in any other jurisdiction;
- 6) Pending proceedings against a professional or occupational license or certification issued to the licensee or certificate holder by a professional board in New Jersey, any other state, the District of Columbia, or in any other jurisdiction; and
- 7) Civil litigation related to the practice of real estate appraising or other professional or occupational practice in New Jersey, any other state, the District of Columbia or in any other jurisdiction.

13:40A-7.8 LICENSE OR CERTIFICATION REINSTATEMENT

- a) A licensee or certificate holder who has had his or her license suspended pursuant to N.J.A.C 13:40A-7.6(e) above may apply to the Board for reinstatement. A licensee or certificate holder applying for reinstatement shall submit:

- 1) A reinstatement application;
- 2) A certification of employment listing each job held during the period of suspended license or certification, which includes the names, addresses, and telephone number of each employer;
- 3) The renewal fee for the biennial period for which reinstatement is sought;
- 4) The past due renewal fee for the biennial period immediately preceding the renewal period for which reinstatement is sought;
- 5) The reinstatement fee set forth in N.J.A.C. 13:40A-7.1; and
- 6) Evidence of having completed all continuing education credits for the current biennial registration period which were required to be completed during the biennial period immediately prior to the renewal period for which reinstatement is sought, consistent with the requirements set forth in N.J.A.C. 13:40A-5.
 - i. An applicant who holds a valid, current license or certification in good standing issued by another state to engage in the practice of real estate appraising and submits proof of having satisfied that state's continuing education requirements for that license or certification, shall be deemed to have satisfied the requirements of subsection (a)6. If the other state does not have any continuing education requirements, the requirements of (a)6 above shall apply.
 - b) If a Board review of an application establishes a basis for concluding that there may be practice deficiencies in need of remediation prior to reinstatement, the Board may require the applicant to submit to and successfully pass an examination or an assessment of skills, a refresher course, or other requirements as determined by the Board prior to reinstatement of the license or certification. If that examination or assessment identifies deficiencies or educational needs, the board may require the applicant as a condition of reinstatement of licensure to take and successfully complete any education or training or to submit to any supervision, monitoring, or limitations, as the Board determines are necessary to assure that the applicant practices with reasonable skill. The Board in its discretion may restore the license or certification subject to the applicant's completion of the training within a period of time prescribed by the Board following the restoration of the license or certification. In making its determination whether there are practice deficiencies requiring remediation, the Board shall consider the following, but not limited to:
 - 1) Length of duration license or certification was suspended;

- 2) Employment history;
- 3) Professional history;
- 4) Disciplinary history and any action taken against the applicant's license or certification by any licensing board;
- 5) Actions affecting the applicant's privileges taken by any institution, organization, or employer related to the practice of real estate appraising or other professional or occupational practice in New Jersey, any other state, the District of Columbia or in any other jurisdiction;
- 6) Pending proceedings against a professional or occupational license or certification issued to a licensee or certificate holder by a professional board in New Jersey, any other state, the District of Columbia, or in any other jurisdiction; and
- 7) Civil litigation related to the practice of real estate appraising or other professional or occupational practice in New Jersey, any other state, the District of Columbia or in any other jurisdiction.

13:40A-7.9 DENIAL OR REVOCATION OF LICENSE, CERTIFICATION, OR REGISTRATION; RECORD OF CONVICTION OF CERTAIN CRIMES

- a) An applicant for licensure, certification, or registration shall not be eligible for licensure, certification, or registration, and any holder of a license, certification, or registration shall have his or her license, certification, or registration revoked if the Board determines that criminal history record information exists on file in the Federal Bureau of Investigation, Identification Division, or in the State Bureau of Identification in the Division of State Police, which would disqualify that individual from being licensed, certified, or registered.
- b) An applicant or a holder of a license, certification, or registration shall be disqualified from licensure, certification, or registration if that individual's criminal history record check reveals a record of conviction of any of the following crimes and offenses:
 - 1) In New Jersey, any crime or disorderly persons offense during the five-year period immediately prior to the date of the application or renewal, or any crime more than five years prior to the date of the application or renewal:

- i. Involving danger to the person, meaning those crimes and disorderly persons offenses set forth in N.J.S.A. 2C:11-1 et seq., 2C:12-1 et seq., 2C:13-1 et seq., 2C:14-1 et seq., or 2C:15-1 et seq.; or
 - ii. Involving theft as set forth in Chapter 20 of Title 2C of the New Jersey Statutes, forgery and fraudulent practices as set forth in Chapter 21 of Title 2C of the New Jersey Statutes, including, but not limited to, money laundering as set forth in N.J.S.A. 2C:21-25, or perjury and other falsification in official matters as set forth in Chapter 28 of Title 2C of the New Jersey Statutes; or
 - iii. Involving any controlled dangerous substances or controlled dangerous substances analog as set forth in Chapter 35 of Title 2C of the New Jersey Statutes except as set forth in paragraph (4) of subsection a of N.J.S.A. 2C:35-10.
- 2) In any other state or jurisdiction, conduct which, if committed in New Jersey, would constitute any of the crimes or disorderly persons offenses described in (b)1 above. This is deemed to include convictions for bank fraud, wire fraud, or conspiracy to commit bank fraud or wire fraud.
- 3) For purposes of this subsection, a judgment of conviction or a plea of guilty, non vult, nolo contendere, or any other such disposition of alleged criminal activity shall be deemed a conviction.
- c) Notwithstanding the provisions of (b) above, no individual shall be disqualified from licensure, certification, or registration on the basis of any conviction disclosed by a criminal history record check, other than a conviction for a crime during the five-year period immediately prior to the date of the application or renewal or a crime enumerated in (b)1ii above, if the individual has affirmatively demonstrated to the Board clear and convincing evidence of rehabilitation. In determining whether an individual has affirmatively demonstrated rehabilitation, the following factors shall be considered:
 - 1) The nature and responsibility of the position which the convicted individual would hold;
 - 2) The nature and seriousness of the offense;
 - 3) The circumstances under which the offense occurred;
 - 4) The date of the offense;

- 5) The age of the individual when the offense was committed;
 - 6) Whether the offense was an isolated or repeated incident;
 - 7) Any social conditions which may have contributed to the offense; and
 - 8) Any evidence of rehabilitation, including good conduct in prison or in the community, counseling or psychiatric treatment received, acquisition of additional academic or vocational schooling, successful participation in correctional work-release programs, or the recommendation of persons who have had the individual under their supervision.
- d) The Board may refuse to admit a person to an examination or may refuse to issue or may suspend or revoke any certificate or license issued by the Board upon proof that the applicant or holder of such certificate or license:
- 1) Has obtained a certificate, license or authorization to sit for an examination, as the case may be, through fraud, deception, or misrepresentation;
 - 2) Has engaged in the use or employment of dishonesty, fraud, deception, misrepresentation, false promise or false pretense;
 - 3) Has engaged in gross negligence, gross malpractice or gross incompetence which damaged or endangered the life, health, welfare, safety or property of any person;
 - 4) Has engaged in repeated acts of negligence, malpractice or incompetence;
 - 5) Has engaged in professional or occupational misconduct as may be determined by the Board;
 - 6) Has been convicted of, or engaged in acts constituting, any crime or offense involving moral turpitude or relating adversely to real estate appraising. For the purposes of this subsection a judgment of conviction or a plea of guilty, non vult, nolo contendere or any other such disposition of alleged criminal activity shall be deemed a conviction;
 - 7) Has had the authority to engage in real estate appraising revoked or suspended by any other state, agency, or certifying authority for reasons consistent with this section;

- 8) Has violated or failed to comply with the provisions of any statute or regulation administered by the Board;
- 9) Is incapable for medical or any other good cause, of discharging the functions of a licensee or certificate holder in a manner consistent with the public's health, safety and welfare;
- 10) Has violated any provision of P.L. 1983, c.320 (N.J.S.A. 17:33A-1 et seq.) or any insurance fraud prevention law or act of another jurisdiction or has been adjudicated, in civil or administrative proceedings, of a violation of P.L. 1983, c.320 (N.J.S.A. 17:33A-1 et seq.) or has been subject to a final order, entered in civil or administrative proceedings, that imposed civil penalties under that act against the applicant or holder;
- 11) Is presently engaged in drug or alcohol use that is likely to impair the ability to practice the profession or occupation with reasonable skill and safety. For purposes of this subsection, the term "presently" means at this time or any time within the previous 365 days;
- 12) Has permitted an unlicensed person or entity to perform an act for which a license or certification is required by the Board, or aided and abetted an unlicensed person or entity in performing such an act; or
- 13) Advertised fraudulently in any manner.

13:40A-7.10 DISCIPLINED LICENSEES OR CERTIFICATE HOLDERS; PROHIBITED ACTIVITIES

- a) When used in this section, "steps of the valuation process", means any and all work performed by or at the direction of an individual including, but not limited to, the gathering of any data from which to extract information and market trends, the analysis of data, such as sales, cost, and income data pertaining to a property being appraised, and the reconciliation of the data to form a value conclusion.
- b) No later than the effective date of a suspension, revocation or voluntary surrender, any suspended or revoked licensee or certificate holder, or any licensee or certificate holder who has agreed to a voluntary surrender of his or her license or certificate, to be deemed a revocation, shall immediately forward the original license or certification to the Board office located at Post Office Box 45032, 124 Halsey Street, Third Floor, Newark, New Jersey 07101. With respect to suspensions of a finite term, at the conclusion of the term, the licensee or certificate holder may contact the Board office for the return of the documents previously surrendered to the Board.

- c) Any licensed or certified appraiser who is under active disciplinary suspension pursuant to a Board order or consent agreement, or whose license or certification has been revoked or surrendered, shall cease and desist from engaging in the practice of real estate appraising in all respects, and shall refrain from engaging in any work or activities, including any of the steps of the valuation process, in connection with any appraisal assignment for real estate located in the State of New Jersey. No suspended or revoked licensee or certificate holder shall charge, receive or share in any fee for professional services rendered by himself or herself or others while barred from engaging in real estate appraising. The licensee may be compensated for the reasonable value of services lawfully rendered and disbursements incurred prior to the effective date of the Board action. Failure to comply with this provision shall be deemed professional misconduct.

- d) Any New Jersey licensed or certified real estate appraiser who assists a suspended or revoked real estate appraiser in the performance of steps in the valuation process or employs or provides payment for services in any capacity rendered by any suspended or revoked real estate appraiser, whether payment is made to the appraiser as an employee or as an independent contractor, shall be deemed to have aided and abetted unlicensed or uncertified practice pursuant to N.J.S.A. 45:1-21 (n), and to have engaged in professional misconduct pursuant to N.J.S.A. 45:1-21(e).

- e) Any payment made to or received by a suspended or revoked licensee or certificate holder by any New Jersey licensed or certified real estate appraiser will be presumed to be related to the practice of real estate appraising, unless the licensee or certificate holder or suspended or revoked licensee or certificate holder can affirmatively demonstrate by clear and convincing evidence that the moneys were unrelated to the practice of real estate appraising.

- f) Any Board licensee or certificate holder who has been subject to any of the following actions by the Department of Housing and Urban Development (HUD) shall be deemed to have engaged in professional misconduct pursuant to N.J.S.A. 45:1-21(e), as well as pursuant to N.J.S.A. 45:1-21(g): a debarment, a limited denial of participation, a suspension, as defined by 24 C.F.R. § 24.105; or a removal from the HUD's FHA Appraiser Roster pursuant to 24 C.F.R. 200.204, and accordingly, may be subject to sanction pursuant to N.J.S.A. 45:1-21 or N.J.S.A. 45:1-22.

13:40A-7.11 NOTIFICATION OF CHANGE OF ADDRESS; SERVICE OF PROCESS

- a) Every licensee, certificate holder, and registrant shall give notice to the Board of any change of his or her address of record within 10 days of such change. For purposes of this section "address of record" means an address designated by a licensee, certificate holder, or registrant that is part of the public record and that may be disclosed upon request. "Address of record" may be a licensee, certificate holder, or registrant's home,

business, or mailing address, but shall not be a post office box, unless the licensee, certificate holder, or registrant also provides another address which includes a street, city, state, and zip code.

- b) Service of an administrative complaint or other process initiated by the Board, the Attorney General, or the Division of Consumer Affairs at the licensee's, certificate holder's, or registrant's address of record shall be deemed adequate notice.

SUBCHAPTER 8. CERTIFICATION OR LICENSURE BY RECIPROCITY

13:40A-8.1 CERTIFICATION OR LICENSURE BY RECIPROCITY

- a) Upon receipt of a completed application, application fee, consent to a criminal history record background check, and requisite fee for such a check, the Board shall issue a real estate appraiser license or certification to any person who documents that the person holds a valid, current corresponding license or certification in good standing issued by another state, if:
 - 1) The Board determines that the state that issued the license or certification at the time of issuance meets or exceeds the minimum qualification criteria established by the Appraisal Qualifications Board of the Appraisal Foundation and the standards for licensure and certification as set forth in this chapter; and
 - 2) The requirements of subsection (b) are satisfied.
- b) Prior to the issuance of the license or certification, the Board shall have received:
 - 1) Documentation reasonably satisfactory to the Board that the applicant's license or certification in the other state is in good standing;
 - 2) The results of a criminal history record background check of the files of the Criminal Justice Information Services Division in the Federal Bureau of Investigation and the State Bureau of Identification in the Division of State Police do not disclose a conviction for a disqualifying crime; and
 - 3) Designation of an agent in this State for service of process, if the applicant is not a State resident and does not have an office in this State.
- c) For purposes of this section, "good standing" means that:

- 1) No action has been taken against the applicant's license or certification by any licensing board;
 - 2) No action adversely affecting the applicant's privileges to practice real estate appraising has been taken by any out-of-State institution, organization, or employer;
 - 3) No disciplinary proceeding is pending that could affect the applicant's privileges to practice real estate appraising;
 - 4) All fines levied by any out-of-State board have been paid; and
 - 5) There is no pending or final action by any criminal authority for violation of law or regulation, or any arrest or conviction for any criminal or quasi-criminal offense under the laws of the United States, New Jersey, or any other state, including but not limited to: criminal homicide; aggravated assault; sexual assault, criminal sexual contact, or lewdness; or any offense involving any controlled dangerous substance or controlled dangerous substance analog.
- d) For purposes of this section, a "substantially equivalent" examination need not be identical to the current examination requirements of this State, but such examination shall be nationally recognized and of comparable scope and rigor.
- e) The Board, after the licensee has been given notice and an opportunity to be heard, may revoke any license or certification based on a license or certification issued by another state obtained through fraud, deception, or misrepresentation.

SUBCHAPTER 9. APPRAISAL MANAGEMENT COMPANIES

13:40A-9.1 PURPOSE AND SCOPE

- a) The rules in this subchapter implement the provisions of the Appraisal Management Company Registration and Regulation Act, P.L. 1991, c. 68, as amended and supplemented by P.L. 1997, c. 401 and P.L. 2017, c. 72 (N.J.S.A. 45:14F-27 et seq.).
- b) Except as provided in (c) below, the provisions of this subchapter shall apply to an appraisal management company in accordance with 12 U.S.C. § 3353.
- c) The provisions of this subchapter shall not apply to:
 1. An employee relocation management company in the course of employee relocation pursuant to its relocation policy; or

2. A person or entity that exclusively employs appraisers on an employer and employee basis for the performance of appraisals for a variety of clients or intended uses of the appraisal other than mortgage lending consumer credit transactions secured by a consumer's principal dwelling.

d) The Board incorporates herein by reference, as amended and supplemented, the appraiser independence standards established under section 1639e of the Federal Truth in Lending Act, Pub. L. 90-321 (15 U.S.C. § 1639e), including:

1. The requirements for payment of customary and reasonable compensation to fee appraisers when the appraisal management company is providing services for a consumer credit transaction secured by the principal dwelling of a consumer; and

2. All necessary enforcement and remedies available under the Federal Truth in Lending Act, Pub. L. 90-321 (15 U.S.C. §§ 1601 et seq.).

13:40A-9.2 DEFINITIONS

The following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise:

“Act” means the Appraisal Management Company Registration and Regulation Act, N.J.S.A. 45:14F-27 et seq. (P.L. 2017, c. 72).

“Administrative quality control examination” means an examination of an appraisal report for compliance and completeness, including grammatical, typographical, or other similar errors, which may be performed by a person who is not a State-certified or licensed real estate appraiser, but which shall not include unbiased analysis, opinion, or conclusion relating to the nature, quality, value, or utility of specified interests in, or aspects of, real estate, or any similar function of appraisal practice, including, but not limited to, those functions in the performance of an appraisal review.

“Affiliate” means any company that controls, is controlled by, or is under common control of another company.

“AMC National Registry” means the registry of state-registered appraisal management companies and Federally regulated appraisal management companies maintained by the Appraisal Subcommittee.

“Appraisal” or “real estate appraisal” means the same as that term is defined at N.J.S.A. 45:14F-2, and shall be specifically construed to include appraisal reviews performed by, for, and on behalf of an appraisal management company.

“Appraisal management company” or “AMC” means a person that:

1. Provides appraisal management services to creditors or to secondary mortgage market participants, including affiliates;
2. Provides such services in connection with valuing a consumer’s principal dwelling as security for a consumer credit transaction or incorporating such transactions into securitizations; and
3. Within a 12-month calendar year, oversees an appraiser panel of more than 15 State-certified or State-licensed appraisers in New Jersey or 25 or more state-certified or state-licensed appraisers in two or more states. For purposes of this definition, the Board will determine the number of state-certified or state-licensed appraisers that are deemed part of the appraisal panel consistent with the provisions of N.J.A.C. 13:40A-9.3.

An AMC does not include a department or division of an entity that provides appraisal management services only to that entity.

“Appraisal management services” means one or more of the following:

1. Recruiting, selecting, and retaining appraisers;
2. Contracting with State-certified or State-licensed appraisers to perform appraisal assignments;
3. Managing the process of having an appraisal performed, including providing administrative services, such as receiving appraisal orders and appraisal reports, submitting completed appraisal reports to creditors and secondary market participants, collecting fees from creditors and secondary market participants for services provided, and paying appraisers for services performed; and

4. Reviewing and verifying the work of appraisers.

“Appraisal review” means the act or process of developing and communicating an opinion about the quality of another appraiser’s work that was performed as part of an appraisal assignment related to the appraiser’s data collection, analysis, opinions, conclusions, estimate of value, or compliance with the Uniform Standards of Professional Appraisal Practice. This term does not include:

1. A general examination for grammatical, typographical, or other similar errors; or
2. A general examination for completeness, including regulatory or client requirements as specified in the agreement process that does not communicate an opinion of value.

“Appraiser” means a State-certified general real estate appraiser, State-certified residential real estate appraiser, or State-licensed real estate appraiser.

“Appraiser panel” means a network, list, or roster of licensed or certified appraisers approved by an AMC to perform appraisals as independent contractors for the AMC. Appraisers on an AMC’s “appraiser panel” include both appraisers accepted by the AMC for consideration for future appraisal assignments in covered transactions or for secondary mortgage market participants in connection with covered transactions, and appraisers engaged by the AMC to perform one or more appraisals in covered transactions or for secondary mortgage market participants in connection with covered transactions. An appraiser is an independent contractor, if the appraiser is treated as an independent contractor by the AMC for purposes of Federal income taxation.

“Consumer credit” means credit offered or extended to a consumer primarily for personal, family, or household purposes.

“Controlling person” means:

1. An officer, director, or owner of greater than a 10 percent interest of a corporation, partnership, or other business entity seeking to act as an appraisal management company in this State;

2. An individual employed, appointed, or authorized by an appraisal management company who has the authority to enter into a contractual relationship with other persons for the performance of services requiring registration as an appraisal management company and has the authority to enter into agreements with appraisers for the performance of appraisals; or

3. An individual who possesses, directly or indirectly, the power to direct or cause the direction of the management or policies of an appraisal management company.

“Covered transaction” means any consumer credit transaction secured by the consumer’s principal dwelling.

“Creditor” means:

1. A person who regularly extends consumer credit that is subject to a finance charge or is payable by written agreement in more than four installments, not including a down payment, and to whom the obligation is initially payable, either on the face of the note or contract, or by agreement when there is no note or contract; or

2. A person who regularly extends consumer credit if the person extended credit, other than credit subject to the requirements for high cost mortgages set forth at 12 CFR 1026.32, more than five times for transactions secured by a dwelling in the preceding calendar year; if a person did not meet these numerical standards in the preceding calendar year, the numerical standards shall be applied to the current calendar year. A person regularly extends consumer credit if, in any 12-month period, the person originates more than one credit extension that is subject to the requirements of 12 CFR 1026.32 or one or more such credit extensions through a mortgage broker.

