

Comparison of Whether and How Other States Regulate the Occupation

The Appraisal Subcommittee of the Federal Financial Institutions Examination Council monitors the requirements established by the states, territories, and the District of Columbia and their appraiser regulatory agencies for the certification and licensing of appraisers, and the registration of appraisal management companies, and reviews each state's compliance with the requirements of Title XI. The ASC is authorized by Title XI to take action against a non-complying state appraiser regulatory program if the policies, practices and procedures in place are inconsistent with the requirements of Title XI. The Appraisal Foundation is authorized by the U.S. Congress to develop the Real Property Appraiser Qualification Criteria and Course Approval Processes and Procedures through its Appraiser Qualifications Board, and USPAP, through its Appraisal Standards Board. All fifty U.S. states and territories must adopt the minimum Real Property Appraiser Qualifications Criteria. States may be more burdensome than the minimum found in the Real Property Appraiser Qualifications Criteria, but most, including the State of Nebraska, are not. It is also important to note that the administrative functions related to implementing and enforcing the Real Property Appraiser Qualifications Criteria may vary from state to state. The real property appraiser requirements and appraisal management company registration requirements for the surrounding states are included for reference.

THE REAL PROPERTY APPRAISER QUALIFICATION CRITERIA AND INTERPRETATIONS OF THE CRITERIA

Real Property Appraiser Qualification Criteria
Effective January 1, 2020

Appendix:
AQB Guide Notes



The Appraisal
FOUNDATION

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

APPRaiser QUALIFICATIONS BOARD

VISION AND MISSION STATEMENT OF THE APPRAISAL FOUNDATION

VISION STATEMENT

To ensure public trust in the valuation profession.

Mission Statement

The Appraisal Foundation is dedicated to promoting professionalism and ensuring public trust in the valuation profession. This is accomplished through the promulgation of standards, appraiser qualifications, and guidance regarding valuation methods and techniques.

The Appraisal Foundation is the nation's foremost authority on the valuation profession. The organization sets the Congressionally-authorized standards and qualifications for real estate appraisers, and provides voluntary guidance on recognized valuation methods and techniques for all valuation professionals. This work advances the profession by ensuring appraisals are independent, consistent, and objective. More information on The Appraisal Foundation is available at www.appraisalfoundation.org.

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WHAT IS THE AQB?

The Appraiser Qualifications Board (AQB) is an independent board of The Appraisal Foundation (TAF). The AQB is comprised of at least five practicing appraisers who are appointed by TAF's Board of Trustees for one- to three-year terms.

Under the provisions of Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA), the AQB establishes the minimum education, experience, and examination requirements for real property appraisers to obtain a state license or certification as well as Supervisory Appraiser requirements. In addition, the AQB performs a number of ancillary duties related to real property and personal property appraiser qualifications (see "Other AQB Work" on page 4).

REAL PROPERTY APPRAISER QUALIFICATION CRITERIA, INTERPRETATIONS OF THE CRITERIA, GUIDE NOTES, AND Q&As

States are required to implement appraiser licensing and certification requirements that are no less stringent than those issued by the AQB in the *Real Property Appraiser Qualification Criteria (Criteria)*.

The AQB has statutory authority to develop mandatory *Criteria* for Supervisory Appraisers (not an appraiser credential classification) and the Trainee Appraiser, Licensed Residential, Certified Residential, and Certified General appraiser classifications. If a state has these classifications, they are required to adopt these *Criteria*, at a minimum, for appraisals performed in federally-related transactions.

The original *Criteria*, adopted by the AQB in March 1991, included the following classifications: Licensed Residential, Certified Residential, and Certified General. Each of these classifications included requirements for education, experience, and an examination. The Trainee Appraiser classification was adopted by the AQB in 1993 and does not include experience or examination requirements.

After public exposure, the AQB adopted revisions to all classifications in early 1994 for implementation in January 1998. Major components of the revised *Criteria* included:

- An increase in the qualifying education requirements for the Licensed Residential and Certified General classifications;
- The requirement that all real property appraisers take the *15-Hour National Uniform Standards of Professional Appraisal Practice (USPAP) Course*;
- An increase in the experience requirements for the Certified Residential and Certified General Classifications from 2,000 to 2,500 hours, and from 2,000 to 3,000 hours, respectively; and
- An increase in the annual continuing education requirement from 10 to 14 classroom hours for all classifications.

After thorough public exposure, the AQB adopted significant revisions to the *Criteria* in early 2004 for implementation in January 2008. Highlights of the major revisions include:

- An increase in the qualifying education requirements for the Licensed Residential, Certified Residential, and Certified General classifications. The required education hours were raised from 90 to 150 hours for the Licensed Residential classification, 120 to 200 hours for the Certified Residential classification, and 180 to 300 hours for the Certified General classification; and
- A requirement for college-level education for the Certified Residential and Certified General classifications. The Certified Residential classification required an Associate degree or higher; or in lieu of a degree, a minimum of 21 college semester hours in specified coursework. The Certified General required a Bachelor's degree or higher, or in lieu of a degree, a minimum of 30 semester hours in specified college course work.

After five exposure drafts, in December 2011 the AQB adopted revisions to the *Criteria* for implementation in January 2015. Major revisions include:

- Education and experience must be completed prior to taking the *National Uniform Licensing and Certification Examinations*;
- Applicants for the Certified Residential and Certified General classifications must have a Bachelor's degree or higher from an accredited college or university;
- Applicants for the Licensed Residential classification must successfully complete 30 semester hours of college-level education from an accredited college, junior college, community college, or university, or have an Associate's degree or higher from an accredited college, junior college, community college, or university;
- Recognition of university degree programs as counting toward the education requirements in the *Criteria*;
- Removal of the "Segmented" Approach to implementation of the *Criteria*;
- Prohibition of repetitive continuing education within the same continuing education cycle;
- Clarification of the term "written examination";
- Revisions to the Trainee Appraiser classification that include a requirement to take a course oriented to the requirements and responsibilities of Trainee Appraisers and Supervisory Appraisers;
- New Supervisory Appraiser requirements;
- Revisions to Guide Note 1; and
- Additions to the illustrative list of educational topics acceptable for continuing education.

In July 2015, the AQB issued a Concept Paper exploring alternative requirements to the *Criteria*. In October 2015, the AQB held a Public Hearing with major stakeholders of the *Criteria*. In the following two years, the AQB issued a Discussion Draft and four Exposure Drafts of proposed changes to the 2015 *Criteria*. On February 1, 2018, the AQB adopted revisions to the *Criteria*. Major revisions include:

- Elimination of college-level education requirements for the Licensed Residential Real Property classification;
- Alternative college-level education requirements for the Certified Residential Real Property classification;
- An alternative track for Licensed Residential Real Property Appraisers to move to the Certified Residential Real Property Appraiser classification; and
- Modification of experience hours and experience time frames for the Licensed Residential and Certified Residential classifications, and modification of the experience time frame for the Certified General classification.

In April 2019, the AQB issued an Exposure Draft of a proposed Interpretation relating to qualification requirements for Supervisory Appraisers. The AQB issued a second Exposure Draft on this topic in September 2019. At its November 1, 2019 public meeting, the Board adopted the Interpretation in the second Exposure Draft. The Interpretation clarified that Supervisory Appraisers who have been imposed discipline for "administrative" reasons (as opposed to "practice-related" reasons) would still be eligible to supervise.

Interpretations of the Criteria and Q&As

To further clarify AQB intent to users of the *Criteria*, the AQB may issue Interpretations of the *Criteria*. Interpretations are essential to properly understanding the *Criteria* and are, therefore, binding on users of the *Criteria*. Interpretations are added to the text of this document subsequent to their adoption by the AQB. These Interpretations are listed in subject matter order, which is designed to follow the applicable *Criteria*. As a result, the dates reflecting the adoption of some Interpretations may not follow a chronological sequence.

The AQB also issues Q&As approximately twice a year. The Q&As are a form of guidance issued by the AQB to respond to questions raised by appraisers, enforcement officials, users of appraisal services and the public to illustrate the applicability of the *Real Property Appraiser Qualification Criteria* and Interpretations of the *Criteria* in specific situations and to offer advice from the AQB for the resolution of appraisal issues and problems. The AQB Q&A may not represent the only possible solution to the issues discussed nor may the advice provided be applied equally to seemingly similar situations. AQB Q&A does not establish new *Criteria*. AQB Q&A is not part of the *Real Property Appraiser Qualification Criteria*. AQB Q&A is approved by the AQB without public exposure and comment. To review the latest AQB Q&As, please visit the Q&A webpage located on TAF's website at www.appraisalfoundation.org.

Supporting the Work of the AQB

The AQB strongly encourages input from appraisers, users of appraisal services, and the public through the exposure draft process, public meetings, speaking engagements, and correspondence. Detailed information on how to support the work of the AQB is available online via the Foundation's website at www.appraisalfoundation.org, or by contacting the Board's staff at the Foundation by calling (202) 347-7722, or via e-mail at AQBcomments@appraisalfoundation.org.

Exposure Draft Process

In recognition of the public authority of the AQB, all proposed revisions to the *Criteria* must be exposed for public comment prior to adoption. The AQB considers all comments in public meetings prior to taking final action. Prior to publication of an exposure draft, all proposed revisions to the *Criteria* are reviewed by a regulatory attorney.

Public Meetings

The AQB conducts periodic public meetings. Observers are encouraged to attend and, if time permits, address the Board regarding an agenda item.

Speaking Engagements

Members of the AQB are available for speaking engagements and presentations on the current work of the Board. Invitations to speak may be submitted via the “Request a Speaker” section on The Appraisal Foundation’s website (www.appraisalfoundation.org). These requests should be submitted as early as possible in order to facilitate scheduling.

Other AQB Work

In addition to its work on the *Criteria*, the AQB is involved in numerous other ongoing projects, including:

- Maintenance and periodic updating of the *National Uniform Licensing and Certification Examinations* and their accompanying Examination Content Outlines (ECO's). The ECO's are used in the development of the examinations.
- Development of and enhancements to the Program to Improve USPAP Education.
- Administration of the Course Approval Program (CAP).
- Administration of the Real Estate Degree Review Program.
- Development of **voluntary** minimum *Personal Property Appraiser Qualification Criteria*.

More information on The Appraisal Foundation and the activities of the AQB is available online at www.appraisalfoundation.org or by contacting the Board's staff at The Appraisal Foundation by phone at (202) 347-7722 or via e-mail at info@appraisalfoundation.org.

REAL PROPERTY APPRaiser QUALIFICATION CRITERIA

EFFECTIVE JANUARY 1, 2020

DEFINITIONS:

Real Property Appraiser Qualification Criteria (Criteria): Established by the Appraiser Qualifications Board (AQB) of The Appraisal Foundation, these *Criteria* set forth the minimum education, experience, and examination requirements for real property appraisers.

Required Core Curriculum: A set of major appraisal subject matter headings, known as “modules,” which require a specified number of educational hours at each credential level.

For example, as part of the Required Core Curriculum, a minimum of 30 hours of coverage of the module “Basic Appraisal Principles” is required.

Subtopics: Areas of appraisal education (as identified in AQB Guide Note 1) that may be included within the modules of the *Required Core Curriculum*.

As Guide Note 1 is not a binding requirement, coverage of the subtopics is not required for educational offerings to be valid; however, individuals will be expected to demonstrate competency in the subtopics in order to pass the respective licensing or certification examinations.

Interpretations: Elaborations or clarifications of the *Criteria* issued by the AQB. Interpretations are essential to a proper understanding of the requirements set forth in the *Criteria* and are, therefore, binding upon users of the *Criteria*.

Guide Notes: Guidance or advice provided by the AQB for assistance in understanding and implementing the *Criteria*.

For example, AQB Guide Note 1 (GN-1) “AQB Guidance for Curriculum Content” provides state appraiser regulators, students, and educators with suggested subtopics and items of coverage for each module in the Required Core Curriculum. The subtopics identified in Guide Note 1 represent those areas of education in which appraisers should be able to demonstrate competency to pass the respective licensing or certification examinations.

GENERAL INTERPRETATIONS

The following is an exception for implementing the *Real Property Appraiser Qualification Criteria*:

An applicant in the Reserve components of the U.S. Armed Forces, who was pursuing an appraiser license or certification prior to December 1, 2011, and who was called to active duty between December 1, 2011 and December 31, 2014, may satisfy the qualifications required under the 2008 Criteria for an additional time period after January 1, 2015. The extension of time shall be equal to the applicant’s time of active duty, plus 12 months.

CRITERIA APPLICABLE TO ALL APPRAISER CLASSIFICATIONS

I. Standards of Practice

Appraisers in all classifications shall perform and practice in compliance with the *Uniform Standards of Professional Appraisal Practice* (USPAP).

II. Existing Credential Holders

Existing credential holders (with the exception of Trainee Appraisers) in good standing in any jurisdiction shall be considered in compliance with current Appraiser Qualifications Board *Real Property Appraiser Qualification Criteria (Criteria)* if they have passed an AQB-approved qualifying examination for that credential. This applies to reciprocity, temporary practice, renewals, and applications for the same credential (with the exception of Trainee Appraisers) in another jurisdiction. All credential holders must comply with ongoing requirements for continuing education and state renewal procedures.

III. Generic Education Criteria

A. Class hour

1. A class hour is defined as 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.

B. Credit for the class hour requirements may be obtained only from the following providers:

1. Colleges or universities;
2. Community or junior colleges;
3. Real estate appraisal or real estate-related organizations;
4. State or federal agencies or commissions;
5. Proprietary schools;
6. Providers approved by state certification/licensing agencies; or
7. The Appraisal Foundation or its Boards.

C. Experience may not be substituted for education.

D. Distance education is defined as any education process based on the geographical separation of student and instructor. A distance education course is acceptable to meet class hour requirements if:

1. The course provides interaction. Interaction is a reciprocal environment where the student has verbal or written communication with the instructor; and
2. Content approval is obtained from the AQB, a state appraiser regulatory jurisdiction, or an accredited college, community college, or university that offers distance education programs 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. Non-academic credit college courses provided by a college shall be approved by the AQB or the state appraiser regulatory jurisdiction; and
3. Course delivery mechanism approval is obtained from one of the following sources:
 - a. AQB approved organizations providing approval of course design and delivery; or
 - b. a college or university that qualifies for content approval in paragraph 2 above that awards academic credit for the distance education course; or
 - c. a qualifying college or university for content approval with a distance education delivery program that approves the course design and delivery that incorporate interactivity.

E. Criteria Specific to Qualifying Education

1. Class hours will be credited only for educational offerings with content that follows the *Required Core Curriculum* for each respective credential classification. Course content requirements may be general or specific to property types. The *Required Core Curriculum* is to be followed by major headings with the classroom hours for each. Guide Note (GN-1) contains guidance for curriculum content with subtopics listed under each major module. The subtopics listed in GN-1 are used for developing Examination Content Outlines for each applicable credential classification, and may also be amended from time to time to reflect changes in technology or in the Body of Knowledge. GN-1 is not mandatory for meeting the *Required Core Curriculum*.

2. Credit toward qualifying education requirements may also be obtained via the completion of a degree in Real Estate from an accredited degree-granting college or university approved by the Association to Advance Collegiate Schools of Business, or a regional or national accreditation agency recognized by the US Secretary of Education, **provided that the college or university has had its curriculum reviewed and approved by the AQB.**

The AQB may maintain a list of approved college or university degree programs, including the *Required Core Curriculum* and Appraisal Subject Matter Elective hours satisfied by the award of the degree. Candidates for the Trainee Appraiser, Licensed Residential, Certified Residential, or Certified General credential who are awarded degrees from approved institutions are required to complete all additional education required for the credential in which the approved degree is judged to be deficient by the AQB.

3. Class hours may be obtained only where:
 - a. the minimum length of the educational offering is at least 15 hours; and
 - b. the individual successfully completes a proctored, closed-book final examination pertinent to that educational offering.
4. Where the qualifying education course includes multiple modules as listed in the *Required Core Curriculum*, there must be appropriate testing of each module included in the course.
5. Courses taken to satisfy the qualifying education requirements must not be repetitive. Courses shall foster problem-solving skills in the education process by utilizing case studies as a major teaching method when applicable.
6. Applicants must take the *15-Hour National USPAP Course*, or its AQB-approved equivalent, and pass the associated *15-Hour National USPAP Course* examination. At least one of the course instructors must be an AQB Certified USPAP Instructor who is also a state certified appraiser in good standing. Course equivalency shall be determined through the AQB Course Approval Program or by an alternate method established by the AQB. USPAP education presented in a distance education format must be designed to foster appropriate student-to-student, student-to-instructor, and student-to-material interaction.
7. In addition to the generic requirements described in III.D., distance education courses intended for use as qualifying education must include a written, closed-book final examination (proctored by an official approved by the college or university, or by the sponsoring organization). The term “written” as used herein refers to an exam that might be written on paper, or administered electronically on a computer workstation or other device. Oral exams are not acceptable. The testing must be in compliance with the examination requirements of this section.

F. Criteria Specific to Continuing Education

1. The purpose of continuing education is to ensure that appraisers participate in a program that maintains and increases their skill, knowledge, and competency in real property appraising.

Aside from complying with the requirements to complete the *7-Hour National USPAP Update Course*, or its equivalent, appraisers may not receive credit for completion of the same continuing education course offering within the same continuing education cycle.

2. Credit towards the continuing education hour requirements for each appraiser classification may be granted only where the length of the educational offering is at least two (2) hours.

3. Credit may be granted for education offerings that are consistent with the purpose of continuing education and cover real property related appraisal topics, including, but not limited to:
 - 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. Land use planning, zoning;
 - g. Management, leasing, timesharing;
 - h. Property development, partial interests;
 - i. Real estate law, easements, and legal interests;
 - j. Real estate litigation, damages, condemnation;
 - k. Real estate financing and investment;
 - l. Real estate appraisal-related computer applications;
 - m. Real estate securities and syndication;
 - n. Developing opinions of real property value in appraisals that also include personal property and/or business value;
 - o. Seller concessions and impact on value; and/or
 - p. Energy-efficient items and “green building” appraisals.
4. Up to one half of an individual's continuing education requirement may also be granted for participation, other than as a student, in appraisal educational processes and programs. Examples of activities for which credit may be granted are teaching, program development, authorship of textbooks, or similar activities that are determined to be equivalent to obtaining continuing education. Credit for instructing any given course or seminar can only be awarded once during a continuing education cycle.
5. Educational offerings taken by an individual in order to fulfill the class hour requirement for a different classification than his/her current classification may be simultaneously counted towards the continuing education requirement of his/her current classification.
6. In addition to the generic requirements described in III.D., distance education courses intended for use as continuing education must include at least one of the following:
 - a. A written examination proctored by an official approved by the college or university, or by the sponsoring organization. The term “written” as used herein refers to an exam that might be written on paper, or administered electronically on a computer workstation or other device. Oral exams are not acceptable; or
 - b. Successful completion of prescribed course mechanisms required to demonstrate knowledge of the subject matter.
7. Real estate appraisal-related field trips may be acceptable for credit toward the continuing education requirements. However, transit time to or from the field trip may not be included when awarding credit unless instruction occurs during said transit time.
8. Appraisers must successfully complete the *7-Hour National USPAP Update Course*, or its AQB-approved equivalent, every two calendar years. Equivalency shall be determined through the AQB Course Approval Program or by an alternate method established by the AQB.
9. Individuals who are credentialed in more than one jurisdiction shall not have to take more than one *7-Hour National USPAP Update Course* within a two calendar year period for the purposes of meeting AQB Criteria.
10. USPAP continuing education credit shall only be awarded when the course is instructed by at least one AQB Certified USPAP Instructor who is also a state certified appraiser in good standing.
11. The equivalent of fourteen (14) class hours of instruction in courses or seminars for each year during the period preceding the renewal is required. For example, a two-year continuing education cycle would require twenty-eight hours. The class hour requirement can be fulfilled at any time during the cycle.

12. AQB Certified USPAP Instructors successfully completing a *7-Hour Instructor Recertification Course* and exam (if required) within their current continuing education cycle have satisfied the *7-Hour National USPAP Update Course* continuing education requirement.
13. State appraiser regulatory agencies with the appropriate authority to do so may place a credential holder in an “inactive status” in the event the state determines a deficiency in continuing education was due to extenuating circumstances.

Prior to reactivation, credential holders in an inactive status must complete all required continuing education hours that would have been required if the credential holder was in an active status. The required hours must also include the most recent edition of a *7-Hour National USPAP Update Course* (or its AQB-approved equivalent).

Waivers may not be granted to credential holders who have failed to meet the continuing education requirements.

Deferrals may not be granted to credential holders, except in the case of individuals returning from active military duty, or individuals impacted by a state- or federally-declared disaster. State appraiser regulatory agencies may allow credential holders returning from active military duty to be placed in active status for a period of up to 90 days pending completion of all continuing education requirements. State appraiser regulatory agencies may allow credential holders impacted by a state- or federally-declared disaster that occurs within 90 days prior to the end of the continuing education cycle to remain (or be placed in) active status for a period of up to 90 days after the end of the credential holder’s continuing education cycle, pending completion of all continuing education requirements.

14. Credentialed appraisers are required to complete continuing education for a partial year in a continuing education cycle as follows:

For continuing education cycle periods of 185 days or more, 14 hours of continuing education is required.

For continuing education cycle periods of less than 185 days, no hours of continuing education are required.

Example #1: A credential issued on August 15 that expires on December 31 of the same year would not require any continuing education hours for that year.

Example #2: A credential issued on May 15 that expires on December 31 of the same year would require 14 continuing education hours for that year.

Example #3: A credential issued on August 15 that expires on December 31 of the following year would require 14 hours of continuing education to renew.

15. State appraiser regulatory agencies may award continuing education credit to credentialed appraisers who attend a state appraiser regulatory agency meeting, under the following conditions:
 - a. Credit may be awarded for a single state appraiser regulatory agency meeting per continuing education cycle. 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; and
 - b. The state appraiser regulatory agency must ensure that the credentialed appraiser attends the meeting for the required period of time.

IV. Generic Examination Criteria

A new applicant not currently licensed or certified and in good standing in another jurisdiction shall have up to 24 months, after approval by the state, to take and pass an AQB-approved qualifying examination for the credential. Successful completion of the examination is valid for a period of 24 months.

V. Generic Experience Criteria

- A. Education may not be substituted for experience, except as shown below in Section D below.
- B. The quantitative experience requirements must be satisfied by time spent in the appraisal process. The appraisal process consists of: analyzing factors that affect value; defining the problem; gathering and analyzing data; applying the appropriate analysis and methodology; and arriving at an opinion and correctly reporting the opinion in compliance with USPAP.

- C. Hours may be treated as cumulative in order to achieve the necessary number of hours of appraisal experience.

1. Cumulative is defined as experience that may be acquired over multiple time periods.
2. The following is an example of cumulative experience:

Year 1	200 Hours
Year 2	800 Hours
Year 3	600 Hours
Year 4	400 Hours
Year 5	500 Hours
Total	2,500 Hours

- D. 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, but experience gained for work without a traditional client cannot exceed 50% of the total experience requirement.

Practicum courses that are approved by the AQB Course Approval Program or state appraiser regulatory agencies can satisfy the non-traditional client experience requirement. A practicum course must include the generally applicable methods of appraisal practice for the credential category. 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 USPAP. Assignments must require problem solving skills for a variety of property types for the credential category.

Experience credit shall be granted for the actual classroom hours of instruction and hours of documented research and analysis as awarded from the practicum course approval process.

- E. An hour of experience is defined as verifiable time spent in performing tasks in accordance with acceptable appraisal practice. Acceptable real property appraisal practice for experience credit includes appraisal, appraisal review, appraisal consulting, and mass appraisal.

All experience must be obtained after January 30, 1989, and must be USPAP-compliant. An applicant's experience must be in appraisal work conforming to Standards 1, 2, 3, 4, 5, and/or 6, where the appraiser demonstrates proficiency in appraisal principles, methodology, procedures (development), and reporting conclusions.

- F. Documentation in the form of reports, certifications, or file memoranda, or, if such reports and memoranda are unavailable for good cause, other evidence at the credentialing authority's discretion that the work is compliant with USPAP must be provided as part of the state experience verification process to support the experience claimed.

- G. The verification for experience credit claimed by an applicant shall be on forms prescribed by the state certification/licensing agency, which shall include:
1. Type of property;
 2. Date of report;
 3. Address of appraised property;
 4. Description of work performed by the trainee/applicant and scope of the review and supervision of the supervising appraiser;
 5. Number of actual work hours by the trainee/applicant on the assignment; and
 6. The signature and state certification number of the supervising appraiser, if applicable. Separate appraisal logs shall be maintained for each supervising appraiser, if applicable.

- H. There is no maximum time limit during which experience may be obtained.

VI. Background Checks

- A. All applicants for a real property appraiser credential shall possess a background that would not call into question public trust.

- B. Applicants shall provide state appraiser regulatory agencies with all of the information and documentation necessary for the jurisdiction to determine the applicant's fitness for licensure or certification.

- C. An applicant shall not be eligible for a real property appraiser credential if, during at least the five (5) year period immediately preceding the date of the application for licensing or certification, the applicant has been convicted of, or pled guilty or nolo contendere to a crime that would call into question the applicant's fitness for licensure.
- D. Additional guidance related to background checks for applicants for a real property appraiser credential may be found in Guide Note 9 (GN-9).

VII. Interpretations and Guide Notes (GN)

Periodically, the AQB may issue Interpretations to the *Criteria* (binding) or Guide Notes (advisory) on interpretations or application of the *Criteria*.

SUPERVISORY APPRAISER REQUIREMENTS

APPLICABLE TO SUPERVISION OF TRAINEE APPRAISERS ONLY

Supervisory Appraisers provide a critical role in the mentoring, training, and development of future valuation professionals. It is inherently important to strike a proper balance between enhancing public trust by ensuring Supervisory Appraisers are competent and qualified to supervise Trainee Appraisers without making the criteria too stringent and restrictive as to discourage or prevent qualified Supervisory Appraisers from actually participating in the training and supervision of Trainee Appraisers.

I. General

- A. Supervisory Appraisers shall be responsible for the training, guidance, and direct supervision of the Trainee Appraiser by:
 1. Accepting responsibility for the appraisal by signing and certifying the appraisal complies with USPAP;
 2. Reviewing and signing the Trainee Appraiser appraisal report(s); and
 3. Personally inspecting each appraised property with the Trainee Appraiser until the Supervisory Appraiser determines the Trainee Appraiser is competent to inspect the property, in accordance with the COMPETENCY RULE of USPAP for the property type.
- B. Supervisory Appraisers shall be state-certified and in “good standing” for a period of at least three (3) years prior to being eligible to become a Supervisory Appraiser. Supervisory Appraisers do not need to be state certified and in good standing *in the jurisdiction* in which the Trainee Appraiser practices **for any specific minimum period of time**. Supervisory Appraisers shall not have been subject to any disciplinary action—within any jurisdiction—within the last three (3) years that affected the Supervisory Appraiser’s legal eligibility to engage in appraisal practice. A Supervisory Appraiser subject to a disciplinary action would be considered to be in “good standing” three (3) years *after* the successful completion/termination of the sanction imposed against the appraiser.

Supervisory Appraiser Requirements Interpretation

With respect to disciplinary sanctions that affect an individual’s legal eligibility to practice as referenced in Section 1.B. above, sanctions imposed as a result of administrative actions not related to an individual’s obligations of ethical and competent appraisal practice do not apply. Examples may involve isolated administrative responsibilities including late payment of fees, failure to timely renew a credential, or failure to notify a regulatory office of a change in contact information. The intent of the language stated in Section 1.B. above, was to prevent Supervisory Appraisers from training due to egregious appraisal practice issues that involved ethics and competency. Administrative infractions do not preclude an individual from acting as a Supervisory Appraiser for three years after the sanction.

- C. Supervisory Appraisers must comply with the COMPETENCY RULE of USPAP for the property type and geographic location where the Trainee Appraiser is being supervised.
- D. Whereas a Trainee Appraiser is permitted to have more than one Supervisory Appraiser, Supervisory Appraisers may not supervise more than three (3) Trainee Appraisers at one time, unless a state program in the credentialing jurisdiction provides for progress monitoring, supervisory certified appraiser qualifications, and supervision and oversight requirements for Supervisory Appraisers.

- E. An appraisal experience log shall be maintained jointly by the Supervisory Appraiser and the Trainee Appraiser. It is the responsibility of both the Supervisory Appraiser and Trainee Appraiser to ensure the experience log is accurate, current, and complies with the requirements of the Trainee Appraiser's credentialing jurisdiction. At a minimum, the appraisal log requirements shall include:
 - 1. Type of property;
 - 2. Date of report;
 - 3. Address of appraised property;
 - 4. Description of work performed by the Trainee Appraiser and the scope of the review and supervision of the Supervisory Appraiser;
 - 5. Number of actual work hours by the Trainee Appraiser on the assignment; and
 - 6. The signature and state certification number of the Supervisory Appraiser. Separate appraisal logs shall be maintained for each Supervisory Appraiser, if applicable.
- F. Supervisory Appraisers shall be required to complete a course that, at a minimum, complies with the specifications for course content established by the AQB, which is specifically oriented to the requirements and responsibilities of Supervisory Appraisers and Trainee Appraisers. The course is to be completed by the Supervisory Appraiser prior to supervising a Trainee Appraiser. Please refer to the Supervisory Appraiser / Trainee Appraiser Course Objectives and Outline in this booklet for more information.

REAL PROPERTY APPRAISER CLASSIFICATIONS

TRAINEE REAL PROPERTY APPRAISER

Please consult the **CRITERIA APPLICABLE TO ALL APPRAISER CLASSIFICATIONS** for additional requirements.

I. General

- A. The Trainee Appraiser classification is intended to incorporate any documented non-certified/non-licensed real property appraisers who are subject to the *Real Property Appraiser Qualification Criteria*. Recognizing that individual credentialing jurisdictions may use different terminologies, “Trainee Appraisers” include, but are not limited to: registered appraisers, apprentice appraisers, provisional appraisers, or other similar designations created by state appraiser regulatory agencies.
- B. The scope of practice for the Trainee Appraiser classification is the appraisal of those properties which the state-certified Supervisory Appraiser is permitted by his/her current credential and that the Supervisory Appraiser is competent to appraise.
- C. The Trainee Appraiser, as well as the Supervisory Appraiser, shall be entitled to obtain copies of appraisal reports and/or permitted appropriate access and retrieval arrangements for all workfiles for appraisals in which he or she participated, in accordance with the RECORD KEEPING RULE of USPAP.
- D. All Trainee Appraisers must comply with the COMPETENCY RULE of USPAP for all assignments.

II. Examination

There is no examination requirement for the Trainee Appraiser classification, but the Trainee Appraiser shall pass the appropriate end-of-course examinations in all of the prerequisite qualifying education courses in order to earn credit for those courses.

III. Qualifying Education

- A. As the prerequisite for application, an applicant must have completed seventy-five (75) hours of qualifying education as specified in the *Required Core Curriculum*. Additionally, applicants must pass the course examinations and pass the *15-Hour National USPAP Course* (or its AQB-approved equivalent) and examination as part of the 75 hours. All qualifying education must be completed within the five (5) year period immediately preceding the date of application for a Trainee Appraiser credential.
- B. Appraisers holding a valid **Licensed Residential Real Property Appraiser** credential satisfy the educational requirements for the Trainee Appraiser credential.

- C. Appraisers holding a valid **Certified Residential Real Property Appraiser** credential satisfy the educational requirements for the Trainee Appraiser credential.
- D. Appraisers holding a valid **Certified General Real Property Appraiser** credential satisfy the educational requirements for the Trainee Appraiser credential.

IV. Experience

No experience is required as a prerequisite for the Trainee Appraiser classification.

V. Training

- A. The Trainee Appraiser shall be subject to direct control and supervision by a Supervisory Appraiser in good standing, who shall be state certified. A Trainee Appraiser is permitted to have more than one Supervisory Appraiser.
- B. The Supervisory Appraiser shall be responsible for the training, guidance, and direct control and supervision of the Trainee Appraiser by:
 1. Accepting responsibility for the appraisal by signing and certifying the appraisal complies with USPAP;
 2. Reviewing and signing the Trainee Appraiser appraisal report(s); and
 3. Personally inspecting each appraised property with the Trainee Appraiser until the Supervisory Appraiser determines the Trainee Appraiser is competent to inspect the property, in accordance with the COMPETENCY RULE of USPAP for the property type.
- C. The Trainee Appraiser is permitted to have more than one Supervisory Appraiser, but a Supervisory Appraiser may not supervise more than three (3) Trainee Appraisers, at one time, unless a program in the state appraiser regulatory jurisdiction provides for progress monitoring, supervising certified appraiser qualifications, and supervision and oversight requirements for Supervisory Appraisers.
- D. An appraisal experience log shall be maintained jointly by the Supervisory Appraiser and the Trainee Appraiser. It is the responsibility of both the Supervisory Appraiser and the Trainee Appraiser to ensure the appraisal experience log is accurate, current, and complies with the requirements of the Trainee Appraiser's credentialing jurisdiction. At a minimum, the appraisal log requirements shall include:
 1. Type of property;
 2. Date of report;
 3. Address of appraised property;
 4. Description of work performed by the Trainee Appraiser and scope of the review and supervision of the Supervisory Appraiser;
 5. Number of actual work hours by the Trainee Appraiser on the assignment; and
 6. The signature and state certification number of the Supervisory Appraiser. Separate appraisal logs shall be maintained for each Supervisory Appraiser, if applicable.
- E. Supervisory Appraisers shall be state certified and in good standing for a period of at least three (3) years prior to being eligible to become a Supervisory Appraiser. Supervisory Appraisers do not need to be state certified and in good standing **in the jurisdiction** in which the Trainee Appraiser practices **for any specific minimum period of time**. Supervisory Appraisers shall not have been subject to any disciplinary action—within any jurisdiction—within the last three (3) years that affected the Supervisory Appraiser's legal eligibility to engage in appraisal practice. A Supervisory Appraiser subject to a disciplinary action would be considered to be in "good standing" three (3) years after the successful completion/termination of the sanction imposed against the appraiser.
- F. Trainee Appraisers shall be required to complete a course that, at minimum, complies with the specifications for course content established by the AQB, which is specifically oriented to the requirements and responsibilities of Supervisory Appraisers and Trainee Appraisers. The course must be completed by the Trainee Appraiser prior to obtaining a Trainee Appraiser credential from the individual credentialing jurisdiction. Further, the Trainee Appraiser course is not eligible towards the 75 hours of qualifying education required. Please refer to the Supervisory Appraiser / Trainee Appraiser Course Objectives and Outline in this booklet for more information.