“Dwelling” means a residential structure that contains one to four units, whether or not that structure is attached to real property, including an individual condominium unit, cooperative unit, mobile home, or trailer, if it is used as a residence. A consumer can have only one principal dwelling at any one time; a vacation or other second home is not considered a principal dwelling. However, if a consumer buys or builds a new dwelling that will become the consumer’s principal dwelling within one year or upon the completion of construction, the new dwelling is considered the principal dwelling for purposes of this definition.

“Employee relocation management company” means a business entity whose exclusive business services are not for mortgage purposes, but include the relocation of employees as an agent or contractor for the employer or the employer’s agent for the purposes of determining an anticipated sales price of the residence of an employee being relocated by the employer in the course of its business.

“Federal financial institution regulatory agencies” includes the Consumer Financial Protection Bureau, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Federal Housing Finance Agency, the Office of the Comptroller of the Currency, and the National Credit Union Administration.

“Federally regulated AMC” means an AMC that is owned and controlled by an insured depository institution, as defined in 12 U.S.C. § 1813 and regulated by the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, or the Federal Deposit Insurance Corporation.

“Federally related transaction” means the same as that term is defined pursuant to N.J.S.A. 45:14F-2.

“Federally related transaction regulations” means regulations established by the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Federal Housing Finance Agency, or the National Credit Union Administration, pursuant to sections 1112, 1113, and 1114 of the Financial Institution Reform, Recovery and Enforcement Act (FIRREA), Title XI, 12 U.S.C. §§ 3341 through 3343.

“Person” means a natural person or an organization, including a corporation, partnership, proprietorship, association, cooperative, estate, trust, or government unit.

“Secondary mortgage market participant” means a guarantor or insurer of mortgage-backed securities, or an underwriter or issuer of mortgage-backed securities. Secondary mortgage market participant only includes an individual investor in a mortgage-backed security if that investor also serves in the capacity of a guarantor, insurer, underwriter, or issuer for the mortgage-backed security.

13:40A-9.3 APPRAISER PANEL

- a) An appraiser is deemed part of the appraisal management company's appraiser panel as of the earliest date on which the appraisal management company:
 - 1) Accepts the appraiser for the appraisal management company's consideration for future appraisal assignments in covered transactions or for secondary mortgage market participants in connection with covered transactions; or
 - 2) Engages the appraiser to perform one or more appraisals on behalf of a creditor for covered transactions or secondary mortgage market participant in connection with covered transactions.

- b) An appraiser who is deemed part of the appraisal management company's appraiser panel pursuant to (a) above is deemed to remain on the panel until the date on which the AMC:
 - 1) Sends written notice to the appraiser removing the appraiser from the appraiser panel, with an explanation of its action; or
 - 2) Receives written notice from the appraiser asking to be removed from the appraiser panel or receives written notice of the death or incapacity of the appraiser.

- c) If an appraiser is removed from an appraisal management company's appraiser panel pursuant to (b) above, but the appraisal management company subsequently accepts the appraiser for consideration for future assignments or engages the appraiser at any time during the 12 months after the appraiser's removal, the removal will be deemed not to have occurred, and the appraiser will be deemed to have been part of the AMC's appraiser panel without interruption.

13:40A-9.4 REGISTRATION

- a) Each person that directly or indirectly engages, or attempts to engage, in business as an appraisal management company, or advertises or holds itself out as engaging in or conducting business as an appraisal management company, shall obtain a registration from the Board.
 - 1) The registration requirements in this section shall not apply to an appraisal management company that is owned and controlled by an insured depository institution that is regulated by a Federal financial institution regulatory agency.

- (b) An applicant for registration as an appraisal management company shall pay the application and registration fee set forth at N.J.A.C. 13:40A-7.1 and file an application on a form provided by

the Board. The registration application shall include, but not be limited to, the following information, which shall be certified by the compliance officer of the appraisal management company:

- 1) The name of the entity or individual seeking registration, and the fictitious name or names, if any, under which it does business in any state;
- 2) The business address of the entity or individual seeking registration;
- 3) The telephone number and e-mail address of the entity or individual seeking registration;
- 4) The name and contact information for the individual's or entity's agent for service of process in this State, if the entity or individual is not a corporation that is domiciled in this State;
- 5) The name, address, and contact information for any individual or any corporation, partnership, or other business entity that owns 10 percent or more of the appraisal management company;
- 6) The name, address, and contact information for each controlling person;
- 7) The name, address, e-mail address, and telephone number for one controlling person designated as the main contact for all communication between the appraisal management company and the Board;
- 8) A certification that the entity or individual has a system and process in place to verify that a person being added to the appraiser panel of the appraisal management company holds a license or certification in good standing in this State pursuant to N.J.S.A. 45:14F-1 et seq., and this chapter;
- 9) A certification that the entity or individual requires appraisers completing appraisals, including, but not limited to, appraisals and appraisal reviews, at its request to comply with the Uniform Standards of Professional Appraisal Practice promulgated by the Appraisal Standards Board of the Appraisal Foundation, including the requirements for geographic and product competence;
- 10) A certification that the entity or individual has a system in place to verify that only licensed or certified appraisers are used for Federally related transactions;
- 11) A certification that the entity or individual has a system in place to require that appraisals are conducted independently and free from inappropriate influence and

- coercion as required by the appraisal independence standards established under section 1639e of the Federal Truth in Lending Act, Pub. L. 90-321 (15 U.S.C. § 1639e), including the requirements for payment of customary and reasonable compensation to fee appraisers when the appraisal management company is providing services for a consumer credit transaction secured by the principal dwelling of a consumer;
- 12) A certification, on a form provided by the Board, that the entity maintains a detailed record of each service request that it receives and the name of the appraiser that performs the residential real estate appraisal services for the appraisal management company;
 - 13) For an entity or individual applicant that is not domiciled in this State, an irrevocable Uniform Consent to Service of Process;
 - 14) The type of business organization of the appraisal management company; and
 - 15) For each controlling person or compliance officer who has a license or certification to engage in the practice of real estate appraisal in New Jersey or any other jurisdiction, disclosure of any investigations pending against his or her professional license or certification, and disclosure of any action pending before any employer, association, society, or other professional group related to the practice of real estate appraisal in New Jersey or any other jurisdiction.
- c) Each applicant for registration shall submit a surety bond in the amount of \$25,000, as required pursuant to N.J.S.A. 45:14F-35.
- 1) The surety bond shall be executed by a surety company authorized to transact business in the State of New Jersey, approved by the Department of Banking and Insurance, and be conditioned on the faithful performance of the provisions of the Act.
 - 2) The surety bond shall be for a period of 24 months consistent with the biennial registration period.
- d) Each controlling person of an appraisal management company for registration shall submit the certification and authorization form for criminal history background check, as provided by the Board, and the controlling person's fingerprints as processed by the vendor under contract with the State.
- e) An appraisal management company applying to the Board for registration in this State shall not:

- 1) In whole or in part, directly or indirectly, be owned by any person who has had an appraiser license or certification in this State or in any other state, refused, denied, cancelled, surrendered in lieu of revocation, or revoked; or
 - 2) Be subject to the ownership, control, direction, or authority of, or employ, appoint, or otherwise retain, a controlling person who is not of good moral character, which, for purposes of this paragraph, shall require that such person has not been convicted of, or entered a plea of nolo contendere to, a crime relating to the practice of appraisal or any crime involving financial services, fraud, misrepresentation, or moral turpitude. A controlling person shall not have been convicted of the crimes and offenses as set forth at N.J.A.C. 13:40A-7.9.
- f) Each applicant shall designate one controlling person that will be the designated contact for all communication between the Board and the appraisal management company.
- 1) A controlling person shall not, at any given time, be designated as the designated contact for more than one appraisal management company.
- g) Upon registration, the Board shall issue a unique registration number to each appraisal management company registered in this State.

13:40A-9.5 BIENNIAL RENEWAL

- a) An appraisal management company registrant shall submit to the Board, on a biennial basis, a renewal application and the renewal fee set forth in N.J.A.C. 13:40A-7.1. A registrant that fails to submit the renewal application within 30 days after the registration expiration shall submit the late renewal fee set forth in N.J.A.C. 13:40A-7.1 in addition to the renewal fee. During this 30-day period, the registration shall be valid and the registrant shall not be deemed engaging in the practice of appraisal management without a registration. A registrant who fails to submit a renewal application within 30 days of registration expiration shall have the registration suspended without a hearing. A registrant that continues to engage in the practice of appraisal management with an expired registration shall be deemed to be engaging in the unauthorized practice of appraisal management and shall be subject to the penalties set forth in N.J.S.A. 45:1-25 et seq.
- b) The Board shall send a notice of renewal to each registrant, at least 60 days prior to the expiration of the registration. If the notice to renew is not sent 60 days prior to the expiration date, no monetary penalty or fines shall apply to the registrant for any unauthorized practice during the period following the permit expiration, not to exceed the number of days short of 60 before the renewal was issued.

13:40A-9.6 ANNUAL CERTIFICATION; AMC RESPONSIBILITIES

- a) Each State-registered appraisal management company shall certify to the Board, annually, on a form provided by the Board, that it:
 - 1) Requires appraisers completing appraisals, including appraisal reviews, at its request to comply with the Uniform Standards of Professional Appraisal Practice, including the requirements for geographic and product competence;
 - 2) Has a system in place to verify that only licensed or certified appraisers are used for appraisals covered in this subchapter, including, but not limited to, those performed for Federally related transactions, appraisals pursuant to the provisions of the N.J.S.A. 45:14F-1 et seq., and this chapter;
 - 3) Has a system in place to verify that an individual on the appraiser panel has not had a license or certification as an appraiser refused, denied, cancelled, revoked, or surrendered in lieu of a pending revocation;
 - 4) Has a system in place to require that appraisals are conducted independently and free from inappropriate influence and coercion as required by the appraisal independence standards established under section 1639e of the Federal Truth in Lending Act, Pub. L. 90-321 (15 U.S.C. § 1639e), including the requirements for payment of customary and reasonable compensation to fee appraisers when the appraisal management company is providing services for a consumer credit transaction secured by the principal dwelling of a consumer; and
 - 5) Is in compliance with State laws and rules.
- b) Each State-registered appraisal management company shall certify to the Board, annually, by submission of a statement signed by the appraisal management company, that it maintains a detailed record of each service request that it receives and the name of the appraiser that performs the appraisal for the appraisal management company.
 - 1) Detailed records include, but are not limited to, a copy of:
 - i) The assignment order or service request identifying the end-user client;
 - ii) Each assignment result, including revised reports, addenda, certifications, and any webform communications;
 - iii) Any and all correspondence between the appraisers, the registrant, and any other entity or party related to the assignment;

- iv) Any copy of any quality control review related to the assignment;
 - v) Any review not consistent with a quality control review;
 - vi) All fee schedules maintained and used by the registrant for the purpose of compliance with the provisions of the Truth in Lending Act, Pub. L. 90-321 (15 U.S.C. § 1639e) relating to customary and reasonable fees. The fee schedules shall be definitive in nature; and
 - vii) Any roster of New Jersey active and approved fee panel appraiser vendors, including the name of the appraiser, each appraiser's State credential number, the date the appraiser was placed on the panel, and the date and reason an appraiser was removed from the panel.
- 2) Records shall be retained for a period of at least five years after an appraisal is completed or two years after final disposition of a judicial proceeding related to the assignment, whichever period expires later.
- c) The annual certifications required under this section shall be submitted to the Board by December 31 of each calendar year.
 - d) Prior to assigning appraisal orders, an appraisal management company shall have a system in place to verify that a person being added to the appraiser panel holds the appropriate State-issued appraiser credential in good standing.
 - e) Each registered appraisal management company shall disclose its Board-issued registration number on all engagement documents presented to the appraiser.

13:40A-9.7 RESPONSIBILITIES OF CERTIFIED OR LICENSED APPRAISER

- a) Each State-certified or licensed appraiser performing an appraisal assignment, including an appraisal review, for an appraisal management company, shall be responsible to ensure that the conduct of non-appraiser assistance is compatible with the professional responsibilities of the appraiser under Federal and State laws, rules, and regulations, including, but not limited to, conformance with the Uniform Standards of Professional Appraisal Practice.
- 1) Non-appraiser assistance shall include, but not be limited to, administrative quality control reviewers who are agents of, contracted by, employees of, or whose services are otherwise utilized by an appraisal management company, appraiser, or organization.

- b) Each State-certified or licensed appraiser shall include on every appraisal performed pursuant to the Act both the appraisal management company registration number and the amount of the fee received by the appraiser for performance of that appraisal.

13:40A-9.8 REMOVAL OF APPRAISER FROM PANEL

- a) An appraisal management company shall not remove an appraiser from its appraiser panel, or otherwise refuse to assign requests for real estate appraisal services to an appraiser, without:
 - 1) Notifying the appraiser in writing of the reasons why the appraiser is being removed from the appraiser panel of the appraisal management company;
 - 2) Notifying the appraiser of the nature of any alleged conduct or violation, if the appraiser is being removed from the panel for illegal conduct, violation of the Uniform Standards of Professional Appraisal Practice, or a violation of State licensing standards;
 - 3) Providing the appraiser with any evidence, upon which removal is based, including, but not limited to, any appraisal, appraisal review, or appraisal consulting report; and
 - 4) Providing an opportunity for the appraiser to respond to the notification of the appraisal management company.
- b) Any act of a State-certified or licensed real estate appraiser, which constitutes a material violation of the Uniform Standards of Professional Appraisal Practice in the process described in (a) above, shall be considered prima facie evidence of a violation of the ethics requirements under the Uniform Standards of Professional Appraisal Practice.
 - 1) For purposes of this section, "a material violation" is one that is likely to affect the value estimated in any appraisal utilized in this subsection, or any other act that reflects on the professional conduct of the appraiser.
- c) The Board shall not be involved in contractual disputes between an appraisal management company and an individual appraiser.

13:40A-9.9 NOTIFICATION TO THE BOARD REGARDING MATERIAL VIOLATION

- a) An appraisal management company shall inform the Board when the appraisal management company has a reasonable basis to believe that an appraiser has committed a material violation of:
 - 1) The Uniform Standards of Professional Appraisal Practice;

- 2) Applicable laws; or
 - 3) Ethical or professional conduct.
- b) An appraisal management company shall provide the Board with all information in the possession of the appraisal management company in support of any information compiled against an appraiser under this section, including any evidence to support the determination that an appraisal management company has probable cause of a material violation of the Uniform Standards of Professional Appraisal Practice, applicable laws, or ethical or professional conduct.
- c) For purposes of this section, "a material violation" is one that is likely to affect the value assigned to a consumer's principal dwelling.

13:40A-9.10 PAYMENT TO APPRAISER

Each appraisal management company shall, except in bona fide cases of breach of contract or substandard performance of services, make payment to an appraiser for the completion of an appraisal or valuation assignment within 60 days of the date on which the appraiser transmits or otherwise provides the completed appraisal or valuation study to the appraisal management company or its assignee, unless a mutually agreed upon alternate arrangement has been previously established, which agreement shall be considered to be under the appraiser independence requirements of section 1639e of the Federal Truth in Lending Act, Pub. L. 90-321 (15 U.S.C. § 1639e).

13:40A-9.11 PROHIBITED ACTS

- a) No employee, director, officer, agent, independent contractor, or other third-party acting on behalf of an appraisal management company shall:
- 1) Procure or attempt to procure a registration or renewal by knowingly making a false statement, submitting false information, or refusing to provide complete information in response to a question in an application for registration or renewal;
 - 2) Willfully violate N.J.S.A. 45:14F-1 et seq., or this chapter;
 - 3) Improperly influence, or attempt to improperly influence, the development, reporting, result, or a review of an appraisal through intimidation, coercion, extortion, bribery, or any other manner, including:

- i) Withholding payment for appraisal services;
 - ii) Threatening to exclude an appraiser from future work or threatening to demote or terminate in order to improperly obtain a desired result;
 - iii) Conditioning payment of an appraisal fee upon the opinion, conclusion, or valuation to be reached; or
 - iv) Requesting that an appraiser report a predetermined opinion, conclusion, or valuation or the desired valuation of any person or entity;
- 4) Alter, amend, or change an appraisal report submitted by an appraiser without the appraiser's knowledge and written consent;
- 5) Remove an independent appraiser from an appraiser panel without prior written notice to the appraiser, with the prior written notice including evidence of the following, if applicable:
- i) The appraiser's illegal conduct;
 - ii) A violation of the Uniform Standards of Professional Appraiser Practice, the Act, or this chapter;
 - iii) Improper or unprofessional conduct; and
 - iv) Substandard performance or other substantive deficiencies;
- 6) Require an appraiser to sign any indemnification agreement that would require the appraiser to defend and hold harmless the appraisal management company or any of its agents or employees for any liability, damage, losses, or claims arising out of the services performed by the appraisal management company or its agents, employees, or independent contractors and not the services performed by the appraiser;
- 7) Prohibit lawful communications between the appraiser and any other person who the appraiser, in the appraiser's professional judgment, believes possesses information that would be relevant;
- 8) Engage in any other act or practice that impairs or attempts to impair a real estate appraiser's independence, objectivity, and impartiality;

- 9) Fail to timely respond to any subpoena or any other request for information;
 - 10) Fail to timely obey an administrative order of the Board; or
 - 11) Fail to fully cooperate in any investigation.
- b) Except for an individual conducting an administrative quality control examination to each employee of, or independent contractor to, an appraisal management company that performs a USPAP Standard 3 review of an appraisal report on property located in this State shall be an appraiser with the proper level of licensure or certification as required by this chapter.
- c) An appraisal management company that engages in any of the prohibited acts set forth in (a) above may subject the registrant to denial, suspension, or revocation of registration, or the levying of fines or imposition of civil penalties in accordance with N.J.S.A. 45:14F-49(a).

13:40A-9.12 IMPOSITION, COLLECTION OF FEDERAL FEES; REPORTING REQUIREMENTS

- a) With respect to reporting requirements for non-Federally regulated appraisal management companies, the Board will collect from each AMC registered, or each AMC seeking to be registered, in the State, the information and fees that the Appraisal Subcommittee requires to be submitted to it by the State.
- b) With respect to reporting requirements for Federally regulated appraisal management companies, a Federally regulated AMC operating in the State shall report to the Board, the information required by the Appraisal Subcommittee to be submitted by the State to the Appraisal Subcommittee. These reporting requirements shall include:
 - 1) A report to the Board on a form prescribed by the Board of the AMC's intent to operate in this State;
 - 2) Information related to whether the AMC is owned in whole or in part, directly or indirectly, by any person who has had an appraiser license or certification refused, denied, cancelled, surrendered in lieu of revocation, or revoked in any state for a substantive cause, as determined by the Appraisal Subcommittee; and
 - 3) If a person has had action taken on his or her appraisal license, the Board shall collect information related to whether the license was revoked for a substantive cause and if it has been reinstated by the state or states in which the appraiser was licensed or certified.

- c) The Board shall collect from a Federally regulated AMC operating in the State, for submission to the Appraisal Subcommittee, the AMC National Registry fee as established in accordance with 12 CFR Part 1102, Subpart E.

Iowa

REAL ESTATE APPRAISER EXAMINING BOARD[193F]

Notice of Intended Action

Proposing rule making related to

alternative experience pathways and distance education delivery authorizations and providing an opportunity for public comment.

The Real Estate Appraiser Examining Board hereby proposes to amend Chapter 1, “Organization and Administration,” Chapter 5, “Certified Residential Real Property Appraiser,” Chapter 6, “Certified General Real Property Appraiser,” and Chapter 11, “Continuing Education,” Iowa Administrative Code.

Legal Authority for Rule Making

This rule making is proposed under the authority provided in Iowa Code chapter 543D.

State or Federal Law Implemented

This rule making implements, in whole or in part, Iowa Code chapter 543D.

Purpose and Summary

The purpose of this proposed rule making is to amend Chapters 1, 5, 6, and 11 to adopt the Practical Applications of Real Estate Appraisal (PAREA) program alternative path toward experience credit and to update the rules to match the January 1, 2022, Appraiser Qualifications Board (AQB) criteria regarding distance educational offerings.

Fiscal Impact

The cost to attend a PAREA program is unknown at this time. A participant in a PAREA program must complete all qualifying education prior to starting the program, which will require

additional upfront costs that are typically spread out over a year or more during the current supervisory appraiser model. Operating costs are expected to slightly decrease for program providers who no longer need to obtain approval from the International Distance Education Certification Center (IDECC) for offering synchronous courses. None of these costs have been or will be collected by the State; all costs and fees are paid to private entities such as IDECC and course providers such as the Appraisal Institute, McKissock, and the Columbia Institute. PAREA program fees will be paid to the PAREA provider, most likely the Appraisal Institute, Clear Capital, or other private entities.

Jobs Impact

After analysis and review of this rule making, a benefit on jobs has been found. The proposed rule making allows for an alternative experience path into the appraisal profession, thus making it easier for an applicant to become a certified appraiser.

Waivers

Any person who believes that the application of the discretionary provisions of this rule making would result in hardship or injustice to that person may petition the Board for a waiver of the discretionary provisions, if any.

Public Comment

Any interested person may submit written or oral comments concerning this proposed rule making. Written or oral comments in response to this rule making must be received by the Board no later than 4:30 p.m. on April 13, 2022. Comments should be directed to:

Brandy March
Real Estate Appraiser Examining Board
East Grand Office Park
200 East Grand Avenue, Suite 350
Des Moines, Iowa 50309
Phone: 515.725.9025

Email: brandy.march@iowa.gov

Public Hearing

A public hearing at which persons may present their views orally or in writing will be held as follows:

April 13, 2022
8:30 a.m. to 9:30 a.m.

Small Conference Room, Third Floor
200 East Grand Avenue
Des Moines, Iowa

Persons who wish to make oral comments at the public hearing may be asked to state their names for the record and to confine their remarks to the subject of this proposed rulemaking.

Any persons who intend to attend the public hearing and have special requirements, such as those related to hearing or mobility impairments, should contact the and advise of specific needs.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rule making by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rule making at its [regular monthly meeting](#) or at a special meeting. The Committee's meetings are open to the public and interested persons may be heard as provided in Iowa Code section 17A.8(6).

The following rule-making actions are proposed:

ITEM 1. Amend rule 193F—1.19(543D) as follows:

193F—1.19(543D) AQB criteria.

1.19(1). No person may be certified as a certified appraiser unless the person is eligible under the most recent AQB criteria.

1.19(2) The AQB criteria outline the conditions under which applicants for certification are eligible to take the required examinations.

ITEM 2. Amend subrule 5.6(2) as follows:

5.6(2) The board shall treat all appraisals received as public records unless the applicant notifies the board at the time of submission that a submitted appraisal is subject to the confidentiality provisions of appraisal standards or is otherwise confidential under state or federal law. While applicants are encouraged to submit appraisals actually performed for clients, applicants may submit one or more demonstration appraisals if the appraisals are prepared based on factual information in the same manner as applicable to actual appraisal assignments and are clearly marked as demonstration appraisals.

ITEM 3. Adopt the following **new** rule 193F—5.8(543D):

193F—5.8(543D) Practical Applications of Real Estate Appraisal (PAREA).

PAREA utilizes simulated experience training and serves as an alternative to the traditional supervisor/trainee experience model. PAREA programs must be AQB approved and meet all the required elements found in the PAREA section of the most recent AQB criteria. Applicants who met the prerequisites of a PAREA program prior to commencement of training, and who receive a valid certificate of completion from an approved AQB PAREA program, have met the allotted experience requirements as outlined in the AQB criteria for that specific PAREA program. PAREA program experience allotment will be awarded per the AQB criteria at the time of program completion.

Example: An applicant who has completed an AQB-approved licensed residential real property PAREA program may receive 67 percent of the required experience hours toward the certified residential real property credential. Applicants claiming PAREA experience credit may not receive partial credit for PAREA training. An applicant who did not fulfill the prerequisites of the PAREA training program prior to commencement but received a certificate of completion

of that program has not fulfilled the experience requirements of the AQB criteria. Applicants may not receive a certificate of completion until all required components of a PAREA program have been successfully completed and approved by a program mentor. A certificate of completion must be signed by an individual from the training entity qualified to verify the applicant's successful completion. An applicant wishing to utilize PAREA experience must still comply with rules 193F—5.1(543D) through 193F—5.3(543D), subrules 5.5(4) and 5.5(5), rules 193F—5.6(543D) and 193F—5.7(543D).

ITEM 4. Amend subrule 6.6(2) as follows:

6.6(2) The board shall treat all appraisals received as public records unless the applicant notifies the board at the time of submission that a submitted appraisal is subject to the confidentiality provisions of appraisal standards or is otherwise confidential under state or federal law. While applicants are encouraged to submit appraisals actually performed for clients, applicants may submit one or more demonstration appraisals if the appraisals are prepared based on factual information in the same manner as applicable to actual appraisal assignments and are clearly marked as demonstration appraisals.

ITEM 5. Renumber rule **193F—6.8(543D)** as **193F—6.9(543D)**.

ITEM 6. Adopt the following new rule 193F—6.8(543D):

193F—6.8(543D) Practical Applications of Real Estate Appraisal (PAREA). PAREA utilizes simulated experience training and serves as an alternative to the traditional supervisor/trainee experience model. PAREA programs must be AQB approved and meet all the required elements found in the PAREA section of the most recent AQB criteria. An applicant who meets the prerequisites of a PAREA program prior to commencement of training, and who receives a valid certificate of completion from an approved AQB PAREA program, has met the

allotted experience requirements as outlined in the AQB criteria for that specific PAREA program. PAREA program experience allotment will be awarded per the AQB criteria at the time of program completion.

Example: An applicant who has completed an AQB-approved certified residential real property PAREA program may receive 50 percent of the required experience hours toward the certified general credential. However, these hours are not eligible toward the nonresidential hours. Applicants claiming PAREA experience credit may not receive partial credit for PAREA training. An applicant who did not fulfill the prerequisites of the PAREA training program prior to commencement but received a certificate of completion of that program has not fulfilled the experience requirements of the AQB criteria. An applicant may not receive a certificate of completion until all required components of a PAREA program have been successfully completed and approved by a program mentor. Certificates of completion must be signed by an individual from the training entity qualified to verify an applicant's successful completion. An applicant wishing to utilize PAREA experience must still comply with rules 193F—6.1(543D) through 193F—6.7(543D).

ITEM 7. Renumber subrule **6.9(5)** as **6.9(6)**.

ITEM 8. Adopt the following **new** subrule 6.9(5):

6.9(5) *Practical Applications of Real Estate Appraisal.* An applicant seeking to upgrade from a certified residential credential to a certified general credential may gain partial experience credit through an AQB-approved PAREA program pursuant to rule 193F—6.8(543D).

ITEM 9. Adopt the following **new** definition of “asynchronous” in rule **193F—11.1(272C,543D)**:

“Asynchronous” means that the instructor and student interaction in an educational offering is nonsimultaneous. Students progress at their own pace through structured course content and scheduled quizzes and examinations.

ITEM 10. Amend rule **193F—11.1(272C,543D)**, definition of “Distance education,” as follows:

“Distance education” means any education process based on the geographical separation of student and instructor. “Distance education” includes webinars asynchronous, synchronous, and hybrid educational offerings.

ITEM 11. Adopt the following **new** definition of “hybrid” in rule **193F—11.1(272C,543D)**:

“Hybrid,” also known as a blended course, means that a learning environment allows for both in-person and online (synchronous or asynchronous) interaction.

ITEM 12. Adopt the following **new** definition of “synchronous” in rule **193F—11.1(272C,543D)**:

“Synchronous” means that in an educational offering the instructor and student interact online simultaneously, as in a phone call, video chat or live webinar, or web-based meeting.

ITEM 13. Adopt the following **new** subrule 11.5(2):

11.5(2) Programs must be taught by instructors who have successfully completed an instructor development workshop within 24 months preceding board approval of the program. Certified USPAP instructors and instructors approved via a course delivery mechanism approval per the AQB criteria shall be considered to have met this requirement.

ITEM 14. Amend rule 193F—11.6(272C,543D) as follows:

193F—11.6 (272C,543D) Acceptable distance education courses. Distance education is an

education process based on the geographical separation of student and instructor. A distance education course is acceptable to meet class hour requirements if: it complies with the generic education criteria in the current AQB criteria.

ITEM 15. Amend subrule 11.7(1) as follows:

11.7(1) Approval must be obtained for each program separately. With the exception of hybrid courses, courses that are offered via more than one delivery method will require separate program approvals.

Colorado

DEPARTMENT OF REGULATORY AGENCIES

Division of Real Estate

RULES GOVERNING THE PRACTICE OF REAL ESTATE APPRAISERS OF THE BOARD OF REAL ESTATE APPRAISERS

4 CCR 725-2

[Editor's Notes follow the text of the rules at the end of this CCR Document.]

CHAPTER 1: DEFINITIONS

- 1.1 The Appraisal Foundation (TAF): An organization that is the source of appraisal standards, qualifications, and ethical conduct in all valuation disciplines to assure public trust in the valuation profession.
- 1.2 Appraiser Qualifications Board (AQB) of TAF: The AQB establishes the minimum education, experience, and examination requirements for real property appraisers to obtain state certifications. In addition, the AQB performs a number of ancillary duties related to real property and personal property appraiser qualifications.
- 1.3 Appraisal Standards Board (ASB) of TAF: The ASB develops, interprets, and amends the USPAP.
- 1.4 Examination: The examination(s) developed by or contracted for the Board and issued or approved by the AQB, if applicable.
- 1.5 FIRREA: The Financial Institutions Reform, Recovery and Enforcement Act of 1989 as amended.
- 1.6 Board: The Colorado Board of Real Estate Appraisers created and further defined pursuant to section 12-10-603, C.R.S.
- 1.7 Applicant: Any person applying for a license, Credential Upgrade, or Temporary Practice Permit.
- 1.8 Initial License: The first license granted by the Board to an applicant pursuant to section 12-10-606, C.R.S. An applicant may apply for an initial license at any credential level as long as all requirements for such credential level have been met pursuant to these Rules. An initial license is valid through December 31 of the year of issuance.
- 1.9 Colorado Real Estate Appraiser Licensing Act: That portion of Colorado statutes known as sections 12-10-601 through 623, et seq., C.R.S. as amended.

- 1.10 Uniform Standards of Professional Appraisal Practice (USPAP): Those standards of professional practice promulgated by the ASB of TAF. Pursuant to section 12-10-613(1)(g), C.R.S., as amended, the Board adopts, and incorporates by reference in compliance with section 24-4-103(12.5), C.R.S., as the generally accepted standards of professional appraisal practice the Definitions, Preamble, Rules, Standards, and Standards Rules of the USPAP as promulgated by the ASB of TAF on January 30, 1989 and amended through April 5, 2019 and known as the 2020-2021 edition. Amendments to the USPAP subsequent to April 5, 2019 are not included in this Board Rule 1.10. A certified copy of the USPAP is on file and available for public inspection at the Office of the Board at 1560 Broadway, Suite 925, Denver, Colorado 80202. Copies of the USPAP adopted under this Rule may be examined at any state publications depository library. The 2020-2021 edition of the USPAP may be examined at the Internet website of TAF at www.appraisalfoundation.org, and copies may be ordered through that mechanism. TAF may also be contacted at 1155 15th Street, NW, Suite 1111, Washington, DC 20005, or by telephone at (202) 347-7722 or by telefax at (202) 347-7727.
- 1.11 Board Rules or Rules: Those rules adopted by the Board pursuant to the Colorado Real Estate Appraiser Licensing Act.
- 1.12 Repealed.
- 1.13 Licensed Appraiser: A person who has been granted a license pursuant to section 12-10-606(1)(b)(IV), C.R.S. as a Licensed Appraiser by the Board as a result of meeting the real estate appraisal education, experience, and examination requirements established by Board Rule 2.2, the AQB, or as a result of licensure through endorsement from another jurisdiction as provided by Chapter 9 of these Rules. The scope of practice for the Licensed Appraiser is limited to, if competent for the assignment, appraisal of non-complex one to four unit residential properties having a transaction value of less than \$1,000,000 and complex one to four unit residential properties having a transaction value of less than \$400,000, or as allowed by section 12-10-606(4), C.R.S. For non-federally related transactions, the scope of practice may include vacant or unimproved land that is to be used for development for a one to four unit residential property, or vacant or unimproved land for which the highest and best use is a one to four unit residential property. In compliance with Board Rule 1.16, the scope of practice does not include vacant or unimproved land that has the potential for subdivision development for which the subdivision development analysis method of land valuation is necessary and applicable.
- 1.14 Certified Residential Appraiser: A person who has been granted a license pursuant to section 12-10-606(1)(b)(II), C.R.S., as a Certified Residential Appraiser by the Board as a result of meeting the real estate appraisal education, experience, and examination requirements established by Board Rule 2.3, the AQB, or as a result of licensure through endorsement from another jurisdiction as provided by Chapter 9 of these Rules. The scope of practice for the Certified Residential Appraiser is limited to, if competent for the assignment, appraisal of one to four unit residential properties without regard to transaction value or complexity, or as allowed by section 12-10-606(4), C.R.S. Such scope of practice includes vacant or unimproved land that is to be used for development for a one to four unit residential property, or vacant or unimproved land for which the highest and best use is a one to four unit residential property. In compliance with Board Rule 1.16, the scope of practice for a Certified Residential Appraiser does not include vacant or unimproved land that has the potential for subdivision development for which the subdivision development analysis method of land valuation is necessary and applicable.
- 1.15 Certified General Appraiser: A person who has been granted a license pursuant to section 12-10-606(1)(b)(I), C.R.S. as a Certified General Appraiser by the Board as a result of meeting the real estate appraisal education, experience, and examination requirements established by Board Rule 2.4, the AQB, or as a result of licensure through endorsement from another jurisdiction as provided by Chapter 9 of these Rules. The scope of practice for the Certified General Appraiser will be, if competent for the assignment, appraisal of all types of real property.

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- 1.16 Residential Property: Properties comprising one to four residential units; also includes building sites suitable for development to one to four residential units. Residential property does not include land for which a subdivision analysis or appraisal is necessary.
- 1.17 Non Residential Property: Properties other than those comprised of one to four residential units and building sites suitable for development to one to four residential units. Non-residential property includes, without limitation, properties comprised of five or more dwelling units, farm and ranch, retail, manufacturing, warehousing, office properties, large vacant land parcels, and other properties not within the definition of residential property.
- 1.18 Temporary Practice Permit: A permit issued pursuant to section 12-10-611(3), C.R.S. as amended and Chapter 10 of these Rules allowing an appraiser licensed or certified in another jurisdiction to appraise property in Colorado under certain conditions without obtaining Colorado licensure.
- 1.19 Title XI, FIRREA: That part of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 known as the Appraisal Reform Amendments, and also known as 12 U.S.C. sections 3331 through 3355, as amended.
- 1.20 Contingent Fee: Compensation paid to a person who is licensed as a licensed or certified appraiser, as a result of reporting a predetermined value or direction of value that favors the cause of the client, the amount of value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the appraiser's opinion and specific to the assignment's purpose. A person licensed as a licensed or certified appraiser employed by a business entity which is compensated by a contingent fee is considered to be compensated by a contingent fee.
- 1.21 Licensee: A collective term used to refer to a person who has been licensed by the Board as a Licensed Ad Valorem Appraiser, Licensed Appraiser, Certified Residential Appraiser, or Certified General Appraiser.
- 1.22 Distance Education: Any education process based on the geographical separation of student and instructor. Components of distance education include synchronous, asynchronous, and hybrid.
- 1.23 Complex Residential Property: Properties comprising one to four residential dwelling units, or land suitable for development to one to four residential units exhibiting complex appraisal factors such as atypical form of ownership, atypical size, atypical design characteristics, atypical locational characteristics, atypical physical condition characteristics, landmark designation, non-conforming zoning, lack of appraisal data, and other similar factors. Complex residential property does not include land for which a subdivision analysis or appraisal is necessary.
- 1.24 Signature: As defined in the USPAP incorporated by reference in Board Rule 1.10, and including all methods of indicating a signature, such as, without limitation, a handwritten mark, digitized image, coded authentication number, stamped impression, embossed or applied seal, or other means.
- 1.25 Repealed.
- 1.26 Qualifying Education: Real estate appraisal education courses completed for credit toward the licensing requirements set forth in Chapter 2 of these Rules and meeting the requirements of Chapter 3 of these Rules. Qualifying education courses must be at least fifteen (15) classroom hours in length and must include an examination.

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- 1.27 Continuing Education: Real estate and real estate appraisal related courses completed for credit toward meeting the continuing education requirements set forth in Chapter 7 of these Rules.
- 1.28 Transaction value: For purposes of these Rules transaction value means:
- A. For appraisal assignments carried out as part of a loan transaction, the amount of the loan; or
 - B. For appraisal assignments carried out for other than a loan transaction, the market value of the real property interest.
- 1.29 Appraisal (Valuation) Process: The analysis of factors that create value to develop an opinion of value. Steps in the analytical process are: defining the problem; determining an appropriate scope of work; gathering and analyzing general and specific data; applying the appropriate analyses, procedures and methodology; the application of reconciliation criteria to reach a final defined value opinion; and correctly reporting that opinion in compliance with the USPAP.
- 1.30 Accredited college, junior college, community college or university: a higher education institution accredited by the Commission on Colleges, a regional or national accreditation association, or an accrediting agency that is recognized by the U. S. Secretary of Education.
- 1.31 Repealed.
- 1.32 Real Property Appraiser Qualification Criteria (Criteria): Pursuant to section 12-10-606(1) and (2), C.R.S. as amended, the Board incorporates by reference in compliance with section 24-4-103(12.5), C.R.S., the Real Property Appraiser Qualification Criteria adopted by the AQB of TAF on August 24, 2021, including the Required Core Curricula, Guide Notes, and Interpretations relating to the real property appraiser classifications described in Board Rules 1.13, 1.14, and 1.15. This Board Rule 1.32 excludes and does not incorporate by reference the following: the trainee real property appraiser classification and qualification requirements; the supervisory appraiser requirements; supervisory appraiser/trainee appraiser course objectives and outline; or any later amendments or additions of the Criteria. A certified copy of the Real Property Appraiser Qualification Criteria is on file and available for public inspection at the Office of the Board at 1560 Broadway, Suite 925, Denver, Colorado 80202. Copies of the Real Property Appraiser Qualification Criteria may be examined at the Internet website of TAF at www.appraisalfoundation.org, and copies may be ordered through that mechanism. TAF may also be contacted at 1155 15th Street, NW, Suite 1111, Washington, DC 20005, or by telephone at (202) 347-7722 or telefax at (202) 347-7727. The Real Property Appraiser Qualification Criteria is effective as of January 1, 2022.
- 1.33 Credential Upgrade: A licensee, who has been granted a license pursuant to section 12-10-606, C.R.S., may submit an application to the Board requesting an upgrade of the licensee's credential if the licensee has completed the real estate appraisal education, experience, and examination requirements as defined in Chapter 2 of these Rules for the credential for which the licensee is applying. If the Board grants the requested credential, the upgraded license will expire on the same date of the licensee's current license cycle prior to the upgrade.
- 1.34 Draft Appraisal: A draft appraisal must be identified and labeled as a "draft". The purpose of issuing a draft appraisal cannot be to allow the client and/or the intended user(s) to improperly influence the appraiser.
- 1.35 Amendment: A written modification of any appraisal, which is dated and signed by the appraiser, and delivered to the client. An amendment is a true and integral component of an appraisal. Amendments may also be referred to as correction pages

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- 1.36 Good Standing: A licensee, appraisal management company, or controlling appraiser must:
- A. Not have been subject to a stipulation and a final agency order or final agency order, the terms of which were completed not less than three years prior, or had a license revoked or permanently surrendered for any of the violations enumerated under sections 12-10-613, 12-10-614, 12-10-616 or 12-10-617, C.R.S. A license will be considered to be in good standing three years following the completion of all terms of an executed stipulation or final agency order.
 - B. Not have been subject to a stipulation for diversion, the terms of which have not been fully completed. A licensee will be considered to be in good standing once all terms of the stipulation of diversion have been successfully completed.
- 1.37 Licensed Ad Valorem Appraiser: A person who has been granted a license pursuant to section 12-10-606(1)(b)(III), C.R.S., as a Licensed Ad Valorem Appraiser by the Board as a result of meeting the real estate appraisal education and examination requirements established by Board Rule 2.9. A Licensed Ad Valorem Appraiser cannot conduct appraisal assignments outside the scope of the appraiser's official duties as a County Assessor, an employee of a County Assessor's Office, or as an employee with the Division of Property Taxation within the Department of Local Affairs.
- 1.38 Review Appraiser: An appraiser, who is actively credentialed in a jurisdiction that is in compliance with Title XI, FIRREA, as determined by the ASC as defined in Board Rule 1.42, who performs a review of another appraiser's work subject to USPAP Standard 3. A review appraiser is not required to obtain a Colorado appraiser's license unless the review appraiser arrives at his or her own opinion of value for real property located in Colorado.
- 1.39 The Course Approval Program (CAP) of TAF: A voluntary program established by the AQB to provide a minimum level of acceptance for real property appraisal education courses satisfying the Real Property Appraiser Qualification Criteria as defined in Board Rule 1.32.
- 1.40 Division of Real Estate (Division): Has the same meaning as set forth in section 12-10-101(2), C.R.S.
- 1.41 Director of the Division (Director): Has the same meaning as set forth in section 12-10-101(1), C.R.S.
- 1.42 Appraisal Subcommittee (ASC) of the Federal Financial Institutions Examination Council: A subcommittee created within the Federal Financial Institutions Examination Council as a result of Title XI, FIRREA, or its successor entity, to provide oversight of the appraiser regulatory system.
- 1.43 College Level Examination Program (CLEP): A group of standardized tests created and administered by the College Board to assess college-level knowledge in certain subject areas and provide a mechanism for earning college credits without taking college courses.
- 1.44 Repealed.
- 1.45 Panel Size Threshold: Has the same meaning as pursuant to section 12-10-604(1)(a)(IV), C.R.S.
- 1.46 Panel: Has the same meaning as pursuant to section 12-10-602(8), C.R.S.
- 1.47 Federally Regulated AMC: Has the same meaning as pursuant to section 12-10-607(9), C.R.S.