LICENSED RESIDENTIAL REAL PROPERTY APPRAISER

Please consult the **CRITERIA APPLICABLE TO ALL APPRAISER CLASSIFICATIONS** for additional requirements.

I. General

- A. The Licensed Residential Real Property Appraiser classification applies to 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. Complex one-to-four unit residential property appraisal means one in which the property to be appraised, the form of ownership, or the market conditions are atypical.
- C. For non-federally related transaction appraisals, transaction value shall mean market value.
 - 1. The classification includes the appraisal of vacant or unimproved land that is utilized for one-to-four residential units, or for which the highest and best use is for one-to-four residential units.
 - 2. The classification does not include the appraisal of subdivisions for which a development analysis/appraisal is necessary.
- D. All Licensed Residential Real Property Appraisers must comply with the COMPETENCY RULE of USPAP.

II. Examination

- A. The AQB-approved Licensed Residential Real Property Appraiser examination must be successfully completed. The only alternative to successful completion of the Licensed Residential examination is the successful completion of the Certified Residential or Certified General examination.
- B. The prerequisites for taking the AQB-approved examination are completion of:
 - 1. One hundred fifty (150) creditable class hours as specified in the *Required Core Curriculum*; and
 - 2. One thousand (1,000) hours of qualifying experience in no fewer than six (6) months.

III. Qualifying Education

- A. The Licensed Residential Real Property Appraiser classification requires completion of one hundred fifty (150) creditable class hours as specified in the *Required Core Curriculum*. As part of the 150 required hours, the applicant shall successfully complete the *15-Hour National USPAP Course*, or its AQB-approved equivalent, and successfully pass the examination. There is no alternative to successful completion of the USPAP Course and examination.
- B. Appraisers holding a valid **Trainee Appraiser** credential may satisfy the educational requirements for the Licensed Residential Real Property Appraiser credential by successfully completing the following additional educational hours:

1. Residential Market Analysis and Highest and Best Use	15 Hours
2. Residential Appraiser Site Valuation and Cost Approach	15 Hours
3. Residential Sales Comparison and Income Approaches	30 Hours
4. Residential Report Writing and Case Studies	15 Hours
TOTAL 75 Hours	

- C. Appraisers holding a valid **Certified Residential Real Property Appraiser** credential satisfy the educational requirements for the Licensed Residential Real Property Appraiser credential.
- D. Appraisers holding a valid **Certified General Real Property Appraiser** credential satisfy the educational requirements for the Licensed Residential Real Property Appraiser credential.

IV. Experience:

One thousand (1,000) hours of experience are required to be obtained in no fewer than six (6) months.

CERTIFIED RESIDENTIAL REAL PROPERTY APPRAISER

Please consult the **CRITERIA APPLICABLE TO ALL APPRAISER CLASSIFICATIONS** for additional requirements.

I. General

- A. The Certified Residential Real Property Appraiser classification qualifies the appraiser to appraise one-to-four residential units without regard to value or complexity.
 - 1. The classification includes the appraisal of vacant or unimproved land that is utilized for one-to-four residential units purposes or for which the highest and best use is for one-to-four residential units.
 - 2. The classification does not include the appraisal of subdivisions for which a development analysis/appraisal is necessary.
- B. All Certified Residential appraisers must comply with the COMPETENCY RULE of USPAP.

II. Examination

- A. The AQB-approved Certified Residential Real Property Appraiser examination must be successfully completed. The only alternative to successful completion of the Certified Residential examination is the successful completion of the Certified General examination.
- B. The prerequisites for taking the AQB-approved examination are completion of:
 - 1. Two hundred (200) creditable class hours as specified in the *Required Core Curriculum*;
 - 2. Completion of the requirements specified in Section III.B. or III.C., "Qualifying Education"; and
 - 3. One thousand five hundred (1,500) hours of qualifying experience obtained in no fewer than twelve (12) months.

III. Qualifying Education

- A. 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.

Applicants with a college degree from a foreign country may have their education evaluated for "equivalency" by one of the following:

- An accredited, degree-granting domestic college or university;
- A foreign degree credential evaluation service company that is a member of the National Association of Credential Evaluation Services (NACES); or
- 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.

- B. Applicants for the Certified Residential credential must satisfy at least one of the following five options (III.B.1., III.B.2., III.B.3., III.B.4., or III.B.5.):
 - 1. Possession of a Bachelor's Degree in any field of study;
 - 2. Possession of an Associate's Degree in a field of study related to:
 - a. Business Administration;
 - b. Accounting;
 - c. Finance;
 - d. Economics; or
 - e. Real Estate

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. Microeconomics (3 semester hours);
 - c. Macroeconomics (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 or Real Estate Law (3 semester hours); and
 - i. Two elective courses in any of the topics listed above or in accounting, geography, agricultural economics, business management, or real estate (3 semester hours each).
 4. Successful completion of at least 30 semester hours of College Level Examination Program® (CLEP®) examinations from each of the following subject matter areas:
 - a. College Algebra (3 semester hours);
 - b. College Composition (6 semester hours);
 - c. College Composition Modular (3 semester hours);
 - d. College Mathematics (6 semester hours);
 - e. Principles of Macroeconomics (3 semester hours);
 - f. Principles of Microeconomics (3 semester hours);
 - g. Introductory Business Law (3 semester hours); and
 - h. Information Systems (3 semester hours).
 5. Any combination of III.B.3 and III.B.4 above that ensures coverage of all topics and hours identified in III.B.3.
- C. As an alternative to the requirements in Section III.B. above, individuals who have held a Licensed Residential credential for a minimum of five (5) years may qualify for a Certified Residential credential by satisfying all of the following:
1. No record of any adverse, final, and non-appealable disciplinary action affecting the Licensed Residential appraiser's legal eligibility to engage in appraisal practice within the five (5) years immediately preceding the date of application for a Certified Residential credential;
 2. Successful completion of the additional required qualifying education as specified in Section III.F. below;
 3. Successful completion of the required experience as specified in Section IV below; and
 4. Successful completion of the Certified Residential Real Property Appraiser examination as specified in Section II above.
- D. The Certified Residential Real Property Appraiser classification requires completion of two hundred (200) creditable class hours as specified in the *Required Core Curriculum*. As part of the 200 required hours, the applicant shall successfully complete the *15-Hour National USPAP Course*, or its AQB-approved equivalent, and the examination. There is no alternative to successful completion of the USPAP Course and examination.
- E. Appraisers holding a valid **Trainee Appraiser** credential may satisfy the educational requirements for the Certified Residential Real Property Appraiser credential by successfully completing the following additional educational hours:
- | | |
|---|------------------|
| 1. Residential Market Analysis and Highest and Best Use | 15 Hours |
| 2. Residential Appraiser Site Valuation and Cost Approach | 15 Hours |
| 3. Residential Sales Comparison and Income Approaches | 30 Hours |
| 4. Residential Report Writing and Case Studies | 15 Hours |
| 5. Statistics, Modeling and Finance | 15 Hours |
| 6. Advanced Residential Applications and Case Studies | 15 Hours |
| 7. Appraisal Subject Matter Electives | 20 Hours |
| TOTAL | 125 Hours |

F.	Appraisers holding a valid Licensed Residential Real Property Appraiser credential may satisfy the educational requirements for the Certified Residential Real Property Appraiser credential by successfully completing the following additional educational hours:	
1.	Statistics, Modeling and Finance	15 Hours
2.	Advanced Residential Applications and Case Studies	15 Hours
3.	Appraisal Subject Matter Electives	20 Hours
	TOTAL	50 Hours

- G. Appraisers holding a valid **Trainee Appraiser** credential wishing to change to the Certified Residential Real Property Appraiser classification must also satisfy the college-level education requirement as specified in III.B.
- H. Appraisers holding a valid **Licensed Residential Real Property Appraiser** credential wishing to change to the Certified Residential Real Property Appraiser classification who do not meet the requirements outlined in Section III.C. must also satisfy the college-level education requirements as specified in Section III.B.
- I. Appraisers holding a valid **Licensed Residential Real Property Appraiser** credential wishing to change to the Certified Residential Real Property Appraiser classification who meet the requirements outlined in Section III.C. do not need to satisfy college-level education requirements as specified in Section III.B.
- J. Appraisers holding a valid **Certified General Real Property Appraiser** credential satisfy the educational requirements for the Certified Residential Real Property Appraiser credential.

IV. Experience:

One thousand five hundred (1,500) hours of experience are required to be obtained during no fewer than twelve (12) months. While the hours may be cumulative, the required number of months must accrue before an individual can be certified.

CERTIFIED GENERAL REAL PROPERTY APPRAISER

Please consult the **CRITERIA APPLICABLE TO ALL APPRAISER CLASSIFICATIONS** for additional requirements.

I. General

- A. The Certified General Real Property Appraiser classification qualifies the appraiser to appraise all types of real property.
- B. All Certified General appraisers must comply with the COMPETENCY RULE of USPAP.

II. Examination

- A. The AQB-approved Certified General Real Property Appraiser examination must be successfully completed. There is no alternative to successful completion of the exam.
- B. The prerequisites for taking the AQB-approved examination are completion of:
 1. Three hundred (300) creditable class hours as specified in the *Required Core Curriculum*; and
 2. Completion of the college-level education requirements specified in III.A. "Qualifying Education"; and
 3. Three thousand (3,000) hours of qualifying experience obtained in no fewer than eighteen (18) months, where a minimum of one thousand five hundred (1,500) hours must be obtained in non-residential appraisal work.

III. Qualifying Education

- A. Applicants for the Certified General credential must hold a Bachelor's degree or higher from an accredited college or university. The college or university must be a degree-granting institution accredited 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. Applicants with a college degree from a foreign country may have their education evaluated for "equivalency" by one of the following:
 - An accredited, degree-granting domestic college or university;
 - A foreign degree credential evaluation service company that is a member of the National Association of Credential Evaluation Services (NACES); or
 - 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.
- B. The Certified General Real Property Appraiser classification requires completion of three hundred (300) creditable class hours as specified in the *Required Core Curriculum*. As part of the 300 required hours, the applicant shall complete the *15-Hour National USPAP Course*, or its AQB-approved equivalent, and the examination. There is no alternative to successful completion of the USPAP Course and examination.
- C. Applicants must demonstrate that their education includes the core courses listed in these *Criteria*, with particular emphasis on non-residential properties. Residential is defined as "composed of one-to-four residential units."

- D. Appraisers holding a valid **Trainee Appraiser** credential may satisfy the educational requirements for the Certified General Real Property Appraiser credential by successfully completing the following additional educational hours:

1. General Appraiser Market Analysis and Highest and Best Use	30 Hours
2. Statistics, Modeling and Finance	15 Hours
3. General Appraiser Sales Comparison Approach	30 Hours
4. General Appraiser Site Valuation and Cost Approach	30 Hours
5. General Appraiser Income Approach	60 Hours
6. General Appraiser Report Writing and Case Studies	30 Hours
7. Appraisal Subject Matter Electives	30 Hours

TOTAL **225 Hours**

- E. Appraisers holding a valid **Licensed Residential Real Property Appraiser** credential may satisfy the educational requirements for the Certified General Real Property Appraiser credential by successfully completing the following additional educational hours:

1. General Appraiser Market Analysis and Highest and Best Use	15 Hours
2. Statistics, Modeling and Finance	15 Hours
3. General Appraiser Sales Comparison Approach	15 Hours
4. General Appraiser Site Valuation and Cost Approach	15 Hours
5. General Appraiser Income Approach	45 Hours
6. General Appraiser Report Writing and Case Studies	15 Hours
7. Appraisal Subject Matter Electives	30 Hours

TOTAL **150 Hours**

- F. Appraisers holding a valid **Certified Residential Real Property Appraiser** credential may satisfy the educational requirements for the Certified General Real Property Appraiser credential by successfully completing the following additional educational hours:

1. General Appraiser Market Analysis and Highest and Best Use	15 Hours
2. General Appraiser Sales Comparison Approach	15 Hours
3. General Appraiser Site Valuation and Cost Approach	15 Hours
4. General Appraiser Income Approach	45 Hours
5. General Appraiser Report Writing and Case Studies	10 Hours

TOTAL **100 Hours**

- G. **Trainee Appraisers, Licensed Residential Real Property Appraisers, and Certified Residential Real Property Appraisers** wishing to change to the Certified General Real Property Appraiser classification must also satisfy the requirements in III.A. and III.C.

IV. Experience

Three thousand (3,000) hours of experience are required to be obtained during no fewer than eighteen (18) months. One thousand five hundred (1,500) hours must be in non-residential appraisal work. While the hours may be cumulative, the required number of months must accrue before an individual can be certified.

REQUIRED CORE CURRICULUM

TRAINEE APPRAISER	
BASIC APPRAISAL PRINCIPLES	30 HOURS
BASIC APPRAISAL PROCEDURES	30 HOURS
<i>15-HOUR NATIONAL USPAP COURSE (OR ITS EQUIVALENT)</i>	15 HOURS
TOTAL	75 HOURS
LICENSED RESIDENTIAL	
BASIC APPRAISAL PRINCIPLES	30 HOURS
BASIC APPRAISAL PROCEDURES	30 HOURS
<i>15-HOUR NATIONAL USPAP COURSE (OR ITS EQUIVALENT)</i>	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
TOTAL	150 HOURS
CERTIFIED RESIDENTIAL	
BASIC APPRAISAL PRINCIPLES	30 HOURS
BASIC APPRAISAL PROCEDURES	30 HOURS
<i>15-HOUR NATIONAL USPAP COURSE (OR ITS EQUIVALENT)</i>	15 HOURS
RESIDENTIAL APPRAISER 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 <i>(May include hours over minimum shown above in other modules)</i>	20 HOURS
TOTAL	200 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 APPRAISER SITE VALUATION AND COST APPROACH	30 HOURS
GENERAL APPRAISER SALES COMPARISON APPROACH	30 HOURS
GENERAL APPRAISER INCOME APPROACH	60 HOURS
GENERAL APPRAISER REPORT WRITING AND CASE STUDIES	30 HOURS
APPRAISAL SUBJECT MATTER ELECTIVES (May include hours over minimum shown above in other modules)	30 HOURS
TOTAL	300 HOURS

SUPERVISORY APPRAISER / TRAINEE APPRAISER COURSE OBJECTIVES AND OUTLINE

COURSE OBJECTIVES

In developing the course, providers must include the following course objectives, which address both the Supervisory Appraiser and Trainee Appraiser.

Supervisory Appraiser Objectives

The course must provide adequate information to ensure the Supervisory Appraiser understands the qualifications and responsibilities of that role. Specifically, the objective of the course shall be that the student understands:

- AQB minimum qualifications for becoming and remaining a Supervisory Appraiser;
- Jurisdictional credentialing requirements for both Supervisory Appraisers and Trainee Appraisers that may exceed those of the *Criteria*;
- Expectations and responsibilities of being a Supervisory Appraiser;
- Responsibilities and requirements of a Supervisory Appraiser in maintaining and signing all appropriate Trainee Appraiser experience logs; and
- Expectations and responsibilities of the Trainee Appraiser.

Trainee Appraiser Objectives

The course must provide adequate information to ensure the Trainee Appraiser understands the qualifications and responsibilities of that role. Specifically, the objective of the course shall be that the student understands:

- AQB minimum qualifications for becoming a credentialed appraiser;
- Jurisdictional credentialing requirements for Trainee Appraisers that may exceed those of the *Criteria*;
- AQB minimum qualifications for becoming and remaining a Supervisory Appraiser, as well as jurisdictional credentialing requirements that may exceed those of the *Criteria*;
- Processes and roles of the entities involved in establishing qualifications for credentialed appraisers;
- Expectations and responsibilities of the Trainee Appraiser;
- Basics of the *Uniform Standards of Professional Appraisal Practice* (USPAP); and
- Responsibilities and requirements of a Trainee Appraiser's role in maintaining and signing all appropriate Trainee Appraiser experience logs.

COURSE CONTENT OUTLINE

Education developers must include the topics contained in the following outline when creating course content:

I. Table of Contents

II. Course Introduction and Overview

III. Qualification and Credentialing Entities

- A. The Appraisal Foundation
 - 1. Overview of the creation and role of The Appraisal Foundation
- B. The Appraiser Qualifications Board (AQB)
 - 1. Overview of the role of the AQB in establishing qualifications for real property appraisers
- C. Individual State or Territory Credentialing Authorities
 - 1. Overview of a jurisdiction's role in issuing appraiser credentials and disciplining appraisers
 - 2. Specific information regarding the regulatory structure of the individual jurisdiction (optional)
- D. Professional Appraiser Organizations
 - 1. Overview of the role of professional appraiser organizations
 - 2. Explain difference between required regulatory state appraiser credentials and "voluntary" professional appraiser organization designations

IV. Qualifications for Appraiser Credentials

- A. AQB Qualifications
 - 1. Overview of the AQB minimum qualifications for real property appraisers, including the education, experience, and examination requirements for the following categories:
 - a. Trainee Appraiser
 - b. Licensed Residential
 - c. Certified Residential
 - d. Certified General

Comment: Course developers shall include a summary matrix outlining the minimum education, experience, and examination requirements necessary for each of the credentials.

- 2. Overview of Supervisory Appraiser Qualifications
 - a. AQB minimum qualifications
 - b. Discussion noting individual credentialing jurisdictions could have qualifications that may exceed AQB minimum qualifications
- B. Individual Jurisdiction Qualifications
 - 1. Overview explaining how AQB sets minimum qualifications, but states may have qualifications that exceed AQB Criteria
 - 2. Outline and explain the specific steps/requirements to becoming licensed or certified in the particular jurisdiction in which the course is being provided

V. Overview of USPAP

- A. Provide brief overview of sections of USPAP relevant to Trainee Appraisers including overviews of:
 - 1. ETHICS RULE
 - 2. COMPETENCY RULE
 - 3. SCOPE OF WORK RULE
 - 4. RECORD KEEPING RULE
 - 5. STANDARD 1 (Development) and STANDARD 2 (Reporting)

Comment: This section is not intended to be a substitute for the 15-Hour National USPAP Course (or its equivalent).

VI. Overview of Supervisory Appraiser Expectations and Responsibilities

- A. The course material must include a presentation of the requirements, expectations, and responsibilities of the Supervisory Appraiser. At a minimum, the course materials must include the expectations and responsibilities of the Supervisory Appraiser to:
1. Provide the Trainee Appraiser with a basic understanding of USPAP requirements
 2. Understand the AQB minimum requirements of both the Supervisory Appraiser and Trainee Appraiser, as well as the requirements of the credentialing jurisdiction that may exceed those of the *Criteria*
 3. Provide proper guidance to the Trainee Appraiser when he or she selects a specific credentialing path (i.e., Licensed Residential, Certified Residential, or Certified General)
 4. Monitor the Trainee Appraiser's progress in satisfying both the education and experience requirements necessary to achieve his or her selected credentialing path
 5. Verify that the Supervisory Appraiser and Trainee Appraiser are properly documenting all appropriate experience logs
 6. Accompany the Trainee Appraiser on all inspections until the Trainee Appraiser is competent to conduct inspections independently and has met all specific requirements pertaining to property inspection established by the credentialing jurisdiction
 7. Monitor and provide assignments and duties that ensure the Trainee Appraiser is developing an understanding and progression of knowledge and experience of all applicable valuation methodologies and approaches to value
 8. Verify that the Trainee Appraiser is properly identified and acknowledged in the appraisal report in compliance with USPAP requirements
 9. Immediately notify the Trainee Appraiser if the Supervisory Appraiser is no longer qualified to supervise and/or sign the Trainee Appraiser's experience log

VII. Overview of Trainee Appraiser Expectations and Responsibilities

- A. The course material must include a presentation of the requirements, expectations, and responsibilities of the Trainee Appraiser. At a minimum, the course materials must include the expectations and responsibilities of the Trainee Appraiser to understand:
1. The AQB minimum requirements to become a Trainee Appraiser, as well as the requirements of the credentialing jurisdiction that may exceed those of the *Criteria*
 2. The importance of selecting an appropriate Supervisory Appraiser. Points covered shall include:
 - a. The Supervisory Appraiser-Trainee Appraiser relationship is a long-term commitment by both parties
 - b. The Trainee Appraiser is inherently connected to the "good standing" of the Supervisory Appraiser
 - c. The importance of selecting a Supervisory Appraiser with the experience and competency that best matches the Trainee Appraiser's selected credentialing path
 - d. Options for the Trainee Appraiser if a Supervisory Appraiser is no longer qualified to serve as a Supervisory Appraiser
 3. How to determine if an appraiser is qualified and in good standing to be a Supervisory Appraiser by searching the Appraisal Subcommittee (ASC) National Registry and/or jurisdictional websites
 4. It is the Supervisory Appraiser's responsibility to monitor the progression of the Trainee Appraiser's education and experience necessary to achieve the Trainee Appraiser's selected credentialing path
 5. It is the Supervisory Appraiser's responsibility to provide assignments and duties that ensure the Trainee Appraiser is developing an understanding and progression of knowledge and experience of all applicable valuation methodologies and approaches to value
 6. The responsibilities of both the Trainee Appraiser and the Supervisory Appraiser in properly documenting all appropriate Trainee Appraiser's experience logs
 7. The Supervisory Appraiser must accompany the Trainee Appraiser on all inspections until he or she is competent to conduct inspections independently, and has met all requirements pertaining to property inspection established by the credentialing jurisdiction

VIII. Overview of Jurisdictional Requirements for Supervisory Appraiser and Trainee Appraiser Requirements

- A. Provide summary of jurisdictional requirements that may exceed those of the AQB *Criteria*
- B. Course developers may elect to present jurisdictional requirements as a separate add-on module, or incorporate differences between AQB minimum and jurisdictional requirements in each appropriate section of the outline

IX. Summary/Quiz (optional)

X. Definitions

- A. Provide glossary of definitions utilized throughout the course

APPENDIX

GUIDE NOTES

GUIDE NOTES

AQB GUIDE NOTE 1 (GN-1) AQB GUIDANCE FOR REQUIRED CORE CURRICULUM CONTENT

Guide Note 1 (GN-1) contains guidance for curriculum content with subtopics listed under each education module (I through XIV) listed. The subtopics in Guide Note 1 are used in developing examination content outlines for each respective credential level and may also be amended from time-to-time to reflect changes in technology or in the Body of Knowledge. The hours shown for each educational module are the minimums required; students may complete more than the minimum required for each module.

Candidates for a real property appraiser credential should carefully review the educational modules below, keeping in mind that some modules only apply to certain classifications. For example, education module IX (*Advanced Residential Applications and Case Studies*) is only required for the Certified Residential classification. Also, education module XIII (*General Appraiser Income Approach*) is required for the Certified General classification but no others. As a result, candidates should structure their education program giving careful consideration to the credential being sought.

I. **BASIC APPRAISAL PRINCIPLES (required for the Trainee Appraiser, Licensed Residential, Certified Residential, and Certified General classifications)** *30 HOURS*

- A. Real Property Concepts and Characteristics
 - 1. Basic Real Property Concepts
 - 2. Real Property Characteristics
 - 3. Legal Description
- B. Legal Considerations
 - 1. Forms of Ownership
 - 2. Public and Private Controls
 - 3. Real Estate Contracts
 - 4. Leases
- C. Influences on Real Estate Values
 - 1. Governmental
 - 2. Economic
 - 3. Social
 - 4. Environmental, Geographic, and Physical
- D. Types of Value
 - 1. Market Value
 - 2. Other Value Types

E. Economic Principles - 1. Classic Economic Principles - 2. Application and Illustrations of the Economic Principles

F. Overview of Real Estate Markets and Analysis - 1. Market Fundamentals, Characteristics, and Definitions - 2. Supply Analysis - 3. Demand Analysis - 4. Use of Market Analysis

G. Ethics and How They Apply in Appraisal Theory and Practice

II. **BASIC APPRAISAL PROCEDURES (required for the Trainee Appraiser, Licensed Residential, Certified Residential, and Certified General classifications)** *30 HOURS*

- A. Overview of Approaches to Value
- B. Valuation Procedures
 - 1. Defining the Problem
 - 2. Collecting and Selecting Data
 - 3. Analyzing

4. Reconciling and Final Value Opinion
 5. Communicating the Appraisal
- C. Property Description
 - 1. Geographic Characteristics of the Land/Site
 - 2. Geologic Characteristics of the Land/Site
 - 3. Location and Neighborhood Characteristics
 - 4. Land/Site Considerations for Highest and Best Use
 - 5. Improvements - Architectural Styles and Types of Construction
 - 6. Special Energy-Efficient Characteristics of the Improvements
- D. Residential or General Applications
- III. 15-HOUR NATIONAL USPAP COURSE OR ITS EQUIVALENT (required for the Trainee Appraiser, Licensed Residential, Certified Residential, and Certified General classifications)**
15 HOURS
- IV. RESIDENTIAL MARKET ANALYSIS AND HIGHEST AND BEST USE (required for the Licensed Residential and Certified Residential classifications)**
15 HOURS
- A. Residential Markets and Analysis
 - 1. Market Fundamentals, Characteristics, and Definitions
 - 2. Supply Analysis
 - 3. Demand Analysis
 - 4. Use of Market Analysis
- B. Highest and Best Use
 - 1. Test Constraints
 - 2. Application of Highest and Best Use
 - 3. Special Considerations
 - 4. Market Analysis
 - 5. Case Studies
- V. RESIDENTIAL APPRAISER SITE VALUATION AND COST APPROACH (required for the Licensed Residential and Certified Residential classifications)**
15 HOURS
- A. Site Valuation
 - 1. Methods
 - 2. Case Studies
- B. Cost Approach
 - 1. Concepts and Definitions
 - 2. Replacement/Reproduction Cost New
 - 3. Accrued Depreciation
 - 4. Methods of Estimating Accrued Depreciation
 - 5. Case Studies
- VI. RESIDENTIAL SALES COMPARISON AND INCOME APPROACHES (required for the Licensed Residential and Certified Residential classifications)**
30 HOURS
- A. Valuation Principles & Procedures - Sales Comparison Approach
 B. Valuation Principles & Procedures - Income Approach
 C. Finance and Cash Equivalency
 - 1. Identification of Seller Concessions and Their Impact on Value
- D. Financial Calculator Introduction
 E. Identification, Derivation, and Measurement of Adjustments
 F. Gross Rent Multipliers
 G. Partial Interests
 H. Reconciliation
 I. Case Studies and Applications
- VII. RESIDENTIAL REPORT WRITING AND CASE STUDIES (required for the Licensed Residential and Certified Residential classifications)**
15 HOURS
- A. Writing and Reasoning Skills
 B. Common Writing Problems
 C. Form Reports
 D. Report Options and USPAP Compliance
 E. Case Studies
- VIII. STATISTICS, MODELING AND FINANCE (required for the Certified Residential and Certified General classifications)**
15 HOURS
- A. Statistics
 B. Valuation Models (AVM's and Mass Appraisal)
 C. Real Estate Finance
- IX. ADVANCED RESIDENTIAL APPLICATIONS AND CASE STUDIES (required for the Certified Residential classification)**
15 HOURS
- A. Complex Property, Ownership, and Market Conditions
 B. Deriving and Supporting Adjustments
 C. Residential Market Analysis
 D. Advanced Case Studies
 - 1. Seller Concessions
 - 2. Special Energy-Efficient Items (i.e., "Green Buildings")
- X. GENERAL APPRAISER MARKET ANALYSIS AND HIGHEST AND BEST USE (required for the Certified General classification)**
30 HOURS
- A. Real Estate Markets and Analysis
 - 1. Market Fundamentals, Characteristics, and Definitions

- 2. Supply Analysis
- 3. Demand Analysis
- 4. Use of Market Analysis

- B. Highest and Best Use
 - 1. Test Constraints
 - 2. Application of Highest and Best Use
 - 3. Special Considerations
 - 4. Market Analysis
 - 5. Case Studies

XI. GENERAL APPRAISER SALES COMPARISON APPROACH (required for the Certified General classification)

30 HOURS

- A. Value Principles
- B. Procedures
- C. Identification and Measurement of Adjustments
- D. Reconciliation
- E. Case Studies
 - 1. Seller Concessions
 - 2. Special Energy-Efficient Items (i.e., "Green Buildings")

XII. GENERAL APPRAISER SITE VALUATION AND COST APPROACH (required for the Certified General classification)

30 HOURS

- A. Site Valuation
 - 1. Methods
 - 2. Case Studies

- B. Cost Approach
 - 1. Concepts and Definitions
 - 2. Replacement/Reproduction Cost New
 - 3. Accrued Depreciation
 - 4. Methods of Estimating Accrued Depreciation
 - 5. Case Studies

XIII. GENERAL APPRAISER INCOME APPROACH (required for the Certified General classification)

60 HOURS

- A. Overview
- B. Compound Interest
- C. Lease Analysis
- D. Income Analysis
- E. Vacancy and Collection Loss
- F. Estimating Operating Expenses and Reserves
- G. Reconstructed Income and Expense Statement
- H. Stabilized Net Operating Income Estimate
- I. Direct Capitalization
- J. Discounted Cash Flow
- K. Yield Capitalization
- L. Partial Interests
- M. Case Studies

XIV. GENERAL APPRAISER REPORT WRITING AND CASE STUDIES (required for the Certified General classification)

30 HOURS

- A. Writing and Reasoning Skills
- B. Common Writing Problems
- C. Report Options and USPAP Compliance
- D. Case Studies

AQB GUIDE NOTE 2 (GN-2)

AQB GUIDANCE FOR CRITERIA IMPLEMENTATION

RETIRED, OCTOBER 2005

AQB GUIDE NOTE 3 (GN-3)

AQB GUIDANCE FOR CRITERIA IMPLEMENTATION

THIS GUIDE NOTE RELATES TO THE SCOPE OF PRACTICE FOR THE LICENSED RESIDENTIAL AND CERTIFIED RESIDENTIAL CLASSIFICATIONS IN THE REAL PROPERTY APPRAISER QUALIFICATION CRITERIA.

In pre-January 1, 2008 *Real Property Appraiser Qualification Criteria* for the Licensed Residential and Certified Residential classifications, the following paragraph appeared in the scope of practice section:

The scope of practice identified herein represents the consensus of the Appraiser Qualifications Board. The Federal Financial Institutions Regulatory Agencies, as well as other agencies and regulatory bodies, permit the Certified Residential (or Licensed) classification to appraise properties other than those identified within these Criteria. Individuals should refer to agency regulations and state law to determine the type of property that may be appraised by the Certified Residential (or Licensed) appraiser.

During the *Criteria* Exposure Draft and revision process, the AQB determined that this paragraph was more explanatory guidance than actual AQB *Criteria*. As a result, it was removed from the *Criteria* effective January 1, 2008.

However, while it is not contained in the post-2008 *Criteria*, it should be noted that the paragraph italicized above still reflects the consensus of the AQB. The scope of practice for the Licensed Residential and Certified Residential classifications did not change in 2008. Federal and state agencies continue to establish scope of practice thresholds that are specific to their particular needs.

For example, because federally-related transactions less than \$250,000 fall below the regulatory de minimus established by the Federal Financial Institution Regulatory Agencies, the scope of practice restrictions placed on individuals who can appraise commercial and residential properties below that threshold for financial institutions are few, if any.

The AQB continues to encourage individuals to refer to agency regulations and state law to determine the type of property that may be appraised by the Licensed Residential and Certified Residential classifications.

AQB GUIDE NOTE 4 (GN-4)

AQB GUIDANCE FOR CRITERIA IMPLEMENTATION

THIS GUIDE NOTE RELATES TO PRACTICUM COURSES TO BE USED FOR EXPERIENCE CREDIT, AS SPECIFIED IN THE REAL PROPERTY APPRAISER QUALIFICATION CRITERIA.

Under “Criteria Applicable to All Appraiser Classifications” in the *Real Property Appraiser Qualification Criteria*, Section V Generic Experience Criteria, Paragraph D, reads as follows:

There need not be a client in a traditional sense (i.e., a client hiring an appraiser for a business purpose) in order for an appraisal to qualify for experience, but experience gained for work without a traditional client cannot exceed 50% of the total experience requirement.

Practicum courses that are approved by the AQB Course Approval Program or state appraiser regulatory agencies can satisfy the non-client experience requirement. A practicum course must include the generally applicable methods of appraisal practice for the credential category. 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 USPAP. Assignments must require problem solving skills for a variety of property types for the credential category. Experience credit shall be granted for the actual classroom hours of instruction, and hours of documented research and analysis as awarded from the practicum course approval process. (Bold added for emphasis)

The bolded language above sets forth the broad requirements for practicum courses. However, more detailed guidance is needed for developers of such courses, as well as state appraiser regulatory agencies seeking to approve such courses. The following is designed to offer this guidance:

1. General Practicum Course Guidelines
 - a. The time period for any non-residential practicum course should be consistent with the type and complexity of the assignment.
 - b. The time period for a residential practicum course should be consistent with the type and complexity of the assignment.
 - c. Practicum courses that cover multiple property types should allocate appropriate times for each assignment and subject properties should be significantly different from one another to provide appropriate training.
 - d. The maximum number of students per course should be consistent with best practices for proper student/instructor ratios.
 - e. In order for this type of experience to be compliant with USPAP, the student/appraiser must list the course provider for the practicum course as the client and the intended user.
 - f. The intended use of the report should be indicated as, “For experience credit.”
2. Appraisal Assignment Guidelines
 - a. The appraisal should employ all of the approaches to value applicable to the assignment.
 - b. Property types and complexity should be those typically encountered by an appraiser seeking experience within the specified credential category.

- c. The appraisal should indicate the intended user and intended use and should solve typical appraisal problems – e.g., mortgage assignments, tax appeals, estates, etc.
 - d. There should be an identifiable subject property and the student should inspect it.
 - e. The actual subject property may change from time to time, but the property type should remain the same.
 - f. All comparable data researched, analyzed, and used in the assignment should be actual and identifiable market data.
 - g. All comparables utilized should be verified with at least one market participant of the sale/rent – e.g., buyer, seller, or broker – and the student should also inspect the exterior of each comparable utilized.
 - h. The final assignment should be communicated in compliance with the Appraisal Report option of STANDARD 2 of USPAP.
 - i. The final reports should be maintained by the student according to the Record Keeping section of the ETHICS RULE of USPAP.
 - j. The practicum course should result in an appraisal and appraisal report completed in accordance with the current version of USPAP.
3. Instructor Guidelines
- a. An instructor conducting a residential experience practicum course should hold either a Certified Residential or Certified General credential in good standing.
 - b. An instructor conducting a general experience practicum course should hold a Certified General credential in good standing.
 - c. The instructor should demonstrate compliance with the COMPETENCY RULE of USPAP for the type of assignment.
 - d. The instructor should grade and correct all assignments and should ensure USPAP compliance.
 - e. The instructor should meet with the students a minimum of 50% of the course hours during the course.