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- 1.48 AMC Registry Fee: The annual fee collected from appraisal management companies that meet the Panel Size Threshold, including state-licensed appraisal management companies and Federally Regulated AMCs, for transmitting to the Appraisal Subcommittee. The fee is calculated by multiplying the number of licensed or certified appraisers who provided an appraisal in connection with a Covered Transaction on the appraisal management company's Panel in Colorado during the Reporting Period by the registry fee as prescribed by the Appraisal Subcommittee.
- 1.49 AMC National Registry: The registry of state-licensed AMCs and Federally Regulated AMCs maintained by the Appraisal Subcommittee.
- 1.50 Reporting Period:
- A. For State-licensed AMCs:
1. Applying for initial licensure, the previous twelve (12) month period or the period the appraisal management company has been in business, whichever period is less.
 2. Applying for renewal, the twelve (12) month period beginning November 1 of the prior year through October 31 of the year of renewal.
 3. Applying for reinstatement of an expired license, the twelve (12) month period beginning November 1 of the year prior to expiration through October 31 of the year of expiration.
- B. For Federally Regulated AMCs reporting to the state, the twelve (12) month period beginning November 1 of the prior year through October 31 of the current year.
- 1.51 Consumer Credit: Credit offered or extended to a consumer primarily for personal, family, or household purposes.
- 1.52 Covered Transaction: Any consumer credit transaction secured by the consumer's principal dwelling.
- 1.53 Creditor: A person who regularly extends consumer credit:
- A. That is subject to a finance charge or is payable by written agreement in more than four installments (not including a down payment), and to whom the obligation is initially payable, either on the face of the note or contract, or by agreement when there is no note or contract; or
- B. If the person extended the credit (other than credit subject to the requirements of high cost mortgages) more than five (5) times for transactions secured by a dwelling in the preceding calendar year. If a person did not meet these numerical standards in the preceding calendar year, the numerical standards will be applied to the current calendar year. A person regularly extends consumer credit if, in any 12-month period, the person originates more than one (1) credit extension that is subject to the requirements of high cost mortgages or one (1) or more such credit extensions through a mortgage broker.
- 1.54 Dwelling: A residential structure that contains one (1) to four (4) units, whether or not that structure is attached to real property. This includes an individual condominium unit, cooperative unit, mobile home, and trailer, if it is used as a residence.

- 1.55 Person: A natural person or an organization, partnership, proprietorship, association, cooperative, estate, trust, or government unit.
- 1.56 Secondary Mortgage Market Participant: A guarantor or insurer of mortgage-backed securities, or an underwriter or issuer of mortgage-backed securities. Secondary mortgage market participant only includes an individual investor in a mortgage-backed security if that investor also serves in the capacity of a guarantor, insurer, underwriter, or issuer for the mortgage-backed security.
- 1.57 Practical Applications of Real Estate Appraisal (PAREA): Training programs designed to offer practical experience in a simulated and controlled environment, incorporating the concepts learned in a participant's qualifying education. Multiple types of training techniques may be utilized, including, but not limited to computer-based learning; video gaming; video tutorial; virtual assistant; and virtual reality training.
- 1.58 Synchronous Distance Education: The instructor and students interact simultaneously online, similar to a phone call, video chat, live webinar, or web-based meeting.
- 1.59 Asynchronous Distance Education: The instructor and student interaction is non-simultaneous; the students progress at their own pace and follow a structured course content and quiz/exam schedule.
- 1.60 Hybrid Course Education: Learning environments that allow for both in-person (synchronous) and online (asynchronous) interaction.
- 1.61 Bio-Metric Proctoring: A student's identity is continually verified through processes, such as facial recognition, consistency in keystroke cadence, and the observation of activity in the testing location. Aberrant behavior or activity can be readily observed.

CHAPTER 2: REQUIREMENTS FOR LICENSURE AS A REAL ESTATE APPRAISER

- 2.2 An Applicant for licensure as a Colorado Licensed Appraiser must successfully complete the following requirements or the substantial equivalent thereof, as set forth in the Real Property Appraiser Qualification Criteria as defined and incorporated by reference in Board Rule 1.32:
 - A. Real estate appraisal education:
 - 1. Basic Appraisal Principles: 30 hours;
 - 2. Basic Appraisal Procedures: 30 hours;
 - 3. 15-Hour National USPAP Course: 15 hours;
 - 4. Residential Market Analysis and Highest and Best Use: 15 hours;
 - 5. Residential Appraiser Site Valuation and Cost Approach: 15 hours;
 - 6. Residential Sales Comparison and Income Approaches: 30 hours; and
 - 7. Residential Report Writing and Case Studies: 15 hours.
 - B. Real estate appraisal experience: An Applicant must demonstrate to the satisfaction of the Board that the Applicant completed at least one thousand (1,000) hours of appraisal experience in no fewer than six (6) months, in conformance with the provisions of Chapter 5 of these Rules and all of the Applicant's experience was obtained after January 30, 1989 and in compliance with the USPAP.

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- C. Real estate appraisal examination:
1. The prerequisites to taking the Licensed Appraiser examination are:
 - a. One hundred fifty (150) creditable class hours as specified in Board Rule 2.2(A); and
 - b. One thousand (1,000) hours of qualifying experience completed in no fewer than six (6) months.
 2. After receiving approval from the Board, an Applicant, who is not currently licensed or certified and in good standing in another jurisdiction, has up to twenty-four (24) months to take and pass the Licensed Appraiser examination.
 3. An Applicant must successfully complete the Licensed Appraiser examination as provided in Chapter 4 of these Rules. The only alternative to successful completion of the Licensed Appraiser examination is the successful completion of the Certified Residential Appraiser or Certified General Appraiser examination.
- 2.3 An Applicant for licensure as a Colorado Certified Residential Appraiser must successfully complete the following requirements or the substantial equivalent thereof, as set forth in the Real Property Appraiser Qualification Criteria as defined and incorporated by reference in Board Rule 1.32:
- A. Real estate appraisal education:
1. Basic Appraisal Principles: 30 hours;
 2. Basic Appraisal Procedures: 30 hours;
 3. 15-hour National USPAP Course: 15 hours;
 4. Residential Market Analysis and Highest and Best Use: 15 hours;
 5. Residential Appraiser Site Valuation and Cost Approach: 15 hours;
 6. Residential Sales Comparison and Income Approaches: 30 hours;
 7. Residential Report Writing and Case Studies: 15 hours;
 8. Statistics, Modeling and Finance: 15 hours;
 9. Advanced Residential Applications and Case Studies: 15 hours; and
 10. Appraisal Subject Matter Elective: 20 hours.
- B. College-level or in lieu of education options:
1. An Applicant for the Certified Residential Appraiser credential must satisfy at least one (1) of the following six (6) options:
 - a. Hold a Bachelor's Degree in any field of study from an accredited college or university as defined by Board Rule 1.30;

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- b. Hold an Associate's Degree from an accredited college or university as defined by Board Rule 1.30, in a field of study related to:
 - i. Business Administration;
 - ii. Accounting;
 - iii. Finance;
 - iv. Economics; or
 - v. Real Estate.

 - c. Successful completion of thirty (30) semester hours of college-level courses that cover each of the following specific topic areas and hours:
 - i. English Composition (3 semester hours);
 - ii. Macroeconomics (3 semester hours);
 - iii. Microeconomics (3 semester hours);
 - iv. Finance (3 semester hours);
 - v. Algebra, Geometry, or higher mathematics (3 semester hours);
 - vi. Statistics (3 semester hours);
 - vii. Computer Science (3 semester hours);
 - viii. Business Law or Real Estate Law (3 semester hours); and
 - ix. Two (2) elective courses in any of the topics listed above or in Accounting, Geography, Agricultural Economics, Business Management, or Real Estate (3 semester hours each).

 - d. Successful completion of at least thirty (30) semester hours of examinations created and administered by the CLEP, as defined in Board Rule 1.43, from each of the following specific subject matter areas and hours:
 - i. College Algebra (3 semester hours);
 - ii. College Composition (6 semester hours);
 - iii. College Composition Modular (3 semester hours);
 - iv. College Mathematics (6 semester hours);
 - v. Principles of Macroeconomics (3 semester hours);
 - vi. Principles of Microeconomics (3 semester hours);
 - vii. Introductory Business Law (3 semester hours); and
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- viii. Information Systems (3 semester hours).
 - e. Any combination of Board Rule 2.3(B)(1)(c) and Board Rule (B)(1)(d) above that ensures coverage of all topics and hours identified in Board Rule (B)(1)(c).
 - f. As an alternative to the college-level education requirements in Board Rule (B)(1)(a through e) above, an Applicant that has held a Licensed Appraiser credential for a minimum of five (5) years may qualify for a Certified Residential Appraiser credential if the Applicant has had no record of any adverse, final, and non-appealable disciplinary action affecting the Licensed Appraiser's legal eligibility to engage in appraisal practice within the five (5) years immediately preceding the date of application for a Certified Residential Appraiser credential.
- 2. All college-level education must be obtained from a degree-granting institution by the Commission on Colleges, a national or regional accreditation association, or by an accrediting agency that is recognized by the US Secretary of Education.
 - 3. An Applicant with a college degree from a foreign country may have their education evaluated for "equivalency" by one of the following:
 - a. An accredited, degree-granting domestic college or university;
 - b. A foreign degree credential evaluation service company that is a member of the National Association of Credential Evaluation Services (NACES);
or
 - c. A foreign degree credential evaluation service company that provides equivalency evaluation reports accepted by an accredited degree-granting domestic college or university or by a state licensing board that issues credentials in another discipline.
- C. Real estate appraisal experience: An Applicant for licensure as a Certified Residential Appraiser must demonstrate to the satisfaction of the Board that the Applicant completed at least one thousand five hundred (1,500) hours of appraisal experience in conformance with the provisions of Chapter 5 of these Rules and all of the Applicant's experience was obtained after January 30, 1989 and in compliance with the USPAP. Real estate appraisal experience must have been gained across a period of not less than twelve (12) months.
- D. Real estate appraisal examination:
- 1. The prerequisites to taking the Certified Residential Appraiser examination are:
 - a. Two hundred (200) creditable class hours as specified in Board Rule 2.3(A);
 - b. Completion of the college-level education option requirements as specified in Board Rule 2.3(B); and
 - c. One thousand five hundred (1,500) hours of qualifying experience completed in no fewer than twelve (12) months.

2. After receiving approval from the Board, an Applicant, who is not currently licensed or certified and in good standing in another jurisdiction, has up to twenty-four (24) months to take and pass the Certified Residential Appraiser examination.
 3. An Applicant must successfully complete the Certified Residential Appraiser examination as provided in Chapter 4 of these Rules. The only alternative to successful completion of the Certified Residential Appraiser examination is the successful completion of the Certified General Appraiser examination.
- 2.4 An Applicant for licensure as a Colorado Certified General Appraiser must successfully complete the following requirements or the substantial equivalent thereof, as set forth in the Real Property Appraiser Qualification Criteria as defined and incorporated by reference in Board Rule 1.32:
- A. Real estate appraisal education:
 1. Basic Appraisal Principles: 30 hours;
 2. Basic Appraisal Procedures: 30 hours;
 3. 15-Hour National USPAP Course: 15 hours;
 4. General Appraiser Market Analysis and Highest and Best Use: 30 hours;
 5. Statistics, Modeling and Finance: 15 hours;
 6. General Appraiser Sales Comparison Approach: 30 hours;
 7. General Appraiser Site Valuation and Cost Approach: 30 hours;
 8. General Appraiser Income Approach: 60 hours;
 9. General Appraiser Report Writing and Case Studies: 30 hours; and
 10. Appraisal Subject Matter Electives: 30 hours.
 - B. College-level education:
 1. An Applicant for the Certified General Appraiser credential must hold a Bachelor's degree, or higher, from an accredited college or university as defined by Board Rule 1.30.
 2. An Applicant with a college degree from a foreign country may have their education evaluated for "equivalency" by one of the following:
 - a. An accredited, degree-granting domestic college or university;
 - b. A foreign degree credential evaluation service company that is a member of the National Association of Credential Evaluation Services (NACES);
or
 - c. A foreign degree credential evaluation service company that provides equivalency evaluation reports accepted by an accredited degree-granting domestic college or university or by a state licensing board that issues credentials in another discipline.

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- C. Real estate appraisal experience: An Applicant for licensure as a Certified General Appraiser must demonstrate to the satisfaction of the Board that the Applicant completed at least three thousand (3,000) hours of appraisal experience, of which one thousand five hundred (1,500) hours must be in non-residential appraisal work, in conformance with the provisions of Chapter 5 of these Rules and all of the Applicant's experience was obtained after January 30, 1989 and in compliance with the USPAP. Real estate appraisal experience must have been gained across a period of not less than eighteen (18) months.
- D. Real estate appraisal examination:
1. The prerequisites to taking the Certified General Appraiser examination are:
 - a. Three hundred (300) creditable class hours as specified in Board Rule 2.4(A);
 - b. Completion of the college-level education requirements as specified in Board Rule 2.4(B); and
 - c. Three thousand (3,000) hours of qualifying experience, of which no less than one thousand five hundred (1,500) hours must be in non-residential appraisal work, completed in no fewer than eighteen (18) months.
 2. After receiving approval from the Board, an Applicant, who is not currently licensed or certified and in good standing in another jurisdiction, has up to twenty-four (24) months to take and pass the Certified General Appraiser examination.
 3. An Applicant must successfully complete the Certified General Appraiser examination as provided in Chapter 4 of these Rules.
- 2.5 Repealed.
- 2.6 Repealed.
- 2.7 Repealed.
- 2.8 An applicant for licensure as a Colorado Licensed Ad Valorem Appraiser must be a County Assessor, an employee of a County Assessor's Office, or an employee of the Division of Property Taxation in the Department of Local Affairs.
- 2.9 An applicant for licensure as a Colorado Licensed Ad Valorem Appraiser must successfully complete the following requirements, or the substantial equivalent thereof:
- A. Real estate appraiser education:
1. Introduction to Ad Valorem Mass Appraisal: no less than 35 hours;
 2. Basic Appraisal Principles: no less than 30 hours;
 3. Basic Appraisal Procedures: no less than 30 hours; and
 4. 15-Hour National USPAP Course: 15 hours.

- B. Real Estate Appraisal examination: successful completion of the Ad Valorem Appraiser examination as provided in Chapter 4 of these Rules; and
- C. Ad Valorem employment: signed certification by the applicant that the applicant is currently a County Assessor, an employee of a County Assessor's Office, or an employee of the Division of Property Taxation in the Department of Local Affairs.

2.10 Repealed.

CHAPTER 3: STANDARDS FOR REAL ESTATE APPRAISAL QUALIFYING EDUCATION PROGRAMS

3.1 Repealed.

3.2 Qualifying appraisal education must be taken from providers approved by the Board. In order to be approved, qualifying education courses and the providers must meet the following standards at the time it is offered:

- A. Course content was developed by persons qualified in the subject matter and instructional design;
- B. Course content is current and corresponds with the common body of knowledge;
- C. The instructor is qualified with respect to content and teaching methods, and the body of knowledge;
- D. The number of participants and the physical facilities are consistent with the teaching method;
- E. An examination is included for measuring the information learned; and
- F. The educational offering will be developed and communicated in a manner as to promote and maintain a high level of public trust in appraisal practice.