There is an underlying assumption that experience is valuable because clients and instructors tend to demand competency. Because experience in a classroom setting calls this assumption into question, credentialing authorities should carefully assess the quality and adequacy of appraisals made under such circumstances. They should also give consideration to restricting the percentage of this type of experience.

Therefore, while practicum course appraisals are eligible to qualify for experience credit, the credentialing authority should audit a significant sample of appraisals made in such instances for quality and conformance with USPAP.

AQB GUIDE NOTE 5 (GN-5)

AQB GUIDANCE FOR CRITERIA IMPLEMENTATION

THIS GUIDE NOTE RELATES TO RECIPROCITY, TEMPORARY PRACTICE, RENEWALS, AND APPLICATIONS FOR THE SAME CREDENTIAL IN ANOTHER JURISDICTION, AS SPECIFIED IN THE REAL PROPERTY APPRAISER QUALIFICATION CRITERIA.

Under “Criteria Applicable to All Appraiser Classifications” in the *Criteria*, Section II Existing Credential Holders, reads as follows:

Existing credential holders in good standing in any jurisdiction shall be considered in compliance with current Appraiser Qualifications Board Real Property Appraiser Qualification Criteria if they have passed an AQB approved qualifying examination for that credential. This applies to reciprocity, temporary practice, renewals, and applications for the same credential in another jurisdiction. All credential holders must comply with ongoing requirements for continuing education and state renewal procedures.

The intent of the AQB is to allow current credential holders who are in good standing within their jurisdictions to obtain reciprocal credentials, temporary practice permits, renewals of existing credentials, and an equivalent credential in another jurisdiction without having to meet the current AQB *Criteria*. If an appraiser holds a valid appraiser credential supported by an AQB approved examination, the appraiser will be deemed by the AQB to be in full compliance with the current *Criteria*.

For example, if a Certified General credential holder who received a credential prior to adoption of the current *Criteria* in one jurisdiction were to relocate to another jurisdiction after adoption of the current *Criteria*, for AQB purposes that existing “home” state credential would be sufficient to support an equivalent credential in the “new” state. The credential holder would be deemed to have met the current *Criteria* for education, experience and examination.

The AQB understands that the individual Title XI jurisdictions must operate in compliance with applicable state laws with regard to reciprocity, temporary practice, renewals, and applications for the same credential in another jurisdiction. While Title XI jurisdictions are only required to meet the AQB *Criteria*, existing state laws may require that these minimums be exceeded. It is possible that a jurisdiction, because of existing law, might require an applicant for an equivalent credential from another jurisdiction to meet all of the current AQB *Criteria* (i.e., education, experience, and examination) in order to obtain the credential in their jurisdiction.

For example, consider an appraiser who holds a Certified General credential in State A and decides to relocate to State B. State B must apply both AQB *Criteria* and State law in determining whether the appraiser from State A qualifies for an appraiser credential in State B. While the AQB considers the valid existing credential in State A to be adequate documentation of conformance to AQB *Criteria*, some State laws might require the appraiser to submit a complete application, including appropriate documentation of experience, education, and successful exam completion. This new application requirement might involve some of the following issues:

- Depending on the wording of the State law, this could mean that the appraiser from State A would have to conform to the current *Criteria* to obtain a credential from State B. Among other things, the appraiser would have to reconstruct his/her appraisal education, perhaps going back as much as 20 to 30 years. The State, then, would have to determine whether that education conformed to the current AQB *Criteria* as implemented by State law.
- Virtually all appraiser education obtained prior to 2008 was provided in what is considered the “integrated” approach. If State B does not accept integrated educational courses, the appraiser from State A would be required to obtain 300 hours of education acceptable under current *Criteria*, plus a college degree, to qualify for a Certified General credential in State B.

It was not the AQB's intent to impose such hardships on appraisers or regulatory agencies. It was the intent of the AQB in drafting the language in Section II of "Existing Credential Holders" that jurisdictions would recognize those appraisers that held credentials prior to the adoption of the current *Criteria*. The acceptance of the existing credential holders would provide for a smooth transition from prior *Criteria* to the current (and beyond) *Criteria*.

The AQB encourages jurisdictions to examine their statutes and regulations and initiate any changes that might be necessary to facilitate a smooth transition.

AQB GUIDE NOTE 6 (GN-6)

AQB GUIDANCE FOR CRITERIA IMPLEMENTATION

THIS GUIDE NOTE RELATES TO THE VERIFICATION OF EXPERIENCE CREDIT AS SPECIFIED IN THE REAL PROPERTY APPRAISER QUALIFICATION CRITERIA.

Under “Criteria Applicable to All Appraiser Classifications” in the *Criteria*, Section V.G. (Generic Experience Criteria) reads as follows:

- G. *The verification for experience credit claimed by an applicant shall be on forms prescribed by the state certification/licensing agency, which shall include:*
1. *Type of property;*
 2. *Date of report;*
 3. *Address of appraised property;*
 4. ***Description of work performed by the trainee/applicant and scope of the review and supervision of the supervising appraiser;***
 5. *Number of actual work hours by the trainee/applicant on the assignment; and*
 6. *The signature and state certification number of the supervising appraiser, if applicable. Separate appraisal logs shall be maintained for each supervising appraiser, if applicable.*

(Bold added for emphasis)

As indicated above, the *Criteria* mandates that the forms used to verify experience credit include all of the identified items. Five of the six items listed are fairly self-explanatory; however, the AQB has received inquiries regarding the intent of item #4 above (the bolded text).

It is the intent of the AQB that the verification of experience clearly identifies three things under item #4:

- 1) A description of the work performed by the trainee or applicant;
- 2) The scope of the review performed by the supervising appraiser; and
- 3) The level of supervision performed by the supervising appraiser.

Although the scope of review and level of supervision performed by the supervising appraiser might appear to be redundant at first glance, they are not. For example, in certain assignments a supervising appraiser might determine that a lesser level of supervision is required, but that might not impact the level of review performed.

The AQB recognizes that assignments may differ significantly; therefore, the level of review and supervision by the supervising appraiser may also differ from assignment to assignment. Also, depending on the assignments involved, it might be expected that the supervising appraiser’s level of review and supervision diminish over time as the trainee/applicant gains competency.

The following page includes an example of an experience log that includes the information required by the *Criteria*. The attached is merely one possible example of an experience log. Any format that includes the items listed under Section V.G., *Generic Experience Criteria*, as specified in the *Real Property Appraiser Qualification Criteria*, is acceptable.

It should be noted that experience logs or other forms prescribed by a state appraiser regulatory agency to verify experience credit might appear very different, including requiring substantially more information than is identified in the example below. However, as stated above, all forms must, at a minimum, include the items listed under Section V.G., "Generic Experience Criteria," as specified in the *Real Property Appraiser Qualification Criteria*.

Date of Report	Property Address, City, State, Zip	Type of Property (SFR, Condo, 2-4 Units)	Description Of Applicant's Work Performed	Scope of Supervising Appraiser's Review	Scope of Supervising Appraiser's Supervision	Number of Actual Hours Worked By Applicant
1/3/08	123 Oak Street Washington, DC 20005	SFR	Neighborhood, subject and comp data research and analyses, interior/exterior property inspection, cost/sales comparison approaches, final reconciliation	Reviewed workfile and report, verified subject sales history, checked data and analyses in approaches to value utilized, discussed with applicant, co-signed appraisal report	Completed entire appraisal process with applicant, including physical inspection of subject property (first SFR appraisal for applicant)	7
6/7/08	455 Pine Street Washington, DC 20005	SFR	Neighborhood, subject and comp data research and analyses, interior/exterior property inspection, cost/sales comparison approach, final reconciliation	Reviewed workfile and report, verified all comparable data and analyses, verified homeowner's association info, discussed with applicant, co-signed appraisal report	Oversight of comparable data selection and analyses, provided direction in site value analysis used in cost approach, did not physically inspect subject property	7
1/10/09	202 Spruce Street Washington, DC 20005	SFR	Neighborhood, subject and comp data research and analyses, interior/exterior property inspection, cost/sales comparison/income approaches, final reconciliation	Reviewed workfile and report, checked data and analyses in approaches to value utilized, discussed with applicant, co-signed appraisal report	Review of comparable data selection and analyses, did not physically inspect subject property	10
1/24/09	115 Pennsylvania Ave. Washington, DC 20005	Retail Store	Neighborhood, subject and comp (sale and rental) data research and analyses, interior/exterior property inspection, cost/sales comparison/income approaches, final reconciliation	Reviewed workfile and report, verified subject sales history and all data and analyses in approaches to value utilized, discussed with applicant, co-signed appraisal report	Completed entire appraisal process with applicant, including physical inspection of subject property (first commercial appraisal for applicant)	30

8/14/09	200 S Broadway Washington, DC 20005	Retail Store	Neighborhood, subject and comp (sale and rental) data research and analyses, interior/exterior property inspection, cost/sales comparison/income approaches, final reconciliation	Reviewed workfile and report, verified subject sales history and all data and analyses in approaches to value utilized, discussed with applicant, co-signed appraisal report	Oversight of comparable data selection and analyses, provided direction in DCF analysis used in income approach, did not physically inspect subject property	40
1/10/10	300 Capitol Avenue Washington, DC 20005	Retail Store	Neighborhood, subject and comp (sale and rental) data research and analyses, interior/exterior property inspection, cost/sales comparison/income approaches, final reconciliation	Reviewed workfile and report, checked data and analyses in approaches to value utilized, discussed with applicant, co-signed appraisal report	Review of comparable data selection and analyses, did not physically inspect subject property	40
2/12/10	144 Elm Avenue Washington, DC 20005	Golf Course	Completed entire appraisal process	Reviewed workfile and report, verified subject sales history and all data and analyses in approaches to value utilized, discussed with applicant, co-signed appraisal	Completed entire appraisal process	60

Thomas D. Trainee
Applicant/Trainee Appraiser

Sally A. Supervisor
Supervisory Appraiser

State
Certification No.

AQB GUIDE NOTE 7 (GN-7)

THIS GUIDE NOTE RELATES TO DEGREE PROGRAMS IN REAL ESTATE REVIEWED BY THE AQB, AND THEIR APPLICABILITY TOWARDS THE QUALIFYING EDUCATION SPECIFIED IN THE REQUIRED CORE CURRICULUM.
RETIRED, JANUARY 2015

AQB GUIDE NOTE 8 (GN-8)

THIS GUIDE NOTE RELATES TO THE COLLEGE-LEVEL EDUCATIONAL REQUIREMENTS AS SPECIFIED IN THE REAL PROPERTY APPRAISER QUALIFICATION CRITERIA THAT BECAME EFFECTIVE ON JANUARY 1, 2008.
RETIRED, JANUARY 2015

AQB GUIDE NOTE 9 (GN-9)

THIS GUIDE NOTE RELATES TO THE BACKGROUND CHECK REQUIREMENTS AS SPECIFIED IN THE REAL PROPERTY APPRAISER QUALIFICATION CRITERIA EFFECTIVE ON JANUARY 1, 2017.

Under "Criteria Applicable to All Appraiser Classifications" in the *Real Property Appraiser Qualification Criteria*, Section VI. Background Checks, reads as follows:

All applicants for a real property appraiser credential shall possess a background that would not call into question public trust.

Some jurisdictions have been performing background checks since the implementation of real property appraiser credentialing, while others have not. This Guide Note is intended to provide additional guidance, in particular to those jurisdictions with little to no experience in evaluating an applicant's background as part of the applicant's overall fitness for licensure or certification.

EXAMPLES OF ISSUES TO CONSIDER

Some of the types of background issues that state appraiser regulatory agencies might consider include, but are not limited to, applicants who have:

- (1) Had an appraiser license or certification revoked in any governmental jurisdiction.
- (2) Been convicted of, or pled guilty or *nolo contendere* to, a crime involving moral turpitude.
- (3) Been convicted of any crime *that is substantially related* to the qualifications, functions, or duties of the profession of real estate appraisal.
- (4) Performed any act, which if done by the holder of a real property appraiser credential, would be grounds for revocation or suspension of such a credential.
- (5) Knowingly made a false statement of material fact required to be disclosed in an application for any professional license or certification.
- (6) Been prohibited from participating in the affairs of an insured depository institution pursuant to Section 19(a) of the Federal Deposit Insurance Act (12 U.S.C. Section 1829).

SUBSTANTIAL RELATIONSHIP

A crime or act may be deemed substantially related to the qualifications, functions, or duties of an appraiser if, to a substantial degree, it evidences present or potential unfitness of a person applying for or holding a real property appraiser credential to perform the functions authorized by the credential. Examples of the types of crimes or acts include, but are not limited to, the following:

- (1) Taking, appropriating, or retaining the funds or property of another.
- (2) Forging, counterfeiting, or altering any instrument affecting the rights or obligations of another.
- (3) Evasion of a lawful debt or obligation, including but not limited to tax obligations.
- (4) Traffic in any narcotic or controlled substance in violation of law.

- (5) Violation of a relation of trust or confidence.
- (6) Theft of personal property or funds.
- (7) Crimes or acts of violence or threatened violence against persons or property.
- (8) The commission of any crime or act punishable as a sexually related crime.
- (9) Misrepresentation of facts or information on the appraisal license or certification application.
- (10) Cheating on an examination for a real property appraiser credential.

REHABILITATION

Upon a determination that an applicant's background is inconsistent with public trust, state appraiser regulatory agencies should consider all evidence related to the extent an applicant is rehabilitated, including testimony or other documentation demonstrating things such as:

- (1) The effect of the passage of time since the most recent act or crime.
- (2) Restitution by the applicant to any person who has suffered monetary losses.
- (3) Judicial relief from the consequences of criminal convictions resulting from immoral or antisocial acts, including but not limited to release from probation, finding of factual innocence, a completed program of diversion, or other comparable orders of a court.
- (4) Successful completion or early discharge from probation or parole.
- (5) Abstinence from the use of controlled substances or alcohol for not less than two years if the crime or offense is attributable in part to the use of controlled substances or alcohol.
- (6) Payment of any fine or other imposed monetary penalty.
- (7) Stability of family life and fulfillment of parental and familial responsibilities subsequent to the act or conviction.
- (8) Completion of, or sustained enrollment in, formal education or vocational training courses for economic self-improvement.
- (9) Discharge of, or bona fide efforts toward discharging adjudicated debts or monetary obligations to others.
- (10) Mitigating facts or circumstances that reasonably indicate that an applicant will perform appraisal-related activities honestly, fairly, and ethically.
- (11) Correction of business practices resulting in injury to others or with the potential to cause such injury.
- (12) Significant or conscientious involvement in community, church, or privately-sponsored programs designed to provide social benefits.
- (13) New and different social and business relationships from those that existed at the time of the act or crime.
- (14) Change in attitude from that which existed at the time of the act or crime, as evidenced by any or all of the following:
 - a) Testimony of applicant.
 - b) Evidence from family members, friends, or other persons familiar with applicant's previous conduct and his or her subsequent attitudes and behavioral patterns.
 - c) Evidence from probation or parole officers or law enforcement officials competent to testify as to applicant's social adjustments.

- d) Evidence from psychiatrists or other persons competent to testify with regard to psychiatric or emotional disturbances.

The above is intended to be illustrative, not exhaustive. State appraiser regulatory agencies, in performing their due diligence when examining an applicant's qualifications for a real property appraiser credential, may elect to include additional items not identified in this Guide Note. Likewise, state appraiser regulatory agencies may determine, based on their own experience and history, that some of the items identified in this Guide Note may not be applicable to an applicant seeking a real property appraiser credential in that jurisdiction.

AQB GUIDE NOTE 10 (GN-10)

THIS GUIDE NOTE RELATES TO THE COLLEGE-LEVEL EDUCATION REQUIREMENTS FOR THE CERTIFIED RESIDENTIAL CLASSIFICATION AS SPECIFIED IN THE REAL PROPERTY APPRAISER QUALIFICATION CRITERIA THAT BECAME EFFECTIVE MAY 1, 2018.

Section III. B. 3. of the “Qualifying Education” requirements for the Certified Residential credential in the *Real Property Appraiser Qualification Criteria* states that Certified Residential applicants may obtain a credential by successfully completing 30 semester hours of college-level courses that cover each of the following topic areas and hours:

- a. English Composition (3 semester hours);
- b. Microeconomics (3 semester hours);
- c. Macroeconomics (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 or Real Estate Law (3 semester hours); and
- i. Two elective courses in any of the topics listed above or accounting, geography, agricultural economics, business management, or real estate (3 semester hours each).

The intent of this guidance is to assist regulatory agencies and applicants with determining which types of college-level courses may count toward these requirements. Although several course titles are provided as acceptable options, the content of the course is far more meaningful than the actual title. Therefore, there may be acceptable courses that contain similar content but do not have titles referenced in this Guide Note.

1. **English Composition** – *English Composition is the professional field of writing.*

Possible alternative course titles for this section include, but are not limited to: College Composition; Descriptive / Critical / Expository / Technical / Public / Business / Professional Writing; Foundations of the English Language; Writing Fiction; Writing Creative Non-Fiction; or Rhetoric and Writing.

2. **Microeconomics** – *The study of individuals, households, and firms' behavior in decision making and allocation of resources. It generally applies to markets of goods and services and deals with individual and economic issues.*

Most college-level education on this topic includes the word “microeconomics” in the course title.

3. **Macroeconomics** – *Studies of the behavior and performance of an economy as a whole. It focuses on the aggregate changes in the economy such as unemployment, growth rate, gross domestic product, and inflation.*

Most college-level education on this topic includes the word “macroeconomics” in the course title.

4. **Finance** – *The management of revenues; the conduct or transaction of money matters generally, especially those affecting the public, as in the fields of banking investment.*

Possible alternative course titles for this section include, but are not limited to: Corporate Finance; Introduction to Business; Financial Markets and Institutions; International Business Finance; Principles of Finance; or Real Estate Finance and Investment.

5. **Algebra, Geometry, or Higher Mathematics** – *Higher mathematics includes advanced portions of mathematics beyond ordinary arithmetic, geometry, and algebra.*

Possible alternative course titles for this section include, but are not limited to: Algebra; Applied Math; Calculus; Differential Equations; Finite Mathematics; Geometry; Logic; Precalculus; Probability and Statistics; or Trigonometry.

6. **Statistics** – *Branch of mathematics concerned with collection, classification, analysis, and interpretation of numerical facts, for drawing inferences based on their quantifiable likelihood (probability). Statistics can interpret aggregates of data too large to be intelligible by ordinary observation because such data (unlike individual quantities) tend to behave in a regular, predictable manner. It is subdivided into descriptive statistics and inferential statistics.*

Possible alternative course titles for this section include, but are not limited to: Applied Linear Models; Bayesian Theory and Data Analysis; Business Statistics; Exploratory Data Analysis; Introduction to Statistics; Multivariate Data Analysis; Non-Parametric Theory and Data Analysis; Probability Statistics; Sampling; Statistical Analysis; Statistical Reasoning; Statistical Methods; or Time Series Analysis.

7. **Computer Science** – *A branch of science that deals with the theory of computation or the design of computers.*

Possible alternative course titles for this section include, but are not limited to: The Computer Science Profession; Introduction to Computer Science / Computers / Information Technology / Programming / Software Systems / Software Development / Web Development; Data Management; Database Fundamentals; Integrated Computer Applications; Object Oriented Programming; or System Administration.

8. **Business or Real Estate Law** – *Business law, sometimes called mercantile law or commercial law, refers to the laws that govern the dealings between people and commercial matters. There are two distinct areas of business law: regulation of commercial entities through laws of partnership, company, bankruptcy, and agency; and regulation of the commercial transactions through the laws of contract. The course titles will typically include compliance, risk, legal framework, and writing contracts.*

Real estate law is a branch of civil law that covers the right to possess, use, and enjoy land and the permanent man-made additions attached to it.

Possible alternative course titles for this section include, but are not limited to: Business Law for Accountants; Corporate Law Compliance; Drafting Policies and Procedures; Enterprise Risk Management; Financial Ethics; Legal Aspects of Real Estate; The Legal Environment of Business; Business Organization Law; or Writing Contracts.

9. **Two elective courses in accounting, geography, agricultural economics, business management, or real estate.**

Accounting – *Accounting is the system of recording and summarizing business and financial transactions and analyzing, verifying, and reporting the results.*

Possible alternative course titles for this section include, but are not limited to: Accounting Principles; Financial Accounting; Financial Markets and Institutions; Managerial Accounting; or Real Estate Market Analysis.

Geography – *Geography is the study of the physical features of the earth and its atmosphere, and of human activity as it affects and is affected by these, including the distribution of populations and resources, land use, and industries.*

Possible alternative course titles for this section include, but are not limited to: GIS Data Capture; Introduction to Geographic Information; Physical Geography; or World / Regional Geography.

Agricultural Economics – An applied field of economics concerned with the application of economic theory in optimizing the production and distribution of food and fiber — a discipline known as agronomics.

Possible alternative course titles for this section include, but are not limited to: Agribusiness Management; Agricultural Management Principles; Concepts in Agricultural Economics; Issues in Agriculture; Microeconomic Concepts in Agricultural Economics; or Quantitative Methods and Price Analysis.

Business Management – *The activities associated with running a company, such as controlling, leading, monitoring, organizing, and planning.*

Possible alternative course titles for this section include, but are not limited to: Business Marketing; Human Resource Management; Organizational Behavior; or Operations Management.

Real Estate – *Real estate is the property, land, buildings, air rights above the land and underground rights below the land.*

Possible alternative course titles for this section include, but are not limited to: Commercial Lease Analysis; Fundamentals of Investment Analysis; Fundamentals of Real Estate Transactions; Managing Commercial Properties; Market Analysis; Real Estate Economics; Real Estate Finance; Real Estate Procedures; or Real Estate Studies.

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CHAPTER 543D

REAL ESTATE APPRAISALS AND APPRAISERS

Referred to in [§272C.6](#), [543E.3](#), [543E.8](#), [543E.11](#), [543E.12](#), [543E.15](#), [543E.18](#), [543E.20](#), [546.3](#), [669.14](#)

This chapter not enacted as a part of this title;
transferred from chapter 117B in Code 1993

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543D.1 Short title.

This chapter shall be known and may be cited as the “Iowa Voluntary Appraisal Standards and Appraiser Certification Law”.

[89 Acts, ch 290, §1](#)

CS89, §117B.1

C93, §543D.1

543D.2 Definitions.

As used in **this chapter**, unless the context otherwise requires:

1. “Appraisal” or “real estate appraisal” means an analysis, opinion, or conclusion relating to the nature, quality, value, or utility of specified interests in, or aspects of, identified real estate. An appraisal may be classified by subject matter into either a valuation or an analysis. A “valuation” is an estimate of the value of real estate or real property. An “analysis” is a study of real estate or real property other than estimating value.

2. “Appraisal assignment” means an engagement for which an appraiser is employed or retained to act, or would be perceived by third parties or the public as acting as a disinterested third party in rendering an appraisal, valuation, or analysis.

3. “Appraisal foundation” means the appraisal foundation incorporated as an Illinois not-for-profit corporation on November 30, 1987.

4. “Appraisal report” means any communication of an appraisal.

5. “Associate real estate appraiser” means a person who may not yet fully meet the requirements for certification but who is providing significant input into the appraisal development under the direction of a certified appraiser.

6. “Board” means the real estate appraiser examining board established pursuant to **this chapter**.

7. “Certified appraisal or certified appraisal report” means an appraisal or appraisal report given or signed and certified as an appraisal or appraisal report by an Iowa certified real estate appraiser.

8. A “certified real estate appraiser” means a person who develops and communicates real estate appraisals and who holds a current, valid certificate for appraisals of types of real estate which may include residential, commercial, or rural real estate, as may be established under **this chapter**.

9. “Review appraiser” means a person who is responsible for the administrative approval of the appraised value of real property or assures that appraisal reports conform to the

requirements of law and policy, or that the value of real property estimated by appraisers represents adequate security, fair market value, or other defined value.

10. "Specialized services" means a hypothetical or other special valuation, or an analysis or an appraisal which does not fall within the definition of an appraisal assignment.

11. "Superintendent" means the superintendent of the division of banking of the department of commerce or the superintendent's designee.

[89 Acts, ch 290, §2](#)

CS89, §117B.2

C93, §543D.2

[2001 Acts, ch 49, §1; 2016 Acts, ch 1124, §22, 32](#)

Referred to in [§543E.3](#)

543D.3 Purposes.

1. The purpose of [this chapter](#) is to establish standards for real estate appraisals and a procedure for the voluntary certification of real estate appraisers and the mandatory registration of associate real estate appraisers.

2. A person who is not a certified real estate appraiser under [this chapter](#) may appraise real estate for compensation if certification is not required by [this chapter](#) or by federal or state law, rule, or policy. However, an employee of the state department of transportation whose duties include appraisals of property pursuant to [chapter 6B](#) must be a certified real estate appraiser under [this chapter](#) or a registered associate real estate appraiser acting under the direct supervision of a certified real estate appraiser.

[89 Acts, ch 290, §3](#)

CS89, §117B.3

C93, §543D.3

[99 Acts, ch 171, §39, 42; 2007 Acts, ch 72, §1](#)

543D.4 Iowa real estate appraiser board.

1. A real estate appraiser examining board is established within the banking division of the department of commerce. The board consists of seven members, two of whom shall be public members and five of whom shall be certified real estate appraisers.

2. The governor shall appoint the members of the board who are subject to confirmation by the senate. The governor may remove a member for cause.

3. A certified real estate appraiser member of the board shall be actively engaged in practice as a certified real estate appraiser and shall have been so engaged for five years preceding appointment, the last two of which shall have been in this state. The governor shall attempt to represent each class of certified appraisers in making the appointments.

4. The term of each member is three years. Vacancies occurring during a term shall be filled by appointment by the governor for the unexpired term.

5. Upon expiration of their terms, members of the board shall continue to hold office until the appointment and qualification of their successors. A person shall not serve as a member of the board for more than three terms, but appointment to fill an unexpired term shall not be considered a complete term for this purpose.

6. The public members of the board shall not engage in the practice of real estate appraising.

7. The board shall meet at least once each calendar quarter to conduct its business.

8. The members of the board shall elect a chairperson from among the members to preside at board meetings.

9. A quorum of the board is four members.

10. Members of the board are entitled to receive a per diem as specified in [section 7E.6](#) for each day spent in performance of duties as members and shall be reimbursed for all actual and necessary expenses incurred in the performance of duties as members.

[89 Acts, ch 290, §4](#)

CS89, §117B.4

C93, §543D.4

2006 Acts, ch 1177, §40; 2013 Acts, ch 5, §24; 2016 Acts, ch 1124, §23, 32
Confirmation, see §2.32

543D.5 Powers of the board.

1. The board shall adopt rules establishing uniform appraisal standards and appraiser certification requirements and other rules necessary to administer and enforce [this chapter](#) and its responsibilities under [chapter 272C](#), subject to the superintendent's supervision and authority under [section 543D.23](#). The board shall consider and may incorporate any standards required or recommended by the appraisal foundation or by a federal agency with regulatory authority over appraisal standards or the certification of appraisers for federally related transactions.

2. The uniform appraisal standards shall meet all of the following requirements:

a. Require compliance with federal law and appraisal standards adopted by federal authorities as they apply to federally related transactions. This paragraph does not require that an appraiser invoke a jurisdictional exception to the uniform standards of professional appraisal practice in order to comply with federal law and appraisal standards adopted by federal authorities as they apply to federally related transactions, unless federal law requires that the exception be invoked.

b. Develop standards for the scope of practice for certified real estate appraisers.

c. Required compliance with the uniform standards of professional appraisal practice in all appraisal assignments.

3. Appraiser certification requirements shall require a demonstration that the applicant has a working knowledge of current appraisal theories, practices, and techniques which will provide a high degree of service and protection to members of the public dealt with in a professional relationship under authority of the certification. The board shall establish the examination specifications for each category of certified real estate appraiser, provide or procure appropriate examinations, establish procedures for grading examinations, receive and approve or disapprove applications for certification, and issue certificates.

4. The board shall maintain a registry of the names and certificate numbers of appraisers certified under [this chapter](#) and the names and registration numbers of associate appraisers registered under [this chapter](#).

5. Notwithstanding any provision to the contrary, the provisions in [section 546.10](#), [subsections 6 through 12](#), shall apply to the board and to activities governed under this chapter.

[89 Acts, ch 290, §5](#)

CS89, §117B.5

C93, §543D.5

[99 Acts, ch 171, §40, 42; 2013 Acts, ch 5, §25; 2016 Acts, ch 1124, §24, 25, 32](#)

543D.6 Fees.

1. The board shall establish and collect fees for certification, examination, reexamination, renewal of certification, and delinquency at an amount necessary to pay the administrative costs of sustaining the board and implementing [this chapter](#). The fees shall include, but are not limited to, amounts to cover the costs for the following items:

a. Per diem, expenses, and travel expenses for board members, peer review committee persons, or disciplinary panel members.

b. Salary, per diem, and expenses of staff.

c. Office facilities, supplies, and equipment.

2. All fees collected by the board shall be deposited into the department of commerce revolving fund created in [section 546.12](#) and are appropriated to the superintendent on behalf of the board to be used to administer [this chapter](#), including but not limited to purposes such as examinations, investigations, and administrative staffing. Notwithstanding [section 8.33](#), moneys retained by the superintendent pursuant to this section are not subject to reversion to the general fund of the state. However, the appraisal management company national registry fees the board collects on behalf of the appraisal subcommittee as defined

in section 543E.3 shall be transmitted to the appraisal subcommittee in accordance with federal laws and regulations.

[89 Acts, ch 290, §6; 90 Acts, ch 1168, §21; 90 Acts, ch 1261, §39](#)

CS89, §117B.6

C93, §543D.6

[94 Acts, ch 1107, §90; 2016 Acts, ch 1124, §26, 32](#)

543D.7 Certification process.

Applications for original certification, renewal certification, and examinations shall be made in writing to the board on forms approved by the board.

[89 Acts, ch 290, §7](#)

CS89, §117B.7

C93, §543D.7

[2003 Acts, ch 43, §1](#)

543D.8 Examination requirement.

An original certification as a certified real estate appraiser shall not be issued to a person who has not demonstrated through an examination that the person possesses the following knowledge and understanding:

1. Appropriate knowledge of technical terms commonly used in or related to real estate appraising, appraisal report writing, and economic concepts applicable to real estate.

2. Understanding of the principles of land economics, real estate appraisal processes, and problems likely to be encountered in gathering, interpreting, and processing data in carrying out appraisal assignments.

3. Knowledge of theories of depreciation, cost estimating, methods of capitalization, and the mathematics of real estate appraisal that are appropriate for each classification of certificate applied for.

4. Knowledge of other appropriate principles and procedures for the classifications applied for.

5. Basic understanding of Iowa real estate, property tax, and eminent domain laws.

6. Understanding of the types of misconduct for which disciplinary proceedings may be initiated against a certified real estate appraiser.

[89 Acts, ch 290, §8](#)

CS89, §117B.8

C93, §543D.8

[2013 Acts, ch 5, §26](#)

543D.9 Education and experience requirement.

The board shall determine what real estate appraisal or real estate appraisal review experience and what education shall be required to provide appropriate assurance that an applicant for certification is competent to perform the certified appraisal work which is within the scope of practice defined by the board. All experience required for initial certification shall be performed as a registered associate real estate appraiser acting under the direct supervision of a certified real estate appraiser, except as the board may provide by rule. The board shall prescribe a required minimum number of tested hours of education relating to the provisions of this chapter, the uniform appraisal standards, and other rules issued in accordance with this chapter.

[89 Acts, ch 290, §9](#)

CS89, §117B.9

C93, §543D.9

[2007 Acts, ch 72, §2](#)

543D.10 Nonresident certification.

1. An applicant for certification as a real estate appraiser who is not a resident of Iowa shall submit, with the application for certification, an irrevocable consent that service of process upon the applicant may be made by delivery of the process to the secretary of state if, in an

action against the applicant in a court of this state arising out of the applicant's activities as a certified real estate appraiser, the plaintiff cannot, in the exercise of due diligence, effect personal service upon the applicant.

2. A nonresident of Iowa who has complied with [subsection 1](#) may obtain a certificate as a certified real estate appraiser by complying with the certification requirements in [this chapter](#).

[89 Acts, ch 290, §10](#)

CS89, §117B.10

C93, §543D.10

543D.11 Certification by reciprocity.

If, in the determination by the board, another state is deemed to have substantially equivalent certification requirements, an applicant who is certified under the laws of the other state may obtain a certificate as a certified real estate appraiser upon terms and conditions as determined by the board.

[89 Acts, ch 290, §11](#)

CS89, §117B.11

C93, §543D.11

543D.12 Basis for denial.

The board may deny the issuance of a certificate as a certified real estate appraiser to an applicant on any of the grounds listed in [this chapter](#) or in [chapter 272C](#).

[89 Acts, ch 290, §12](#)

CS89, §117B.12

C93, §543D.12

543D.13 Principal place of business.

1. Each certified real estate appraiser shall advise the board of the address of the appraiser's principal place of business and all other addresses at which the appraiser is currently engaged in the business of preparing real estate appraisal reports.

2. When a certified real estate appraiser changes the appraiser's principal place of business, the appraiser shall immediately give written notification of the change to the board and apply for an amended certificate.

3. Each certified real estate appraiser shall notify the board of the appraiser's current residence address. Residence addresses on file with the board are exempt from disclosure as public records.

[89 Acts, ch 290, §13](#)

CS89, §117B.13

C93, §543D.13

543D.14 Certificate.

A certificate issued under [this chapter](#) shall bear the signature or facsimile signature of the member or members of the board as designated by the board and a certificate number assigned by the board.

[89 Acts, ch 290, §14](#)

CS89, §117B.14

C93, §543D.14

[2001 Acts, ch 49, §2](#)

543D.15 Use of term.

1. The term "certified real estate appraiser" shall only be used to refer to individuals who hold the certificate and shall not be used in connection with or as part of the name or signature of a firm, partnership, corporation, or group, or in a manner that it may be interpreted as referring to a firm, partnership, corporation, group, other business entity, or anyone other than an individual holder of the certificate.

2. The term "associate real estate appraiser" shall only be used to refer to individuals who

do not yet fully meet the requirements for certification but who provide significant input into the appraisal development under the direction of a certified appraiser.

3. A certificate shall not be issued under [this chapter](#) to a firm, corporation, partnership, group, or other business entity.

[89 Acts, ch 290, §15](#)

CS89, §117B.15

C93, §543D.15

Referred to in [§543D.21](#)

543D.16 Continuing education.

1. As a prerequisite to renewal of a certification, a certified real estate appraiser shall present evidence satisfactory to the board of having met continuing education requirements.

2. The basic continuing education requirement for renewal of certification shall be the completion, before June 30 of the year in which the appraiser's certificate expires, of the number of hours of instruction required by the board in courses or seminars which have received the preapproval of the board.

3. The provisions of [section 272C.2, subsection 4](#), shall only apply to a certified real estate appraiser or an associate real estate appraiser to the extent consistent with the policies adopted by the appraisal qualifications board of the appraisal foundation.

[89 Acts, ch 290, §16](#)

CS89, §117B.16

C93, §543D.16

[97 Acts, ch 80, §1; 2008 Acts, ch 1059, §5; 2013 Acts, ch 5, §27](#)

543D.17 Disciplinary proceedings.

1. The rights of a holder of a certificate as a certified real estate appraiser may be revoked or suspended, or the holder may be otherwise disciplined in accordance with [this chapter](#). The board may investigate the actions of a certified real estate appraiser and may revoke or suspend the rights of a holder or otherwise discipline a holder for violation of a provision of [this chapter](#), or [chapter 272C](#), or of a rule adopted under [this chapter](#) or commission of any of the following acts or omissions:

a. Procurement or attempt to procure a certificate under [this chapter](#) by knowingly making a false statement, submitting false information, refusing to provide complete information in response to a question in an application for certification, or participating in any form of fraud or misrepresentation.

b. Failure to meet the minimum qualifications established by [this chapter](#).

c. A conviction, including a conviction based upon a plea of guilty or nolo contendere, of a crime which is substantially related to the qualifications, functions, and duties of a person developing real estate appraisals and communicating real estate appraisals to others.

d. Violation of any of the standards for the development or communication of real estate appraisals as provided in [this chapter](#).

e. Failure or refusal without good cause to exercise reasonable diligence in developing an appraisal, preparing an appraisal report, or communicating an appraisal.

f. Negligence or incompetence in developing an appraisal, in preparing an appraisal report, or in communicating an appraisal.

g. Willful disregard or violation of a provision of [this chapter](#) or a rule of the board of the administration and enforcement of [this chapter](#).

2. In a disciplinary proceeding based upon a civil judgment a certified real estate appraiser shall be given an opportunity to present matters in mitigation and extenuation, but not to collaterally attack the civil judgment.

3. Notwithstanding the limitations of [section 272C.3, subsection 2](#), paragraph "e", the board shall adopt a rule providing for civil penalties in amounts and for the reasons authorized by federal law where federal law requires the board to have the authority to impose the civil penalties in order to obtain or to retain the board's designation as a qualified state appraiser certifying agency.

[89 Acts, ch 290, §17](#)

CS89, §117B.17

C93, §543D.17

Referred to in §543D.20, 543E.3

543D.18 Standards of practice.

1. A certified real estate appraiser shall comply with the uniform appraisal standards adopted under [this chapter](#). The reliance of the public in general and of the financial business community in particular on sound, reliable real estate appraisal practices imposes on persons engaged in the practice of real estate appraising as certified real estate appraisers or as registered associate real estate appraisers certain obligations both to their clients and to the public. These obligations include the obligation to maintain independence in thought and action, to adhere to the uniform appraisal standards adopted under [this chapter](#), and to maintain high standards of personal conduct in all matters impacting one's fitness to practice real estate appraising. A certified real estate appraiser and a registered associate real estate appraiser acting under the direct supervision of a certified real estate appraiser shall perform all appraisal assignments in an honest, disinterested and impartial manner, with objectivity and independence, and without accommodation to the personal interests or objectives of the appraiser, the client, or any third person.

2. A certified real estate appraiser shall not accept an appraisal assignment or a fee for an appraisal assignment if the employment itself is contingent upon the appraiser reporting a predetermined estimate, analysis, or opinion or if the fee to be paid is contingent upon the opinion, conclusion, or valuation reached, or upon the consequences resulting from the appraisal assignment.

3. A certified real estate appraiser may provide specialized services to facilitate the client's or employer's objectives. Specialized services shall not be communicated as a certified appraisal or as a certified appraisal report. Regardless of the intention of the client or employer, if the appraiser would be perceived by third parties or the public as acting as a disinterested third party in rendering an unbiased analysis or opinion or conclusion, the work is an appraisal assignment rather than an assignment for specialized services. Communication of a valuation under oath is an appraisal assignment.

4. A certified real estate appraiser who enters into an agreement to perform specialized services may be paid a fixed fee or a fee that is contingent on the results achieved by the specialized services.

5. If a certified real estate appraiser enters into an agreement to perform specialized services for a contingent fee, this fact shall be clearly stated in each written and oral report. In each written report, this fact shall be clearly stated in a prominent location in the report, each letter of transmittal, and the certification statement made by the appraiser in the report.

6. A certified real estate appraiser making a significant contribution to the valuation or analysis process in completing an appraisal assignment shall sign the final written report or acknowledge the appraiser's contribution in a verbal report.

7. A certified real estate appraiser who receives significant real property appraisal assistance in the development or reporting of an appraisal assignment shall disclose such assistance in accordance with the uniform appraisal standards adopted under [this chapter](#).

[89 Acts, ch 290, §18](#)

CS89, §117B.18

C93, §543D.18

[2007 Acts, ch 72, §3, 4](#)

Referred to in §543D.18A, 543E.8, 543E.14, 543E.15

543D.18A Penalties for improper influence of an appraisal assignment.

1. A mortgage lender, mortgage broker or originator, real estate broker or salesperson, client, party, appraiser, or any other person with an interest in a real estate transaction or the financing of any loan secured by real estate involving an appraisal assignment shall not improperly influence or attempt to improperly influence the development, reporting, result, or review of a real estate appraisal through coercion, extortion, or bribery, or by the withholding or threatened withholding of payment for an appraisal fee, or the conditioning of the payment

of an appraisal fee upon the opinion, conclusion, or valuation to be reached, or a request that the appraiser report a predetermined opinion, conclusion, or valuation, or the desired valuation of any person, or by any other act or practice that impairs or attempts to impair an appraiser's independence, objectivity, and impartiality, as required by [section 543D.18, subsections 1 and 2](#).

2. A violation of [this section](#) is an unlawful practice under [section 714.16, subsection 2](#), paragraph "a".

3. A violation of [this section](#) is a ground for discipline against any person holding a certificate of registration under [this chapter](#) or another license issued under the laws of the state of Iowa, as license is defined in [section 17A.2, subsection 6](#), if the practice of the profession, occupation, or business regulated by the license relates to real estate transactions or the financing of loans secured by real estate.

4. A person does not violate [this section](#) solely by asking an appraiser to consider additional, appropriate property information, or to provide further detail, substantiation, or explanation for the appraiser's value conclusion, or to correct errors in the appraisal report, or by withholding payment of an appraisal fee based on a bona fide dispute regarding the appraiser's compliance with the appraisal standards adopted by the board under [this chapter](#). A person does not violate [this section](#) solely by retaining appraisers from panels or lists on a rotating basis, or by supplying an appraiser with information the appraiser is required to analyze under the appraisal standards adopted by the board under [this chapter](#), such as agreements of sale, options, or listings of the property to be valued.

[2007 Acts, ch 72, §5](#)

Referred to in [§543D.21](#), [543E.8](#), [543E.14](#), [543E.15](#), [543E.18](#)

543D.19 Retention of records.

1. A certified real estate appraiser shall retain for five years, originals or true copies of all written contracts engaging the appraiser's services for real estate appraisal work and all reports and supporting data assembled and formulated for use by the appraiser or the associate appraiser in preparing the reports.

2. An appraiser must retain all work files for a period of at least five years after preparation or at least two years after final disposition of any judicial proceeding in which testimony was given, whichever period expires last, and either maintain custody of the appraiser's work file or make appropriate work file retention, access, and retrieval arrangements with a party having custody of the work file.

3. All records required to be maintained under [this chapter](#) shall be made available by a certified real estate appraiser for inspection and copying by the board on reasonable notice to the appraiser.

[89 Acts, ch 290, §19](#)

CS89, §117B.19

C93, §543D.19

[2003 Acts, ch 43, §2, 3](#)

543D.20 Registration of associate real estate appraisers.

1. A person shall not assist a certified real estate appraiser in the development or reporting of an appraisal assignment that is required by [this chapter](#), or by federal or state law, rule, or policy to be performed by a certified real estate appraiser, unless the person meets one or more of the following conditions:

a. The person is certified under [this chapter](#).

b. The person is registered as an associate real estate appraiser and is acting under the direct supervision of a certified real estate appraiser.

c. The person is solely providing administrative services, such as taking photographs, preparing charts, or typing reports, and is not providing real estate appraisal assistance in developing the analysis, valuation, opinions, or conclusions associated with the appraisal assignment.

d. The person is providing professional consultation that does not constitute real property

appraisal assistance, such as the assistance of a professional engineer or certified public accountant.

2. The board shall establish by rule the terms and conditions of the registration of associate real estate appraisers, including the educational and other prerequisites to registration, the fees for registration and the renewal of registration, and the continuing education requirements for renewal of registration. The board shall consider and may incorporate any guidelines recommended by the appraisal qualifications board of the appraisal foundation relating to associate real estate appraisers.

3. The board shall adopt rules governing the manner in which certified real estate appraisers shall directly supervise associate real estate appraisers, the standards of conduct for associate real estate appraisers, and the grounds for imposing discipline against an associate real estate appraiser which shall include all of the grounds provided in [section 543D.17](#).

4. Associate real estate appraisers shall be bound by the uniform appraisal standards adopted by the board under [this chapter](#).

5. Persons who appraise real estate where certification is not required by [this chapter](#) or by federal or state law, rule, or policy, and who are not assisting a certified real estate appraiser in the development or reporting of an appraisal assignment that is required by [this chapter](#), or by federal or state law, rule, or policy to be performed by a certified real estate appraiser, are not required to register with the board.

[2007 Acts, ch 72, §6](#)

Referred to in §543D.21, 543E.3

543D.21 Violations — injunctions — civil penalties.

1. If, as the result of a complaint or otherwise, the board believes that a person has engaged, or is about to engage, in an act or practice that constitutes or will constitute a violation of [this chapter](#), the board may make application to the district court for an order enjoining such act or practice. Upon a showing by the board that such person has engaged, or is about to engage, in any such act or practice, an injunction, restraining order, or other order as may be appropriate shall be granted by the district court.

2. The board may investigate complaints or initiate complaints against persons who are not certified or registered under [this chapter](#) solely to determine whether grounds exist to make application to the district court pursuant to [subsection 1](#) or to issue an order pursuant to [subsection 3](#), and in connection with such complaints or investigations may issue subpoenas to compel witnesses to testify or persons to produce evidence consistent with the provisions of [section 272C.6, subsection 3](#), as needed to determine whether probable cause exists to initiate proceedings under [this section](#) or to make application to the district court for an order enjoining violations of [this chapter](#).

3. In addition to or as an alternative to making application to the district court for an injunction, the board may issue an order to a person who is not certified or registered under [this chapter](#) to require compliance with [this chapter](#) and may impose a civil penalty against such person for any violation of [subsection 4](#) in an amount up to one thousand dollars for each violation. All civil penalties collected pursuant to [this subsection](#) shall be deposited in the housing trust fund created in [section 16.181](#). An order issued pursuant to [this section](#) may prohibit a person from applying for certification or registration under [this chapter](#).

4. The board may impose civil penalties against a person who is not certified or registered under [this chapter](#) for any of the following acts:

- a. A violation of [section 543D.15](#).
- b. A violation of [section 543D.18A, subsection 1](#).
- c. A violation of [section 543D.20, subsection 1](#).
- d. Fraud, deceit, or deception, through act or omission, in connection with an application for certification or registration under [this chapter](#).

5. The board, before issuing an order under [this section](#), shall provide the person written notice and the opportunity to request a hearing. The hearing must be requested within thirty days after receipt of the notice and shall be conducted in the same manner as provided for disciplinary proceedings involving a licensee under [this chapter](#).

6. A person aggrieved by the imposition of a civil penalty under [this section](#) may seek judicial review pursuant to [section 17A.19](#).

7. If a person fails to pay a civil penalty within thirty days after entry of an order imposing the civil penalty, or if the order is stayed pending an appeal, within ten days after the court enters a final judgment in favor of the board, the board shall notify the attorney general. The attorney general may commence an action to recover the amount of the penalty, including reasonable attorney fees and costs.

8. An action to enforce an order under [this section](#) may be joined with an action for an injunction.

[2007 Acts, ch 72, §7](#)

Referred to in [§543D.23](#)

543D.22 Criminal background checks.

1. The board may require a national criminal history check through the federal bureau of investigation for applicants for certification or registration, or for persons certified or registered, under [this chapter](#) if needed for credibility, to comply with federal law or regulation, or the policies of the appraisal qualification board of the appraisal foundation. The board may alternatively require a national criminal history check through the nationwide mortgage licensing system and registry, as defined in [section 535D.3](#), when conducting background investigations under this section, if authorized by applicable federal law or regulation.

2. The board may require applicants, certificate holders, or registrants to provide a full set of fingerprints, in a form and manner prescribed by the board. Such fingerprints, if required, shall be submitted to the federal bureau of investigation through the state criminal history repository for purposes of the national criminal history check.

3. The board may also request and obtain, notwithstanding [section 692.2, subsection 5](#), criminal history data for applicants, certificate holders, and registrants. A request for criminal history data shall be submitted to the department of public safety, division of criminal investigation, pursuant to [section 692.2, subsection 1](#).

4. The board shall inform the applicant, certificate holder, or registrant of the requirement of a national criminal history check or request for criminal history data and obtain a signed waiver from the applicant, certificate holder, or registrant prior to requesting the check or data.

5. The board may, in addition to any other fees, charge and collect such amounts as may be incurred by the board, the department of public safety, or federal bureau of investigation in obtaining criminal history information. Amounts collected shall be considered repayment receipts as defined in [section 8.2, subsection 8](#).

6. Criminal history data and other criminal history information relating to an applicant, certificate holder, or registrant obtained by the board pursuant to [this section](#) is confidential. Such information may, however, be used by the board in a certificate or registration denial or disciplinary proceeding.

[2013 Acts, ch 5, §28; 2016 Acts, ch 1124, §27, 32](#)

543D.23 Superintendent supervision and authority.

1. The superintendent shall supervise the board and manage the board's budget and retained fees. The superintendent may exercise all authority conferred upon the board under this chapter and shall have access to all records and information to which the board has access. In supervising the board, the superintendent shall independently evaluate the substantive merits of actions recommended or proposed by the board which may be anticompetitive and shall have the authority to review, approve, modify, or reject all board actions including but not limited to those taken in connection with any of the following:

- a. Initial or reciprocal certification of real estate appraisers, registration of associate real estate appraisers, and temporary practice permits.
- b. Disciplinary investigations and proceedings.
- c. Investigations and proceedings under [section 543D.21](#).
- d. Rulemaking, including orders on petitions for rulemaking.

- e. Orders on petitions for declaratory orders or waivers or variances.
- 2. A person aggrieved by any final action of the board taken under this chapter shall not have exhausted administrative remedies until the person has appealed the action to the superintendent and the superintendent has issued a final decision or order.
- 3. The superintendent shall adopt rules to implement this section.

[2016 Acts, ch 1124, §28, 32](#)

Referred to in §543D.5

REAL ESTATE APPRAISER EXAMINING BOARD[193F]

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CHAPTER 1
ORGANIZATION AND ADMINISTRATION
[Prior to 2/20/02, see 193F—Chapters 2, 9 and 11]

193F—1.1(543D) Description.

1.1(1) The purpose of the real estate appraiser examining board is to administer and enforce the provisions of Iowa Code chapter 543D (Iowa Voluntary Appraisal Standards and Appraiser Certification Law of 1989) with regard to the appraisal of real property in the state of Iowa, including the examination of candidates and issuance of certificates and registrations; investigation of alleged violations and infractions of the appraisal standards and appraiser certification law; and the disciplining of appraisers. The importance of the role of the appraiser places ethical and professional standards on those who serve in this capacity. To this end, the board has promulgated these rules and has adopted the Uniform Standards of Professional Appraisal Practice (USPAP) to clarify the board's intent and procedures and to promote and maintain a high level of public trust in professional appraisal practice.

1.1(2) All official communications, including submissions and requests, should be addressed to the board at its official address, 200 E. Grand Avenue, Suite 350, Des Moines, Iowa 50309.

1.1(3) All board action under Iowa Code chapter 543D and 193F—Chapter 17 shall be taken under the supervision of the superintendent, as provided in Iowa Code section 543D.23 and the implementing rules set forth herein.

[ARC 1467C, IAB 5/28/14, effective 7/2/14; ARC 2808C, IAB 11/9/16, effective 1/1/17; ARC 4379C, IAB 3/27/19, effective 5/1/19]

193F—1.2(543D) Administrative authority.

1.2(1) The superintendent is vested with authority to review, approve, modify, or reject all board action pursuant to Iowa Code chapter 543D and 193F—Chapter 17. The superintendent may exercise all authority conferred upon the board and shall have access to all records and information to which the board has access. In supervising the board, the superintendent shall independently evaluate the substantive merits of recommended or proposed board actions which may be anticompetitive.

1.2(2) In performing its duties and in exercising its authority under Iowa Code chapter 543D and 193F—Chapter 17, the board may take action without preclearance by the superintendent if the action is ministerial or nondiscretionary. As used in this chapter, “ministerial or nondiscretionary” shall include any action expressly required by state or federal law, rule, or regulation; by the AQB; or by the appraisal subcommittee. The board may, for example, grant or deny an application for initial or reciprocal certification as a real estate appraiser, an application for registration as an associate real estate appraiser, or an application for a temporary practice permit by an out-of-state appraiser, on any ground expressly required by state or federal law, rule, or regulation; by the AQB; or by the appraisal subcommittee.

1.2(3) Prior to taking discretionary action under Iowa Code chapter 543D and 193F—Chapter 17, the board shall secure approval of the superintendent if the proposed action is or may be anticompetitive, as provided in 193F—Chapter 17. As used in this chapter, “discretionary” shall include any action that is authorized but not expressly required by state or federal law, rule, or regulation; by the AQB; or by the appraisal subcommittee. Examples of discretionary action include orders in response to petitions for rule making, declaratory orders, or waivers or variances from rules, rule making, disciplinary proceedings against licensees, administrative proceedings against unlicensed persons, or any action commenced in the district court.

1.2(4) Determining whether any particular action is or may be anticompetitive is necessarily a fact-based inquiry dependent on a number of factors, including potential impact on the market or restraint of trade. With respect to disciplinary actions, for instance, a proceeding against a single licensee for violating appraisal standards would not have an impact on the broader market and would accordingly not be an anticompetitive action. Commencement of disciplinary proceedings which affect all or a substantial subset of appraisers may have a significant market impact. When in doubt as to whether a proposed discretionary action is or may be anticompetitive, the board may submit the proposed action through the preclearance procedures outlined in 193F—Chapter 17.

1.2(5) A person aggrieved by any final action of the board taken under Iowa Code chapter 543D or 193F—Chapter 17 may appeal that action to the superintendent within 20 days of the date the board issues the action.

a. The appeal process applies whether the board action at issue was ministerial or nondiscretionary, or discretionary, and whether the proposed action was or was not submitted through a preclearance process before the superintendent.

b. No person aggrieved by a final action of the board may seek judicial review of that action without first appealing the action to the superintendent, as more fully described in 193F—Chapter 17.

c. Final board action which is ministerial or nondiscretionary is immediately effective when issued by the board but is subject to appeal to the superintendent.

d. Records, filings, and requests for public information. Unless otherwise provided by rule of the board, final board action which is discretionary shall be effective upon the expiration of 20 days following issuance of the board's action if not timely reviewed by or appealed to the superintendent or upon final action by the superintendent if timely reviewed or appealed.

[ARC 1467C, IAB 5/28/14, effective 7/2/14; ARC 2808C, IAB 11/9/16, effective 1/1/17; ARC 4379C, IAB 3/27/19, effective 5/1/19]

193F—1.3(543D) Annual meeting. The annual meeting of the board shall be the first meeting scheduled after April 30. At this time, the chairperson and vice chairperson shall be elected to serve until their successors are elected.

[ARC 1467C, IAB 5/28/14, effective 7/2/14]

193F—1.4(543D) Other meetings. In addition to the annual meeting, and in addition to other meetings, the time and place of which may be fixed by resolution of the board, any meeting may be called by the chairperson of the board or by joint call of a majority of its members.

[ARC 1467C, IAB 5/28/14, effective 7/2/14]

193F—1.5(543D) Executive officer's duties.

1.5(1) The executive officer shall cause complete records to be kept of applications for examination and registration, certificates and permits granted, and all necessary information in regard thereto.

1.5(2) The executive officer shall determine when the legal requirements for certification and registration have been satisfied with regard to issuance of certificates or registrations, and the executive officer shall submit to the board any questionable application.

1.5(3) The executive officer shall keep accurate minutes of the meetings of the board. The executive officer shall keep a list of the names of persons issued certificates as certified general real property appraisers, certified residential real property appraisers and associate real property appraisers.

193F—1.6(543D) Records, filings, and requests for public information. Unless otherwise specified by the rules of the department of commerce, the board is the principal custodian of its own agency orders, statements of law or policy issued by the board, legal documents, and other public documents on file with the board.

1.6(1) Any person may examine public records promulgated or maintained by the board at its office during regular business hours as specified in 193F—Chapter 25.

1.6(2) Records, documents and other information may be gathered, stored, and available in electronic format. Information, various forms, documents, and the law and rules may be reviewed or obtained anytime by the public from the board's Internet website located at idob.state.ia.us/reap.

1.6(3) Deadlines. Unless the context requires otherwise, any deadline for filing a document shall be extended to the next working day when the deadline falls on a Saturday, Sunday, or official state holiday.
[ARC 1467C, IAB 5/28/14, effective 7/2/14; ARC 4379C, IAB 3/27/19, effective 5/1/19]

193F—1.7(543D) Adoption, amendment or repeal of administrative rules.

1.7(1) The board shall adopt, amend or repeal its administrative rules in accordance with the provisions of Iowa Code section 17A.4. Prior to the adoption, amendment or repeal of any rule of the board, any interested person, as described in Iowa Code section 17A.4(1)“*b*,” may submit any data, views, or arguments in writing concerning such rule or may request to make an oral presentation

concerning such rule. Such written comments or requests to make oral presentations shall be filed with the board at its official address and shall clearly state:

- a. The name, address, and telephone number of the person or agency authoring the comment or request;
- b. The number and title of the proposed rule, which is the subject of the comment or request as given in the Notice of Intended Action;
- c. The general content of the oral presentation. A separate comment or request to make an oral presentation shall be made for each proposed rule to which remarks are to be asserted.

1.7(2) The receipt and acceptance for consideration of written comments and requests to make oral presentations shall be acknowledged by the board.

1.7(3) Written comments received after the deadline set forth in the Notice of Intended Action may be accepted by the board although their consideration is not assured. Requests to make an oral presentation received after the deadline shall not be accepted and shall be returned to the requester.

193F—1.8(22) Public records and fair information practices. Rescinded ARC 4379C, IAB 3/27/19, effective 5/1/19.

193F—1.9(68B) Sales of goods and services. Rescinded ARC 4379C, IAB 3/27/19, effective 5/1/19.

193F—1.10(17A) Petitions for rule making. Rescinded ARC 4379C, IAB 3/27/19, effective 5/1/19.

193F—1.11(17A) Declaratory orders. Rescinded ARC 4379C, IAB 3/27/19, effective 5/1/19.

193F—1.12(252J,261) Denial of issuance or renewal of license for nonpayment of child support or student loan. Rescinded ARC 4379C, IAB 3/27/19, effective 5/1/19.

193F—1.13(17A) Waivers and variances. Rescinded ARC 4379C, IAB 3/27/19, effective 5/1/19.

193F—1.14(543D,17A,272C) Investigations and investigatory subpoenas. Rescinded ARC 4379C, IAB 3/27/19, effective 5/1/19.

193F—1.15(543D,17A,272C) Contested case procedures. Rescinded ARC 4379C, IAB 3/27/19, effective 5/1/19.

193F—1.16(272C) Impaired licensees. Rescinded ARC 4379C, IAB 3/27/19, effective 5/1/19.

193F—1.17(543D) Types of appraiser classifications. There are three types of appraiser classifications:

1. Associate real property appraiser. This classification consists of those persons who meet the requirements of 193F—Chapter 4.
2. Certified residential real property appraiser. This classification consists of those persons who meet the requirements of 193F—Chapter 5.
3. Certified general real property appraiser. This classification consists of those persons who meet the requirements of 193F—Chapter 6.

[ARC 7774B, IAB 5/20/09, effective 6/24/09]

193F—1.18(543D) Qualified state appraiser certifying agency.

1.18(1) The real estate appraiser examining board is a state appraiser certifying agency in compliance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA). As a result, persons who are issued certificates by the board to practice as certified real estate appraisers are authorized under federal law to perform appraisal services for federally related transactions and are identified as such in the National Registry maintained by the Appraisal Subcommittee (ASC).

1.18(2) The board must adhere to the criteria established by the Appraiser Qualifications Board (AQB) of the Appraisal Foundation when registering associate appraisers or certifying certified appraisers under Iowa Code chapter 543D.
[ARC 1467C, IAB 5/28/14, effective 7/2/14]

193F—1.19(543D) May 1, 2018, criteria.

1.19(1) Effective on and after May 1, 2018, the AQB has changed the criteria for eligibility for certification as a certified appraiser. No person may be certified as a certified appraiser on or after May 1, 2018, unless the person is eligible under the most recent criteria.

1.19(2) The May 1, 2018, criteria were adopted by the AQB in 2018 and have been widely disseminated, including on the board's website at: idob.state.ia.us/reap/. The May 1, 2018, criteria modify the conditions under which applicants for certification are eligible to take the required examinations.

[ARC 1467C, IAB 5/28/14, effective 7/2/14; ARC 4169C, IAB 12/5/18, effective 1/9/19]

193F—1.20(543D) Application and work product deadlines.

1.20(1) *Summary of registration requirements for registration as an associate.* The associate appraiser and supervisory appraiser provisions are more fully set out in 193F—Chapters 4 and 15, respectively. Before submitting an application for registration with the board, a person seeking registration as an associate appraiser must complete 75 hours of appraisal education and secure a qualified supervisory appraiser. An associate appraiser applicant who submits an application to the board office must have completed all required qualifying education and the supervisory appraiser/associate coursework prior to submitting an application for registration.

1.20(2) *Summary of certification requirements.* As more fully set out in 193F—Chapters 3, 5, and 6, a person who is in the process of completing the education, experience, and examination required for certification as a certified appraiser may not submit an application for certification to the board until all prerequisites have been satisfactorily completed. The prerequisites include the following: qualifying college and core criteria appraiser education, qualifying examination, 1,500 hours of qualifying experience in a minimum of 12 months for residential appraisers or 3,000 hours of qualifying experience in a minimum of 18 months for general appraisers, and work product review. Work product review requires numerous steps, as provided in 193F—5.6(543D) and 193F—6.6(543D). The work product review process includes the applicant's submission of a work product experience log to the board; the board's selection of three appraisals to review; communication of the selected appraisals to the applicant; the applicant's submission of the three appraisals and associated work files to the board in electronic and paper formats; review of the appraisals and work files by a reviewer retained by the board; the reviewer's submission of review reports to the board; a meeting between the applicant and the board's work product review committee; a formal board vote at a board meeting; and communication of approval, denial, or deferral to the applicant. All of these steps must be completed before an applicant with approved work product can submit an application for certification to the board office.

[ARC 1467C, IAB 5/28/14, effective 7/2/14; ARC 4169C, IAB 12/5/18, effective 1/9/19; ARC 4707C, IAB 10/9/19, effective 11/13/19]

193F—1.21(543D) National criminal history check. Effective January 1, 2017, all applicants for any of the classifications listed in 193F—1.17(543D) must satisfactorily complete a national criminal history check as provided in Iowa Code section 543D.22 as a condition of registration as an associate real property appraiser or certification as a residential or general real property appraiser. The applicant shall authorize release of the results of the criminal history check to the board. Unless the criminal history check was completed within 180 calendar days prior to the date the license application is received by the board, the board shall reject and return the application to the applicant.

[ARC 1467C, IAB 5/28/14, effective 7/2/14; ARC 3084C, IAB 5/24/17, effective 6/28/17]

193F—1.22(272C,543D) Process for board review of eligibility.

1.22(1) Before applying for registration as an associate appraiser or certification as a certified appraiser, a person with a criminal history or other background matters that may impair registration or

certification may request that the board evaluate the prospective applicant's criminal history or other background matters by submitting a written request to the board. Upon receiving such a request, the board may request additional supporting materials.

1.22(2) Requests will be processed under the same standards as applications for registration or certification in order to inform the prospective applicant whether any of the disclosed information is or may be a bar to future registration or certification. In responding to a request, the board shall address only the offenses or matters listed in the request. The board's response will be based upon the laws, rules, and guidelines in effect at the time of the board's response, including the guidelines and policies promulgated by the AQB or ASC.

1.22(3) If the information supplied is not accurate or is incomplete, or if applicable laws, rules, or guidelines change or are impacted by intervening board orders or case law, the board's response shall not be binding on a future board.

[ARC 1467C, IAB 5/28/14, effective 7/2/14]

These rules are intended to implement Iowa Code sections 543D.4, 543D.5, 543D.7, 543D.17, 543D.20 and 543D.22 and chapter 272C.

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[Filed ARC 4707C (Notice ARC 4567C, IAB 7/31/19), IAB 10/9/19, effective 11/13/19]

CHAPTER 2
DEFINITIONS
[Prior to 2/20/02, see 193F—Chapter 1]

193F—2.1(543D) Applicability. The following definitions shall be applicable to the rules of the real estate appraiser examining board.

“*Appraisal Foundation*” means the Appraisal Foundation incorporated as an Illinois not-for-profit corporation on November 30, 1987.

“*Appraisal subcommittee*” means the appraisal subcommittee of the Federal Financial Institutions Examination Council.

“*AQB*” means the Appraiser Qualifications Board of the Appraisal Foundation.

“*ASB*” means the Appraisal Standards Board of the Appraisal Foundation.

“*Associate real property appraiser*” or “*associate appraiser*” means an individual who has registered with the board as an associate real property appraiser, as defined in Iowa Code section 543D.2(5), and who is training to become a certified residential or certified general real property appraiser.

“*Certified appraiser*” means an individual who has been certified in one of the following two classifications:

1. The certified residential real property appraiser classification, which is limited to the appraisal of one to four residential units without regard to transaction value.

2. The certified general real property appraiser classification, which applies to the appraisal of all types of real property.

“*FIRREA*” means the Financial Institutions Reform Recovery and Enforcement Act of 1989.

“*Knowingly*” means done with awareness and deliberateness.

“*Law*” means the “Iowa Voluntary Appraisal Standards and Appraiser Certification Law of 1989,” Iowa Code chapter 543D.

“*Superintendent*” means the superintendent of banking or the superintendent’s designee. The designee shall not be a certified or licensed real estate appraiser, a registered associate real estate appraiser, or a trainee real estate appraiser in any jurisdiction.

“*USPAP*” means the Uniform Standards of Professional Appraisal Practice published by the Appraisal Foundation.

This rule is intended to implement Iowa Code section 543D.2.

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[Filed ARC 2808C (Notice ARC 2710C, IAB 9/14/16), IAB 11/9/16, effective 1/1/17]

CHAPTER 3
GENERAL PROVISIONS FOR EXAMINATIONS

193F—3.1(543D) Types of appraiser certificates. Rescinded IAB 5/20/09, effective 6/24/09.

193F—3.2(543D) Examinations. Examinations for certified residential real property appraisers and certified general real property appraisers shall be AQB-endorsed and administered by the board or its authorized representative as often as the board deems necessary, but not less than one time per year.

3.2(1) Disclosure of confidential information. Members of the board shall not disclose a final examination score to any person other than the person who took the examination. Persons who take the examination may consent to the publication of their names on a list of passing candidates.

Other information relating to the examination results, including the specific grades by subject matter, shall be given only to the person who took the examination, except that the board may:

a. Disclose the specific grades by subject matter to the regulatory authority of any other state or foreign country in connection with the candidate's application for a reciprocal certificate or license from the other state or foreign country, but only if requested by the candidate.

b. Disclose the specific grades by subject matter to educational institutions, professional organizations, or others who have a legitimate interest in the information provided in conjunction with the scores.

3.2(2) The board shall enter into a contractual relationship with a qualified testing service to develop and administer AQB-approved examinations and shall maintain control over the examination process.

3.2(3) and 3.2(4) Rescinded IAB 5/20/09, effective 6/24/09.

3.2(5) If an applicant who has passed an examination does not obtain the related appraiser credential within 24 months of passing the examination, that examination result loses its validity to support the issuance of an appraiser credential. To regain eligibility for the credential, the applicant must retake and pass the examination. This requirement applies to individuals obtaining an initial certified credential or upgrading to the certified general classification.

[ARC 7774B, IAB 5/20/09, effective 6/24/09; ARC 1731C, IAB 11/12/14, effective 12/17/14]

193F—3.3(543D) Conduct of applicant.

3.3(1) Any individual who subverts or attempts to subvert the examination process may, at the discretion of the board, have the individual's examination scores declared invalid for the purpose of certification in Iowa, be barred from the appraisal certification examinations in Iowa, or be subject to the imposition of other sanctions that the board deems appropriate.

3.3(2) Conduct that subverts or attempts to subvert the examination process includes, but is not limited to:

a. Conduct that violates the security of the examination materials, such as removing from the examination room any of the examination materials; reproducing or reconstructing any portion of the examination; aiding by any means in the reproduction or reconstruction of any portion of the examination; selling, distributing, buying, receiving, or having unauthorized possession of any portion of a future, current, or previously administered examination.

b. Conduct that violates the standard of test administration, such as communicating with any other examination candidate during the administration of the examination; copying answers from another candidate or permitting one's answers to be copied by another candidate during the examination; referencing any books, notes, written or printed materials or data of any kind, other than the examination materials distributed.

c. Conduct that violates the examination process, such as falsifying or misrepresenting educational credentials or other information required for admission to the examination; impersonating an examination candidate or having an impersonator take the examination on one's behalf.