3.3 The following may be approved as providers of qualifying appraisal education provided that the standards set forth in Board Rule 3.2 are maintained and the education providers have complied with all other requirements of the state of Colorado:

- A. Accredited colleges, junior colleges, community colleges or universities as defined in Board Rule 1.30;
- B. Professional appraisal and real estate related organizations;
- C. State or federal government agencies;
- D. Proprietary schools holding valid certificates of approval from the Colorado Division of Private Occupational Schools, Department of Higher Education;
- E. Providers approved by other jurisdictions, provided the jurisdiction's appraiser regulation program is in compliance with Title XI, FIRREA, as determined by the ASC as defined in Board Rule 1.42;
- F. Providers approved under the CAP as defined in Board Rule 1.39; and

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- G. Such other providers as the Board may approve upon petition of the provider or the applicant in a form acceptable to the Board.
- 3.4 On or after January 1, 1991, in order to be approved by the Board, each education provider must maintain for a period of five (5) years from the last course offering, and provide to the Board upon request, information regarding the qualifying education course offerings including, but not limited to the following:
- A. Outline or syllabus;
 - B. All texts, workbooks, handouts or other course materials;
 - C. Instructors and their qualifications, including selection, training and evaluation criteria;
 - D. Course examinations;
 - E. Dates and locations of course offerings; and
 - F. Student attendance records.
- 3.5 The number of hours credited must be equivalent to the actual number of contact hours of in-class or synchronous distance education instruction and testing. An hour of education is defined as at least fifty (50) minutes of instruction out of each 60-minute segment. For asynchronous distance education, the number of hours credited must be that number of hours allowed by the CAP as defined in Board Rule 1.39. For hybrid course education, the number of hours credited will be equivalent for each specific course delivery method. Parts of the course that are delivered in-class or synchronously and delivered asynchronously must meet their respective requirements as set forth in this Board Rule 3.5.
- 3.6 Each qualifying education course offering must be at least fifteen (15) hours in duration, include an examination pertinent to the material covered, and be comprised of segments of not less than one (1) classroom hour.
- 3.7 Qualifying education courses and corresponding examinations must be successfully completed by the applicant. Successful completion means the applicant has attended the offering, participated in course activities, and achieved a passing score on the course examination.
- 3.8 Repealed.
- 3.9 It is the applicant's responsibility to verify that a qualifying educational course offering has been approved by the Board, if the applicant wishes to claim credit for the course.
- 3.10 Repealed.
- 3.11 Hours of qualifying education accepted in satisfaction of the education requirement of one level of licensure may be applied toward the requirement for another level and need not be repeated. Applicants are responsible for demonstrating coverage of the required topics.
- 3.12 The following factors must be used to convert accredited college, junior college, community college or university course credits into qualifying education hours:
- A. Semester Credits x 15.00 = Hours
 - B. Quarter Credits x 10.00 = Hours
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- 3.13 Applicants must successfully complete qualifying appraisal education which builds upon and augments previous courses. Qualifying education courses which substantially repeat or duplicate other course work in terms of content and level of instruction will not be accepted. The Board will give appropriate consideration to courses where substantive changes in content have occurred.
- 3.14 To be acceptable for qualifying appraisal education, asynchronous distance education offerings must incorporate methods and activities that promote active student engagement and participation in the learning process. Among those methods and activities acceptable are written exercises which are graded and returned to the student, required responses to computer based presentations, provision for students to submit questions during teleconferences, and examinations proctored by an independent third party, who is an official approved by the college or university, or by the sponsoring organization. Bio-metric proctoring is acceptable. Simple reading, viewing or listening to materials without active student engagement and participation in the learning process is not sufficient to satisfy the requirements of this Board Rule 3.14.
- 3.15 As to qualifying education courses completed in other jurisdictions with appraiser regulatory programs that are in compliance with Title XI, FIRREA, as determined by the ASC as defined in Board Rule 1.42, the Board will accept the number of hours of education accepted by that jurisdiction.
- 3.16 To be acceptable for qualifying real estate appraisal education, synchronous distance education and asynchronous distance education courses must meet the other requirements of Chapter 3 of these Rules, and must include a written, closed book final examination proctored by an independent third party, or other final examination testing procedure acceptable to the Board. Bio-metric proctoring is acceptable. Examples of acceptable examination proctors include public officials who do not supervise the student, secondary and higher education school officials, and public librarians. Failure to observe this requirement may result in rejection of the course and/or course provider by the Board for that applicant, and may result in the Board refusing or withdrawing approval of any courses offered by the provider.
- 3.17 All qualifying education courses in the USPAP begun on and after January 1, 2003 must be in the form of a course approved under the CAP as defined in Board Rule 1.39, and taught by an instructor certified by the AQB who is also a state certified appraiser.
- 3.18 Course providers must provide each student who successfully completes a qualifying real estate appraisal education course in the manner prescribed in Board Rule 3.7 a course completion certificate. The Board will not mandate the exact form of course completion certificates; however, the following information must be included:
- A. Name of course provider;
 - B. Course title, which must describe topical content, or the Real Property Appraiser Qualification Criteria Core Curriculum module title;
 - C. Course number, if any;
 - D. Course dates;
 - E. Number of approved education hours;
 - F. Statement that the required examination was successfully completed;
 - G. Course location, which for synchronous distance education and asynchronous distance education modalities must be the principal place of business of the course provider;

- H. Name of student; and
- I. For all USPAP courses begun on and after January 1, 2003, the name(s) and AQB USPAP instructor certification number(s) of the instructor(s).
- 3.19 The provisions of Board Rule 3.3 notwithstanding, qualifying education courses begun on and after January 1, 2004 and offered through asynchronous distance education modalities must be approved through the CAP as defined in Board Rule 1.39. The Board will not accept asynchronous distance education courses begun on and after January 1, 2004 that have not been approved through the CAP.
- 3.20 All qualifying education courses in the USPAP must be presented using the most recent edition and the most recent version of the National USPAP Course (real property) or equivalent as approved by the CAP, with the exception that courses begun in the three (3) months preceding the effective date of a new edition may be presented using the next succeeding USPAP edition and course version, if available from TAF.
- 3.21 All qualifying education courses begun on or after January 1, 2008 must be approved through the Course Approval Program of the Appraisal Foundation, except as otherwise may be approved in advance and in writing by the Director of the Colorado Division of Real Estate (the "Director") on a limited case by case basis where the Director determines that the public would not be served if course approval were required through the Course Approval Program of the Appraiser Qualifications Board of the Appraisal Foundation for a particular course. Course providers seeking approval of qualifying education courses that have not been approved through the Course Approval Program of the Appraiser Qualifications Board of the Appraisal Foundation shall provide the Director with all requested information the Director deems necessary.
- 3.22 By offering real estate appraiser qualifying education approved by the Board, each provider agrees to comply with the relevant statutes and Board Rules and to permit the Board to audit said courses at any time and at no cost.
- 3.23 Introduction to Ad Valorem Mass Appraisal courses that have been approved by the Board as qualifying education can be used for credit as appraisal subject matter electives for applicants seeking licensure as a Certified Residential Appraiser or Certified General Appraiser.
- 3.24 Applicants are required to provide copies of course completion certificates to the Board in accordance with Board Rule 6.1.

CHAPTER 4: STANDARDS FOR REAL ESTATE APPRAISAL LICENSING EXAMINATIONS

- 4.1 Any person wishing to apply for any appraiser's license must register for and achieve a passing score on the appropriate level of examination with the testing service designated by the Board. No other examination results will be accepted. The appropriate levels of examination for the respective levels of licensure are as follows:

License Level	Examination
Licensed Ad Valorem Appraiser	Licensed Ad Valorem Appraiser
Appraiser	Licensed Real Property Appraiser
Residential Appraiser	Certified Residential Appraiser
General Appraiser	Certified General Appraiser

- 4.2 Examinees must comply with the standards of test administration established by the Board and the testing service.

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- 4.3 A passing score on an examination will be valid for two (2) years from the examination date. Failure to file a complete application within the two (2) year period will result in the examination grade being void.
- 4.4 Examinations will be given only to duly qualified applicants for an appraiser's license; however, one instructor from each appraisal qualifying education course provider approved pursuant to Board Rule 3.3 may take the examination one time during any twelve (12) month period in order to conduct research for course content.
- 4.5 Each examination for a license may, as determined by the Board, be a separate examination.
- 4.6 Examinations developed by or contracted for the Board for licensed and certified appraisers must comply with the Real Property Appraiser Qualification Criteria as defined in Board Rule 1.32, if applicable.
- 4.7 Repealed.
- 4.8 Examinees may use financial calculators during the examination process. The memory functions of any such calculator must be cleared by the testing service staff prior to the beginning and after the conclusion of the examination.

CHAPTER 5: STANDARDS FOR REAL ESTATE APPRAISAL EXPERIENCE

- 5.1 The quantitative experience requirements must be satisfied by time spent on the appraisal process. Acceptable experience includes appraisal, appraisal review, appraisal consulting, and mass appraisal experience where the appraiser demonstrates proficiency in the development and reporting of the assignment results utilizing recognized appraisal principles and methodology during the appraisal process as defined by Board Rule 1.29. The Board may consider other experience upon petition by the applicant. All experience must be obtained after January 30, 1989 and comply with the USPAP.
- 5.2 Repealed.
- 5.3 Reports or file memoranda claimed as evidence of meeting experience requirements must have been prepared in conformance with the edition of the USPAP in effect as of the date of the appraisal report.
- 5.4 Repealed.
- 5.5 The Board reserves the right to verify an applicant's or licensee's evidence of appraisal experience by such means as it deems necessary, including, but not limited to requiring the following:
- A. Submission of a detailed log of appraisal activity on the form or in the manner specified by the Board;
 - B. Submission of appraisal reports, workfiles or file memoranda;
 - C. Employer affidavits or interviews;
 - D. Client affidavits or interviews; and
 - E. Submission of appropriate business records.
- 5.6 Repealed.

5.7 Repealed.

5.8 There need not be a client in a traditional sense (e.g., a client hiring an appraiser for a business purpose) in order for an appraisal to qualify for experience. Experience gained for work without a traditional client can meet any portion of the total experience requirement.

Practicum courses that are approved by the CAP or the Board can satisfy the nontraditional client experience requirement. A practicum course must include the generally applicable methods of appraisal practice for the credential level. Content includes, but is not limited to: requiring the student to produce credible appraisals that utilize an actual subject property; performing market research, containing sales analysis; and applying and reporting the applicable appraisal approaches in conformity with the USPAP. Assignments must require problem solving skills for a variety of property types for the credential level. Experience credit will be granted for the actual classroom hours of instruction, and hours of documented research and analysis as awarded from the practicum course approval process.

5.9 Each application for licensure pursuant to Board Rules 2.2, 2.3, or 2.4 must be accompanied by a log of real estate appraisal experience on a form or in the manner specified by the Board or a certificate of completion as prescribed in Board Rule 5.14. The experience log must include the following:

- A. Type of property;
- B. Date of report;
- C. Address of appraised property;
- D. Description of work performed by the applicant, and scope of review and supervision of the supervising appraiser, if applicable;
- E. Number of actual work hours by the applicant on the assignment;
- F. The signature and state license number of the supervisor, if applicable. Separate experience logs must be maintained for each supervising appraiser, if applicable;
- G. An attestation certifying the accuracy and truthfulness of the information contained within the experience log; and
- H. The applicant's signature.

5.10 Repealed.

5.11 An applicant for licensure as a Colorado Licensed Appraiser, a Colorado Certified Residential Appraiser or a Colorado Certified General Appraiser must demonstrate that the applicant is capable of performing appraisals that are compliant with USPAP. In accordance with Board Rule 5.5, the Board may verify an applicant's appraisal experience by such means as it deems necessary, including but not limited to requiring the applicant to submit a detailed log of appraisal experience, appraisal reports, and/or work files. Staff within the Division or appraisers selected by the Division may review an applicant's appraisal reports and work files to determine whether the applicant is capable of performing appraisals that are compliant with USPAP and in accordance with Board Rule 13.8.

5.12 PAREA programs approved by the AQB may serve as an alternative to the traditional experience requirements as prescribed in Board Rules 2.2.B, 2.3.C, 2.4.C and these Chapter 5 Rules.

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- 5.13 In order to qualify as creditable experience, PAREA programs must be AQB approved and meet all the required elements found in the PAREA section of the Real Property Appraiser Qualification Criteria as defined and incorporated by reference in Board Rule 1.32.
- 5.14 Applicants using PAREA training as alternative experience must submit a certificate of completion, subject to the following:
- A. Applicants may not receive partial credit for PAREA training;
 - B. Applicants may not receive a certificate of completion until all required components of PAREA training have been successfully completed and approved by a program mentor;
 - C. Certificates of completion must be signed by an individual from the training entity qualified to verify an applicant's successful completion; and
 - D. Certificates of completion must not contain an expiration date or other constraints that either limit or restrict the applicant's ability to receive appropriate credit.
- 5.15 Applicants successfully completing approved PAREA programs may receive the following experience credit:
- A. Applicants completing an approved licensed residential program:
 - 1. Licensed Appraiser Credential: Up to 100 percent of the required experience hours as prescribed in Board Rule 2.2.B.
 - 2. Certified Residential Credential: up to 67 percent of the required experience hours as prescribed in Board Rule 2.3.C.
 - 3. Certified General Credential: up to 33 percent of the total required experience as prescribed in Board Rule 2.4.C, none of which is eligible towards the required non-residential hours.
 - B. Applicants completing an approved certified residential program:
 - 1. Licensed Appraiser Credential: up to 100 percent of the required experience hours as prescribed in Board Rule 2.2.B.
 - 2. Certified Residential Credential: up to 100 percent of the required experience hours as prescribed in Board Rule 2.3.C.
 - 3. Certified General Credential: up to 50 percent of the total required experience as prescribed in Board Rule 2.4.C, none of which is eligible towards the required non-residential hours.

CHAPTER 6: APPLICATION FOR LICENSURE

- 6.1 Except as provided under Chapter 9 of these Rules, an applicant must complete and submit an application as follows:
- A. Licensure for a Licensed Appraiser, Certified Residential Appraiser or Certified General Appraiser credential:

1. An applicant for an initial license must submit a set of fingerprints to the Colorado Bureau of Investigation for the purpose of conducting a state and national criminal history record check prior to submitting an application.
 2. Complete the Board created application and submit the application with the supporting documentation to include: qualifying education course completion certificates, college transcripts, and experience log.
 3. Upon the Board approving the education and experience requirements, a "Letter of Exam Eligibility" will be issued.
 4. After the issuance of the "Letter of Exam Eligibility", schedule the appropriate examination with the examination provider approved by the Board.
 5. After successfully passing the appropriate examination as defined in Board Rule 4.1, submit a copy of the examination results with proof of the required errors and omissions insurance policy as defined in Board Rule 6.10.
 6. An application is deemed complete at the time that all required supporting documentation and fees are received by the Board.
- B. Licensure for a Licensed Ad Valorem Appraiser credential:
1. Complete the Board created application and submit the application with the supporting documentation to include: qualifying education course completion certificates, a copy of the examination results as defined in Board Rule 4.1 and proof of employment with a qualified employer as defined in Board Rule 1.37.
 2. Applicants for a Licensed Ad Valorem Appraiser credential are not required to submit a set of fingerprints for the purpose of conducting a state and national criminal history record check and are also exempt from the errors and omissions insurance requirements.
 3. An application is deemed complete at the time that all required supporting documentation and fees are received by the Board.
- 6.2 Repealed.
- 6.3 Repealed.
- 6.4 Repealed.
- 6.5 Once the application is deemed complete, the Board will timely process the application. The Board reserves the right to require additional information and documentation from an applicant to determine compliance with applicable laws and regulations, and to verify any information and documentation submitted.
- 6.6 Submission of an application does not guarantee issuance of a license, or issuance of a license within a specific period of time. Applicants must observe the provisions of section 12-10-619, C.R.S., and Chapter 12 of these Rules. Applicants will not represent themselves as being licensees of the Board until the license has been issued by the Board.

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- 6.7 Pursuant to section 12-10-612(1), C.R.S., an applicant who has been convicted of, entered a plea of guilty to, entered a plea of nolo contendere, or received a deferred judgment and sentence to a crime, must file with his or her application an addendum to the application in a form prescribed by the Board. Such addendum must be supported and documented by, without limitation, the following:
- A. Court documents, including original charges, disposition, pre-sentencing report and certification of completion of terms of sentence;
 - B. Police officer's report(s);
 - C. Probation or parole officer's report(s);
 - D. A written personal statement explaining the circumstances surrounding each violation, and including the statement attesting that "I have no other violations either past or pending";
 - E. Letters of recommendation; and
 - F. Employment history for the preceding five (5) years.
- 6.8 Prior to application for licensure, an individual may request that the Board issue a preliminary advisory opinion regarding the possible effect of convictions, pleas of guilt or nolo contendere or deferred judgments and sentences for criminal offenses. A person requesting such an opinion is not an applicant for licensure. The Board may, at its sole discretion, issue such an opinion, which will not be binding on the Board; is not appealable; and will not limit the authority of the Board to investigate a later application for licensure. The issuance of such an opinion will not prohibit a person from submitting an application for licensure. A person requesting such an opinion must do so in a form prescribed by the Board. Such form must be supported and documented by, without limitation, the following:
- A. Court documents, including original charges, disposition, pre-sentencing report and certification of completion of terms of sentence;
 - B. Police officer's report(s);
 - C. Probation or parole officer's report(s);
 - D. A written personal statement explaining the circumstances surrounding each violation, and including the statement attesting that "I have no other violations either past or pending";
 - E. Letters of recommendation; and
 - F. Employment history for the preceding five (5) years.
- 6.9 Repealed.
- 6.10 Every active appraiser, or applicant for an active appraiser's credential, must have in effect a policy of errors and omissions insurance to cover all acts requiring a license.
- A. The Division will enter into a contract with a qualified insurance carrier to make available to all licensees and license applicants a group policy of insurance under the following terms and conditions:

1. The insurance carrier is licensed or authorized by the Colorado Division of Insurance to write policies of errors and omissions insurance in this state.
 2. The insurance carrier maintains an A.M. best rating of "A-" or better.
 3. The insurance carrier will collect premiums, maintain records and report names of those insured and a record of claims to the Board on a timely basis and at no expense to the Board.
 4. The insurance carrier has been selected through a competitive bidding process.
 5. The contract and policy are in conformance with this Board Rule 6.10 and all relevant Colorado statutory requirements.
- B. The group policy must provide, at a minimum, the following terms of coverage:
1. Coverage for all acts for which a real estate appraiser's license is required to the extent of the professional appraisal work the appraiser is permitted by his or her credential level to perform, except those illegal, fraudulent, or other acts which are normally excluded from such coverage.
 2. That the coverage cannot be canceled by the insurance carrier except for nonpayment of the premium or in the event a licensee becomes inactive, is revoked or an applicant is denied a license.
 3. The coverage afforded by the policy must not contain exclusions for coverage of claims for damages reasonably expected in connection with professional appraisal services, including, but not limited to, claims for damages made by or on behalf of the Federal Deposit Insurance Corporation (FDIC), the Federal Housing Finance Agency (FHFA), or any other state or federal agency having regulatory authority over a lender or financial institution, and claims arising from failure of a financial institution.
 4. Pro-ration of premiums for coverage which is purchased during the course of a calendar year but with no provision for refunds of unused premiums.
 5. Coverage is for not less than \$100,000 coverage per claim, with an aggregate limit of not less than \$300,000 per individual, not including costs of investigation and defense.
 6. A deductible amount for each occurrence of not more than \$1,000 for claims and no deductible for legal expenses and defense.
 7. The obligation of the carrier to defend all covered claims and the ability of the insured licensee to select counsel of choice subject to the written permission of the carrier, which must not be unreasonably withheld.
 8. The ability of a licensee, upon payment of an additional premium, to obtain higher or excess coverage or to purchase additional coverage from the group carrier as may be determined by the carrier.
 9. The ability of a licensee, upon payment of an additional premium to obtain an extended reporting period of not less than three hundred sixty-five (365) days.

10. A conformity endorsement allowing a Colorado resident licensee to meet the errors and omissions insurance requirement for an active license in another group mandated state without the need to purchase separate coverage in that state.
 11. Policy must not be issued or underwritten using a "self-rated" application form. A "self-rated" application is defined as being an application where a policy is issued based on the answers listed on the application with no subsequent underwriter review.
 12. Prior acts coverage must be offered to licensees with continuous past coverage.
- C. Licensees or applicants may obtain errors and omissions coverage independent of the group plan from any insurance carrier subject to the following terms and conditions:
1. Individual policies must, at a minimum, comply with the following conditions and the insurance carrier must certify compliance in an affidavit issued to the insured licensee or applicant in a form specified by the Board. The insurance carrier agrees to immediately notify the Board of any cancellation or lapse in coverage. Independent individual coverage must provide, at a minimum, the following:
 - a. The insurance carrier is in compliance with all applicable rules and statutes set forth by the Colorado Division of Insurance, and, if required, are licensed or authorized to write policies of Errors and Omissions Insurance in this state.
 - b. The insurance carrier maintains an A.M. best rating of "A-" or better.
 - c. The contract and policy are in conformance with all relevant Colorado statutory requirements.
 - d. Coverage includes all acts for which an appraiser's credential is required, except those illegal, fraudulent or other acts which are normally excluded from such coverage.
 - e. Coverage cannot be canceled by the insurance provider, except for nonpayment of the premium or in the event the licensee becomes inactive, is revoked or an applicant is denied a license. Cancellation notice must be provided in manner that complies with section 10-4-109.7, C.R.S.
 - f. Coverage is for not less than \$100,000 per claim, with an annual aggregate limit of not less than \$300,000 per individual, not including costs of investigation and defense.
 - g. A deductible amount for each occurrence of not more than \$1,000 for claims, and no deductible for legal expenses and defense.
 - h. The ability of a licensee, upon payment of an additional premium to obtain an extended reporting period of not less than three hundred sixty-five (365) days.