3.3(3) Any examination candidate who challenges a decision of the board under this rule may request a contested case hearing pursuant to rule 193F—20.39(546,543D,272C). The request for hearing shall

be in writing, shall briefly describe the basis for the challenge, and shall be filed in the board's office within 30 days of the date of the board decision that is being challenged.

[ARC 4379C, IAB 3/27/19, effective 5/1/19]

193F—3.4(543D) Application for certification. Applicants for certification must successfully complete the appropriate examination.

3.4(1) All initial applications for certification or associate registration shall be made on forms provided by the board. The board may deny an application as described in Iowa Code sections 543D.12 and 543D.17. Specific examples of grounds for denial include knowingly making a false statement, submitting false information, refusing to provide complete information in response to a question in an application for certification, or participating in any form of fraud or misrepresentation; the revocation of another professional license; or a conviction, including a conviction based upon a plea of guilty or nolo contendere, of a crime which is substantially related to the qualifications, functions and duties of a person developing real estate appraisals and communicating real estate appraisals to others. The board may also deny an application based on disciplinary action taken against an associate appraiser registration.

3.4(2) A certificate or associate registration shall contain the applicant's name, appraiser classification, Iowa certificate number and the signature of the board chairperson.

3.4(3) An initial certificate shall not be issued until the applicant has demonstrated compliance with all required appraiser qualifications for certification, which include examination, core criteria, collegiate education, and real property appraiser experience pursuant to Iowa Code section 543D.9 and 193F—Chapter 5 or 6.

[ARC 7774B, IAB 5/20/09, effective 6/24/09; ARC 1731C, IAB 11/12/14, effective 12/17/14; ARC 4169C, IAB 12/5/18, effective 1/9/19]

193F—3.5(543D) Work product review. Rescinded IAB 5/20/09, effective 6/24/09.

These rules are intended to implement Iowa Code section 543D.8.

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[Filed ARC 4379C (Notice ARC 4224C, IAB 1/16/19), IAB 3/27/19, effective 5/1/19]

CHAPTER 4
ASSOCIATE REAL PROPERTY APPRAISER
[Prior to 2/20/02, see rule 193F—3.6(543D)]

193F—4.1(543D) Qualifications to register as an associate appraiser.

4.1(1) Education.

a. A person applying for registration as an associate appraiser shall, at a minimum, satisfactorily complete the following AQB-approved, qualifying education modules required under the educational standards applicable for certification as a certified residential appraiser or certified general appraiser:

- (1) The 30-hour module on basic appraisal principles;
- (2) The 30-hour module on basic appraisal procedures; and
- (3) The 15-hour national USPAP course or its equivalent.

b. The initial qualifying education must be completed no more than five years prior to the date of application.

4.1(2) Training. Prior to registration as an associate, a person must complete a course that complies with the specifications for course content established by the AQB specifically oriented to the requirements and responsibilities of supervisory appraisers and associate appraisers. The course must be completed before the person can obtain an associate credential. This course cannot be applied toward the required hours of qualifying or continuing education.

4.1(3) Background check. Effective January 1, 2017, a national criminal history check as provided in Iowa Code section 543D.22 shall be performed on any new associate appraiser. The applicant shall authorize release of the results of the criminal history check to the board. Unless the criminal history check was completed within 180 calendar days prior to the date the license application is received by the board, the board shall reject and return the application to the applicant.

4.1(4) Application form. After completing the education outlined in subrules 4.1(1) and 4.1(2), a person applying for registration as an associate appraiser shall apply for registration on the form provided by the board. The form and the appropriate application fee shall be submitted to the board.

4.1(5) Registration denial. The board may deny an application for registration as an associate appraiser on any ground upon which the board may impose discipline against an associate appraiser, as provided in 193F—Chapter 7.

[ARC 1731C, IAB 11/12/14, effective 12/17/14; ARC 3084C, IAB 5/24/17, effective 6/28/17; ARC 4169C, IAB 12/5/18, effective 1/9/19]

193F—4.2(543D) Supervision of associate appraisers.

4.2(1) Direct supervision. An associate appraiser is subject to the direct supervision of a certified real property appraiser. Qualifications for a supervisory appraiser are outlined in 193F—Chapter 15. An associate appraiser may be supervised by more than one supervisory appraiser.

4.2(2) Scope of practice. The scope of practice of an associate appraiser is the same as the scope of practice of the supervisory appraiser. An associate appraiser supervised by a certified residential appraiser shall accordingly be restricted to the scope of practice of a certified residential appraiser, while an associate appraiser supervised by a certified general appraiser shall be subject to the same scope of practice as a certified general appraiser.

4.2(3) Logs. An associate appraiser shall maintain an appraisal experience log that includes all information required by the AQB as a precondition for certification and shall maintain the log contemporaneously with the performance of supervised real property appraisal services. Every log page shall have the signatures of the associate appraiser and supervisory appraiser, the state certification number of the supervisory appraiser, and the date of signature. Required log entries shall, at a minimum, include the following for each appraisal:

- a. Type of property;
- b. Date of report;
- c. Address of appraised property;
- d. Description of work performed by the associate appraiser and scope of review and supervision of the supervisory appraiser; and

e. Number of actual work hours by the associate on the assignment.

4.2(4) Monitoring of logs. The associate appraiser shall have the appraisal log reviewed and signed by the supervisory appraiser at least monthly. Upon written request by the board, the associate appraiser and the supervisory appraiser shall submit a copy of the associate appraiser's log by letter or email within ten calendar days. The failure of an associate appraiser or supervisory appraiser to submit the requested log is a ground for disciplinary action. A separate appraisal log shall be maintained for each supervisory appraiser.

[ARC 1731C, IAB 11/12/14, effective 12/17/14]

193F—4.3(543D) Renewal of associate appraiser registration. An associate appraiser registration must be renewed on a biennial basis as more fully described in 193F—Chapter 9. An associate appraiser is subject to the same continuing education requirements as are applicable to a certified appraiser as a precondition for renewal. Continuing education requirements are outlined in 193F—Chapter 11.

193F—4.4(543D) Progress toward certification as a certified residential appraiser or certified general appraiser.

4.4(1) Associate classification. The associate appraiser classification is intended for those persons training to become certified appraisers and is not intended as a long-term method of performing appraisal services under the supervision of a certified appraiser in the absence of progress toward certification. As a result, the board may impose deadlines for achieving certification, or for satisfying certain prerequisites toward certification, for those persons who apply to renew an associate appraiser registration more than two times. Deadlines, if any, would be imposed as a condition for the third or subsequent renewal.

4.4(2) Factors to consider.

a. The board may consider the following noninclusive list of factors when deciding whether to impose a deadline for achieving certification:

- (1) An associate appraiser's access to the educational courses required for certification;
- (2) Whether the associate appraiser had completed the college requirement for certification in advance of registering as an associate appraiser or whether college coursework is in progress;
- (3) The associate appraiser's access to supervisory appraisers, the volume of the supervisory appraiser's practice, and the type of certification the associate is training to achieve; and
- (4) Such additional factors as may be relevant to the board's determination as to whether the associate appraiser is making good-faith progress toward certification.

b. While the board's policy is to work with associate appraisers and their supervisors in a cooperative manner, an associate appraiser who does not demonstrate good-faith progress toward certification shall be subject to the imposition of deadlines as described in subrule 4.4(1).

4.4(3) Progress reports. In order to assess an associate appraiser's progress toward certification, the board may request periodic progress reports from the associate appraiser and from the associate appraiser's supervisory appraiser or appraisers. Progress reports on the steps an associate appraiser has taken toward certification and the associate appraiser's plans for completing certification prerequisites shall be submitted to the board within ten calendar days of the board's written request. The failure of an associate appraiser or supervisory appraiser to submit the requested progress report is a ground for disciplinary action.

[ARC 1731C, IAB 11/12/14, effective 12/17/14]

193F—4.5(543D) Applying for certification as a certified residential appraiser or certified general appraiser. An associate appraiser may apply for certification as a certified residential real property appraiser by satisfying the requirements of 193F—Chapter 5, or as a certified general real property appraiser by satisfying the requirements of 193F—Chapter 6. The requirements for each type of certification include education, examination, and experience, which includes work product review.

[ARC 7774B, IAB 5/20/09, effective 6/24/09]

193F—4.6(272C,543D) Reinstating or reactivating an associate registration. In order to reinstate or reactivate an associate registration that has lapsed or been placed in inactive status for longer than 12

months, the applicant must complete all continuing education required for reinstatement pursuant to 193F—subrule 11.2(5). For purposes of this rule, in addition to the most recent edition of a seven-hour USPAP course, the board shall allow for continuing education only those courses that have been AQB-approved as qualifying education required for certification, as outlined in rules 193F—5.2(543D) and 193F—6.2(543D). The purpose of this requirement is to ensure that those associates reinstating a lapsed or inactive registration are progressing toward certification. Any qualifying education course taken under this rule as continuing education shall also apply as qualifying education toward certification. If the applicant has completed all qualifying education prior to applying to reinstate a lapsed or inactive associate registration, the applicant may use any approved continuing education course as provided in 193F—Chapter 11, in addition to the required seven-hour USPAP update course, toward the continuing education required for reinstatement.

[ARC 1731C, IAB 11/12/14, effective 12/17/14]

These rules are intended to implement Iowa Code chapters 543D and 272C.

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CHAPTER 5
CERTIFIED RESIDENTIAL REAL PROPERTY APPRAISER
[Prior to 2/20/02, see rule 193F—3.4(543D) and 193F—Chapter 4]

193F—5.1(543D) General.

5.1(1) The certified residential real property appraiser classification qualifies the appraiser to appraise one- to four-unit residential properties without regard to value or complexity. The classification includes the appraisal of vacant or unimproved land that is utilized for one- to four-unit residential properties or for which the highest and best use is for one- to four-unit residential properties. The classification does not include the appraisal of subdivisions for which a development analysis/appraisal is necessary.

5.1(2) Certification is composed of three parts: education, examination, and experience, which includes work product review.

5.1(3) All certified residential real property appraisers must comply with USPAP.
[ARC 7774B, IAB 5/20/09, effective 6/24/09; ARC 1731C, IAB 11/12/14, effective 12/17/14]

193F—5.2(543D) Education. Education requirements for an applicant to obtain a certificate as a certified residential real property appraiser shall be in compliance with the criteria as set forth by the Appraiser Qualifications Board (AQB) of the Appraisal Foundation. If an accredited college or university (accredited by the Commission on Colleges, by a regional or national accreditation association, or by an accrediting agency that is recognized by the U.S. Secretary of Education) accepts the College-Level Examination Program© (CLEP) examination(s) and issues a transcript for the examination(s) showing the college's or university's approval, the CLEP credit will be considered as credit for the college course.

5.2(1) Collegiate education. There are five options toward certification as a certified residential real property appraiser. An applicant must meet at least one of the five options identified in paragraphs 5.2(1)“a” through 5.2(1)“e,” below, in order to be eligible for certification as a residential real property appraiser.

a. An applicant holds a bachelor's degree in any field of study from an accredited college or university.

b. An applicant holds an associate's degree in a field of study from an accredited college, junior college, community college, or university that relates to:

- (1) Business administration;
- (2) Accounting;
- (3) Finance;
- (4) Economics; or
- (5) Real estate.

c. Successful completion of 30 semester hours of college-level courses from an accredited college, junior college, community college, or university that cover each of the following specific areas and hours:

- (1) English composition (3 hours);
- (2) Microeconomics (3 hours);
- (3) Macroeconomics (3 hours);
- (4) Finance (3 hours);
- (5) Algebra, geometry, or higher math (3 hours);
- (6) Statistics (3 hours);
- (7) Computer science (3 hours);
- (8) Business law or real estate law (3 hours);
- (9) Two electives in any of the above topics or in accounting, geography, agriculture, economics, business management, or real estate (3 hours each).

d. Successful completion of at least 30 semester hours of College-Level Examination Program© (CLEP) examinations that cover each of the following specific areas and hours:

- (1) College algebra (3 semester hours);
- (2) College composition (6 semester hours);

- (3) College composition modular (3 semester hours);
- (4) College mathematics (6 semester hours);
- (5) Principles of macroeconomics (3 semester hours);
- (6) Principles of microeconomics (3 semester hours);
- (7) Introductory business law (3 semester hours); and
- (8) Information systems (3 semester hours).

e. Any combination of paragraphs 5.2(1) "c" and 5.2(1) "d," above, that ensures coverage of all of the topics and hours identified in paragraph 5.2(1) "c." For purposes of determining whether coverage of the topics and hours identified in paragraph 5.2(1) "c" has occurred:

- (1) The college algebra CLEP examination may be considered for satisfying the algebra, geometry, or higher math requirement of paragraph 5.2(1) "c."
- (2) The college composition CLEP examination may be considered for satisfying the English composition requirement of paragraph 5.2(1) "c."
- (3) The college composition modular CLEP examination may be considered for satisfying the English composition requirement of paragraph 5.2(1) "c."
- (4) The college mathematics CLEP examination may be considered for satisfying the algebra, geometry, or higher math requirement of paragraph 5.2(1) "c."
- (5) The principles of macroeconomics CLEP examination may be considered for satisfying the macroeconomics or finance requirement of paragraph 5.2(1) "c."
- (6) The principles of microeconomics CLEP examination may be considered for satisfying the microeconomics or finance requirement of paragraph 5.2(1) "c."
- (7) The introductory business law CLEP examination may be considered for satisfying the business law or real estate law requirement of paragraph 5.2(1) "c."
- (8) The information systems CLEP examination may be considered for satisfying the computer science requirement of paragraph 5.2(1) "c."

5.2(2) Core criteria. In addition to the formal education in subrule 5.2(1), an applicant must complete 200 creditable class hours before taking the AQB-approved examination. All courses must be AQB-approved current core criteria to be considered creditable. The required courses and 200 hours consist of the following:

a.	Basic appraisal principles	30 hours
b.	Basic appraisal procedures	30 hours
c.	The 15-hour USPAP course or equivalent	15 hours
d.	Residential market analysis and highest and best use	15 hours
e.	Residential appraiser site valuation and cost approach	15 hours
f.	Residential sales comparison and income approaches	30 hours
g.	Residential report writing and case studies	15 hours
h.	Statistics, modeling and finance	15 hours
i.	Advanced residential applications and case studies	15 hours
j.	Appraisal subject matter electives	20 hours

5.2(3) Degree program. Credit toward core criteria qualifying education requirements may also be obtained via the completion of a degree in real estate from an accredited degree-granting college or university, provided that the college or university has had its curriculum reviewed and approved by the AQB.

[ARC 7774B, IAB 5/20/09, effective 6/24/09; ARC 1731C, IAB 11/12/14, effective 12/17/14; ARC 4169C, IAB 12/5/18, effective 1/9/19]

193F—5.3(543D) Examination. The prerequisite for taking the AQB-approved examination is completion of 200 creditable course hours as specified in subrule 5.2(2). The 200 creditable course hours, collegiate education, and all experience must be completed as specified in subrules 5.2(1) and 5.2(2) and rule 193F—5.4(543D) prior to the examination. For 5.2(2) "c," equivalency shall be determined through the AQB Course Approval Program or by an alternate method established by the AQB. USPAP qualifying education shall be awarded only when the class is instructed by at least

one AQB-certified USPAP instructor who holds a state-issued certified residential or certified general appraiser credential in active status and good standing.

5.3(1) Qualification.

a. In order to qualify to sit for the certified residential real property appraiser examination, the applicant must:

- (1) Complete the board's application form and provide copies of documentation of completion of all courses claimed that qualify the applicant to sit for the examination.
- (2) Pay the fee specified in 193F—Chapter 12.

b. The core criteria, collegiate education, and experience must be completed and the documentation submitted to the board at the time of application to sit for the examination.

5.3(2) The board may verify educational credits claimed. Undocumented credits will be sufficient cause to invalidate the examination results pursuant to 193F—paragraph 3.3(2)“c.”

5.3(3) Responsibility for documenting the educational credits claimed rests with the applicant.

5.3(4) An applicant must supply the original examination scores when applying for certification. Copies of the scores will not be accepted.

5.3(5) If an applicant who has passed an examination does not obtain the related appraiser credential within 24 months after passing the examination, that examination result loses its validity to support issuance of an appraiser credential. To regain eligibility for the credential, the applicant must retake and pass the examination. This requirement applies to individuals obtaining an initial certified credential or upgrading from an associate credential.

[ARC 7774B, IAB 5/20/09, effective 6/24/09; ARC 1731C, IAB 11/12/14, effective 12/17/14; ARC 4169C, IAB 12/5/18, effective 1/9/19]

193F—5.4(543D) Supervised experience required for initial certification. All experience required for initial certification pursuant to Iowa Code section 543D.9 shall be performed as a registered associate real property appraiser under the direct supervision of a certified real property appraiser pursuant to the provisions of 193F—Chapter 15.

5.4(1) Acceptable experience. The board will accept as qualifying experience the documented experience attained while the applicant for initial certification was in an educational program recognized by the Appraiser Qualifications Board and Appraisal Subcommittee as providing qualifying experience for initial certification, whether or not the applicant was registered as an associate real property appraiser at the time the educational program was completed. Such programs, if approved by federal authorities, will incorporate direct supervision by a certified real property appraiser and such additional program features as to satisfy the purpose of requiring that qualifying experience be attained by the applicant as an associate real property appraiser.

5.4(2) Exceptions.

a. Applicants for initial certification in Iowa who request that the board approve experience performed in the absence of registration as an associate real property appraiser may file an application for approval on a form provided by the board. The burden shall be on the applicant to establish by clear and convincing evidence all of the following:

(1) The experience is qualifying experience under the substantive and documentation standards of the Appraiser Qualifications Board and Appraisal Subcommittee.

(2) Denial of the application would impose an undue hardship on the applicant.

(3) The nature of the experience attained is qualitatively and substantially equivalent to the experience an associate real property appraiser would receive under the direct supervision of a certified real property appraiser pursuant to the standards established in 193F—Chapter 15.

(4) Approval of the application would foster the board's goal of fair and consistent treatment of applicants.

(5) A basis exists beyond the individual control of the applicant to explain why the experience at issue could not have been attained by the applicant as an associate real property appraiser under the direct supervision of a certified real property appraiser.

b. Among the circumstances the board may consider favorably in ruling on an application for approval of unsupervised experience or experience attained by the applicant in the absence of registration as an associate real property appraiser are:

(1) The experience was attained in a jurisdiction that, at the time, did not register associate real property appraisers or otherwise offer an associate, trainee or equivalent category of certification.

(2) The applicant attained the experience while employed in a county assessor's office engaged in mass appraisals, and the experience would otherwise qualify under applicable federal standards.

[ARC 7774B, IAB 5/20/09, effective 6/24/09; ARC 1731C, IAB 11/12/14, effective 12/17/14; ARC 4169C, IAB 12/5/18, effective 1/9/19]

193F—5.5(543D) Demonstration of experience. The experience necessary for certification pursuant to Iowa Code section 543D.9 must meet the requirements of this rule. The objective of the demonstration of experience is to ensure that, before the applicant is issued a certificate, the applicant has obtained sufficient diversified experience to perform an appraisal.

5.5(1) The applicant shall provide to the board an appraisal log that includes all information required by the AQB as a precondition for certification and shall maintain the log contemporaneously with the performance of supervised real property appraisal services. The appraisal log shall, at a minimum, include all information as described in 193F—subrule 4.2(3).

5.5(2) The applicant shall accumulate a total of 1,500 hours of residential appraisal experience in no fewer than 12 months while in active status. While the hours may be cumulative, the 12 months must have elapsed before the applicant can apply to take the examination. Experience claimed must have been performed in compliance with USPAP in which the appraiser demonstrates proficiency in appraisal principles methodology, procedures and reporting conclusions. Acceptable appraisal experience includes, but is not limited to, the following:

- a. Fee and staff appraisal;
- b. Ad valorem tax appraisal;
- c. Review appraisal;
- d. Appraisal analysis;
- e. Appraisal consulting;
- f. Highest and best use analysis; and
- g. Feasibility analysis/study.

5.5(3) The types of experience set out in 5.5(2) are intended neither to exclude other sorts of appraisal experience nor to prescribe a specified minimum array of experience. However, an applicant who cannot demonstrate a background of experience of the diversity manifested by this rule shall bear the burden of showing that the applicant's experience is of sufficient quality and diversity to fulfill the objective of the demonstration of experience.

5.5(4) An applicant may be required to appear before the board or its representative to supplement or verify evidence of experience, which shall be in the form of written reports or file memoranda.

5.5(5) The board may require inspection, by the board itself or by its representatives, of documentation relating to an applicant's claimed experience. Such inspection may be made at the board's offices or such other place as the board may designate.

[ARC 7774B, IAB 5/20/09, effective 6/24/09; ARC 1731C, IAB 11/12/14, effective 12/17/14; ARC 4169C, IAB 12/5/18, effective 1/9/19]

193F—5.6(543D) Work product review.

5.6(1) An applicant shall submit a complete appraisal log at the time of application for examination and work product review. The board will select three appraisals for work product review and request that the applicant submit four paper copies of each report and four paper copies of each work file in addition to an electronic format requested by the board for each of the selected appraisals along with the appropriate form and fee. The fee for work product review of the appraisals is provided in 193F—Chapter 12. The board may select the appraisals at random from the entire log or within certain types of appraisals. The board reserves the right to request one or more additional appraisals if those submitted by the applicant raise issues concerning the applicant's competency or compliance with applicable appraisal standards or

the degree to which the submitted appraisals are representative of the applicant's work product. Such additional appraisals may be selected at random from the applicant's log or may be selected specifically to provide an example of the applicant's work product regarding a particular type of appraisal.

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. Experience gained for work without a traditional client (i.e., a client hiring an appraiser for a business purpose), for example a demonstration appraisal, cannot exceed 50 percent of the total experience requirement.

5.6(3) An applicant seeking to upgrade to a certified residential real property appraiser shall submit three residential appraisals for review.

5.6(4) The board will submit the appraisals to a peer review consultant for an opinion on the appraiser's compliance with applicable appraisal standards.

5.6(5) The work product review process is not intended as an endorsement of an applicant's work product. No applicant or appraiser shall represent the results of work product review in communications with a client or in marketing to potential clients in a manner which falsely portrays the board's work product review as an endorsement of the appraiser or the appraiser's work product. Failure to comply with this prohibition may be grounds for discipline as a practice harmful or detrimental to the public.

5.6(6) The board views work product review, in part, as an educational process. While the board may deny an application based on an applicant's failure to adhere to appraisal standards or otherwise demonstrate a level of competency upon which the public interest can be protected, the board will attempt to work with applicants deemed in need of assistance to arrive at a mutually agreeable remedial plan. A remedial plan may include additional education, desk review, a mentoring program, or additional precertification experience.

5.6(7) An applicant who is denied certification based on the work product review described in this rule, or on any other ground, shall be entitled to a contested case hearing as provided in rule 193F—20.39(546,543D,272C). Notice of denial shall specify the grounds for denial, which may include any of the work performance-related grounds for discipline against a certified appraiser.

5.6(8) If probable cause exists, the board may open a disciplinary investigation against a certificate holder based on the work product review of an applicant. A potential disciplinary action could arise, for example, if the applicant is a certified residential real property appraiser seeking an upgrade to a certified general real property appraiser, or where the applicant is uncertified and is working under the supervision of a certified real property appraiser who cosigned the appraisal report.

5.6(9) After accumulating a minimum of 500 hours of appraisal experience, an applicant may voluntarily submit work product to the board to be reviewed by a peer reviewer for educational purposes only. A maximum of three reports may be submitted for review during the experience portion of the certification process. The fee for voluntary submissions of work product for review is provided in 193F—Chapter 12.

5.6(10) The board will retain the appraisals for as long as needed as documentation of the board's actions for the Appraisal Subcommittee or as needed in a pending proceeding involving the work product of the applicant or the applicant's supervisor. When no longer needed for such purposes, the work product may be retained or destroyed at the board's discretion.

5.6(11) Upon successful completion of the work product review process, an applicant will have 60 days to submit an application. All applications filed must meet the current AQB criteria.

[ARC 7774B, IAB 5/20/09, effective 6/24/09; ARC 1731C, IAB 11/12/14, effective 12/17/14; ARC 4169C, IAB 12/5/18, effective 1/9/19; ARC 4379C, IAB 3/27/19, effective 5/1/19; ARC 4707C, IAB 10/9/19, effective 11/13/19]

193F—5.7(543D) Upgrade to a certified general real property appraiser. To upgrade from a certified residential real property appraiser to a certified general real property appraiser, an applicant

must complete the following additional education, examination, and experience requirements and, effective January 1, 2017, a national criminal history check as provided in Iowa Code section 543D.22.

5.7(1) Education.

a. *Collegiate education.* Certified residential real property appraisers must satisfy the college-level education requirements as specified in rule 193F—6.2(543D).

b. *Core criteria.* In addition to the formal education, an applicant must complete 100 creditable class hours before taking the AQB-approved examination. All courses must be AQB-approved under current core criteria to be considered creditable. The required courses and 100 hours consist of the following:

(1)	General appraiser market analysis and highest and best use	15 hours
(2)	General appraiser sales comparison approach	15 hours
(3)	General appraiser site valuation and cost approach	15 hours
(4)	General appraiser income approach	45 hours
(5)	General appraiser report writing and case studies	10 hours

5.7(2) Examination. An applicant must satisfy the examination requirements as specified in rule 193F—6.3(543D).

5.7(3) Experience. An applicant must satisfy the experience requirements as specified in rule 193F—6.4(543D).

5.7(4) Work product review. An applicant must satisfy the work product review requirements as specified in rule 193F—6.5(543D).

5.7(5) Background check. Effective January 1, 2017, a national criminal history check as provided in Iowa Code section 543D.22 shall be performed on any appraiser upgrading to a certified general real property appraiser. The applicant shall authorize release of the results of the criminal history check to the board. Unless the criminal history check was completed within 180 calendar days prior to the date the license application is received by the board, the board shall reject and return the application to the applicant.

[ARC 7774B, IAB 5/20/09, effective 6/24/09; ARC 1731C, IAB 11/12/14, effective 12/17/14; ARC 3084C, IAB 5/24/17, effective 6/28/17; ARC 4169C, IAB 12/5/18, effective 1/9/19]

These rules are intended to implement Iowa Code sections 543D.5, 543D.8, and 543D.9.

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CHAPTER 6
CERTIFIED GENERAL REAL PROPERTY APPRAISER
[Prior to 2/20/02, see rule 193F—3.3(543D) and 193F—Chapter 4]

193F—6.1(543D) General.

6.1(1) The certified general real property appraiser classification qualifies the appraiser to appraise all types of real property.

6.1(2) All certified general real property appraisers must comply with USPAP.

6.1(3) Certification is composed of three parts: education, examination, and experience, which includes work product review.

[ARC 7774B, IAB 5/20/09, effective 6/24/09; ARC 1731C, IAB 11/12/14, effective 12/17/14]

193F—6.2(543D) Education. Education requirements for an applicant to obtain a certificate as a certified general real property appraiser shall be in compliance with the criteria as set forth by the Appraiser Qualifications Board (AQB) of the Appraisal Foundation.

6.2(1) *Collegiate education.* Applicants must hold a bachelor's degree or higher from an accredited college, junior college, community college, or university. If an accredited college or university (accredited by the Commission on Colleges, by a regional or national accreditation association, or by an accrediting agency that is recognized by the U.S. Secretary of Education) accepts the College-Level Examination Program© (CLEP) examination(s) and issues a transcript for the examination(s) showing the college's or university's approval, the CLEP credit will be considered as credit for the college course. An applicant who submits a master's degree or higher as proof of the applicant's bachelor's degree must include an affidavit or a copy of the bachelor's degree attesting that the bachelor's degree is from an accredited college or university.

6.2(2) *Core criteria.* In addition to the formal education in 6.2(1), an applicant must complete 300 creditable class hours before taking the AQB-approved examination. All courses must be AQB-approved under current core criteria to be considered creditable. The required courses and 300 hours consist of the following:

a.	Basic appraisal principles	30 hours
b.	Basic appraisal procedures	30 hours
c.	The 15-hour USPAP course or equivalent	15 hours
d.	General appraiser market analysis and highest and best use	30 hours
e.	General appraiser site valuation and cost approach	30 hours
f.	General appraiser sales comparison approach	30 hours
g.	General appraiser income approach	60 hours
h.	General appraiser report writing and case studies	30 hours
i.	Statistics, modeling and finance	15 hours
j.	Appraisal subject matter electives	30 hours

6.2(3) *Degree program.* Credit toward core criteria qualifying education requirements may also be obtained via the completion of a degree in real estate from an accredited degree-granting college or university, provided that the college or university has had its curriculum reviewed and approved by the AQB.

[ARC 7774B, IAB 5/20/09, effective 6/24/09; ARC 1731C, IAB 11/12/14, effective 12/17/14; ARC 4169C, IAB 12/5/18, effective 1/9/19]

193F—6.3(543D) Examination. The prerequisite for taking the AQB-approved examination is completion of 300 creditable course hours as specified in subrule 6.2(2). The 300 core criteria hours, collegiate education, and all experience must be completed as specified in subrules 6.2(1) and 6.2(2) and rule 193F—6.4(543D) prior to the examination. For 6.2(2) "c," equivalency shall be determined through the AQB Course Approval Program or by an alternate method established by the AQB. USPAP qualifying education shall be awarded only when the class is instructed by at least one AQB-certified USPAP instructor who holds a state-issued certified residential or certified general appraiser credential in active status and good standing.

6.3(1) In order to qualify to sit for the certified general real property appraiser examination, the applicant must:

- a. Complete the board's application form and provide copies of documentation of completion of all courses claimed that qualify the applicant to sit for the examination.
- b. Pay the fee specified in 193F—Chapter 12.
- c. The degree, education and experience must be completed and documentation submitted to the board at the time of application to sit for the examination.

6.3(2) The board may verify educational credits claimed. Undocumented credits will be sufficient cause to invalidate the examination results pursuant to 193F—paragraph 3.3(2) "c."

6.3(3) Responsibility for documenting the educational credits claimed rests with the applicant.

6.3(4) An applicant must supply the original examination scores when applying for certification. Copies of the scores will not be accepted.

6.3(5) If an applicant who has passed an examination does not obtain the related appraiser credential within 24 months after passing the examination, that examination result loses its validity to support issuance of an appraiser credential. To regain eligibility for the credential, the applicant must retake and pass the examination. This requirement applies to individuals obtaining an initial certified credential or upgrading from an associate credential.

[ARC 7774B, IAB 5/20/09, effective 6/24/09; ARC 1731C, IAB 11/12/14, effective 12/17/14; ARC 4169C, IAB 12/5/18, effective 1/9/19]

193F—6.4(543D) Supervised experience required for initial certification. All experience required to obtain certification as a certified general real property appraiser pursuant to Iowa Code section 543D.9 shall be performed under the direct supervision of a certified general real property appraiser pursuant to the provisions of 193F—Chapter 15.

6.4(1) Acceptable experience. The board will accept as qualifying experience the documented experience attained while the applicant for initial certification was in an educational program recognized by the Appraiser Qualifications Board and Appraisal Subcommittee as providing qualifying experience for certification, whether or not the applicant was registered as an associate real property appraiser at the time the educational program was completed. Such programs, if approved by federal authorities, will incorporate direct supervision by a certified real property appraiser and such additional program features as to satisfy the purpose of requiring that qualifying experience be attained by the applicant as a real property appraiser.

6.4(2) Exceptions.

a. Applicants for certified general real property certification in Iowa who request that the board approve experience performed in the absence of registration as an associate real property appraiser may file an application for approval on a form provided by the board. The burden shall be on the applicant to establish by clear and convincing evidence all of the following:

- (1) The experience is qualifying experience under the substantive and documentation standards of the Appraiser Qualifications Board and Appraisal Subcommittee.
 - (2) Denial of the application would impose an undue hardship on the applicant.
 - (3) The nature of the experience attained is qualitatively and substantially equivalent to the experience an associate real property appraiser would receive under the direct supervision of a certified real property appraiser pursuant to the standards established in 193F—Chapter 15.
 - (4) Approval of the application would foster the board's goal of fair and consistent treatment of applicants.
 - (5) A basis exists beyond the individual control of the applicant to explain why the experience at issue could not have been attained by the applicant under the direct supervision of a certified general real property appraiser.
- b. Among the circumstances the board may consider favorably in ruling on an application for approval of unsupervised experience or experience attained by the applicant in the absence of registration as an associate real property appraiser are:

(1) The experience was attained in a jurisdiction that, at the time, did not require direct supervision or register associate real property appraisers or otherwise offer a category of certification.

(2) The applicant attained the experience while employed in a county assessor's office engaged in mass appraisals, and the experience would otherwise qualify under applicable federal standards.
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193F—6.5(543D) Demonstration of experience. The experience necessary for certification pursuant to Iowa Code section 543D.9 must meet the requirements of this rule. The objective of the demonstration of experience is to ensure that, before the applicant is issued a certificate, the applicant has obtained sufficient diversified experience to perform an appraisal.

6.5(1) The applicant shall provide to the board an appraisal log that includes all information required by the AQB as a precondition for certification and shall maintain the log contemporaneously with the performance of supervised real property appraisal services. The appraisal log shall, at a minimum, include all information as described in 193F—subrule 4.2(3).

6.5(2) The applicant shall accumulate a total of 3,000 hours of appraisal experience in no fewer than 18 months while in active status, of which 1,500 hours must consist of nonresidential appraisal experience. While the hours may be cumulative, the 18 months must have elapsed before an applicant can be certified. Experience claimed must have been performed in compliance with USPAP where the appraiser demonstrates proficiency in appraisal principles methodology, procedures and reporting conclusions. Acceptable appraisal experience includes, but is not limited to, the following:

- a. Fee and staff appraisal;
- b. Ad valorem tax appraisal;
- c. Review appraisal;
- d. Appraisal analysis;
- e. Appraisal consulting;
- f. Highest and best use analysis; and
- g. Feasibility analysis/study.

6.5(3) The types of experience set out in 6.5(2) are intended neither to exclude other sorts of appraisal experience nor to prescribe a specified minimum array of experience. However, an applicant who cannot demonstrate a background of experience of the diversity manifested by this rule shall bear the burden of showing that the applicant's experience is of sufficient quality and diversity to fulfill the objective of the demonstration of experience.

6.5(4) An applicant may be required to appear before the board or its representative to supplement or verify evidence of experience, which shall be in the form of written reports or file memoranda.

6.5(5) The board may require inspection, by the board itself or by its representatives, of documentation relating to an applicant's claimed experience. Such inspection may be made at the board's offices or such other place as the board may designate.

[ARC 7774B, IAB 5/20/09, effective 6/24/09; ARC 1731C, IAB 11/12/14, effective 12/17/14; ARC 4169C, IAB 12/5/18, effective 1/9/19]

193F—6.6(543D) Work product review.

6.6(1) An applicant shall submit a complete appraisal log at the time of application for examination and work product review. The board will then select three appraisals for work product review and request that the applicant submit four paper copies of each report and four paper copies of each work file in addition to an electronic format requested by the board for each of the selected appraisals along with the appropriate form and fee. The fee for work product review of the appraisals is provided in 193F—Chapter 12. The board may select the appraisals at random from the entire log or within certain types of appraisals. The board reserves the right to request one or more additional appraisals if those submitted by the applicant raise issues concerning the applicant's competency or compliance with applicable appraisal standards or the degree to which the submitted appraisals are representative of the applicant's work product. Such additional appraisals may be selected at random from the applicant's log or may be

selected specifically to provide an example of the applicant's work product regarding a particular type of appraisal.

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. Experience gained for work without a traditional client (i.e., a client hiring an appraiser for a business purpose), for example a demonstration appraisal, cannot exceed 50 percent of the total experience requirement.

6.6(3) An applicant seeking original or upgrade certification as a certified general real property appraiser shall submit one residential appraisal and two nonresidential appraisals for review.

6.6(4) The board, or a committee of the board, will evaluate the submitted work product. The board will submit the appraisals to a peer review consultant for an opinion on the appraiser's compliance with applicable appraisal standards.

6.6(5) The work product review process is not intended as an endorsement of an applicant's work product. No applicant or appraiser shall represent the results of work product review in communications with a client or in marketing to potential clients in a manner which falsely portrays the board's work product review as an endorsement of the appraiser or the appraiser's work product. Failure to comply with this prohibition may be grounds for discipline as a practice harmful or detrimental to the public.

6.6(6) The board views work product review, in part, as an educational process. While the board may deny an application based on an applicant's failure to adhere to appraisal standards or otherwise demonstrate a level of competency upon which the public interest can be protected, the board will attempt to work with applicants deemed in need of assistance to arrive at a mutually agreeable remedial plan. A remedial plan may include additional education, desk review, a mentoring program, or additional precertification experience.

6.6(7) An applicant who is denied certification based on the work product review described in this rule, or on any other ground, shall be entitled to a contested case hearing as provided in rule 193F—20.39(546,543D,272C). Notice of denial shall specify the grounds for denial, which may include any of the work performance-related grounds for discipline against a certified appraiser.

6.6(8) If probable cause exists, the board may open a disciplinary investigation against a certificate holder based on the work product review of an applicant. A potential disciplinary action could arise, for example, if the applicant is a certified residential real property appraiser seeking an upgrade to a certified general real property appraiser, or where the applicant is uncertified and is working under the supervision of a certified real property appraiser who cosigned the appraisal report.

6.6(9) After accumulating a minimum of 500 hours of appraisal experience, an applicant may voluntarily submit work product to the board to be reviewed by a peer reviewer for educational purposes only. A maximum of three reports may be submitted for review during the experience portion of the certification process. The fee for voluntary submissions of work product for review is provided in 193F—Chapter 12.

6.6(10) The board will retain the appraisals for as long as needed as documentation of the board's actions for the Appraisal Subcommittee or as needed in a pending proceeding involving the work product of the applicant or the applicant's supervisor. When no longer needed for such purposes, the work product may be retained or destroyed at the board's discretion.

6.6(11) Upon successful completion of the work product review process, an applicant will have 60 days to submit an application. All applications filed must meet current AQB criteria.

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193F—6.7(543D) Background check. Effective January 1, 2017, a national criminal history check as provided in Iowa Code section 543D.22 shall be performed on any appraiser upgrading to a new

credential. The applicant shall authorize release of the results of the criminal history check to the board. Unless the criminal history check was completed within 180 calendar days prior to the date the license application is received by the board, the board shall reject and return the application to the applicant.
[ARC 1731C, IAB 11/12/14, effective 12/17/14; ARC 3084C, IAB 5/24/17, effective 6/28/17]

These rules are intended to implement Iowa Code sections 543D.5, 543D.8, 543D.9, and 543D.22.

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CHAPTER 7
DISCIPLINARY ACTIONS AGAINST CERTIFIED AND
ASSOCIATE APPRAISERS

193F—7.1(17A,272C,543D) Disciplinary authority. The board is empowered to administer Iowa Code chapters 17A, 272C, and 543D and related administrative rules for the protection and well-being of those persons who may rely upon registered associate appraisers or certified real property appraisers for the performance of real property appraisal services within this state and for clients in this state. To perform these functions, the board is broadly vested with authority to review and investigate alleged acts or omissions of registered associate appraisers and certified real property appraisers to determine whether disciplinary proceedings are warranted, to initiate and prosecute disciplinary proceedings, to establish standards of professional conduct, and to impose discipline pursuant to Iowa Code sections 17A.13, 272C.3 to 272C.6 and 272C.10, and Iowa Code chapter 543D.

193F—7.2(543D) Standards of practice. The standards of practice governing all real property appraisal activities shall be the Uniform Standards of Professional Appraisal Practice, including Provisions, Rules, Comments, and Statements, as promulgated by the Appraisal Standards Board of the Appraisal Foundation. All registered associate appraisers and certified real property appraisers shall comply with the USPAP edition applicable to each appraisal assignment.

193F—7.3(17A,272C,543D) Grounds for discipline. The board may initiate disciplinary action against a registered associate appraiser or a certified real property appraiser based on any one or more of the following grounds:

7.3(1) Fraud in procuring a registration or certificate. Fraud in procuring or attempting to procure a registration or certificate includes an intentional perversion of the truth when making application for an initial, renewal, reciprocal, or temporary registration or certificate to practice in this state, including:

- a. False representation of a material fact, whether by word or by conduct, by false or misleading allegation, or by concealment of that which should have been disclosed;
- b. Attempting to file or filing with the board any false or forged diploma, course certificate, identification, credential, license, registration, certification, examination report, affidavit, or other record;
- c. Failing or refusing to provide complete information in response to a question on an application for initial or renewal registration or certification; or
- d. Otherwise participating in any form of fraud or misrepresentation by act or omission.

7.3(2) Professional incompetence. Professional incompetence includes, but is not limited to:

- a. A substantial lack of knowledge or ability to discharge professional obligations within the scope of practice.
- b. A substantial deviation from the standards of learning or skill ordinarily possessed and applied by other practitioners in the state of Iowa acting in the same or similar circumstances.
- c. A failure to exercise the degree of care which is ordinarily exercised by the average practitioner acting in the same or similar circumstances.
- d. Failure to conform to the minimal standards of acceptable and prevailing practice of registered associate appraisers or certified real property appraisers in this state.
- e. A willful, repeated, or material deviation from USPAP standards, or other act or omission that demonstrates an inability to safely practice in a manner protective of the public's interest, including any violation of USPAP's COMPETENCY RULE.

7.3(3) Deceptive practices. Deceptive practices are grounds for discipline, whether or not actual injury is established, and include:

- a. Knowingly making misleading, deceptive, untrue or fraudulent representations in the practice of real property appraising.
- b. Use of untruthful or improbable statements in advertisements. Use of untruthful or improbable statements in advertisements includes, but is not limited to, an action by a registrant or certificate holder

in making information or intention known to the public which is false, deceptive, misleading or promoted through fraud or misrepresentation.

c. Acceptance of any fee by fraud or misrepresentation, or in violation of Iowa Code section 543D.18(2).

d. Falsification of business records or appraisal logs through false or deceptive representations or omissions.

e. Submission of false or misleading reports or information to the board including information supplied in an audit of continuing education, reports submitted as a condition of probation, or any reports identified in this rule.

f. Making any false or misleading statement in support of an application for registration or certification submitted by another.

g. Knowingly presenting as one's own a certificate or registration, certificate or registration number, or signature of another or of a fictitious registrant or certificate holder, or otherwise falsely impersonating a certified appraiser or registered associate appraiser.

h. Representing oneself as a registered associate appraiser or certified appraiser when one's registration or certificate has been suspended, revoked, surrendered, or placed on inactive status, or has lapsed.

i. Permitting another person to use the registrant's or certificate holder's registration or certificate for any purposes.

j. Fraud in representations as to skill or ability.

k. Misrepresenting a specialized service as an appraisal assignment in violation of Iowa Code section 543D.18(3) or (5).

7.3(4) Unethical, harmful or detrimental conduct. Registrants and certificate holders engaging in unethical conduct or practices harmful or detrimental to the public may be disciplined whether or not injury is established. Behaviors and conduct which are unethical, harmful or detrimental to the public may include, but are not limited to, the following actions:

a. A violation of 2007 Iowa Acts, Senate File 137, section 5 (improper influence of an appraisal assignment).

b. Verbal or physical abuse, improper sexual contact, or making suggestive, lewd, lascivious, offensive or improper remarks or advances, if such behavior occurs within the practice of real property appraising or if such behavior otherwise provides a reasonable basis for the board to conclude that such behavior within the practice of real estate appraising would place the public at risk.

c. Engaging in a professional conflict of interest, or otherwise violating the public trust, as provided in Iowa Code section 543D.18(1) as amended by 2007 Iowa Acts, Senate File 137, section 3, and in USPAP's ETHICS RULE.

d. Aiding or abetting any unlawful activity for which a civil penalty can be imposed under 193F—16.2(543D).

7.3(5) Lack of proper qualifications.

a. Continuing to practice as a registered associate appraiser or certified real property appraiser without satisfying the continuing education required for registration or certificate renewal.

b. Acting as a supervisor without proper qualification, as provided in 193F—15.3(543D).

c. Habitual intoxication or addiction to the use of drugs, or impairment which adversely affects the registrant's or certificate holder's ability to practice in a safe and competent manner.

d. Any act, conduct, or condition, including lack of education or experience and careless or intentional acts or omissions, that demonstrates a lack of qualifications which are necessary to ensure a high standard of professional care as provided in Iowa Code section 272C.3(2) "b," or that impairs a practitioner's ability to safely and skillfully practice the profession.

e. Failure to meet the minimum qualifications for registration as an associate appraiser or certification as a certified real property appraiser.

f. Practicing outside the scope of a residential certification, or outside the scope of a supervisor's residential certification.

7.3(6) Negligence by the registrant or certificate holder in the practice of the profession. Negligence by the registrant or certificate holder in the practice of the profession includes:

a. Failure or refusal without good cause to exercise reasonable diligence in developing an appraisal, preparing an appraisal report, or communicating an appraisal.

b. A failure to exercise due care including negligent delegation of duties to or supervision of associate appraisers, or other employees, agents, or persons, in developing an appraisal, preparing an appraisal report, or communicating an appraisal, whether or not injury results.

c. Neglect of contractual or other duties to a client.

7.3(7) Professional misconduct.

a. A violation of any of the standards applicable to the development or communication of real estate appraisals as provided in 193F—7.2(543D).

b. Violation of a regulation or law of this state, another state, or the United States, which relates to the practice of real estate appraising.

c. Engaging in any conduct that subverts or attempts to subvert a board investigation, or failure to fully cooperate with a disciplinary investigation of the registrant or certificate holder or with a disciplinary investigation of persons who are not registrants or certificate holders, including failure to comply with a subpoena issued by the board or to respond to a board inquiry within 30 calendar days of the date of mailing by certified mail of a written communication directed to the registrant's or certificate holder's last address on file at the board office.

d. Revocation, suspension, or other disciplinary action taken by a licensing authority of this state or another state, territory, or country. A stay by an appellate court shall not negate this requirement; however, if such disciplinary action is overturned or reversed by a court of last resort, discipline by the board based solely on such action shall be vacated.

e. A violation of Iowa Code section 543D.18 as amended by 2007 Iowa Acts, Senate File 137, section 4 (disclosure of significant real property appraisal assistance), or Iowa Code section 543D.18(6).

f. A violation of 2007 Iowa Acts, Senate File 137, section 6 (restrictions on persons assisting in the development or reporting of a certified appraisal).

g. Failure to retain records as provided in Iowa Code section 543D.19.

h. Violation of the terms of an initial agreement with the impaired practitioner review committee or violation of the terms of an impaired practitioner recovery contract with the impaired practitioner review committee.

7.3(8) Willful or repeated violations. The willful or repeated violation or disregard of any provision of Iowa Code chapter 272C or 543D, or any administrative rule adopted by the board in the administration or enforcement of such chapters.

7.3(9) Failure to report.

a. Failure by a registrant or certificate holder or an applicant for a registration or certificate to report in writing to the board any revocation, suspension, or other disciplinary action taken by a licensing authority, in Iowa or any other jurisdiction, within 30 calendar days of the final action.

b. Failure of a registrant or certificate holder or an applicant for a registration or certificate to report, within 30 calendar days of the action, any voluntary surrender of a professional license to resolve a pending disciplinary investigation or action, in Iowa or any other jurisdiction.

c. Failure to notify the board of a criminal conviction within 30 calendar days of the action, regardless of the jurisdiction where it occurred.

d. Failure to notify the board within 30 calendar days after occurrence of any adverse judgment in a professional or occupational malpractice action, or settlement of any claim involving malpractice, regardless of the jurisdiction where it occurred.

e. Failure to report another registrant or certificate holder to the board for any violation listed in these rules, pursuant to Iowa Code section 272C.9(2), promptly after the registrant or certificate holder becomes aware that a reportable violation has occurred.

f. Failure to report to the board the appraiser's principal place of business and any change in the appraiser's principal place of business within 10 calendar days of such change; or failure to report to the board all other addresses at which the appraiser engages in the business of preparing real estate appraisal reports, or any change in such information, within 30 calendar days of such occurrence or change.

g. Failure of an associate appraiser or supervisor to timely respond to board requests for information, as provided in 193F—Chapter 4.

7.3(10) Failure to comply with board order. Failure to comply with the terms of a board order or the terms of a settlement agreement or consent order, or other decision of the board imposing discipline.

7.3(11) Conviction of a crime. Conviction, in this state or any other jurisdiction, of any felony related to the profession, or of any crime which is substantially related to the qualifications, functions, duties or practice of a person developing or communicating real estate appraisals to others. Any crime involving deception, dishonesty or disregard for the safety of others shall be deemed substantially related to the practice of real property appraising. A copy of the record of conviction or plea of guilty shall be conclusive evidence. "Conviction" shall include any plea of guilty or nolo contendere, including Alford pleas, or finding of guilt whether or not judgment or sentence is deferred, and whether or not the conviction is on appeal. If such conviction is overturned or reversed by a court of last resort, discipline by the board based solely on the conviction shall be vacated.

These rules are intended to implement Iowa Code chapters 17A, 272C and 543D and 2007 Iowa Acts, Senate File 137.

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CHAPTER 8 INVESTIGATIONS AND DISCIPLINARY PROCEDURES

193F—8.1(272C,543D) Disciplinary action. The real estate appraiser examining board has authority pursuant to Iowa Code chapters 543D, 17A and 272C to impose discipline for violations of these Iowa Code chapters and the rules promulgated thereunder.

193F—8.2(17A,272C,543D) Initiation of disciplinary investigations. The board may initiate a licensee disciplinary investigation upon the board's receipt of information suggesting that a licensee may have violated a law or rule enforced by the board which, if true, would constitute grounds for licensee discipline.

193F—8.3(272C,543D) Sources of information. Without limitation, the following nonexclusive list of information sources may form the basis for the initiation of a disciplinary investigation or proceeding:

1. News articles or other media sources.
2. General or random review of publicly available work product.
3. Reports filed with the board by the commissioner of insurance pursuant to Iowa Code subsection 272C.4(9).
4. Complaints filed with the board by any member of the public.
5. License applications or other documents submitted to the board, including appraisal logs and appraisal reports.
6. Reports to the board from any regulatory or law enforcement agency from any jurisdiction.
7. Board audits of licensee compliance with conditions for licensure, such as continuing education or qualifying experience.

193F—8.4(17A,272C,543D) Conflict of interest. If the subject of a complaint is a member of the board, or if a member of the board has a conflict of interest in any disciplinary matter before the board, that member shall abstain from participation in any consideration of the complaint and from participation in any disciplinary hearing that may result from the complaint.

193F—8.5(272C,543D) Complaints. Written complaints may be submitted to the board office by mail, E-mail, facsimile or personal delivery by members of the public, including clients, business organizations, lenders, governmental bodies, licensees, or other individuals or entities with knowledge of possible law or rule violations by licensees.

8.5(1) Contents of a written complaint. Written complaints may be submitted on forms provided by the board that are available from the board office and on the board's Web site. Written complaints, whether submitted on a board complaint form or in other written media, shall contain the following information:

- a. The full name, address, and telephone number of the complainant (person complaining).
- b. The full name, address, and telephone number of the respondent (licensee against whom the complaint is filed).
- c. A statement of the facts and circumstances giving rise to the complaint, including a description of the alleged acts or omissions that the complainant believes demonstrate that the respondent has violated or is violating laws or rules enforced by the board.
- d. If known, citations to the laws or rules allegedly violated by the respondent.
- e. Evidentiary supporting documentation.
- f. Steps, if any, taken by the complainant to resolve the dispute with the respondent prior to filing a complaint.

8.5(2) Immunity. As provided by Iowa Code section 272C.8, a person shall not be civilly liable as a result of filing a report or complaint with the board unless such act is done with malice, nor shall an employee be dismissed from employment or discriminated against by an employer for filing such a report or complaint.

8.5(3) Role of complainant. The role of the complainant in the disciplinary process is limited to providing the board with factual information relative to the complaint. A complainant is not party to any disciplinary proceeding which may be initiated by the board based in whole or in part on information provided by the complainant.

8.5(4) Role of the board. The board does not act as an arbiter of disputes between private parties, nor does the board initiate disciplinary proceedings to advance the private interest of any person or party. The role of the board in the disciplinary process is to protect the public by investigating complaints and initiating disciplinary proceedings in appropriate cases. The board possesses sole decision-making authority throughout the disciplinary process, including the authority to determine whether a case will be investigated, the manner of the investigation, whether a disciplinary proceeding will be initiated, and the appropriate licensee discipline to be imposed, if any.

8.5(5) Initial complaint screening. All written complaints received by the board shall be initially screened by the board's executive officer to determine whether the allegations of the complaint fall within the board's investigatory jurisdiction and whether the facts presented, if true, would constitute a basis for disciplinary action against a licensee. Complaints which are clearly outside the board's jurisdiction, which clearly do not allege facts upon which disciplinary action would be based, or which are frivolous shall be referred by the board's executive officer to the board for closure at the next scheduled board meeting. All other complaints shall be referred by the board's executive officer to the board's disciplinary committee for committee review as described in subrule 8.8(1).

193F—8.6(272C,543D) Case numbers. Whether based on written complaint received by the board or complaint initiated by the board, all complaint files shall be tracked by a case numbering system. Complaints are assigned case numbers in chronological order with the first two digits representing the year in which the complaint was received or initiated, and the second two digits representing the order in which the case file was opened (e.g., 01-01, 01-02, 01-03, etc.). The board's executive officer shall maintain a case file log noting the date each case file was opened, whether disciplinary proceedings were initiated in the case, and the final disposition of the case. Once a case file number is assigned to a complaint, all persons communicating with the board regarding that complaint are encouraged to include the case file number to facilitate accurate records and prompt response.

193F—8.7(272C,543D,546) Confidentiality of complaint and investigative information.

8.7(1) All complaint and investigative information received or created by the board is privileged and confidential pursuant to Iowa Code subsection 272C.6(4). Such information shall not be released to any person except as provided in that section and in this rule.

8.7(2) Disclosure to the subject of the investigation.

a. Legal authority. Pursuant to Iowa Code section 546.10(9), the board may, prior to the initiation of a disciplinary proceeding, supply to a licensee who is the subject of a disciplinary complaint or investigation all or such parts of a disciplinary complaint, disciplinary or investigatory file, report, or other information as the board in its sole discretion believes would aid the investigation or resolution of the matter.

b. General rule. As a matter of general policy, the board shall not disclose confidential complaint and investigative information to a licensee except as permitted by Iowa Code section 272C.6(4). Disclosure of a complainant's identity in advance of the filing of formal disciplinary charges, for instance, may adversely affect a complainant's willingness to file a complaint with the board.

c. Exceptions to general rule. The board may exercise its discretion to release to a licensee information that would otherwise be confidential under Iowa Code section 272C.6(4) under narrow circumstances, including but not limited to the following:

(1) Following a board determination that probable cause exists to file disciplinary charges against a licensee but prior to the issuance of the notice of hearing, the board may provide the licensee with a peer review report or investigative report or with expert opinions, as reasonably needed for the licensee to assess the merits of a settlement proposal.

(2) The board may release to a licensee who is the subject of a board-initiated investigation, including investigations initiated following the board's receipt of an anonymous complaint, such records or information as may aid the investigation or resolution of the matter.

(3) The board may disclose information from a peer review report or consultant's report when soliciting the licensee's position will aid in making the probable cause determination or when providing the information would be educational to the licensee, and such disclosure can be made to the licensee without revealing identifying information regarding the complainant, peer reviewer or consultant.
[ARC 0412C, IAB 10/31/12, effective 12/5/12]

193F—8.8(17A,272C,543D) Investigation procedures.

8.8(1) Disciplinary committee. The board chairperson shall annually appoint two to three members of the board to serve on the board's disciplinary committee. The disciplinary committee is a purely advisory body which shall review complaint files referred by the board's executive officer, generally supervise the investigation of complaints, and make recommendations to the full board on the disposition of complaints. Members of the committee shall not personally investigate complaints, but they may review the investigative work product of others in formulating recommendations to the board.

8.8(2) Committee screening of complaints. Upon the referral of a complaint from the board's executive officer or from the full board, the committee shall determine whether the complaint presents facts which, if true, suggest that a licensee may have violated a law or rule enforced by the board. If the committee concludes that the complaint does not present facts which suggest such a violation or that the complaint does not otherwise constitute an appropriate basis for disciplinary action, the committee shall refer the complaint to the full board with the recommendation that the complaint be closed with no further action. If the committee determines that the complaint does present a credible basis for disciplinary action, the committee may either immediately refer the complaint to the full board recommending that a disciplinary proceeding be commenced or initiate a disciplinary investigation.

8.8(3) Committee procedures. If the committee determines that additional information is necessary or desirable to evaluate the merits of a complaint, the committee may assign an investigator or expert consultant, appoint a peer review committee, provide the licensee an opportunity to appear before the disciplinary committee for an informal discussion as described in rule 193F—8.9(17A,272C,543D) or request board staff to conduct further investigation. Upon completion of an investigation, the investigator, expert consultant, peer review committee or board staff shall present a report to the committee. The committee shall review the report and determine what further action is necessary. The committee may:

- a. Request further investigation.
- b. Determine there is not probable cause to believe a disciplinary violation has occurred, and refer the case to the full board with the recommendation of closure.
- c. Determine there is probable cause to believe that a law or rule enforced by the board has been violated, but that disciplinary action is unwarranted on other grounds, and refer the case to the full board with the recommendation of closure. The committee may also recommend that the licensee be informally cautioned or educated about matters which could form the basis for disciplinary action in the future.
- d. Determine there is probable cause to believe a disciplinary violation has occurred, and refer the case to the full board with the recommendation that the board initiate a disciplinary proceeding (contested case).

8.8(4) Subpoena authority. Pursuant to Iowa Code sections 17A.13(1) and 272C.6(3), the board is authorized in connection with a disciplinary investigation to issue subpoenas to compel witnesses to testify or persons to produce books, papers, records and any other real evidence, whether or not privileged or confidential under law, which the board deems necessary as evidence in connection with a disciplinary proceeding or relevant to the decision about whether to initiate a disciplinary proceeding. Board procedures concerning investigative subpoenas are set forth in 193F—Chapter 19.
[ARC 4379C, IAB 3/27/19, effective 5/1/19]

193F—8.9(17A,272C,543D) Informal discussion. If the disciplinary committee considers it advisable, or if requested by the affected licensee, the committee may grant the licensee any opportunity to appear

before the committee for a voluntary informal discussion of the facts and circumstances of an alleged violation, subject to the provisions of this rule.

8.9(1) An informal discussion is intended to provide a licensee an opportunity to share in an informal setting the licensee's side of a complaint before the board determines whether probable cause exists to initiate a disciplinary proceeding. Licensees are not required to attend an informal discussion. Because disciplinary investigations are confidential, licensees may not bring other persons with them to an informal discussion, but licensees may be represented by legal counsel.

8.9(2) Unless disqualification is waived by the licensee, board members or staff who personally investigate a disciplinary complaint are disqualified from making decisions or assisting the decision makers at a later formal hearing. Because board members generally rely upon investigators, peer review committees, or expert consultants to conduct investigations, the issue rarely arises. An informal discussion, however, is a form of investigation because it is conducted in a question and answer format. In order to preserve the ability of all board members to participate in board decision making and to receive the advice of staff, licensees who desire to attend an informal discussion must therefore waive their right to seek disqualification of a board member or staff based solely on the board member's or staff's participation in an informal discussion. Licensees would not be waiving their right to seek disqualification on any other ground. By electing to attend an informal discussion, a licensee accordingly agrees that participating board members or staff are not disqualified from acting as a presiding officer in a later contested case proceeding or from advising the decision maker.

8.9(3) Because an informal discussion constitutes a part of the board's investigation of a pending disciplinary case, the facts discussed at the informal discussion may be considered by the board in the event the matter proceeds to a contested case hearing and those facts are independently introduced into evidence.

8.9(4) The disciplinary committee, subject to board approval, may propose a consent order at the time of the informal discussion. If the licensee agrees to a consent order, a statement of charges shall be filed simultaneously with the consent order, as provided in rule 193F—20.4(17A,272C).
[ARC 4379C, IAB 3/27/19, effective 5/1/19]

193F—8.10(272C,543D) Peer review committee (PRC). A peer review committee may be appointed by the board to investigate a complaint. The committee may consist of one or more certified general or certified residential real property appraisers registered to practice in Iowa. The board may appoint a single peer review consultant to perform the functions of a PRC when, in the board's opinion, appointing a committee with more members would be impractical, unnecessary or undesirable given the nature of the expertise required, the need for prompt action or the circumstances of the complaint. An individual shall be ineligible as a PRC member in accordance with the standard for disqualification found in rule 193F—20.14(17A).

8.10(1) Authority. The PRC investigation may include activities such as interviewing the complainant, the respondent, and individuals with knowledge of the respondent's practice in the community; gathering documents; and performing independent analyses as deemed necessary. The board may give specific instructions to the PRC regarding the scope of the investigation. In the course of the investigation, PRC members shall refrain from advising the complainant or respondent on actions that the board might take.

8.10(2) Term of service. The PRC serves at the pleasure of the board. The board may dismiss any or all members of a PRC or add new members at any time.

8.10(3) Compensation. PRC members may receive compensation as the board may provide by contract. Within established budget limitations, PRC members may be reimbursed for reasonable and necessary expenses that are incurred for travel, meals and lodging while performing committee duties. The PRC shall not hire legal counsel, investigators, secretarial help or any other assistance without written authorization from the board.

8.10(4) Reports. Each PRC shall submit a written report to the board within a reasonable period of time.

8.10(5) Components of the report. The report shall include:

- a. Statement of the charge to the PRC;
- b. Description of the actions taken by the PRC in its investigation, including but not limited to appraisal review(s) and interviews with the respondent or complainant;
- c. Summary of the PRC's findings, including the PRC's opinion as to whether a violation occurred, citation of the specific USPAP violation(s), citation of the Iowa Code section(s) and Iowa Administrative Code rule(s) violated, and the PRC's opinion of the seriousness of the violation;
- d. Recommendation.

8.10(6) Recommended action. The PRC report shall recommend one of the following:

- a. Dismissal of the complaint;
- b. Further investigation;
- c. Disciplinary proceedings;
- d. Allowing the appraiser who is the subject of the complaint an opportunity to appear before the board for an informal discussion regarding the circumstances of the alleged violation.

If the PRC recommends further investigation or disciplinary proceedings, supporting information must be submitted to the board including citation of the specific USPAP violation(s), Iowa Code section(s) and Iowa Administrative Code rule(s) violated.

8.10(7) Disciplinary recommendations. When recommending disciplinary proceedings, a PRC shall refrain from suggesting a particular form of discipline, but may provide guidance on the severity of the violations that prompted the recommendation and may identify professional areas in which the appraiser needs additional education or supervision in order to safely practice.

8.10(8) Confidentiality. The PRC shall not discuss its findings and conclusions with any party to the complaint other than the board (through its report to the board) or board staff. PRC findings including the name of the complainant shall be kept confidential at all times. PRC findings shall be used only for the purposes of the board's possible disciplinary action and not for any other court case, lawsuit, or investigation.

8.10(9) Testimony. In the event of formal disciplinary proceedings, PRC members may be required to testify.

[ARC 4379C, IAB 3/27/19, effective 5/1/19]

193F—8.11(17A,272C,543D) Closing complaint files.

8.11(1) Grounds for closing. Upon the recommendation of the executive officer, the recommendation of the disciplinary committee, or on its own motion, the board may close a complaint file, with or without prior investigation. Given the broad scope of matters about which members of the public may complain, it is not possible to catalog all possible reasons why the board may close a complaint file. The following nonexclusive list is, however, illustrative of the grounds upon which the board may close a complaint file:

- a. The complaint alleges matters outside the board's jurisdiction.
- b. The complaint does not allege a reasonable or credible basis to believe that the subject of the complaint violated a law or rule enforced by the board.
- c. The complaint is frivolous or trivial.
- d. The complaint alleges matters more appropriately resolved in a different forum, such as civil litigation to resolve a contract dispute, or more appropriately addressed by alternative procedures, such as outreach education or rule making.
- e. The matters raised in the complaint are situational, isolated, or unrepresentative of a licensee's typical practice, and the licensee has taken appropriate steps to ensure future compliance and prevent public injury.
- f. Resources are unavailable or better directed to other complaints or board initiatives in light of the board's overall budget and mission.
- g. While the evidence may reveal one or more appraisal standards about which the appraiser should be more vigilant in the future, the issues appear correctable, are not likely to recur with proper diligence in the development and reporting of future appraisals, and do not reveal impediments to competent practice in the future.

h. Other extenuating factors exist which weigh against the imposition of public discipline when considered in the context of the board's purpose and mission.

8.11(2) Closing orders. The board's executive officer may enter an order stating the basis for the board's decision to close a complaint file. If entered, the order shall not contain the identity of the complainant or the respondent and shall not disclose confidential complaint or investigative information.

If entered, a closing order will be indexed by case number and shall be a public record pursuant to Iowa Code subsection 17.3(1) "d." A copy of the order may be mailed to the complainant, if any, and to the respondent. The board's decision whether or not to pursue an investigation, to institute disciplinary proceedings, or to close a file is not subject to judicial review.

8.11(3) Cautionary letters. The board may issue a confidential letter of caution to a licensee when a complaint file is closed which informally cautions or educates the licensee about matters which could form the basis for disciplinary action in the future if corrective action is not taken by the licensee. Informal cautionary letters do not constitute disciplinary action, but the board may take such letters into consideration in the future if a licensee continues a practice about which the licensee has been cautioned.

8.11(4) Reopening closed complaint files. The board may reopen a closed complaint file if additional information arises after closure which provides a basis to reassess the merits of the initial complaint.

193F—8.12(17A,272C,543D) Initiation of disciplinary proceedings. Disciplinary proceedings may only be initiated by the affirmative vote of a majority of a quorum of the board at a public meeting. Board members who are disqualified shall not be included in determining whether a quorum exists. If, for example, two members of the board are disqualified, three members of the board shall constitute a quorum of the remaining five board members for purposes of voting on the case in which the two members are disqualified. When three or more members of the board are disqualified or otherwise unavailable for any reason, the executive officer may request the special appointment of one or more substitute board members pursuant to Iowa Code section 17A.11, subsection 5. Discipline may only be imposed against a licensee by the affirmative vote of a majority of the members of the board who are not disqualified.

193F—8.13(17A,272C,543D) Disciplinary contested case procedures. Unless in conflict with a provision of board rules in this chapter, all of the procedures set forth in 193F—Chapter 20 shall apply to disciplinary contested cases initiated by the board.

[ARC 4379C, IAB 3/27/19, effective 5/1/19]

193F—8.14(543D) Decisions. The board shall make findings of fact and conclusions of law, and may take one or more of the following actions:

1. Dismiss the charges;
2. Suspend or revoke the appraiser's certification or associate's registration as authorized by law;
3. Impose civil penalties, the amount which shall be set at the discretion of the board, but which shall not exceed \$1000 per violation. Civil penalties may be imposed for any of the disciplinary violations specified in Iowa Code section 543D.17 and chapter 272C or for any repeat offenses;
4. Impose a period of probation, either with or without conditions;
5. Require reexamination;
6. Require additional professional education, reeducation, or continuing education;
7. Issue a citation and a warning;
8. Require desk review of the appraiser's work product;
9. Issue a consent order;
10. Impose any other form of discipline authorized by a provision of law that the board, in its discretion, believes is warranted under the circumstances of the case.

193F—8.15(272C,543D) Mitigating and aggravating factors. Factors the board may consider when determining whether to impose discipline and what type of discipline to impose include:

- 8.15(1)** History and background of respondent.

- a. Whether the respondent was a registered associate appraiser or a certified appraiser at the time of the violation.
- b. Prior disciplinary history or cautionary letters.
- c. Length of certification or registration at the time of the violation.
- d. Disciplinary history of current or prior supervisor.
- e. Degree of cooperation with investigation.
- f. Extent of self-initiated reform or remedial action after the date of the violation.
- g. Whether the volume or geographic range of the respondent's practice is, or was at the time of the violation, reasonable under the circumstances.
- h. Whether the respondent practiced with a lapsed, inactive, suspended, revoked, or surrendered certificate or registration.

8.15(2) Nature of violation.