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- i. The coverage afforded by the policy must not contain exclusions for coverage of claims for damages reasonably expected in connection with professional appraisal services, including, but not limited to, claims for damages made by or on behalf of the Federal Deposit Insurance Corporation, the Federal Housing Finance Authority, or any other state or federal agency having regulatory authority over a lender or financial institution, and claims arising from the failure of a financial institution.
 - j. The policy may not be issued or underwritten using a “self-rated” application. A “self-rated” application is defined as being an application where a policy is issued based on the answers listed on the application with no subsequent underwriter review.
 - k. Prior acts coverage must be offered to licensees with continuous past coverage.
 - 2. For firms that carry policies that cover one (1) or more licensees associated with that firm, all requirements listed in Board Rule 6.10(c)(1) will apply, except Board Rule 6.10(c)(1)(F) and (G) will be replaced with the following:
 - a. The per claim limit must be not less than \$1,000,000, not including the costs of investigation and defense.
 - b. The aggregate limit must be not less than \$1,000,000, not including the costs of investigation and defense.
 - c. The maximum deductible amount for each occurrence must not exceed \$10,000 and the provider must look to the insured for payment of any deductible. There must not be a deductible for legal expenses and defense.
 - D. Applicants for licensure, activation, renewal, and reinstatement must certify compliance with this Board Rule 6.10 and section 12-10-608, C.R.S. on forms or in a manner prescribed by the Board. Any active licensee who so certifies and fails to obtain errors and omissions coverage or to provide proof of continuous coverage, either through the group carrier or directly to the Board, will be placed on inactive status:
 - 1. Immediately, if certification of current insurance coverage is not provided to the Board; or
 - 2. Immediately upon the expiration of any current insurance when certification of continued coverage is not provided.
 - E. Appraisers employed by a local, state, or federal government entity are exempt from the errors and omissions insurance requirements.
- 6.11 Pursuant to section 12-10-606(6)(a), C.R.S., the Board must establish the fitness standards that an applicant for a license must demonstrate. Therefore, an applicant must demonstrate that he or she does not possess a background that could call into question the public trust. Some of the criteria that the Board may evaluate in determining whether the public trust may be called into question are:
- A. Whether the applicant has previously had an appraiser credential revoked;
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- B. Whether the applicant has previously had a professional license disciplined in any jurisdiction;
 - C. Whether the applicant has been convicted of, or pled guilty to, entered a plea of nolo contendere to, or received a deferred judgment and sentence to a crime. An applicant will not be eligible for a license if, during at least the five (5) year period immediately preceding the date of application for a license, the applicant has been convicted of, pled guilty to, or entered a plea of nolo contendere to a crime that would call into question the applicant's fitness for licensure; and
 - D. Whether the applicant has failed to demonstrate that he or she possesses the character necessary to command the confidence of the community and to warrant a determination that the applicant will operate honestly, fairly and efficiently within the scope and purpose of real property appraisal practice.
- 6.12 If the fees accompanying any application to the Board (including fees for renewals, transfers, etc.) are paid for by check and the check is not immediately paid upon presentment to the bank upon which the check was drawn, or if payment is submitted in any other manner, and payment is denied, rescinded or returned as invalid, the application will be deemed incomplete. The application will only be deemed complete if the Board has received payment of all application fees together with any fees incurred by the Division including the fee required by state fiscal rules for the clerical services necessary for reinstatement within sixty (60) days of the Division mailing notification of an incomplete application.

CHAPTER 7: CONTINUING EDUCATION REQUIREMENTS

- 7.1 For initial licenses issued on or after July 1 of any year, there will be no continuing education requirement as a condition of renewal of such initial license that expires December 31 of the year of issuance as defined in Board Rule 1.8. For initial licenses issued before July 1 of any year, there will be an obligation to complete fourteen (14) hours of continuing education as a condition of renewal before the initial license expires on December 31 of the year of issuance as defined in Board Rule 1.8. Continuing education requirements established by Chapter 7 of these Rules will apply to all other license renewals.
- 7.2 Except as provided under Board Rule 7.1, each licensee applying for renewal of a license must complete twenty-eight (28) hours of real estate appraisal continuing education during the two-year period preceding expiration of the license. All licensees renewing a license at the end of a two-year licensing period must complete the National USPAP Update Courses set forth in Board Rule 7.19. Continuing education requirements must be completed after the effective date of the license to be renewed and prior to the expiration of such license. Upon written request and receipt of the supporting documentation established by the Board, the Board may grant a deferral for continuing education compliance for licensees returning from active military duty. Licensees returning from active military duty may be placed on active status for up to ninety (90) days pending completion of all continuing education requirements established pursuant to Chapter 7 of these Rules.
- 7.3 Continuing real estate appraisal education must be taken from providers approved by the Board. In order to be approved by the Board, continuing education must meet the following standards:
- A. It must have been developed by persons qualified in the subject matter and instructional design;
 - B. It must be current;
 - C. The instructor must be qualified with respect to content and teaching methods; and

- D. The number of participants and the physical facilities are consistent with the teaching method(s).

The Board, at its discretion, may require an evaluation in a manner determined by the Board of an educational offering to ensure compliance with the above standards. By offering real estate appraisal continuing education approved by the Board, each provider agrees to comply with relevant statutes and Board Rules and to permit Board audit of said courses at any time and at no cost. If the Board determines that the offering fails to comply with the standards set forth above, the Board will notify the provider of such deficiency and work with the provider to correct such deficiency prior to the next class offering. If such deficiency is not corrected, then the Board may withdraw approval of the provider, instructor and/or the class.

- 7.4 The following may be approved as providers of continuing appraisal education, provided the standards set forth in Board Rule 7.3 are maintained, and provided they have complied with all other requirements of the state of Colorado:

- A. Accredited colleges, junior colleges, community colleges or universities as defined in Board Rule 1.30;
- B. Professional appraisal and real estate related organizations;
- C. State or federal government agencies;
- D. Proprietary schools holding valid certificates of approval from the Colorado Division of Private Occupational Schools, Department of Higher Education;
- E. Continuing education completed in other jurisdictions, providers approved by such other jurisdiction, provided that the jurisdiction's appraiser regulation program is in compliance with Title XI, FIRREA, as determined by the ASC as defined in Board Rule 1.42;
- F. The providers of continuing education approved under the CAP as defined in Board Rule 1.39; and
- G. Other providers as the Board may approve upon petition of the education provider or licensee in a form acceptable to the Board.

- 7.5 Continuing education providers must, at their own expense, maintain for a period of five (5) years from the last course offering, and provide to the Board on request, information regarding the educational offerings including, but not limited to the following:

- A. Outline or syllabus;
- B. All texts, workbooks, handouts or other materials;
- C. Instructors and their qualifications, including selection, training and evaluation criteria;
- D. Examinations (if any);
- E. Dates and locations of offerings; and
- F. Student attendance records;

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- 7.6 Continuing appraisal education must be at least two (2) class hours in duration including examination time (if any). Continuing appraisal education programs and courses are intended to maintain and improve the appraiser's skill, knowledge, and competency. Continuing appraisal education courses and programs may include, without limitation, these real estate and real estate appraisal topics:
- A. Ad valorem taxation;
 - B. Arbitration, dispute resolution;
 - C. Courses related to the practice of real estate appraisal or consulting;
 - D. Development cost estimating;
 - E. Ethics and standards of professional practice, USPAP;
 - F. Valuation bias, fair housing, and/or equal opportunity;
 - G. Land use planning, zoning;
 - H. Management, leasing, timesharing;
 - I. Property development, partial interests;
 - J. Real estate law, easements, and legal interests;
 - K. Real estate litigation, damages, condemnation;
 - L. Real estate financing and investment;
 - M. Real estate appraisal related computer applications;
 - N. Real estate securities and syndication;
 - O. Developing opinions of real property value in appraisals that also include personal property and/or business value;
 - P. Seller concessions and impact on value;
 - Q. Energy efficient items and "green building" appraisals; and/or
 - R. Other topics as the Board may approve, upon its own motion or upon petition by the course provider or the licensee in a form acceptable to the Board.
- 7.7 The Board will award continuing education credit to credentialed appraisers who attend a Board's public meeting in person, under the following conditions:
- A. Credit will be awarded for a single Board meeting per license cycle; and
 - B. The meeting must be open to the public and must be a minimum of two (2) hours in length. The total credit cannot exceed seven (7) hours.

- 7.8 The Board may consider alternatives to continuing real estate appraisal education such as teaching, authorship of textbooks or articles, educational program developments or similar activities for up to one-half of the required continuing education. Licensees desiring continuing education credit for alternative activities must petition the Board for approval in writing and prior to commencement of the alternative activity.
- 7.9 The act of applying for renewal constitutes a statement that the licensee has complied with the continuing education requirements of the Colorado Real Estate Appraiser Licensing Act and Board Rules. The Board reserves the right to require a licensee to provide satisfactory documentary evidence of completion of continuing appraisal education requirements. The Board may at its option require such submission as part of the renewal process or subsequent to renewal.
- 7.10 With the exception of the 7-hour National USPAP Update Course(s), or its equivalent, required pursuant to Board Rule 7.19, licensees may complete the required hours of continuing real estate appraisal education at any time during the licensing period preceding expiration.
- 7.11 An appraiser may repeat courses or programs previously completed, subject to the limitation that no course or program may be repeated more frequently than once every continuing education cycle, which is the same as the appraiser's license cycle. Education in the USPAP, or its AQB-approved equivalent, is not subject to this limitation.
- 7.12 Continuing real estate appraisal education must be successfully completed by the licensee. Successful completion means either in-class or synchronous distance education attendance at the offering and participation in class activities. Successful completion of courses undertaken through asynchronous distance education requires compliance with the provisions of Board Rule 7.14. The teaching of continuing real estate appraisal education will constitute successful completion, if also in compliance with Board Rule 7.8; however, credit will be given for only one (1) presentation of a particular offering during each licensing period.
- 7.13 The number of hours credited will be equivalent to the actual number of contact hours of in-class or synchronous distance education instruction and testing. An hour of appraisal education and training is defined as at least fifty (50) minutes of instruction out of each 60-minute segment. For asynchronous distance education offerings, the number of hours credited must be that number of hours allowed by the CAP as defined in Board Rule 1.39. For hybrid course education, the number of hours credited will be equivalent for each specific course delivery method. Parts of the course that are delivered in-class or synchronously and delivered asynchronously must meet their respective requirements as set forth in this Board Rule 7.13.
- 7.14 Asynchronous distance education offerings must include methods and activities which promote active student engagement and participation in the learning process. Among those methods and activities acceptable are written exercises which are graded and returned to the student, required responses in computer based presentations, provision for students to submit questions during teleconferences, and examinations proctored by an independent third party. Bio-metric proctoring is acceptable. Simple reading, viewing, or listening to materials is not sufficient engagement in the learning process to satisfy the requirements of this Board Rule 7.14.
- 7.15 As to continuing education completed in other jurisdictions with appraiser regulatory programs that are in compliance with Title XI, FIRREA, as determined by the ASC as defined in Board Rule 1.42, the Board will accept the number of hours of continuing education accepted by that jurisdiction.
- 7.16 Repealed.
- 7.17 Repealed.

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- 7.18 Continuing education content must have a clear application to real estate appraisal practice. Motivational courses, personal growth, or self-improvement courses, general business courses and general computing courses are unacceptable to satisfy the continuing education requirements established by these Rules.
- 7.19 All licensees must successfully complete a 7-hour National USPAP Update Course, or its equivalent, every two (2) calendar years. Such 7-hour National USPAP Update Course must be in the form of a course approved by the AQB, and taught by an instructor certified by the AQB and who is also a state certified appraiser. Equivalency will be determined through the CAP or by an alternate method established by the AQB.
- 7.20 A licensee who is a resident of a jurisdiction other than the state of Colorado that imposes continuing education requirements consistent with the criteria promulgated by the AQB may comply with the continuing education requirements of Chapter 7 of these Rules by documenting, in a manner prescribed by the Board, compliance with the continuing education requirements of their jurisdiction of residence. In the event the jurisdiction of residence does not impose continuing education requirements consistent with the criteria promulgated by the AQB, the licensee must comply with the continuing education requirements established by Chapter 7 of these Rules.
- 7.21 A licensee who renews a license subject to a continuing education requirement must retain documentary evidence of compliance with these continuing education requirements for a period of not less than five (5) years after the expiration of the license being renewed.
- 7.22 Course providers must provide each student who successfully completes a continuing education course in the manner prescribed in Board Rule 7.12 a course completion certificate. The Board will not mandate the exact form of course certificates; however, the following information must be included:
- A. Name of course provider;
 - B. Course title, which must describe topical content;
 - C. Course number, if any;
 - D. Course dates;
 - E. Number of continuing education hours;
 - F. Statement that the required examination was successfully completed, if an examination is a regular part of the course;
 - G. Course location, which for synchronous distance education and asynchronous distance education modalities must be the principal place of business of the course provider;
 - H. Name of student; and
 - I. For USPAP courses begun on and after January 1, 2003, the name and AQB USPAP instructor certification number of the instructor.
- 7.23 The provisions of Board Rule 7.4 notwithstanding, real estate appraisal continuing education offered through asynchronous distance education must be approved through the CAP, unless the provider is a government agency that has sought an exemption from the Board.
- 7.24 Repealed.

7.25 Repealed.

7.26 Upon written notification from the Board, licensees must provide copies of course certificates to the Board. Failure to provide copies of course certificates within the time set by the Board in its notification will be grounds for disciplinary action unless the Board has granted an extension of time for providing the certificates.

CHAPTER 8: RENEWAL, REINSTATEMENT, INACTIVATION, SURRENDER OR REVOCATION OF LICENSURE

8.1 Repealed.

8.2 Repealed.

8.3 Repealed.

8.4 Repealed.

8.5 No holder of an expired license which may be reinstated may apply for a new license of the same type. Such person must reinstate the expired license as provided in section 12-10-610(1), C.R.S., and these Rules. Nothing in this Board Rule 8.5 will act to prevent a person from applying for and receiving a license with higher qualification requirements than those of the expired license.

8.6 All licensees in active or inactive license status must provide the Board with the following information: (1) a current mailing address and phone number for the licensee; (2) a current email address for the licensee if applicable; and (3) such other contact information as may be required by the Board from time to time. Each licensee must inform the Board within ten (10) calendar days of any change in such contact information on a form or in the manner prescribed by the Board. A mailing address for the licensee will be posted on the Division's public website, and it is the licensee's responsibility to inform the Division of any required changes to the mailing address shown for the licensee on the Division's public website. The address shown for the licensee on the Division's public website will be considered the licensee's address of record. A change of mailing address without notification to the Board will result in the inactivation of the appraiser's license.

8.7 Repealed.

8.8 The holder of a license or Temporary Practice Permit may surrender such to the Board. The Board may deem a surrendered license or Temporary Practice Permit as permanently relinquished. Such relinquishment will not remove the holder from the jurisdiction of the Board for acts committed while holding a license or Temporary Practice Permit. A license or Temporary Practice Permit that is relinquished during the pendency of an investigation or a disciplinary action will be reported to the National Registry as having been surrendered in lieu of discipline. A person who relinquishes a license or Temporary Practice Permit may not reinstate the same, but must reapply and meet the current requirements for initial licensure.

8.9 Upon inactivation, revocation, suspension, surrender, relinquishment, or expiration of a license or Temporary Practice Permit, the holder must:

- A. Immediately cease all activities requiring licensure or a Temporary Practice Permit;
- B. In the instance of revocation, suspension, relinquishment, or surrender, immediately return the license document or Temporary Practice Permit to the Board;

- C. Immediately cease all actions which represent the holder to the public as actively being licensed or being the holder of a Temporary Practice Permit, including, without limitation, the use of advertising materials, forms, letterheads, business cards, correspondence, internet website content, statements of qualifications, and the like.
- 8.10 A licensee who has not completed continuing education requirements established pursuant to Chapter 7 of these rules may not renew or reinstate licensure on inactive status unless the Board determines that extenuating circumstances existed which caused the deficiency in the continuing education requirements. The Board may require a written request and supporting documentation to determine that an extenuating circumstance exists or existed. A licensee desiring to renew or reinstate licensure on inactive status must submit their renewal or reinstatement on an inactive status application to the Board.
- 8.11 A licensee may, without limitation, renew or reinstate licensure on inactive status for subsequent renewal periods by complying with the requirements of Rule 8.10.
- 8.12 Repealed.
- 8.13 Repealed.
- 8.14 Repealed.
- 8.15 Repealed.
- 8.16 Repealed.
- 8.17 A Licensed Ad Valorem Appraiser must be a County Assessor, an employee of a County Assessor's Office, or an employee of the Division of Property Taxation in the Department of Local Affairs. If a Licensed Ad Valorem Appraiser is no longer a County Assessor, leaves the employ of a County Assessor's Office, or leaves the employ of the Division of Property Taxation within the Department of Local Affairs, the Licensed Ad Valorem Appraiser must notify the Board within three (3) business days in a manner acceptable to the Board. Upon such notification or discovery by the Board, the Licensed Ad Valorem Appraiser will be placed on inactive status. The Licensed Ad Valorem Appraiser will not be returned to active status unless the licensee signs a certification that he or she is currently a County Assessor, an employee of a County Assessor's Office or an employee of the Division of Property Taxation in the Department of Local Affairs and the Board verifies the licensee's employment.
- 8.18 A licensee desiring to activate an inactive license must complete all required continuing education hours that would have been required if the licensee had been on active status for the entire period of inactivation, including the most recent version of the National USPAP Course or its equivalent as approved by the CAP as defined in Board Rule 1.39.

CHAPTER 9: LICENSURE BY ENDORSEMENT

- 9.1 Pursuant to section 12-10-611(1) and (2), C.R.S., as amended, licensure by endorsement will be subject to the following restrictions and requirements:
- A. The Board may issue licenses by endorsement only to those persons holding an active license or certificate from another jurisdiction which is substantially equivalent to those described in Board Rules 1.13, 1.14 or 1.15, with qualification requirements substantially equivalent to those in Board Rules 2.2, 2.3 or 2.4, respectively;
 - B. The applicant must be the holder of an active license or certificate in good standing under the laws of another jurisdiction;

- C. The appraiser regulatory program of the jurisdiction where the applicant holds an active license or certificate in good standing must be compliance with Title XI, FIRREA, as determined by the ASC as defined in Board Rule 1.42;
- D. The applicant must apply for licensure by endorsement on a form provided by the Board, pay the specified fees and meet all other Board requirements, including the submission of a set of fingerprints to the Colorado Bureau of Investigation for the purpose of conducting a state and national fingerprint-based criminal history record check as required by section 12-10-606(6)(a), C.R.S. as amended;
- E. The applicant must apply for and be issued by the Board a license by endorsement prior to undertaking appraisal activities in Colorado that would require licensure in Colorado; and
- F. A license issued by endorsement will be subject to the same renewal requirements as a license issued pursuant to section 12-10-606, C.R.S. as amended, and Chapters 7 and 8 of these Rules.

CHAPTER 10: TEMPORARY PRACTICE IN COLORADO

- 10.1 Pursuant to section 12-10-611(2) and (3), C.R.S., as amended, a Temporary Practice permit may be issued to the holder of an active appraiser's license or certificate from another jurisdiction. Such Temporary Practice Permit must be subject to the following restrictions and requirements:
- A. The applicant must apply for and be issued a Temporary Practice Permit prior to his or her commencement of a real property appraisal in Colorado that is part of a federally related transaction;
 - B. The applicant's business is temporary in nature and the applicant must identify in writing the appraisal assignment(s) to be completed under the Temporary Practice Permit prior to being issued a Temporary Practice Permit;
 - C. The Temporary Practice Permit will be valid only for the appraisal assignment(s) listed thereon;
 - D. The applicant must be the holder of an active license or certificate in good standing under the laws of another jurisdiction;
 - E. The applicant must apply for a Temporary Practice Permit on a form provided by the Board, pay the specified fees, and meet all other Board requirements; and
 - F. Pursuant to section 12-10-611(2) and (3), C.R.S., Temporary Practice Permits are available only to persons holding active licensure in another jurisdiction at levels substantially equivalent to those defined in Board Rules 1.13, 1.14, or 1.15. Temporary Practice Permits are not available to persons holding licensure in another jurisdiction at a trainee, apprentice, associate, intern, or other entry level.
- 10.2 No person may be issued more than two (2) Temporary Practice Permits in any rolling twelve-month period.

- 10.3 A Temporary Practice Permit issued pursuant to Chapter 10 of these Rules will be valid for the period of time necessary to complete the original assignment(s) listed thereon, including time for client conferences and expert witness testimony. A Temporary Practice Permit issued pursuant to Chapter 10 of these Rules will not be valid for completion of additional or update assignments involving the same property or properties. Additional or update assignments involving the same property or properties are new assignments, thereby requiring a new Temporary Practice Permit or licensure by endorsement as provided in Chapter 9 of these Rules.