- a. Length of time since the date of the violation.
- b. Whether the violation is isolated or recurring.
- c. Whether there are multiple violations or appraisals involved.
- d. Whether the violation is in the nature of an error or situational carelessness or neglect, or reflects a more fundamental lack of familiarity with applicable appraisal methodology or standards.
- e. Indicia of bad faith, false statements, deceptive practices, or willful and intentional acts, whether within the circumstances of the violation or in the course of the board's investigation or disciplinary proceeding.
- f. Evidence of improper advocacy or other violation of the USPAP ethics rule or of Iowa Code section 543D.18 or 543D.18A(1).
- g. The clarity of the issue or standard involved.
- h. Whether the respondent practiced outside the scope of practice authorized by respondent's certification or registration.
- i. Whether the violation relates to the respondent's supervisory role, the respondent's individual appraisal practice, or both.

8.15(3) Interest of the public.

- a. Degree of financial or other harm to a client, consumer, lending institution, or others.
- b. Risk of harm, whether or not the violation caused actual harm.
- c. Economic or other benefit gained by respondent or by others as a result of the violation.
- d. Deterrent impact of discipline.
- e. Whether the respondent issued a corrected appraisal report when warranted.

[ARC 0412C, IAB 10/31/12, effective 12/5/12]

193F—8.16(272C,543D) Voluntary surrender. The board may accept the voluntary surrender of a license to resolve a pending disciplinary contested case or pending disciplinary investigation. The board shall not accept a voluntary surrender of a license to resolve a pending disciplinary investigation unless a statement of charges is filed along with the order accepting the voluntary surrender. Such voluntary surrender is considered disciplinary action and shall be published in the same manner as is applicable to any other form of disciplinary order.

193F—8.17(272C,543D) Reinstatement. In addition to the provisions of rule 193F—20.38(17A,272C), the following provisions shall apply to license reinstatement proceedings:

8.17(1) The board may grant an applicant's request to appear informally before the board prior to the issuance of a notice of hearing on an application to reinstate if the applicant requests an informal appearance in the application and agrees not to seek to disqualify, on the ground of personal investigation, board members or staff before whom the applicant appears.

8.17(2) An order granting an application for reinstatement may impose such terms and conditions as the board deems desirable, which may include one or more of the types of disciplinary sanctions described in rule 193F—8.14(543D).

8.17(3) The board shall not grant an application for reinstatement when the initial order which revoked, suspended or restricted the license, denied license renewal, or accepted a voluntary surrender was based on a criminal conviction and the applicant cannot demonstrate to the board's satisfaction that:

- a. All terms of the sentencing or other criminal order have been fully satisfied;
- b. The applicant has been released from confinement and any applicable probation or parole; and
- c. Restitution has been made or is reasonably in the process of being made to any victims of the crime.

[ARC 4379C, IAB 3/27/19, effective 5/1/19]

These rules are intended to implement Iowa Code sections 543D.5, 543D.17 and 543D.18 and chapters 17A and 272C.

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CHAPTER 9
RENEWAL, EXPIRATION AND REINSTATEMENT OF
CERTIFICATES AND REGISTRATIONS, AND INACTIVE STATUS
[Prior to 2/20/02, see rules 193F—4.2(543D) and 193F—4.5(543D)]

193F—9.1(272C,543D) Biennial renewal.

9.1(1) Certificates and associate registrations must be renewed on a biennial basis or they shall lapse.

9.1(2) Persons whose last names begin with A to K shall renew in even-numbered years. Persons whose last names begin with L to Z shall renew in odd-numbered years. Certificates and registrations shall expire biennially on June 30.

9.1(3) An application to renew a certificate or registration shall be submitted on a form obtained from the board office or on the board's website. Applicants may renew electronically through a board-established electronic process, as available.

193F—9.2(272C,543D) Notices.

9.2(1) It is the policy of the board to mail or send electronic renewal notices to certified and associate appraisers at the last address or email address on file with the board in the May preceding certificate or registration expiration. Neither the failure of the board to send such a notice nor the licensee's failure to receive such a notice shall excuse the requirement to timely renew and pay the renewal fee.

9.2(2) Certified and associate appraisers must ensure that the address on file with the board office is current and that the board is notified within 30 days of any address change.

[ARC 1732C, IAB 11/12/14, effective 12/17/14]

193F—9.3(272C,543D) Renewal procedures.

9.3(1) Date of filing. Certified and associate appraisers shall file a timely and sufficient renewal application with the board by the June 30 deadline in the biennial renewal year. An application shall be deemed filed on the date received by the board, the date of electronic submission or, if mailed, the date postmarked, but not the date metered. Applications to renew that are not timely received by the board shall be treated as applications to reinstate, as provided in rule 193F—9.4(272C,543D).

9.3(2) Continuing education. An applicant for renewal shall report the applicant's compliance with the continuing education requirements provided in 193F—Chapter 11. Full compliance with applicable continuing education requirements is a condition of renewal in active status. Applications to renew certificates or registrations in active status that do not, on their face, demonstrate full compliance with all applicable continuing education requirements shall be rejected as insufficient, as provided in subrule 9.3(4).

9.3(3) Background disclosures. An applicant for renewal shall disclose such background and character information as the board requests, which may include disciplinary action taken by any jurisdiction regarding a professional license of any type, the denial of an application for a professional license of any type by any jurisdiction, and the conviction of any crime.

9.3(4) Insufficient applications. The board shall reject applications that are insufficient. A sufficient application within the meaning of Iowa Code section 17A.18(2) must:

- a. Be signed by the applicant if submitted in person or mailed, or be certified as accurate if submitted electronically;
- b. Be fully completed;
- c. Reflect, on its face, full compliance with all applicable continuing education requirements; and
- d. Be accompanied by the proper fee. The fee shall be deemed improper if, for instance, the amount is incorrect, the fee was not included with the application, the credit card number provided by the applicant is incorrect, the date of expiration of a credit card is omitted or incorrect, the attempted credit card transaction is rejected, or the applicant's check is returned for insufficient funds or written on a closed account.

9.3(5) Resubmission of rejected applications. The board shall promptly notify an applicant of the basis for rejecting an insufficient renewal application, and shall return or refund any fees received. Applicants for certificate or registration renewal may remedy the insufficiency and resubmit applications

that were rejected as insufficient. Resubmitted applications shall be deemed received when personally delivered to the board office, on the date of electronic submission or, if mailed, the date postmarked, but not the date metered. Resubmitted applications to renew that are not timely received by the board shall be treated as applications to reinstate, as provided in rule 193F—9.4(272C,543D).

9.3(6) Administrative processing not determinative. The administrative processing of an application to renew a certificate or registration shall not prevent the board from subsequently commencing a contested case to challenge the applicant's qualifications for continued licensure or to assert disciplinary charges if grounds exist to do so. The board may take such an action, for example, if an application to renew reflects full compliance with continuing education, but the licensee is unable to document compliance in a subsequent audit.

9.3(7) Denial of timely and sufficient application to renew. If grounds exist to deny a timely and sufficient application to renew, the board shall send written notification to the applicant stating the grounds for denial. The procedures described in rule 193F—20.40(546,543D,272C) shall apply.
[ARC 4379C, IAB 3/27/19, effective 5/1/19]

193F—9.4(272C,543D) Failure to renew.

9.4(1) The certificate or registration of a certified or associate appraiser shall lapse unless the appraiser submits a timely and sufficient renewal application by the expiration date.

9.4(2) A certified or associate appraiser may renew a certificate or registration after the expiration date by submitting a sufficient renewal application and biennial renewal fee, accompanied by an additional penalty of 25 percent of the biennial renewal fee, within 30 calendar days of the expiration date. The board will allow the reinstatement of a lapsed certificate or registration during the 30-day period following expiration for an appraiser who did not complete all required continuing education during the prior biennium but who will have sufficient continuing education if courses completed during the 30-day period following lapse are included; provided that such applicant must demonstrate 42 hours of qualifying continuing education rather than the 28 hours required to renew for those who completed all continuing education on a timely basis prior to the lapse. The continuing education completed between July 1 and July 30 that fulfills a shortage of continuing education in the prior biennium shall not be counted toward the continuing education required in a subsequent renewal.

9.4(3) If a certified or associate appraiser fails to renew within the 30-day grace period provided for in subrule 9.4(2), the appraiser shall be required to reinstate in accordance with subrule 9.4(5).

9.4(4) Certified and associate appraisers are not authorized to practice or to hold themselves out to the public as certified or registered appraisers during the period of time that the certificate or registration is lapsed, including during the 30-day grace period following the lapse. Any violation of this subrule shall be grounds for discipline.

9.4(5) Reinstatement. The board may reinstate a lapsed certificate or registration upon the applicant's submission of an application to reinstate and completion of all of the following:

- a. Paying a penalty as provided in rule 193F—12.1(543D); and
- b. Paying the current renewal fee as provided in rule 193F—12.1(543D); and
- c. Providing evidence of completed continuing education outlined in rule 193F—11.2(272C,543D), as modified for associate appraisers in subrule 9.4(6), if the licensee wishes to reinstate to active status; and
- d. Providing a written statement outlining the professional activities of the applicant in the state of Iowa during the period in which the applicant's certificate or registration was lapsed. The statement shall describe all appraisal services performed, with or without the use of the titles described in Iowa Code section 543D.15, for all appraisal assignments that are required by federal or state law, rule, or policy to be performed by a certified real estate appraiser.

9.4(6) Special continuing education requirements for reinstating associate appraisers. The board seeks to ensure that associate appraisers make progress toward full completion of all qualifying education required for eventual certification, as provided in rules 193F—5.2(543D) and 193F—6.2(543D). As a result, an associate appraiser applying to reinstate a registration that has been lapsed for 12 months or longer shall apply, in addition to the most recent 7-hour USPAP course, only qualifying education toward

the continuing education required for reinstatement, until all qualifying education has been completed. All qualifying education taken as continuing education may also be applied as qualifying education toward certification. If the applicant has already completed all qualifying education or is required to have continuing education hours beyond those needed to fully complete all qualifying education, the applicant may use any approved continuing education course in addition to the mandatory 7-hour USPAP course. [ARC 1732C, IAB 11/12/14, effective 12/17/14]

193F—9.5(272C,543D) Inactive status.

9.5(1) General purpose. This rule establishes a procedure under which a person issued a certificate or associate registration may apply to the board to register in inactive status. Registration under this rule is available to a certificate holder or associate registrant residing within or outside the state of Iowa who is not engaged in Iowa in any practice for which a certificate or associate registration is required. A person eligible to register as inactive may, as an alternative to such registration, allow a certificate or associate registration to lapse. The board will continue to maintain a data base on persons registered as inactive, including information which may not routinely be maintained after a certificate or associate registration has lapsed through failure to renew. A person who registers as inactive will accordingly receive renewal applications, board newsletters and other mass communications from the board. Because a person registered in inactive status may not practice in Iowa or hold oneself out to the public as authorized to practice as a certified appraiser or registered associate appraiser, such person is not required to complete continuing education.

9.5(2) Eligibility. A person holding a lapsed or active certificate as a real property appraiser, or a lapsed or active registration as a registered associate, which has not been revoked or suspended may apply on forms provided by the board to register as inactive if the person is not engaged in the state of Iowa in any practice for which a certificate or associate registration is required. Such a person may be actively engaged in the practice of real estate appraising in another jurisdiction. Such a person may also engage in such appraisal practices as may be performed in Iowa by persons who do not hold a certificate as a real property appraiser or associate registration as long as the person does not hold oneself out to the public as a certified or associate real estate appraiser.

9.5(3) Affirmation. The application form shall contain a statement in which the applicant affirms that the applicant will not engage in any practice prohibited by subrule 9.5(2) in Iowa without first complying with all rules governing reactivation to active status. A person in inactive status may reactivate to active status at any time pursuant to subrule 9.5(6).

9.5(4) Renewal. A person registered as inactive may renew the person's certificate or associate registration on the biennial schedule described in 193F—9.1(272C,543D). Such person is exempt from the continuing education requirements for renewal and will be charged a reduced rate, as provided in 193F—Chapter 12. An inactive certificate or associate registration shall lapse if not timely renewed. An active certificate holder or associate registrant may renew as inactive if such person has not completed all continuing education requirements and may thereafter apply for active status when the deficiency has been remedied.

9.5(5) Grounds for discipline. Certified and associate appraisers are not authorized to practice or to hold themselves out to the public as certified or registered appraisers during the period of time that the certificate or registration is in inactive status. Any violation of this subrule shall be grounds for discipline.

9.5(6) Reactivation. A person registered as inactive shall apply to reactivate to active status prior to engaging in any practice in Iowa that requires certification or associate registration. An application to reactivate to active status shall be on a form provided by the board, shall demonstrate full compliance with all applicable continuing education requirements, and shall be accompanied by a change of status fee and the biennial fee for active status as provided in rule 193F—12.1(543D). Prior to reactivation to active status, the applicant must complete all education that would have been required had the applicant been on active status, including the most recent seven-hour USPAP update course. All such continuing education must be verified whether or not the applicant has been in active practice in another jurisdiction. Additionally, the special continuing education requirements that apply to associate appraisers reinstating a lapsed registration, as provided in subrule 9.4(6), shall apply to associate appraisers reactivating to

active status following a period of inactive status of 12 months or longer. Such an applicant shall be given credit for the most recent renewal fees previously paid if the applicant applies to reactivate in the same biennium at other than the applicant's regular renewal date. An applicant changing from active to inactive status during a biennial renewal period shall not, however, be entitled to a refund of any of the fees previously paid to attain active status.

[ARC 1732C, IAB 11/12/14, effective 12/17/14]

193F—9.6(272C,543D) Property of the board. Every certificate or associate registration issued by the board shall, while it remains in the possession of the holder, be preserved by the holder but shall, nevertheless, always remain the property of the board. In the event that a certificate or associate registration is revoked or suspended, or is not renewed, or is registered in inactive status, it shall, on demand, be delivered by the holder to the board. The board shall generally not request return of a certificate or associate registration if it has not been revoked, suspended or voluntarily surrendered in a disciplinary action, but may do so if the board reasonably determines that grounds exist to believe that a person holding a lapsed or inactive certificate or associate registration has engaged in a practice for which active certification or registration is required.

These rules are intended to implement Iowa Code section 543D.5.

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CHAPTER 10
RECIPROCITY
[Prior to 2/20/02, see 193F—Chapter 5]

193F—10.1(543D) Nonresident certification by reciprocity.

10.1(1) A nonresident of Iowa seeking certification in this state shall apply on forms provided by the board and pay the appropriate fee required in rule 193F—12.1(543D).

10.1(2) The board may issue a reciprocal certificate to a nonresident individual who is certified and demonstrates good standing in another state. An appraiser who is listed in good standing on the National Registry of the Appraisal Subcommittee satisfies the requirement that good standing be demonstrated and does not need to submit additional documentation. An appraiser who is not listed in good standing on the National Registry of the Appraisal Subcommittee must supply an official letter of good standing issued by the licensing board of the appraiser's resident state and bearing its seal. An appraiser may verify the appraiser's status on the National Registry of the Appraisal Subcommittee by accessing the Web site at www.asc.gov.

10.1(3) A reciprocal certified appraiser shall comply with all provisions of Iowa law and rules.

10.1(4) Reciprocal certified appraisers shall be required to pay the federal registry fee as required in rule 193F—12.3(543D).

[ARC 1197C, IAB 11/27/13, effective 1/1/14]

193F—10.2(543D) Nonresident temporary practice.

10.2(1) The board will recognize, on a temporary basis and for a maximum of two assignments per year, the certification of an appraiser issued by another state.

10.2(2) The appraiser must register with the board and identify the property(ies) to be appraised, the name and address of the client and the estimated length of time the appraiser will be in the state. The appraiser must demonstrate good standing to be considered for a temporary practice permit. An appraiser who is listed in good standing on the National Registry of the Appraisal Subcommittee satisfies the requirement that good standing be demonstrated and does not need to submit additional documentation. An appraiser who is not listed in good standing on the National Registry of the Appraisal Subcommittee must supply an official letter of good standing issued by the licensing board of the appraiser's resident state and bearing its seal. An appraiser may verify the appraiser's status on the National Registry of the Appraisal Subcommittee by accessing the Web site at www.asc.gov. Registration shall be on a form provided by the board and submitted to the board office prior to the performance of the appraisal. The appraiser shall pay the appropriate fee as required in 193F—12.1(543D).

10.2(3) An appraiser holding an inactive or lapsed certificate as a real estate appraiser in Iowa may apply for a temporary practice permit if the appraiser holds an active, unexpired certificate as a real estate appraiser in good standing in another jurisdiction and is otherwise eligible for a temporary practice permit.

10.2(4) An appraiser who was previously a registered associate or certified appraiser in Iowa whose Iowa registration or certificate has been revoked or surrendered in connection with a disciplinary investigation or proceeding is ineligible to apply for a temporary practice permit in Iowa.

10.2(5) The board may deny an application for a temporary practice permit if the applicant has been disciplined in Iowa or another jurisdiction, a disciplinary investigation or proceeding is pending in Iowa, the person has been convicted of a crime that is a ground for discipline in Iowa, or it appears the applicant is applying for a temporary permit because the applicant would not qualify to renew or reinstate in active status in Iowa and the application for a temporary permit is made primarily to compromise compliance with Iowa laws and rules.

10.2(6) An appraiser holding an inactive or lapsed Iowa certificate who applies to reinstate to active status in Iowa shall not be given credit for any fees paid during the biennial period for one or more temporary practice permits.

10.2(7) An appraiser holding a license to practice as a real estate appraiser in another jurisdiction may practice in Iowa without applying for a temporary practice permit or paying any fees as long as

the appraiser does not perform appraisal services in Iowa for which certification is required by state or federal law, rule or policy.

10.2(8) The board must receive and approve an application for a temporary practice permit before the applicant is eligible to practice in Iowa under a temporary practice permit. Applicants are encouraged to submit applications by e-mail or facsimile to avoid the possible delays of mail service, because the board will not approve an application with a retroactive start date. The board shall grant or deny all applications for temporary practice permits as quickly as reasonably feasible and no later than five days of receipt of a completed application. Applicants shall use the form prescribed by the board. Applicants disclosing discipline or criminal convictions shall attach documentation from which the board can determine if the discipline or criminal history would be a ground to deny the application. Falsification of information or failure to disclose material information shall be a ground to deny the application and may form the basis to deny any subsequent application or an application to reinstate a lapsed or inactive Iowa certificate.
[ARC 9865B, IAB 11/30/11, effective 1/4/12]

These rules are intended to implement Iowa Code sections 543D.10 and 543D.11.

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CHAPTER 11
CONTINUING EDUCATION
[Prior to 2/20/02, see 193F—Chapter 6]

193F—11.1(272C,543D) Definitions. For the purpose of these rules, the following definitions shall apply:

“*Approved program*” means a continuing education program, course, or activity that satisfies the standards set forth in these rules and has received advance approval of the board pursuant to these rules.

“*Approved provider*” means a person or an organization that has been approved by the board to conduct continuing education programs pursuant to these rules.

“*Board*” means the Iowa real estate appraiser examining board.

“*Continuing education*” means education which is obtained by a person certified to practice real estate appraising in order to maintain, improve, or expand skills and knowledge obtained prior to initial certification or registration, or to develop new and relevant skills and knowledge, all as a condition of renewal.

“*Credit hour*” means the value assigned by the board to a continuing education program.

“*Distance education*” means any education process based on the geographical separation of student and instructor. “*Distance education*” includes computer-generated programs and webinars.

“*Guest speaker*” means an individual who teaches an appraisal education program on a one-time-only or very limited basis and who possesses a unique depth of knowledge and experience in the subject matter.

“*Hour*” means 50 minutes of instruction.

“*Live instruction*” means an educational program delivered in a classroom setting where both the student and the instructor are present in the same room.

[ARC 9865B, IAB 11/30/11, effective 1/4/12; ARC 1732C, IAB 11/12/14, effective 12/17/14]

193F—11.2(272C,543D) Continuing education requirements.

11.2(1) Certified residential, certified general and associate appraisers must demonstrate compliance with the following continuing education requirements as a condition of biennial renewal:

a. A minimum of 28 credit hours in approved continuing education programs must be acquired during the two-year renewal period. Carryover hours from a previous renewal period are not allowed.

b. The purpose of continuing education 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. Credit may be granted for educational offerings that are consistent with the purpose of continuing education. A minimum of 21 of the required 28 credit hours must involve courses that address one or more of the subject areas listed in subrule 11.4(2).

c. Appraisers must successfully complete the seven-hour National USPAP Update Course, or its equivalent, each two-year renewal cycle. Equivalency shall be determined through the AQB Course Approval Program or by an alternate method established by the AQB. USPAP continuing education credit shall be awarded only when the class is instructed by an AQB-certified instructor(s) and when the class is instructed by at least one state-certified residential or state-certified general appraiser. Individuals who are credentialed in more than one jurisdiction shall not have to take more than one seven-hour National USPAP Update Course within a two-calendar-year period for the purposes of meeting AQB criteria.

11.2(2) All continuing education credit hours may be acquired in approved classroom or distance education programs.

11.2(3) A maximum of 14 of the required 28 credit hours may be claimed by an instructor for teaching one or more approved continuing education programs in an amount equal to the credit hours approved for attendees. Instructors claiming such credit must teach the appraisal course during the renewal cycle in which credit is claimed and may not claim the course more than once in the renewal cycle. The board may request supportive documentation to ascertain course content and to verify the date(s), time, place and hours taught.

11.2(4) An applicant seeking to renew an initial certificate or registration issued less than 185 days prior to renewal is not required to report any continuing education. An applicant seeking to renew an initial certificate or registration issued for 185 days to 365 days prior to renewal must demonstrate completion of at least 14 credit hours, including 7 credit hours of the most recent National USPAP Update. An applicant seeking to renew an initial certificate or registration issued 365 days prior to renewal or more must demonstrate completion of at least 28 credit hours, including 7 credit hours of the most recent National USPAP Update.

11.2(5) Prior to reinstatement or reactivation of a certified general registration or a certified residential registration, a certified credential holder in inactive or lapsed status must complete all required continuing education hours that would have been required if the certified credential holder was in active status. The required hours must also include the most recent edition of a 7-hour National USPAP Update Course. Waivers may not be granted to credential holders who have failed to meet the continuing education requirements.

11.2(6) During each two-year renewal period, a continuing education program may be taken for credit only once, except USPAP courses.

11.2(7) Successful completion of a continuing education program requires that at least 50 minutes of every class hour be attended by the student. Continuing education credits shall not be granted to attendees who are present for less than 50 minutes of every class hour.

11.2(8) An applicant may claim continuing education credits earned in a state that has a continuing education requirement for renewal of a real estate appraisal certificate if the program is approved by the appraisal certification board of that state or the Appraiser Qualifications Board for continuing education purposes. All other programs must be approved upon application to the board pursuant to rules 193F—11.4(272C,543D), 193F—11.5(272C,543D) and 193F—11.6(272C,543D).

11.2(9) A person certified or registered to practice real estate appraising in Iowa shall be deemed to have complied with Iowa's continuing education requirements for periods in which the person is a resident of another state or district having continuing education requirements for real estate appraising and meets all requirements of that state or district. Waivers may not be granted to credential holders who have failed to meet the continuing education requirements. Deferrals may not be granted to credential holders, except in the case of persons returning from active military duty. Credential holders returning from active military duty may be placed in active status for a period of up to 90 days pending completion of all continuing education requirements. To qualify, the credential holder must submit a request in writing and provide a copy of the military orders.

[ARC 7774B, IAB 5/20/09, effective 6/24/09; ARC 9865B, IAB 11/30/11, effective 1/4/12; ARC 0412C, IAB 10/31/12, effective 12/5/12; ARC 0635C, IAB 3/6/13, effective 4/10/13; ARC 1732C, IAB 11/12/14, effective 12/17/14]

193F—11.3(272C,543D) Hardship and disability provisions. Rescinded IAB 5/20/09, effective 6/24/09.

193F—11.4(272C,543D) Minimum program qualifications.

11.4(1) Continuing education programs, as a condition of board approval, must provide a formal program of learning that contributes to the growth in the professional knowledge and professional competence of real estate appraisers.

11.4(2) Continuing education programs dealing with the following subject areas that are integrally related to appraisal topics will generally be acceptable:

- a. Ad valorem taxation;
- b. Agriculture production and economics;
- c. Agronomy/soil;
- d. Approaches to value;
- e. Arbitrations, dispute resolution;
- f. Courses related to the practice of real estate appraisal or consulting;
- g. Construction cost or development cost estimating;
- h. Ethics and standards of professional practice, USPAP;
- i. Land use planning or zoning;

- j. Management, leasing, time sharing;
- k. Property development, partial interests;
- l. Real estate appraisal law and rules;
- m. Real estate appraisal (valuations/evaluations);
- n. Real estate law, easements, and legal interests;
- o. Real estate litigation, damages, condemnation;
- p. Real estate financing and investment;
- q. Real estate appraisal-related computer applications;
- r. Real estate securities and syndication;
- s. Developing opinions of real property value in appraisals that also include personal property or business value, or both;
- t. Seller concessions and impact on value; and
- u. Energy efficient items and “green building” appraisals.

11.4(3) The following programs will not be acceptable:

- a. Sales promotion or other meetings held in conjunction with the appraiser's general business;
- b. Time devoted to breakfast, lunch or dinner;
- c. A program certified by the use of a challenge examination. The required number of hours must be completed to receive credit hours;
- d. Meetings that are a normal part of the in-house staff or employee training;
- e. Programs that do not provide at least two credit hours.

11.4(4) Continuing education credit will be granted only for whole hours, with a minimum of 50 minutes constituting one hour. For example, 100 minutes of continuous instruction would count as two credit hours; however, more than 50 minutes but less than 100 minutes of continuous instruction would only count as one hour.

11.4(5) Continuing education credit may be approved for university or college courses in qualifying topics according to the following formula: Each semester hour of credit shall equal 15 credit hours and each quarter hour of credit shall equal 10 credit hours.

[ARC 9865B, IAB 11/30/11, effective 1/4/12; ARC 1732C, IAB 11/12/14, effective 12/17/14]

193F—11.5(272C,543D) Standards for provider and program approval. Providers and programs must satisfy the following minimum standards in order to be preapproved in accordance with the procedures established in rule 193F—11.4(272C,543D) and in order to maintain approved status.

11.5(1) The program must be taught or developed by individuals who have the education, training and experience to be considered experts in the subject matter of the program and competent in the use of teaching methods appropriate to the program.

11.5(2) Live instruction 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 shall be considered to have met this requirement.

11.5(3) In determining whether an instructor is qualified to teach a particular program, the board will consider whether the instructor has an ability to teach and an in-depth knowledge of the subject matter.

11.5(4) An instructor may demonstrate the ability to teach by meeting one or more of the following criteria:

- a. Hold a bachelor's degree or higher in education from an accredited college (attach a copy of transcripts);
- b. Hold a current teaching credential or certificate in any real estate or real estate-related fields (attach copy);
- c. Hold a certificate of completion in the area of instruction from an instructor institute, workshop or school that is sponsored by a member of the Appraisal Foundation (detail specific teaching experiences);
- d. Hold a full-time current appointment to the faculty of an accredited college;
- e. Other, as the board may determine.

11.5(5) An instructor may demonstrate in-depth knowledge of the program's subject matter by meeting one or more of the following criteria:

a. Hold a bachelor's degree or higher from an accredited college with a major in a field of study directly related to the subject matter of the course the instructor proposes to teach, such as business, economics, accounting, real estate or finance (attach copy of transcript);

b. Hold a bachelor's degree or higher from an accredited college and have five years of appraisal experience related to the subject matter of the course the instructor proposes to teach (attach copy of transcript and document how the instructor's experience is related to the subject matter the instructor proposes to teach);

c. Hold a generally recognized professional real property appraisal designation or be a sponsor member of the Appraisal Foundation;

d. Other, as the board may determine.

11.5(6) Only AQB-certified USPAP instructors, listed on the Web site of the Appraisal Foundation may teach the national USPAP courses including the 15-hour tested course and the 7-hour continuing education course.

11.5(7) Course content and materials must be accurate, consistent with currently accepted standards relating to the program's subject matter and updated no later than 30 days after the effective date of a change in standards, laws or rules.

11.5(8) Programs must have an appropriate means of written evaluation by participants. Evaluations shall include the relevance of the materials, effectiveness of presentation, content, facilities, and such additional features as are appropriate to the nature of the program.

11.5(9) No part of any course shall be used to solicit memberships in organizations, recruit appraisers for affiliation with any organization or advertise the merits of any organization or sell any product or service.

11.5(10) Providers must clearly inform prospective participants of the number of credit hours preapproved by the board for each program and all applicable policies concerning registration, payment, refunds, attendance requirements and examination grading.

11.5(11) Procedures must be in place to monitor whether the person receiving credit hours is the person who attended or completed the program.

11.5(12) Providers must be accessible to students during normal business hours to answer questions and provide assistance as necessary.

11.5(13) Providers must comply with or demonstrate exemption from the provisions of Iowa Code sections 714.14 to 714.25.

11.5(14) Providers must designate a coordinator in charge of each program who will act as the board's contact on all compliance issues.

11.5(15) Programs shall not offer more than eight credit hours in a single day.

11.5(16) Providers shall not provide any information to the board, the public or prospective students which is misleading in nature. For example, providers may not refer to themselves as a "college" or "university" unless qualified as such under Iowa law.

11.5(17) Providers must establish and maintain for a period of five years complete and detailed records on the programs successfully attended by each Iowa participant.

11.5(18) Providers must issue an individual certificate of attendance to each participant upon successful completion of the program. The certificate must be no larger than 8½" × 11" and must include the provider name and number, program name and number, name of attendee, date program was completed, number of approved credit hours, and the signature of the coordinator or other person authorized by the board.

11.5(19) Program providers and instructors are solely responsible for the accuracy of all program materials, instruction and examinations. Board approval of a provider or program is not an assurance or warranty of accuracy and shall not be explicitly or implicitly marketed or advertised as such.

11.5(20) Providers must apply for approval using forms prescribed by the board.
[ARC 1732C, IAB 11/12/14, effective 12/17/14]

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:

11.6(1) The course provides interaction. Interaction is a reciprocal environment in which the student has verbal or written communication with the instructor; and

11.6(2) Content approval is obtained from the AQB, a state licensing jurisdiction, or an accredited college, community college, or university that offers distance education programs 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 U.S. Secretary of Education. Nonacademic credit college courses provided by a college shall be approved by the AQB or the state licensing jurisdiction; and

11.6(3) Course delivery mechanism approval is obtained from one of the following sources:

- a. AQB-approved organizations providing approval of course design and delivery; or
- b. A college or university that qualifies for content approval pursuant to subrule 11.6(2) that awards academic credit for the distance education course; or
- c. A qualifying college or university for content approval with a distance education delivery program that approves the course design and delivery that incorporate interactivity.

11.6(4) Distance education courses must include at least one of the following:

- a. A written examination proctored by an official approved by the college or university, or by the sponsoring organization. The term “written” in this subrule refers to an examination that may be written on paper or administered electronically on a computer or other device. Oral examinations are not acceptable.

b. Successful completion of prescribed course mechanisms required to demonstrate knowledge of the subject matter.

[ARC 1732C, IAB 11/12/14, effective 12/17/14]

193F—11.7(272C,543D) Applications for approval of programs. Applications for approval of programs must be submitted on forms prescribed by the board. All non-AQB courses are approved for 24 months, including the month of approval. AQB-approved courses are approved through the AQB expiration date, which may be longer than 24 months from the date of approval.

11.7(1) Approval must be obtained for each program separately.

11.7(2) A nonrefundable fee of \$50 must be submitted for each program except for programs that are submitted for approval by the primary provider and that have been approved by the Appraiser Qualifications Board through the Course Approval Program (CAP).

11.7(3) All required forms and attachments must be submitted for approval at least 30 days prior to the first offering of each program. The board will approve or deny each program, in whole or part, within 15 days of the date the board receives the fee and fully completed application.

11.7(4) Application forms for non-AQB CAP courses will request information including, but not limited to, the following:

- a. Program description;
- b. Program purpose;
- c. Learning objectives that specify the level of knowledge or competency the student should demonstrate upon completing the program;
- d. Description of the instructional methods utilized to accomplish the learning objective;
- e. Identifying information for all guest speakers or instructors and such documentation as is necessary to verify compliance with the instructor qualifications described in subrule 11.5(5);
- f. Copies of all instructor and student program materials;
- g. Copies of all examinations and a description of all grading procedures;
- h. A description of the diagnostic assessment method(s) used when examinations are not given;
- i. Such information as needed to verify compliance with board rules;
- j. The name, address, telephone number, and email address for the program’s coordinator;
- k. Such other information as the board deems reasonably needed for informed decision making.

11.7(5) Application forms for courses that are AQB CAP-approved shall include information as deemed necessary for accurate documentation but may be more limited than information required in subrule 11.7(4).

11.7(6) The board shall assign each provider and program a number. This number shall be placed on all correspondence with the board, all subsequent applications by the same provider, and all certificates of attendance issued to participants.

[ARC 1732C, IAB 11/12/14, effective 12/17/14]

193F—11.8(272C,543D) Waiver of application fees. Application fees may be waived for approved programs sponsored by a federal, state, or local governmental agency when the program is offered at no cost or at a nominal cost to participants. A request for waiver of application fees should be made by the provider or certificate holder at the time the application is filed with the board.

193F—11.9(272C,543D) Authority to approve education. The executive officer has the authority to approve or deny education applications subject to the applicant's right to a hearing as provided for in rule 193F—11.13(272C,543D).

[ARC 1732C, IAB 11/12/14, effective 12/17/14]

193F—11.10(272C,543D) Appraiser request for preapproval of continuing education programs. An appraiser seeking credit for attendance and participation in a program which is to be conducted by a provider not accredited or otherwise approved by the board shall apply for approval to the board at least 15 days in advance of the commencement of the activity. The board shall approve or deny the application in writing. Application for prior approval of a continuing education activity shall include the following fee and information:

1. Application fee of \$25;
2. School, firm, organization or person conducting the program;
3. Location of the program;
4. Title and hour-by-hour outline of the program, course or activity;
5. Credit hours requested for approval;
6. Date of program; and
7. Principal instructor(s).

193F—11.11(272C,543D) Appraiser request for postapproval of continuing education program. An appraiser seeking credit for attendance and participation in a program that was not conducted by an approved provider or approved by the licensing authority in another state or otherwise approved by the board shall submit to the board a request for credit for the program. Within 15 days after receipt of the request, the board shall advise the requester in writing whether the program is approved and the number of hours allowed. Appraisers not complying with the requirement of this rule may be denied credit for the program. Application for postapproval of a continuing education program shall include the following fee and information:

1. Application fee of \$25;
2. School, firm, organization or person conducting the program;
3. Location of the program;
4. Title of program and description of program;
5. Credit hours requested for approval;
6. Dates of program;
7. Principal instructor(s); and
8. Verification of attendance.