CHAPTER 11: STANDARDS OF PROFESSIONAL APPRAISAL PRACTICE

- 11.1 The USPAP was adopted and incorporated by reference in Board Rule 1.10. The 2018-2019 edition of the USPAP, incorporating the amendments made through February 3, 2017 will remain in effect through December 31, 2019. Beginning January 1, 2020, the 2020-2021 edition of the USPAP will be in effect.
- 11.2 A licensee using the services of an unlicensed assistant under the provisions of section 12-10-621, C.R.S. as amended, or the services of another licensee in the preparation of appraisals or other work products will, consistent with the USPAP, supervise each such assistant or licensee in an active, diligent and personal manner. When any portion of the work involves significant real property appraisal assistance, the licensee must describe and summarize the research, analysis and reporting contributions of each such assistant or other licensee within each such report or other work product in a manner specified in USPAP Standard 2.
- 11.3 A licensee performing any consulting services pursuant to section 12-10-602(5) C.R.S., must not represent any analysis, opinion, or conclusions as an independent appraisal assignment. In compliance with sections 12-10-613(1)(g) and 12-10-616(1)(b), (c) and (d), C.R.S, a licensee compensated by a Contingent Fee as defined in Board Rule 1.20, must disclose in a clear and conspicuous manner in any oral report, or the letter of transmittal, summary of salient facts and conclusions, statement of limiting conditions, and certifications of any written report the following:
- A. A contingent fee is being paid;
 - B. The licensee is performing a consulting service and not an independent appraisal; and
 - C. Any oral or written reports were not required to be compliant with the Ethics Rule of the USPAP.

CHAPTER 12: LICENSE TITLES, LICENSE DOCUMENTS, AND SIGNATURES

- 12.1 The descriptive license titles defined in Board Rules 1.13, 1.14, 1.15, 1.18, and 1.37 must only be used by persons who hold such Board issued license or Temporary Practice Permit in good standing. The descriptive license titles may only be used by an individual license holder and may not be used by any other person or group of persons, including a corporation, partnership, or other business entity.
- 12.2 Repealed.
- 12.3 Repealed.
- 12.4 In each appraisal report or other appraisal related work product, the license held by the appraiser(s) must be clearly identified by using the license titles defined in Board Rules 1.13, 1.14, 1.15, and 1.37 and including the license number. Such license titles and numbers must be identified wherever the licensee signs, by any means or method, the report or other work product, including, but not limited to the:

- A. Letter of transmittal;
 - B. Certification of the appraiser(s); and
 - C. Appraisal or other work product report form or document, including addenda thereto.
- 12.5 Repealed.
- 12.6 An appraiser practicing in Colorado under authority of a Temporary Practice Permit must identify the state where they hold licensure, the type of license and the license number, and must further state they hold a Temporary Practice Permit and state the permit number in all instances where license type and number are required under Chapter 12 of these Rules.
- 12.7 The real estate appraiser's license or Temporary Practice Permit document and identification card issued to an initial applicant or licensee will remain the property of the Board. Such document and card must be surrendered to the Board immediately upon demand. The reasons for such demand may include, but are not limited to, suspension, revocation, surrender, or relinquishment.
- 12.8 When complying with either Board Rule 12.4 or Board Rule 12.6, an appraiser must use the full license or Temporary Practice Permit title in Board Rules 1.13, 1.14, 1.15, 1.18, and 1.37, or must use the appropriate abbreviation as listed below, followed by the license or Temporary Practice Permit number. Use of initials only, such as the alphabetical prefix included with each Board issued number to identify the type of license or Temporary Practice Permit is prohibited except when necessary to comply with federally implanted data collection or reporting requirements (for example FNMA ("Fannie Mae") or FHLMC ("Freddie Mac") implemented policies or guidelines).
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|----------------------------------|------------------------------------|
| Licensed Ad Valorem Appraiser: | Lic. Ad Val App. or Lic. Ad Val |
| Licensed Appraiser: | Lic. App. or Lic. Appr. |
| Certified Residential Appraiser: | Crt. Res. App. or Cert. Res. Appr. |
| Certified General Appraiser: | Crt. Gen. App. or Cert. Genl. |
| Temporary Practice Permit: | Temp. Prac. Pmt. |
- 12.9 Repealed.
- 12.10 When stating the type of license or Temporary Practice Permit held, and the number thereof, an appraiser may make use of an impression, provided such impression is legible on each copy of the appraisal report or other work product.
- 12.11 Where appraisal report forms or other work product forms do not allow space for placing the information required by Board Rule 12.4 or Board Rule 12.6 immediately following the name and signature of the appraiser the required information will be placed in the closest reasonable available space on the same page.
- 12.12 The holder of a license or Temporary Practice Permit in good standing may copy the license or Temporary Practice Permit document for inclusion in an appraisal report or other appraisal work product. Such copy must have the word "COPY" prominently displayed so as to substantially overlay the printed portions of the license or Temporary Practice Permit document.
- 12.13 The requirements of Chapter 12 of these Rules must be complied with in any electronic copy or transmittal of an appraisal report or other appraisal related work product.
- 12.14 No holder of a license or Temporary Practice Permit, or any other person, will make or cause to be made or allow to be made, any alteration to a Board-issued license or Temporary Practice Permit document or copy thereof, other than as provided in Board Rule 12.12.

- 12.15 No licensee may affix or allow to be affixed the name or signature of a licensee to an appraisal report or other appraisal related work product without the express permission of the licensee for that specific assignment, report, or other work product. Licensees must not give blanket permission for affixing their signature to appraisal reports or other work products and may only authorize the use of his or her signature on an assignment-by-assignment basis.
- 12.16 No licensee will permit, through action or inaction, their name or signature to be affixed to an appraisal report or other appraisal related work product without their first personally examining and approving the final version of such report or other work product.

CHAPTER 13: DISCIPLINARY PROCEDURES

- 13.1 Complaints alleging violation of the Colorado Real Estate Appraiser Licensing Act or the Board Rules must be in writing on a form or in the manner prescribed by the Board. Nothing in this Board Rule 13.1 will act to prevent the Board from acting upon its own motion to open a complaint.
- 13.2 Pursuant to section 12-10-604(1)(c), C.R.S., and section 24-4-105(3), C.R.S., any disciplinary hearing conducted on behalf of the Board may, at the discretion of the Board, be conducted by an Administrative Law Judge from the Office of Administrative Courts of the Department of Personnel & Administration.
- 13.3 Repealed.
- 13.4 When a holder of a Board-issued license or Temporary Practice Permit has received written notification from the Board that a complaint has been filed against the holder, a written response to the Board is required to be submitted by the holder. Failure to submit a written response within the time set by the Board in its notification will be grounds for disciplinary action, unless the Board has granted an extension of time for the response in writing and regardless of the question of whether the underlying complaint warrants further investigation or subsequent action by the Board. The holder's written response must contain the following:
- A. A complete and specific answer to the factual recitations, allegations or averments;
 - B. A complete and specific response to any additional questions, allegations or averments presented in the notification letter;
 - C. Any documents or records requested in the notification letter; and
 - D. Any further information relative to the complaint that the holder believes to be relevant or material to the matters addressed in the notification letter.
- 13.5 The holder of a Board-issued license or Temporary Practice Permit, including an owner of more than ten (10) percent of a licensed appraisal management company, must inform the Board in writing within ten (10) days of any disciplinary action taken by any other state, district, territorial, or provincial real estate appraiser or appraisal management company licensing authority. For purposes of this Board Rule 13.5, disciplinary action may include, without limitation, actions such as fines, required education, probation, suspension, revocation, letters of censure, debarment, required supervision, and the like.
- 13.6 Pursuant to section 24-34-106, C.R.S., when a licensee is required to complete real estate appraisal education as part of stipulation, final agency order, or stipulation for diversion, no portion of any such courses or programs will be creditable toward continuing education or qualifying education requirements.

- 13.7 Pursuant to sections 12-10-613(1)(a) and (k), C.R.S., a licensee must inform the Board in writing within ten (10) days of conviction of, entering a plea of guilty to, entering a plea of nolo contendere to, or receiving a deferred judgment and sentence to any felony or misdemeanor offense, excluding misdemeanor traffic offenses, municipal code violations or petty offenses. A licensee must inform the Board in writing within ten (10) days of any disciplinary action taken against any professional licenses held by the licensee, excluding the licensee's Colorado appraisal credential. For purposes of this Board Rule 13.7, disciplinary action include, without limitation, actions such as imposition of fines, required or remedial education, probation, suspension, revocation, letters of censure, debarment, mandatory supervision, and the like.
- 13.8 Board members, Division staff and contractors hired by the Division are not required to comply with USPAP in performance of the official duties that include, but are not limited to:
- A. Investigations;
 - B. Work experience reviews conducted during license application processing;
 - C. The review or analysis of investigative findings, experience reviews, and/or work product reviews resulting from Board case resolutions; or
 - D. The review of the appraisal as part of an application.
- An investigation or review conducted by staff, a member of the Board or a contractor hired by the Division is not considered an "appraisal review" or an "appraisal" as defined by the USPAP.
- 13.9 A holder of a Board-issued license or Temporary Practice Permit must respond in writing to any correspondence from the Board requiring a response. The written response must be submitted within the time period provided by the Board. The Board will send such correspondence to the holder's address of record filed with the Board. Failure to submit a timely written response will be grounds for disciplinary action.
- 13.10 Exceptions and Board Review of Initial Decisions:
- A. Written form, service, and filing requirements
 - 1. All designations of record, requests, exceptions, and responsive pleadings ("pleadings") must be in written form, mailed with a certificate of mailing to the Board and the opposing party.
 - 2. All pleadings must be filed with the Board by 5:00 p.m. on the date the filing is due. These Rules do not provide for any additional time for service by mail. Filing is the receipt of a pleading by the Board.
 - 3. Any pleadings must be served on the opposing party by mail or by hand delivery on the date on which the pleading is filed with the Board.
 - 4. All pleadings must be filed with the Board and not the Office of Administrative Courts. Any designations of record, requests, exceptions, or responsive pleadings filed in error with the Office of Administrative Courts will not be considered. The Board's address is:

Colorado Board of Real Estate Appraisers
1560 Broadway, Suite 925
Denver, CO 80202

B. Authority to Review

1. The Board hereby preserves the Board's option to initiate a review of an initial decision on its own motion pursuant to section 24-4-105(14)(a)(ii) and (b)(iii), C.R.S. outside of the thirty (30) day period after service of the initial decision upon the parties without requiring a vote for each case.
2. This option to review will apply regardless of whether a party files exceptions to the initial decision.

C. Designation of Record and Transcripts

1. Any party seeking to reverse or modify the initial decision of the Administrative Law Judge must file with the Board a designation of the relevant parts of the record for review ("designation of record"). Designations of record must be filed with the board within twenty (20) days of the date on which the Board mails the initial decision to the parties' address of record with the Board.
2. Even if no party files a designation of record, the record must include the following:
 - a. All pleadings;
 - b. All applications presented or considered during the hearing;
 - c. All documentary or other exhibits admitted into evidence;
 - d. All documentary or other exhibits presented during the hearing;
 - e. All matters officially noticed;
 - f. Any findings of fact and conclusions of law proposed by any party; and
 - g. Any written brief filed.
3. Transcripts: transcripts will not be deemed part of a designation of record unless specifically identified and ordered. Should a party wish to designate a transcript or portion thereof, the following procedures apply:
 - a. The designation of record must identify with specificity the transcript or portion thereof to be transcribed. For example, a party may designate the entire transcript, or may identify witness(es) whose testimony is to be transcribed, the legal ruling or argument to be transcribed, or other information necessary to identify a portion of the transcript.
 - b. Any party who includes a transcript or a portion thereof as part of the designation of record must order the transcript or relevant portions by the date on which the designation of record must be filed (within twenty (20) days of the date on which the Board mails the initial decision to the parties).
 - c. When ordering the transcript, the party must request a court reporter or transcribing service to prepare the transcript within thirty (30) days. The party must timely pay the necessary fees to obtain and file with the Board an original transcription and one (1) copy within thirty (30) days.

- d. The party ordering the transcript must direct the court reporter or transcribing service to complete and file with the Board the transcript and one (1) copy of the transcript within thirty (30) days.
 - e. If a party designates a portion of the transcript, the opposing party may also file a supplemental designation of record, in which the opposing party may designate additional portions of the transcript. This supplemental designation of record must be filed with the Board and served on the other party within ten (10) days after the date on which the original designation of record was due.
 - f. An opposing party filing a supplemental designation of record must order and pay for such transcripts and portions thereof within the deadlines set forth above. An opposing party must also cause the court reporter to complete and file with the Board the transcript and one (1) copy of the transcript within thirty (30) days.
 - g. Transcripts that are ordered and not filed with the Board in a timely manner by the reporter or transcription service due to non-payment, insufficient payment, or failure to direct as set forth above will not be considered by the Board.
- D. Filing of Exceptions and Responsive Pleadings
1. Any party wishing to file exceptions must adhere to the following timelines:
 - a. If no transcripts are ordered, exceptions are due within thirty (30) days from the date on which the Board mails the initial decision to the parties. Both parties' exceptions are due on the same date.
 - b. If transcripts are ordered by either party, the following procedure will apply. Upon receipt of transcripts identified in all designations of record, the Board will mail notification to the parties stating that the transcripts have been received by the Board. Exceptions are due within thirty (30) days from the date on which such notification is mailed. Both parties' exceptions are due on the same date.
 2. Either party may file a responsive pleading to the other party's exceptions. All responsive pleadings must be filed within ten (10) days of the date on which the exceptions were filed with the Board. No other pleadings will be considered except for good cause shown.
 3. The Board may in its sole discretion grant an extension of time to file exceptions or responsive pleadings, or may delegate the discretion to grant such an extension of time to the Board's designee.
- E. Request for Oral Argument
1. All requests for oral argument must be in writing and filed by the deadline for responsive pleadings. Requests filed after this time will not be considered.
 2. It is within the sole discretion of the Board to grant or deny a request for oral argument. If oral argument is granted, both parties will have the opportunity to participate.

3. Each side will be permitted ten (10) minutes for oral argument unless such time is extended by the Board or its designee.
- 13.11 A controlling appraiser must inform the Board in writing within ten (10) days of conviction of, entering a plea of guilty to, entering a plea of nolo contendere, entering an alford plea, or receiving a deferred judgment and sentence to any misdemeanor or felony relating to the conduct of an appraisal, theft, embezzlement, bribery, fraud, misrepresentation, or deceit, or any other like crime under Colorado law, federal law, or the laws of other jurisdictions.
 - 13.12 A controlling appraiser, or an approved designee of a licensed appraisal management company, must inform the Board in writing within ten (10) days regarding the following:
 - A. An owner of an appraisal management company, possessing more than ten percent ownership of the licensed entity, has been convicted of, entered a plea of guilty to, entered a plea of nolo contendere, entered an alford plea, or receiving a deferred judgment and sentence to any misdemeanor or felony relating to the conduct of an appraisal, theft, embezzlement, bribery, fraud, misrepresentation, or deceit, or any other like crime under Colorado law, federal law, or the laws of other jurisdictions; and
 - B. An owner of an appraisal management company, possessing any percentage ownership of the licensed entity, has had an appraiser license or certificate refused, denied, cancelled, surrendered in lieu of revocation, or revoked in any jurisdiction.

CHAPTER 14: DECLARATORY ORDERS PURSUANT TO SECTION 24-4-105(11), C.R.S.

- 14.1 Any person may petition the Board for a declaratory order to terminate controversies or to remove uncertainties as to the applicability to the petitioner of any statutory provisions or of any rule or order of the Board.
- 14.2 The Board will determine, in its discretion and without prior notice to petitioner, whether to rule upon any such petition. If the Board determines that it will not rule upon such a petition, the Board will issue its written order disposing of the same stating the reason for its action. A copy of the order will be provided to the petitioner.
- 14.3 In determining whether to rule upon a petition filed pursuant to this Rule, the Board will consider the following matters, among others:
 - A. Whether a ruling on the petition will terminate a controversy or remove uncertainties as to the applicability to petitioner of any statutory provision or rule or order of the Board.
 - B. Whether the petition involves any subject, question, or issue which is the subject of a formal or informal matter or investigation currently pending before the Board or a court involving one or more of the petitioners.
 - C. Whether the petition involves any subject, question, or issue which is the subject of a formal or informal matter or investigation currently pending before the Board or a court but not involving any petitioner.
 - D. Whether the petition seeks a ruling on a moot or hypothetical question or will result in an advisory ruling or opinion.
 - E. Whether the petitioner has some other adequate legal remedy, other than an action for declaratory relief pursuant to Rule 57, C.R.C.P., which will terminate the controversy or remove any uncertainty as to the applicability to the petitioner of the statute, rule, or order in question.

- 14.4 Any petition filed pursuant to this Rule must set forth the following:
- A. The name and address of the petitioner and whether the petitioner holds a license issued pursuant to the Colorado Real Estate Appraiser Licensing Act.
 - B. The statute, rule, or order to which the petition relates.
 - C. A concise statement of all of the facts necessary to show the nature of the controversy or uncertainty and the manner in which the statute, rule, or order in question applies or potentially applies to the petitioner.
- 14.5 If the Board determines that it will rule on the petition, the following procedures will apply:
- A. The Board may rule upon the petition based solely upon the facts presented in the petition. In such a case:
 - 1. Any ruling of the Board will apply only to the extent of the facts presented in the petition and any amendment to the petition.
 - 2. The Board may order the petitioner to file a written brief, memorandum, or statement of position.
 - 3. The Board may set the petition, upon due notice to the petitioner, for a non-evidentiary hearing.
 - 4. The Board may dispose of the petition on the sole basis of the matters set forth in the petition.
 - 5. The Board may request the petitioner to submit additional facts, in writing. In such event, such additional facts will be considered as an amendment to the petition.
 - 6. The Board may take administrative notice of facts pursuant to the Administrative Procedures Act, section 24-4-105(8), C.R.S., as amended, and may utilize its experience, technical competence, and specialized knowledge in the disposition of the petition.
 - 7. If the Board rules upon the petition without a hearing, it will promptly notify the petitioner of its decision.
 - B. The Board may, in its discretion, set the petition for hearing, upon due notice to petitioner, for the purpose of obtaining additional facts or information or to determine the truth of any facts set forth in the petition or to hear oral argument on the petition. The notice to the petitioner setting such hearing will set forth, to the extent known, the factual or other matters into which the Board intends to inquire. For the purpose of such a hearing, to the extent necessary, the petitioner will have the burden of proving all of the facts stated in the petition, all of the facts necessary to show the nature of the controversy or uncertainty and the manner in which the statute, rule, or order in question applies or potentially applies to the petitioner and any other facts the petitioner desires the Board to consider.
- 14.6 The parties to any proceeding pursuant to this Rule will be the Board and the petitioner. Any other person may seek leave of the Board to intervene in such a proceeding, and leave to intervene will be granted at the sole discretion of the Board. A petition to intervene will set forth the same matters as required by Board Rule 14.4. Any reference to a "petitioner" in this Rule also refers to any person who has been granted leave to intervene by the Board.

- 14.7 Any declaratory order or other order disposing of a petition pursuant to this Rule will constitute agency action subject to judicial review pursuant to section 24-4-106, C.R.S., as amended.

CHAPTER 15: REPEALED

CHAPTER 16: REPEALED

CHAPTER 17: LICENSING REQUIREMENTS FOR APPRAISAL MANAGEMENT COMPANIES

- 17.1 Prior to application for licensure for an appraisal management company or as a controlling appraiser, a person who has been convicted of, entered a plea of guilty to, entered a plea of nolo contendere to, or received a deferred judgment and sentence to a misdemeanor or felony, or any like municipal code violation, may request the Board to issue a preliminary advisory opinion regarding the possible effect of such conduct on an application for licensure. A person requesting such an opinion is not an applicant for licensure. The Board may, at its sole discretion, issue such an opinion, which will not be binding upon the Board; is not appealable; and will not limit the authority of the Board to investigate a later application for licensure. The issuance of such an opinion by the Board will not act to prohibit a person from submitting an application for licensure. A person requesting such an opinion must do so in a form prescribed by the Board. Such form must be supported and documented by, without limitation, the following:

- A. Court documents, including original charges, disposition, pre-sentencing report and certification of completion of terms of sentence;
- B. Police officer's report(s);
- C. Probation or parole officer's report(s);
- D. A written personal statement explaining the circumstances surrounding each violation, and including the statement attesting that "I have no other violations either past or pending";
- E. Letters of recommendation; and
- F. Employment history for the preceding five (5) years.

- 17.2 Pursuant to section 12-10-607, C.R.S. an applicant for an appraisal management company's or a controlling appraiser's license who has been convicted of, entered a plea of guilty to, entered a plea of nolo contendere to, or received a deferred judgment and sentence to a misdemeanor or a felony, or any other like municipal code violation, must, with his or her application, include an addendum to the application in a form prescribed by the Board. Such addendum must be supported and documented by, without limitation, the following:

- A. Court documents, including original charges, disposition, pre-sentencing report and certification of completion of terms of sentence;
- B. Police officer's report(s);
- C. Probation or parole officer's report(s);
- D. A written personal statement explaining the circumstances surrounding each violation, and including the statement attesting that "I have no other violations either past or pending";
- E. Letters of recommendation; and

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- F. Employment history for the preceding five (5) years.
- 17.3 Initial licenses will expire on December 31 of the year of issuance. All appraisal management company and controlling appraiser licenses expire annually on December 31.
- 17.4 An appraisal management company must have a controlling appraiser, with an active controlling appraiser's license, to perform services requiring a license. If the controlling appraiser leaves the employment of the appraisal management company, the controlling appraiser or an authorized representative of the appraisal management company must notify the Board within three (3) business days in a manner acceptable to the Board. Upon such notification or discovery by the Board, the license of the appraisal management company will be placed on inactive status unless or until a replacement controlling appraiser has been identified by the appraisal management company and approved by the Board or a temporary controlling appraiser license is timely processed by the Division.
- 17.5 The controlling appraiser license will be placed on inactive status upon notification to the Board that the controlling appraiser has left the employ of the appraisal management company. The controlling appraiser license will remain on inactive status until the license expires or the controlling appraiser is designated to be the responsible party for an appraisal management company.
- 17.6 An individual or company license cannot be transferred for use of the licensed name or license for the benefit of another person, partnership, limited liability company, or corporation.
- 17.7 The controlling appraiser, or an authorized representative, must notify the Board within ten (10) business days of any change in ownership of the appraisal management company including a change in ownership that increases an existing individual's total ownership to more than ten (10) percent.
- 17.8 The Board may refuse to issue a license to a partnership, limited liability company, or corporation if the name of said corporation, partnership, or limited liability company is the same as that of any person or entity whose license has been suspended or revoked in any jurisdiction or is so similar as to be easily confused with that of the suspended or revoked person or entity by members of the general public.
- 17.9 No license will be issued to an appraisal management company under a trade name, corporate name, partnership name, or limited liability company name which is identical to another licensed appraisal management company. A license will not be issued to an individual proprietorship that adopts a trade name which includes the following words: corporation, partnership, limited liability company, limited, incorporated, or the abbreviations thereof.
- 17.10 All applications will contain a certification that the controlling appraiser is responsible for the appraisal management company. All applications will require the appraisal management company to identify at least one authorized representative responsible for contacting the Board when there has been a change in the employment of the controlling appraiser or there is a change in the ownership of the entity.
- 17.11 When an application for licensure as an appraisal management company is submitted, the controlling appraiser must certify the following:
- A. If the appraisal management company is a corporation, that the corporation complies with section 12-10-607(8)(c), C.R.S. and that the controlling appraiser has been authorized by the corporation as the controlling appraiser for the corporation.

- B. If the appraisal management company is a partnership, that the partnership complies with section 12-10-607(8)(a), C.R.S. and that the controlling appraiser has been authorized by the partnership as the controlling appraiser for the partnership.
 - C. If the appraisal management company is a limited liability company, that the company complies with section 12-10-607(8)(b), C.R.S. and that the controlling appraiser has been authorized by the company as the controlling appraiser for the limited liability company.
- 17.12 An appraisal management company is not required to be domiciled in Colorado in order to obtain a license, if the company maintains a definite place of business in another jurisdiction and is registered as a foreign entity with the Colorado Secretary of State.
- 17.13 If the appraisal management company has no registered agent registered in Colorado, such registered agent is not located under its registered agent name at its registered agent address, or the registered agent cannot with reasonable diligence be served, the controlling appraiser, on behalf of the appraisal management company, may be served by registered mail or by certified mail, return receipt requested, addressed to the entity at its principal address and to the controlling appraiser's address of record. Service is perfected at the earliest of:
- A. The date the controlling appraiser receives the process, notice, or demand;
 - B. The date shown on the return receipt, if signed by or on behalf of the controlling appraiser; or
 - C. Five (5) days after mailing.
- 17.14 Applicants for licensure, activation, renewal, or reinstatement as an appraisal management company must certify compliance with section 12-10-609, C.R.S. in a manner prescribed by the Board. The surety bond must:
- A. Be for a minimum of \$ 25,000.00;
 - B. Be in conformance with all relevant Colorado statutory requirements; and
 - C. Cover acts contemplated for appraisal management companies under part 6 of article 10 of title 12 during the period of licensure by the appraisal management company.
- Any licensed appraisal management company that certifies compliance and fails to maintain a surety bond, or to provide proof of continuous coverage, will be placed on inactive status:
- A. Immediately if a current surety bond is not provided to the Board; or
 - B. Immediately upon the expiration of any current surety bond when certification of continued coverage is not provided.
- 17.15 An appraisal management company or controlling appraiser whose license has been placed on inactive status must:
- A. Cease any activities requiring a license.
 - B. Cease all advertising of licensed services.
 - C. If an appraisal management company, inform all clients of the company's license status and inability to provide any services requiring a license.

- D. If an appraisal management company, ensure that all appraisal fees collected from the client(s) have been accounted for and disbursed pursuant to section 12-10-614(1)(h), C.R.S.
 - E. If an appraisal management company, fees for services requiring a license can be collected for licensed services performed prior to inactivation of the license.
- 17.16 Licenses will be issued by the Board in a timely manner after the receipt of a complete application, including required fees and all supporting documentation. The Board reserves the right to require additional information and documentation from an applicant in order to determine compliance with applicable laws and regulations, and to verify any information or documentation submitted.
- 17.17 If the fees accompanying any application to the Board (including fees for renewals, transfers, etc.) are paid for by check and the check is not immediately paid upon presentment to the bank upon which the check was drawn, or if payment is submitted in any other manner, and payment is denied, rescinded, or returned as invalid, the application will be deemed incomplete. The application will only be deemed complete if the Board has received payment of all application fees together with any fees incurred by the Division including the fee required by state fiscal rules for the clerical services necessary for reinstatement within sixty (60) days of the Division mailing notification of an incomplete application.
- 17.18 A temporary controlling appraiser's license may be issued to a corporation, partnership, or limited liability company to prevent hardship. No application for a temporary controlling appraiser's license will be approved unless the designated individual is a certified appraiser, in good standing. The temporary license is valid for ninety (90) days. Upon application and showing of good cause, the Board may extend a temporary license for one additional ninety (90) day period.
- 17.19 Applicants for licensure, renewal, or reinstatement as an appraisal management company must complete the following:
- A. The controlling appraiser must report and certify:
 - 1. The number of licensed or certified appraisers that provided an appraisal in connection with a Covered Transaction on the appraisal management company's Panel in Colorado during the Reporting Period;
 - 2. The total number of licensed or certified appraisers on the Panel in Colorado, whether or not the appraisers provided an appraisal in connection with a Covered Transaction, during the Reporting Period; and
 - 3. The total number of licensed or certified appraisers on the Panel in all states that the appraisal management company is licensed during the Reporting Period.
 - B. Submit to the Division the AMC Registry Fee for appraisal management companies that meet the Panel Size Threshold and the appraisal management company minimum requirements as set forth in section 12-10-607(9), C.R.S., along with the application for initial licensure, renewal, or reinstatement.
- 17.20 Federally Regulated AMCs must annually pay the AMC Registry Fee and must report the following information to the Division prior to December 31 of each calendar year:
- A. Identifying company information to include the legal name, Employer Identification Number (EIN), address, and contact information of the controlling appraiser or company's designee.

- B. Information related to ownership limitations.
- C. The controlling appraiser or company's designee must report and certify:
 - 1. The number of licensed or certified appraisers that provided an appraisal in connection with a Covered Transaction on the appraisal management company's Panel in Colorado during the Reporting period;
 - 2. The total number of licensed or certified appraisers on the Panel in Colorado, whether or not the appraisers provided an appraisal in connection with a Covered Transaction, during the Reporting Period; and
 - 3. The total number of licensed or certified appraisers on the Panel in all states during the Reporting Period.
- D. Submit to the Division the AMC Registry Fee for appraisal management companies that meet the Panel Size Threshold along with the information as set forth in this rule.

CHAPTER 18: PROFESSIONAL STANDARDS – APPRAISAL MANAGEMENT COMPANIES

- 18.1 An appraisal management company must have and follow a written policy in place regarding the annual audit of appraisals completed for Colorado assignments during the previous Reporting Period. The policy must have an effective date and memorialize the dates any modifications are made. The policy must outline, at a minimum, the following:
- A. **Appraisal Selection.** The audit sample must be randomly selected and a USPAP Standard 3 Review must be performed on not less than two percent (2%) of all appraisal reports performed by appraisers for the appraisal management company during the previous Reporting Period. A minimum of at least one (1) USPAP Standard 3 Review must be performed for each appraiser who completed a Colorado appraisal assignment during that Reporting Period.
 - B. **Risk-Based Reviews.** If an appraisal management company maintains a risk-based review process, the appraisal management company is required to comply with Board Rule 18.1(A) of these Rules only for those appraisers for whom a USPAP Standard 3 Review was not performed under the risk-based appraisal review process.
 - C. **Review Criterion.** The appraisals must be evaluated for compliance with state and federal regulations, including the USPAP.
 - D. **Reviewer Qualifications.** The individual(s) performing the audit of the appraisals must possess a certified credential in this state or any jurisdiction and be competent to appraise residential real estate.
 - E. **Appraisal Deficiencies.** The appraisal management company must have procedures in place to address material deficiencies that affect the value conclusion or the credibility of the report with the appraiser. Material violations of the USPAP or the Colorado Real Estate Appraiser Licensing Act must be reported to the Board.

The Board may evaluate an appraisal management company's compliance with its own audit policies during an investigation.

- 18.2 For each Colorado appraisal assignment, an appraisal management company must maintain the following documents or records for a period of at least five (5) years, or at least two (2) years after the final disposition of any judicial proceeding in which a representative of the appraisal management company provided testimony related to the assignment, whichever period expires last:
- A. Contractual agreements with clients.
 - B. Any documents associated with the engagement of an appraiser used to appraise Colorado real estate.
 - C. All correspondence with a client or an appraiser regarding a specific assignment, including an accounting of payments received from the client and paid to the appraiser.
 - D. Appraisals, appraisal reviews, appraisal updates, recertifications of value, certificates of completion, broker price opinions or competitive market analyses, comparable property checks, rent schedules or income analyses, measurements, building sketches, and any client approved forms (Colorado Real Estate only).
 - E. A list of all licensed or certified appraisers on the appraisal management company's Panel.
 - F. Copies of final appraisal reports reviewed in accordance with Board Rule 18.1, findings and any subsequent correspondence with the appraiser, client, or Board.
 - G. Copies of all processes and controls pursuant to section 12-10-614(1)(a)(II), C.R.S. Records may be maintained in electronic format, but must be produced upon request by the Board and must be in a format that has the continued capability to be retrieved and legibly printed. Upon request by the Board, printed records must be produced.
- 18.3 For all Colorado appraisal assignments, an appraisal management company must disclose its Colorado license number in writing in the engagement letter with an appraiser.
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Editor's Notes

History

Chapters 1, 2, 3, 7, 8, 15 eff. 09/30/2007.

Chapters 5, 7, 8, 11, 13 emer. rules eff. 12/07/2007.

Chapters 5, 7, 8, 11, 13 eff. 03/01/2008.

Chapter 16 emer. rule eff. 08/08/2008.

Chapter 16 emer. rule eff. 11/07/2008.

Chapter 16 eff. 01/30/2009.

Rules 1.8, 1.25, 1.33, 7.2, 7.19, 8.10, 13.6 eff. 08/31/2009.

Rule 11.1; Chapter 16 emer. rules eff. 12/07/2009.

Rules 1.34-1.35, 13.10, 16.2-16.3 eff. 02/03/2010.

Rule 16.1 eff. 03/02/2010.

Rule 11.1 emer. rule eff. 03/15/2010.

Rule 11.1 eff. 04/14/2010.

Rule 12.8 emer. rule eff. 08/19/2010.

Rule 16.4 eff. 08/30/2010.

Rule 7.6 emer. rule eff. 10/14/2010.

Rule 12.8 eff. 12/15/2010.

Rule 7.6 eff. 12/30/2010.

Chapters 1, 2 eff. 10/30/2011.

Chapter 3 eff. 11/30/2011.

Chapters 5, 6, 7, 8, 9, 10.1, 11, 12, 13.8, 14.2, 16.3-16.4. Chapter 15 repealed eff. 12/30/2011.

Rule 7.24 eff. 09/14/2012.

Rules 3.7, 6.7-6.8 eff. 12/30/2012.

Rules 1.25, 1.36, 6.10, 13.3-13.5, 13.7, 13.11, 13.12; Chapters 17, 18 eff. 06/30/2013.

Rules 1.12, 1.20, 1.21, 2.1, 2.8, 3.11, 4.1, 5.8, 6.1, 6.7, 6.8, 8.8, 9.1, 12.4, 12.8 emer. rules eff. 07/01/2013.

Rules 1.12, 1.20, 1.21, 2.1, 2.8, 3.11, 4.1, 5.8, 6.1, 6.7, 6.8, 8.8, 9.1, 12.4, 12.8 eff. 08/30/2013.

Rule 11.1 eff. 01/01/2014.

Rules 1.11, 1.13-1.14, 1.18, 1.36, 6.6-6.8, 6.10, 9.1, 10.1, 11.1-11.3, 13.2, 17.2, 17.11, 17.14-17.15 emer. rules eff. 07/01/2014.

Rules 1.11, 1.13-1.14, 1.18, 1.36-1.37, 2.9-2.10, 3.23, 4.1, 5.1, 5.8-5.9, 6.6-6.8, 6.10, 7.7, 8.17, 9.1, 10.1, 11.1-11.3, 13.2, 17.2, 17.11, 17.14-17.15 eff. 08/30/2014. Rules 16.1-16.3 repealed eff. 08/30/2014.

Rules 1.32, 1.38, 2.2-2.4, 7.6, 7.11, 13.6-13.7 eff. 01/01/2015. Rules 1.25, 16.4 repealed eff. 01/01/2015.

Rules 3.4, 6.10.C.1.K, 6.11, 7.2, 7.5, 8.6, 12.8 eff. 10/30/2015.

Rule 11.1 emer. rule eff. 01/07/2016.

Rule 11.1 eff. 05/06/2016.

Rule 7.25 eff. 06/30/2016.

Chapters 1-14, 17, 18 eff. 01/01/2017.

Rules 1.7, 1.14, 1.19, 1.32, 1.34, 1.36, 1.37, 1.38, 1.41, 1.42, 2.8, 2.9, 3.3, 3.7, 3.10, 3.11, 3.15, 3.17, 3.22, 3.24, 4.6, 6.1, 6.5, 6.9, 7.3, 7.4, 7.7, 7.12, 7.15, 8.5, 8.17, 9.1, 10.1, 12.4, 13.4, 13.9 eff. 08/30/2017.

Rules 1.10, 11.1 eff. 01/01/2018.

Rules 3.24, 7.2 eff. 04/30/2018. Rule 3.10 repealed eff. 04/30/2018.

Rules 1.32, 1.43, 2.2-2.4 emer. rules eff. 05/01/2018.

Rules 1.32, 1.43, 2.2-2.4 eff. 08/30/2018.

Rules 1.44, 10.1 eff. 12/31/2018. Rule 7.25 repealed eff. 12/31/2018.

Rules 1.45-1.56, 17.19, 17.20, 18.2 E, 18.2 G eff. 06/30/2019. Rule 1.44 repealed eff. 06/30/2019.

Rules 1.10, 11.1, 18.1 eff. 01/01/2020.

Rules 1.13, 1.32 eff. 01/01/2021.

Rules 1.2, 1.3, 1.57, 5.9, 5.12-5.15 eff. 04/30/2021.

Rules 1.22, 1.32, 1.58-1.61, 3.5, 3.14, 3.16-3.19, 5.8, 7.6, 7.12-7.14, 7.22, 7.23, 13.12, 17.7, 17.19 eff. 01/01/2022.

Governor's AO Regulation Discussion
and Draft Amendments if Necessary

-PAREA

-Courtesy Licenses

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-

-

Blank FAQs
One to be completed for each regulation
that is amended

Regulation Changes Questionnaire

Division/Board: _____ Meeting Date: _____

Regulation change being proposed: 12 AAC _____

General topic of the regulation: SB21 - Military Licensing

This worksheet is designed to help the board think through an anticipated regulations project. Staff will provide this worksheet to the board at the time a regulations project is being approved for public notice. This information will be used to develop a FAQ to be posted on the board's web page to help the public understand the project. Staff will submit the completed worksheet with the draft board minutes to the Regulations Specialist within 10 days of the meeting and provide a copy to the supervisor. Appropriate staff will be assigned to complete this worksheet if a division regulation. **NOTE: Use a separate worksheet for each section being proposed.**

1. Is the new regulation needed to comply with new legislation or federal law?	Yes <input type="checkbox"/> No <input type="checkbox"/>
If yes, effective date of new statute/federal law: _____	
<i>(If appropriate, ensure the new regulation is in line with federal requirements prior to initiating a regulation project.)</i>	
2. Does the change add a new license type?	Yes <input type="checkbox"/> No <input type="checkbox"/>
If yes:	
Does it affect current licensees?	Yes <input type="checkbox"/> No <input type="checkbox"/>
Do current licensees/non-licensees already perform the service for which the new license type is required?	Yes <input type="checkbox"/> No <input type="checkbox"/>
Is there a grace period or date explicitly included in the regulation to allow for a transition period?	Yes <input type="checkbox"/> No <input type="checkbox"/>
3. Does it change the qualifications or requirements of an existing license?	Yes <input type="checkbox"/> No <input type="checkbox"/>
If yes, does it affect current licensees?	Yes <input type="checkbox"/> No <input type="checkbox"/>
4. Does it affect continuing education/competency requirements?	Yes <input type="checkbox"/> No <input type="checkbox"/>
If yes:	
Does it add additional requirements or hours?	Yes <input type="checkbox"/> No <input type="checkbox"/>
Does it clarify existing regulations?	Yes <input type="checkbox"/> No <input type="checkbox"/>
Is there an effective date in the future to give licensees time to comply?	Yes <input type="checkbox"/> No <input type="checkbox"/>
5. Is it a fee change or does it create a new fee?	Yes <input type="checkbox"/> No <input type="checkbox"/>
If yes:	
Does it move fees in the centralized regulations to a new number, therefore affecting other program regulations?	Yes <input type="checkbox"/> No <input type="checkbox"/>
6. Does it make changes to the requirements of licensees?	Yes <input type="checkbox"/> No <input type="checkbox"/>
If yes:	
All licensees	Yes <input type="checkbox"/> No <input type="checkbox"/>
Certain licensees (List: _____)	Yes <input type="checkbox"/> No <input type="checkbox"/>
Initial licensees	Yes <input type="checkbox"/> No <input type="checkbox"/>
7. In addition to interested parties, who should receive the public notice? (All licensees or certain license types?)	

8. In addition to the 30-day minimum written notice, does the board request a public hearing? If yes, when and where.
9. What will the regulation do?
10. What is the demonstrated public need or purpose of this regulation?
11. What is the known or estimated cost of the new regulation to a private person, another agency, or a municipality (see Step 3 of the <i>Steps in the Regulation Process...</i>)?
12. What <u>positive</u> consequences may this regulation have on public or private people, businesses, or organizations?
13. What <u>negative</u> consequences may this regulation have on public or private people, business, or organizations?
14. If any <u>negative</u> consequences, please address the reasons why the public need for this change outweighs the negative impact.
15. List any additional questions or comments that may arise from the public during the comment period. Include a response to the questions.
16. What type of notification outlining the changes will be required once the regulation is adopted? Check appropriate boxes. FAQ on website <input type="checkbox"/> Email to licensees <input type="checkbox"/> *Letter to licensees <input type="checkbox"/> * Cost to board for mailing letter

Staff submitting this worksheet: _____ Date submitted to Regulations Specialist: _____

Regulation Changes Questionnaire

Division/Board: _____ Meeting Date: _____

Regulation change being proposed: 12 AAC _____

General topic of the regulation: 12 AAC 70.111 (B) _____

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Staff submitting this worksheet: _____ Date submitted to Regulations Specialist: _____

CLEP

- How to Interpret Score, Developing CLEP Policies
- Applicant Exam Scores for Consideration

Board Business