193F—11.12(272C,543D) Review of provider or program. The board on its own motion or upon receipt of a complaint or negative evaluation may monitor or review any approved program or provider and, upon evidence of significant variation in the program presented from the program approved, a violation of board rules, or material misstatement or omission in the application form, may withdraw

approval of the provider or program and disallow all or any part of the approved hours granted to the provider. The provider, as a condition of approval, agrees to allow the board or its authorized representatives to monitor ongoing compliance with board rules through means including, but not limited to, unannounced attendance at programs.

193F—11.13(272C,543D) Hearings. In the event of denial, in whole or in part, of any application for approval of a continuing education program or provider, or credit for a continuing education program, or withdrawal of approval of a continuing education program or provider, the provider or appraiser may, within 30 days of the date of mailing of the notice of denial or withdrawal, request a contested case hearing before the board, as provided in rule 193F—20.8(17A).

[ARC 1732C, IAB 11/12/14, effective 12/17/14; ARC 4379C, IAB 3/27/19, effective 5/1/19]

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CHAPTER 12

FEES

[Prior to 2/20/02, see 193F—Chapter 10]

193F—12.1(543D) Required fees. The following fee schedule applies to certified general, certified residential and associate appraisers.

Initial examination application fee	\$100
Examination fee (and reexamination fee)	\$145
Biennial registration fee for active status:	
Certified general real property appraiser	\$390
Certified residential real property appraiser	\$390
Associate real property appraiser	\$250
Biennial registration fee for inactive status:	
Certified general real property appraiser	\$130
Certified residential real property appraiser	\$130
Associate real property appraiser	\$50
Temporary practice permit fee (each request)	\$150
Reciprocal application fee (one time only)	\$50
Reciprocal registration fee (biennial)	\$390
Fee to reinstate a lapsed license	\$150 (plus the registration fee)
Fee to reinstate an inactive license to active status	\$50
Reissuance or replacement of a lost, destroyed, or stolen certificate or registration	\$50
Work product review fees:	
Original submission, certified residential	\$300
Original submission, certified general	\$650
Additional residential reports as requested by the board	\$150 per report
Additional nonresidential reports as requested by the board	\$250 per report
Voluntary submission of residential reports for review	\$150 per report
Voluntary submission of nonresidential reports for review	\$250 per report

[ARC 7774B, IAB 5/20/09, effective 6/24/09; ARC 9667B, IAB 8/10/11, effective 9/14/11]

193F—12.2(543D) Prorating of registration fees. An applicant applying for initial registration or certification within 12 months from the applicant's required renewal date, pursuant to 193F—9.1(543D), shall pay half the required fee. An applicant applying for initial registration or certification more than 12 months from the applicant's required renewal date shall pay the full registration fee.

193F—12.3(543D) Federal registry fee. The board shall collect and transmit to the Federal Financial Institutions Examination Council, on an annual basis, a roster of individuals who have received certification or registration as real property appraisers and a registry fee of \$40 for each individual listed on the roster. The registry fee is included in the registration fee.

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CHAPTER 13
CERTIFIED RESIDENTIAL APPRAISER
EDUCATION REQUIREMENTS
Rescinded IAB 5/20/09, effective 6/24/09

CHAPTER 14
CERTIFIED GENERAL APPRAISER
EDUCATION REQUIREMENTS
Rescinded IAB 5/20/09, effective 6/24/09

CHAPTER 15 SUPERVISOR RESPONSIBILITIES

193F—15.1(543D) Description. The importance of the role of the supervisory appraiser places ethical and professional standards on those who serve in this capacity. The function of the supervisory appraiser is to help adequately prepare an associate to demonstrate professional competence and work independently upon issuance of full licensure. The supervisor is considered an integral part of the training process, and supervision should be considered a full-time, hands-on responsibility.

[ARC 0881C, IAB 7/24/13, effective 8/28/13; ARC 1732C, IAB 11/12/14, effective 12/17/14]

193F—15.2(543D) Supervisory appraiser responsibilities. Supervisory appraisers shall:

1. Ensure that the information presented in the appraisal report is accurate and dependable in order to provide a valid and credible report.
2. Adequately supervise an associate in the data-gathering process to ensure that the associate is correctly and properly collecting pertinent and factual data for analysis.
3. Ensure that the associate is knowledgeable about the various sources from which to gather data and that the data collected is reliable. The associate should be exposed to any sources of research that would be considered by one's peers in the marketplace including cost manuals, multiple listing services, public records and Internet study.
4. Teach the associate to reason independently and formulate reasonable conclusions based upon the analysis of the information gathered.
5. Teach the basic routine of the appraisal process including a consistent and regular pattern of data gathering, analysis, and report writing.
6. Review and critique appraisal reports for accuracy, ease of reading, understanding and purpose, and ensure that all addenda are both relevant and pertinent.
7. Ensure that factual data is reliable and that analysis is both supported and documented. All necessary certification and limiting conditions should be up to date and applicable to the assignment.
8. Expose an associate to as many different property types, report formats and value ranges as possible with the understanding that each time a new or unique assignment is introduced, there is a responsibility to instruct and educate the associate to ensure competency.
9. Inspect each appraised property with the associate until the supervisor determines the associate is competent, in accordance with the COMPETENCY RULE of USPAP for the property type and geographic location.
10. Bring the associate appraiser to a professional level that enables the associate to demonstrate competency independently.

[ARC 0881C, IAB 7/24/13, effective 8/28/13; ARC 1732C, IAB 11/12/14, effective 12/17/14]

193F—15.3(543D) Requirements for a supervisory appraiser.

15.3(1) A supervisory appraiser shall:

- a. Have a minimum of three years of experience as an Iowa certified appraiser, be in good standing in all jurisdictions, and be actively certified in Iowa during all periods when providing supervision.
- b. Have a maximum of three associates or trainees, regardless of the jurisdiction in which the associate or trainee is registered or performs appraisal services, and shall register with the board the name, office address and starting date of each associate, as well as any termination dates (voluntary or involuntary).
- c. Be responsible for the training and direct supervision of the associate appraiser by accepting full responsibility for the appraisal report by signing and certifying that the report is in compliance with USPAP.
- d. Keep copies of associate appraiser reports for a period of at least five years or at least two years after final disposition of any judicial proceeding in which testimony was given, whichever period expires last.
- e. Comply with all applicable requirements of the Appraiser Qualifications Board.

15.3(2) For purposes of this rule, “good standing” means the absence of a disciplinary action in any jurisdiction which affects the appraiser’s legal eligibility to engage in an appraisal practice as a certified appraiser. Examples of disciplinary actions that would affect an appraiser’s legal eligibility to engage in an appraisal practice as a certified appraiser include revocation, suspension, or voluntary surrender to resolve a disciplinary investigation or action, or a practice restriction that limits the type, geographic location, or scope of an appraiser’s practice or an appraiser’s authority to practice without the supervision of another certified appraiser. An appraiser subject to such a disciplinary action would not be in good standing until three years after the successful completion or termination of the sanction which affected the appraiser’s legal eligibility to engage in an appraisal practice as a certified appraiser.

15.3(3) An appraisal experience log shall be maintained jointly by the supervisory appraiser and the associate appraiser as more fully described in rule 193F—4.2(543D).

15.3(4) A certified appraiser shall perform as a supervisory appraiser in Iowa only if the appraiser has completed a course that, at a minimum, complies with the specifications for course content established by the Appraiser Qualifications Board. The course is to be completed before the certified appraiser provides supervision.

[ARC 0881C, IAB 7/24/13, effective 8/28/13; ARC 1732C, IAB 11/12/14, effective 12/17/14; ARC 4169C, IAB 12/5/18, effective 1/9/19; ARC 4707C, IAB 10/9/19, effective 11/13/19]

193F—15.4(543D) Restrictions. The board may prohibit or further restrict an appraiser’s authorization to act as a supervisory appraiser if the board deems such action necessary to protect the public as part of the remedies or sanctions imposed in a disciplinary action.

[ARC 0881C, IAB 7/24/13, effective 8/28/13]

These rules are intended to implement Iowa Code sections 543D.5 and 543D.22.

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CHAPTER 16

ENFORCEMENT PROCEEDINGS AGAINST NONLICENSEES

193F—16.1(543D) Civil penalties against nonlicensees. The board may impose civil penalties by order against a person who is not certified or registered by the board pursuant to Iowa Code chapter 543D based on the unlawful practices specified in Iowa Code section 543D.21.

For the purposes of this chapter, “nonlicensee” means a person who has never been certified or registered with the board, a person who surrendered a certificate or associate registration to the board, or a person whose certificate or associate registration has been revoked by the board.

[ARC 4379C, IAB 3/27/19, effective 5/1/19]

193F—16.2(543D) Grounds for imposing civil penalties. Grounds for issuing an order requiring compliance with Iowa Code chapter 543D or imposing civil penalties up to \$1,000 for each violation include:

16.2(1) Use of the term “certified real estate appraiser” by a person who is not certified as a real estate appraiser by the board or in compliance with the temporary practice provisions of 193F—10.2(543D).

16.2(2) Use of the term “certified real estate appraiser” by a person in connection with or as part of the name or signature of a firm, partnership, corporation, or group, or in a manner that may be interpreted as referring to a firm, partnership, corporation, group, other business entity, or anyone other than an individual holder of a certificate issued by the board.

16.2(3) Use of the term “associate real estate appraiser” by a person who is not registered with the board as an associate real estate appraiser.

16.2(4) Falsely impersonating a certified real estate appraiser or associate real estate appraiser by using the certification or registration title, number or signature of a certified real estate appraiser or associate real estate appraiser, or by using the nonexistent certification or registration title, number or signature of a fictitious holder of a certificate or registration with the board.

16.2(5) Fraud, deceit, or deception, through act or omission, in connection with an application for certification or registration under Iowa Code chapter 543D, including the submission to the board of false information or documents, or the failure to disclose material information in connection with such an application for certification or registration.

16.2(6) Assisting a certified real estate appraiser in the development or reporting of an appraisal assignment that is required by Iowa Code chapter 543D, or by federal or state law, rule, or policy to be performed by a certified real estate appraiser, unless the person assisting the certified real estate appraiser meets one or more of the following conditions:

- a. The person is certified under this chapter.
- b. The person is registered as an associate real estate appraiser and is acting under the direct supervision of a certified real estate appraiser.
- c. The person is solely providing administrative services, such as taking photographs, preparing charts, or typing reports, and is not providing real estate appraisal assistance in developing the analysis, valuation, opinions, or conclusions associated with the appraisal assignment.
- d. The person is providing professional consultation that does not constitute real property appraisal assistance, such as the assistance of a professional engineer or certified public accountant.

16.2(7) Improperly influencing or attempting to improperly influence the development, reporting, result, or review of a real estate appraisal as provided in Iowa Code section 543D.21.

[ARC 4379C, IAB 3/27/19, effective 5/1/19]

193F—16.3(543D) Investigations. The board is authorized by Iowa Code sections 17A.13(1) and 543D.21 to conduct such investigations as are needed to determine whether grounds exist to make application to the district court pursuant to Iowa Code section 543D.21 or to impose civil penalties against a person who is not certified or registered with the board. Such investigations shall conform to the procedures outlined in 193F—Chapters 8 and 19. The board is authorized to issue subpoenas and to compel the testimony of witnesses in connection with such investigations, pursuant to Iowa Code

section 543D.21. Complaint and investigatory files solely concerning persons who are not certified or registered by the board are not confidential except as provided in Iowa Code chapter 22.
[ARC 4379C, IAB 3/27/19, effective 5/1/19]

193F—16.4(543D) Notice of intent to impose civil penalties.

16.4(1) The notice of the board's intent to issue an order to require compliance with Iowa Code section 543D.21 and to impose a civil penalty shall be served upon the nonlicensee by restricted certified mail, return receipt requested, or by personal service in accordance with Iowa Rule of Civil Procedure 1.305. Alternatively, the nonlicensee may accept service personally or through authorized counsel.

16.4(2) The notice shall include the following:

a. A statement of the legal authority and jurisdiction under which the proposed civil penalty would be imposed.

b. Reference to the particular sections of the statutes and rules involved.

c. A short, plain statement of the alleged unlawful practices.

d. The dollar amount of the proposed civil penalty and the nature of the intended order to require compliance with Iowa Code section 543D.21.

e. Notice of the nonlicensee's right to a hearing and the time frame in which hearing must be requested.

f. The address to which written request for hearing must be made.

[ARC 4379C, IAB 3/27/19, effective 5/1/19]

193F—16.5(543D) Request for hearing.

16.5(1) Nonlicensees must request a hearing within 30 days of the date the notice is received or service is accepted. A request for hearing must be in writing and is deemed made on the date of the nonmetered United States Postal Service postmark or the date of personal delivery to the board office.

16.5(2) If a request for hearing is not timely made, as described in the notice, the board chairperson or the chairperson's designee may issue an order imposing a civil penalty and requiring compliance with Iowa Code chapter 543D. The order may be mailed by regular first-class mail or served in the same manner as the notice of intent to impose a civil penalty.

16.5(3) If a request for hearing is timely made, the board shall issue a notice of hearing and conduct a hearing in the same manner as applicable to disciplinary cases against licensees. Hearings involving nonlicensees are open to the public.

16.5(4) A nonlicensee may waive the right to hearing and all attendant rights and enter into a consent order imposing a civil penalty and requiring compliance with Iowa Code chapter 543D at any stage of the proceeding upon mutual consent of the board.

16.5(5) The notice of intent to issue an order and the order are public records available for inspection and copying in accordance with Iowa Code chapter 22. Copies may be published as provided in rule 193F—20.30(17A,272C).

[ARC 4379C, IAB 3/27/19, effective 5/1/19]

193F—16.6(543D) Factors to consider. Among the factors the board may consider when determining the amount of civil penalty to impose, if any, are the following:

1. The time elapsed since the unlawful practice occurred.
2. Evidence of reform or remedial actions.
3. Whether the violation is a repeat offense following a prior warning letter or other notice of the nature of the infraction.
4. Whether the violation involved an element of deception.
5. Whether the unlawful practice violated a prior order of the board, court order, cease and desist agreement, consent order, or similar document.
6. The clarity of the issue involved.
7. Whether the violation was willful and intentional.
8. Whether the nonlicensee acted in bad faith.
9. The extent to which the nonlicensee cooperated with the board.

10. The circumstances leading to the violation.
11. Whether the amount imposed will be a substantial economic deterrent to the violation.
12. The economic benefits gained by the nonlicensee as a result of the violation.
13. The severity of the violation and the risk of harm to the public.
14. The interest of the public.

193F—16.7(543D) Enforcement options. In addition or as an alternative to the administrative process described in these rules, the board may seek an injunction in district court, refer the matter for criminal prosecution, enter into a consent order, issue an informal cautionary letter, refer the matter to the attorney general, or refer the matter to the licensing entity with regulatory authority over the nonlicensee and jurisdiction to take action against the person's real estate-related license as provided in Iowa Code section 543D.21.

[ARC 4379C, IAB 3/27/19, effective 5/1/19]

These rules are intended to implement Iowa Code chapters 17A and 543D.

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CHAPTER 17

SUPERINTENDENT SUPERVISION STANDARDS AND PROCEDURES

193F—17.1(543D) Superintendent supervision standards. The level of the superintendent's supervisory scrutiny of board actions will vary depending on the nature of the board action, the surrounding circumstances, and whether the action is or may be anticompetitive. In general, the superintendent will independently evaluate both the procedures and the substantive merits of board actions.

17.1(1) Ministerial and nondiscretionary board actions. Board actions which are ministerial or nondiscretionary, as provided in 193F—subrule 1.2(2), shall be monitored to ensure that such actions are consistent with the mandates required by state or federal law, rule, or regulation; by the AQB; or by the appraisal subcommittee.

17.1(2) Discretionary board actions. The superintendent shall independently assess discretionary board actions, as provided in 193F—subrule 1.2(3), to determine whether an action reflects clearly articulated state policy as the inherent, logical, or ordinary result of the exercise of authority delegated to the board by the legislature and is not the result of private interests attempting to restrain trade or otherwise pursue anticompetitive objectives that are contrary to state policy goals. Discretionary board actions which are not anticompetitive shall be monitored by the superintendent but will only be subjected to preclearance procedures if specifically requested by the board or at the superintendent's election. Discretionary board actions that are or may be anticompetitive shall require the superintendent's prior written approval.

17.1(3) Information review and gathering. When monitoring or evaluating board actions, the superintendent may rely on the information provided by the board in support of the board's actions if the superintendent is satisfied that the information is sufficient for an independent, de novo evaluation of the substantive merits of the board's action. The superintendent may supplement the board's information and gather additional information if deemed necessary or desirable.

17.1(4) Written decisions. Following the superintendent's independent evaluation of the substantive merits of board actions, the superintendent shall issue a written decision approving, modifying, or disapproving the recommended action, and explaining the reasons and rationale for such decision. This requirement shall apply when the superintendent is requested to provide preclearance for a board action and when the superintendent evaluates a final board action upon review by or appeal to the superintendent.

[ARC 2808C, IAB 11/9/16, effective 1/1/17]

193F—17.2(543D) Procedures for superintendent supervision.

17.2(1) Ministerial or nondiscretionary board actions.

a. The superintendent's monitoring of ministerial or nondiscretionary board actions shall be flexible and designed to spot check compliance. The board shall provide any information that the superintendent requests to adequately monitor such actions. Final board action which is ministerial or nondiscretionary may be appealed to the superintendent by an aggrieved person within 20 days of the issuance of the board action. The written notice of appeal shall be filed with the superintendent and served upon the board within such 20-day period and shall specify:

- (1) The name of the person initiating the appeal;
- (2) The board action which is being appealed;
- (3) The specific facts or law alleged to be in error in the board action;
- (4) The relief sought; and
- (5) The grounds for such relief.

b. The board may respond to the notice of appeal within 20 days of its receipt of the appeal. The superintendent shall issue a written decision as provided in subrule 17.1(4).

17.2(2) Preclearance. When the board seeks preclearance of a proposed board action, the board shall submit a written report which identifies the proposed action, describes the basis and support for the action, outlines the persons or markets which may be affected by the action, and attaches sufficient information

from which the superintendent can make an independent, de novo evaluation of the substantive merits of the proposed action. The superintendent shall issue a written decision as provided in subrule 17.1(4).

17.2(3) Review or appeal of final, discretionary board action.

a. Final, discretionary board action may be reviewed by or appealed to the superintendent within 20 days of the issuance of the board action. Such decisions shall be provided to the superintendent when issued to affected persons. If the final board action is not a contested case decision following hearing, a written notice of appeal or request for review shall be filed with the superintendent and served upon the board within such 20-day period, and shall specify:

- (1) The name of the person initiating the appeal or requesting review;
- (2) The board action which is being appealed or for which review is requested;
- (3) The specific facts or law alleged to be in error in the board action, or other specific reason(s) why such review is sought;
- (4) The relief sought; and
- (5) The grounds for such relief.

b. A review initiated by the superintendent shall be in writing and shall inform the board and affected persons of the nature of the superintendent's concerns. The board may respond to the superintendent's review or notice of appeal within 20 days of the board's receipt of the appeal. A person notified of a superintendent's review may respond to the superintendent's review within 20 days of the issuance of the review. The superintendent shall issue a written decision as provided in subrule 17.1(4).

17.2(4) Review or appeal of contested case decision.

a. Notwithstanding anything in these rules to the contrary, all board decisions in a contested case following hearing are proposed decisions and shall be provided to the superintendent when issued.

b. All board decisions in a contested case resolved by consent are final decisions, shall be provided to the superintendent when issued, and are subject to the review procedures set forth in subrule 17.2(3).

c. Any aggrieved party may appeal a proposed decision to the superintendent within 20 days after issuance of the proposed decision.

d. When a proposed decision is or may be anticompetitive, the board (regardless of whether the proposed decision is in favor of the state) may request review of the proposed decision.

e. The superintendent may initiate a review of the proposed decision on the superintendent's own motion at any time within 20 days following issuance of such decision.

f. A notice of appeal or request for review must be signed by the appealing party or a representative of that party and contain a certificate of service. The notice shall specify:

- (1) The party or parties initiating the appeal or requesting review;
- (2) The proposed decision or order which is being appealed or for which review is requested;
- (3) The specific findings or conclusions to which exception is taken and any other exceptions to the decision or order;
- (4) The relief sought; and
- (5) The grounds for such relief.

g. A notice of superintendent's review shall identify the superintendent's concerns with sufficient detail from which the board or a party can respond.

h. A party may request the taking of additional evidence only by establishing that the evidence is material, that good cause existed for the failure to present the evidence at the hearing, and that the party has not waived the right to present the evidence. A written request to present additional evidence must be filed with the notice of appeal or, by a nonappealing party, within 14 days of service of the notice of appeal. The superintendent may preside over the taking of additional evidence or may remand a case to the board for further hearing.

i. The superintendent shall issue a schedule for consideration of the review or appeal.

j. Unless otherwise ordered, within 20 days of the notice of appeal, request for review, or order for review, the board and each appealing party may file briefs. Within 20 days thereafter, the board or any party may file a responsive brief. Briefs shall cite any applicable legal authority and specify relevant portions of the record in that proceeding. Written requests to present oral argument shall be filed with

the briefs. The superintendent may resolve the appeal or review on the briefs or provide an opportunity for oral argument. The superintendent may shorten or extend the briefing period as appropriate.

k. The record on appeal or review shall be the entire record made at hearing.

l. The superintendent shall issue a written decision as provided in subrule 17.1(4).

[**ARC 2808C**, IAB 11/9/16, effective 1/1/17; **ARC 4379C**, IAB 3/27/19, effective 5/1/19]

These rules are intended to implement Iowa Code chapter 543D.

[Filed ARC 2808C (Notice ARC 2710C, IAB 9/14/16), IAB 11/9/16, effective 1/1/17]

[Filed ARC 4379C (Notice ARC 4224C, IAB 1/16/19), IAB 3/27/19, effective 5/1/19]

CHAPTER 18 WAIVERS AND VARIANCES FROM RULES

193F—18.1(17A,543D) Definitions. For purposes of this chapter, “a waiver or variance” means action by the board which suspends in whole or in part the requirements or provisions of a rule as applied to an identified person on the basis of the particular circumstances of that person. For simplicity, the term “waiver” shall include both a “waiver” and a “variance.”
[ARC 4379C, IAB 3/27/19, effective 5/1/19]

193F—18.2(17A,543D) Scope of chapter. This chapter outlines generally applicable standards and a uniform process for granting of individual waivers from rules adopted by the board in situations where no other more specifically applicable law provides for waivers. To the extent another more specific provision of law governs the issuance of a waiver from a particular rule, the more specific provision shall supersede this chapter with respect to any waiver from that rule.
[ARC 4379C, IAB 3/27/19, effective 5/1/19]

193F—18.3(17A,543D) Applicability. The board may grant a waiver from a rule only if the board has jurisdiction over the rule and the requested waiver is consistent with applicable statutes, constitutional provisions, or other provisions of law. The board may not waive requirements created or duties imposed by statute.
[ARC 4379C, IAB 3/27/19, effective 5/1/19]

193F—18.4(17A,543D) Criteria for waiver or variance. In response to a petition completed pursuant to rule 193F—18.6(17A,543D), the board may in its sole discretion issue an order waiving in whole or in part the requirements of a rule if the board finds, based on clear and convincing evidence, all of the following:

1. The application of the rule would impose an undue hardship on the person for whom the waiver is requested;
 2. The waiver from the requirements of the rule in the specific case would not prejudice the substantial legal rights of any person;
 3. The provisions of the rule subject to the petition for a waiver are not specifically mandated by statute or another provision of law; and
 4. Substantially equal protection of public health, safety, and welfare will be afforded by a means other than that prescribed in the particular rule for which the waiver is requested.
- [ARC 4379C, IAB 3/27/19, effective 5/1/19]

193F—18.5(17A,543D) Filing of petition. A petition for waiver must be submitted in writing to the board as follows:

18.5(1) License application. If the petition relates to a license application, the petition shall be made in accordance with the filing requirements for the license in question.

18.5(2) Contested cases. If the petition relates to a pending contested case, the petition shall be filed in the contested case proceeding, using the caption of the contested case.

18.5(3) Other. If the petition does not relate to a license application or a pending contested case, the petition may be submitted to the board’s executive officer.
[ARC 4379C, IAB 3/27/19, effective 5/1/19]

193F—18.6(17A,543D) Content of petition. A petition for waiver shall include the following information where applicable and known to the requester:

1. The name, address, email address, and telephone number of the entity or person for whom a waiver is requested and the case number of any related contested case.
2. A description and citation of the specific rule from which a waiver is requested.
3. The specific waiver requested, including the precise scope and duration.
4. The relevant facts that the petitioner believes would justify a waiver under each of the four criteria described in rule 193F—18.4(17A,543D). This statement shall include a signed statement from

the petitioner attesting to the accuracy of the facts provided in the petition and a statement of reasons that the petitioner believes will justify a waiver.

5. A history of any prior contacts between the board and the petitioner relating to the regulated activity or license affected by the proposed waiver, including a description of each affected license held by the requester, any notices of violation, contested case hearings, or investigative reports relating to the regulated activity or license within the past five years.

6. Any information known to the requester regarding the board's treatment of similar cases.

7. The name, address, email address, and telephone number of any public agency or political subdivision which also regulates the activity in question or which might be affected by the granting of a waiver.

8. The name, address, email address, and telephone number of any person or entity that would be adversely affected by the granting of a petition.

9. The name, address, email address, and telephone number of any person with knowledge of the relevant facts relating to the proposed waiver.

10. Signed releases of information authorizing persons with knowledge regarding the request to furnish the board with information relevant to the waiver.

[ARC 4379C, IAB 3/27/19, effective 5/1/19]

193F—18.7(17A,543D) Additional information. Prior to issuing an order granting or denying a waiver, the board may request additional information from the petitioner relative to the petition and surrounding circumstances. If the petition was not filed in a contested case, the board may, on its own motion or at the petitioner's request, schedule a telephonic or in-person meeting between the petitioner and the board's executive officer, a committee of the board, or a quorum of the board.

[ARC 4379C, IAB 3/27/19, effective 5/1/19]

193F—18.8(17A,543D) Notice. The board shall acknowledge a petition upon receipt. The board shall ensure that, within 30 days of the receipt of the petition, notice of the pendency of the petition and a concise summary of its contents have been provided to all persons to whom notice is required by any provision of law. In addition, the board may give notice to other persons. To accomplish this notice provision, the board may require the petitioner to serve the notice on all persons to whom notice is required by any provision of law and provide a written statement to the board attesting that notice has been provided. Notice may be provided by email or similar electronic means.

[ARC 4379C, IAB 3/27/19, effective 5/1/19]

193F—18.9(17A,543D) Hearing procedures. The provisions of Iowa Code sections 17A.10 to 17A.18A regarding contested case hearings shall apply to any petition for a waiver filed within a contested case and shall otherwise apply to board proceedings for a waiver only when the board so provides by rule or order or is required to do so by statute.

[ARC 4379C, IAB 3/27/19, effective 5/1/19]

193F—18.10(17A,543D) Ruling. An order granting or denying a waiver shall be in writing and shall contain a reference to the particular person and rule or portion thereof to which the order pertains, a statement of the relevant facts and reasons upon which the action is based, and a description of the precise scope and duration of the waiver if one is issued.

18.10(1) Board discretion. The final decision on whether the circumstances justify the granting of a waiver shall be made at the sole discretion of the board, upon consideration of all relevant factors. Each petition for a waiver shall be evaluated by the board based on the unique, individual circumstances set out in the petition.

18.10(2) Burden of persuasion. The burden of persuasion rests with the petitioner to demonstrate by clear and convincing evidence that the board should exercise its discretion to grant a waiver from a board rule.

18.10(3) Narrowly tailored. A waiver, if granted, shall provide the narrowest exception possible to the provisions of a rule.

18.10(4) Administrative deadlines. When the rule from which a waiver is sought establishes administrative deadlines, the board shall balance the special individual circumstances of the petitioner with the overall goal of uniform treatment of all similarly situated persons.

18.10(5) Conditions. The board may place any condition on a waiver that the board finds desirable to protect the public health, safety, and welfare.

18.10(6) Time period of waiver. A waiver shall not be permanent unless the petitioner can show that a temporary waiver would be impracticable. If a temporary waiver is granted, there is no automatic right to renewal. At the sole discretion of the board, a waiver may be renewed if the board finds that grounds for a waiver continue to exist.

18.10(7) Time for ruling. The board shall grant or deny a petition for a waiver as soon as practicable but, in any event, shall do so within 120 days of its receipt, unless the petitioner agrees to a later date. However, if a petition is filed in a contested case, the board shall grant or deny the petition no later than the time at which the final decision in that contested case is issued.

18.10(8) When deemed denied. Failure of the board to grant or deny a petition within the required time period shall be deemed a denial of that petition by the board. However, the board shall remain responsible for issuing an order denying a waiver.

18.10(9) Service of order. Within seven days of its issuance, any order issued under this chapter shall be transmitted to the petitioner or the person to whom the order pertains and to any other person entitled to such notice by any provision of law. Service of the written notice shall be sent to the email address provided by the petitioner unless the petitioner specifically requests a mailed copy.
[ARC 4379C, IAB 3/27/19, effective 5/1/19]

193F—18.11(17A) Interim rulings.

18.11(1) The executive officer shall, upon receipt of a petition that meets all applicable criteria established in this chapter, present the request to the board chairperson or vice chairperson along with all pertinent information regarding established precedent for granting or denying such requests.

18.11(2) The board chair, or vice chair if the chair is unavailable, may rule on a petition for waiver or variance if (a) the petition was not filed in a contested case, (b) the ruling would not be timely if made at the next regularly scheduled board meeting, and (c) the ruling can be based on board precedent or a reasonable extension of prior board action on similar requests.

18.11(3) The board chair or vice chair may call a special electronic meeting of the board when prior board precedent does not clearly resolve the request, input of the board is deemed required, a ruling is not authorized under subrule 18.11(2) and the practical result of waiting until the next regularly scheduled board meeting would be denial of the request due to timing issues.

18.11(4) Interim rulings are effective when made, but a waiver report shall be placed on the agenda at the next regularly scheduled board meeting and recorded in the minutes.

18.11(5) This rule on interim rulings does not apply if the waiver or variance was filed in a contested case.
[ARC 4379C, IAB 3/27/19, effective 5/1/19]

193F—18.12(17A,543D) Public availability. All orders granting or denying a waiver petition shall be indexed, filed, and available for public inspection as provided in Iowa Code section 17A.3. Petitions for a waiver and orders granting or denying a waiver petition are public records under Iowa Code chapter 22. Some petitions or orders may contain information the board is authorized or required to keep confidential. The board may accordingly redact confidential information from petitions or orders prior to public inspection.
[ARC 4379C, IAB 3/27/19, effective 5/1/19]

193F—18.13(17A,543D) Summary reports. Semiannually, the board shall prepare a summary report identifying the rules for which a waiver has been granted or denied, the number of times a waiver was granted or denied for each rule, a citation to the statutory provisions implemented by these rules, and a general summary of the reasons justifying the board's actions on waiver requests. If practicable, the report shall detail the extent to which the granting of a waiver has affected the general applicability

of the rule itself. Copies of this report shall be available for public inspection and shall be provided semiannually to the administrative rules coordinator and the administrative rules review committee.
[ARC 4379C, IAB 3/27/19, effective 5/1/19]

193F—18.14(17A,543D) Cancellation of a waiver. A waiver issued by the board pursuant to this chapter may be withdrawn, canceled, or modified if, after appropriate notice and hearing, the board issues an order finding any of the following:

1. The petitioner or the person who was the subject of the waiver order withheld or misrepresented material facts relevant to the propriety or desirability of the waiver; or
2. The alternative means for ensuring that the public health, safety and welfare will be adequately protected after issuance of the waiver order have been demonstrated to be insufficient; or
3. The subject of the waiver order has failed to comply with all conditions contained in the order.
[ARC 4379C, IAB 3/27/19, effective 5/1/19]

193F—18.15(17A,543D) Violations. Violation of a condition in a waiver order shall be treated as a violation of the particular rule for which the waiver was granted. As a result, the recipient of a waiver under this chapter who violates a condition of the waiver may be subject to the same remedies or penalties as a person who violates the rule at issue.
[ARC 4379C, IAB 3/27/19, effective 5/1/19]

193F—18.16(17A,543D) Defense. After the board issues an order granting a waiver, the order is a defense within its terms and the specific facts indicated therein for the person to whom the order pertains in any proceeding in which the rule in question is sought to be invoked.
[ARC 4379C, IAB 3/27/19, effective 5/1/19]

193F—18.17(17A,543D) Judicial review. Judicial review of a board's decision to grant or deny a waiver petition may be taken in accordance with Iowa Code chapter 17A.
[ARC 4379C, IAB 3/27/19, effective 5/1/19]

These rules are intended to implement Iowa Code section 17A.9A and chapter 543D.

[Filed ARC 4379C (Notice ARC 4224C, IAB 1/16/19), IAB 3/27/19, effective 5/1/19]

CHAPTER 19 INVESTIGATORY SUBPOENAS

193F—19.1(17A,272C,543D) Investigatory subpoena authority. Pursuant to Iowa Code sections 17A.13(1) and 272C.6(3), the board has the authority to issue subpoenas to compel the production of professional records, books, papers, correspondence and other records which are deemed necessary as evidence in connection with the investigation of a licensee disciplinary proceeding, or otherwise necessary for the board to determine whether to commence a contested case. When such an investigation involves licensee discipline, the board may subpoena such evidence whether or not privileged or confidential under law.

[ARC 4379C, IAB 3/27/19, effective 5/1/19]

193F—19.2(17A,272C,543D) Investigatory subpoena procedures.

19.2(1) The board's executive officer or designee may, upon the written request of a board investigator or on the officer's own initiative, subpoena books, papers, records, and other real evidence which the officer determines are necessary for the board to decide whether to institute a contested case proceeding. In the case of a subpoena for mental health records, each of the following conditions shall be satisfied prior to the issuance of the subpoena:

- a. The nature of the complaint reasonably justifies the issuance of a subpoena;
- b. Adequate safeguards have been established to prevent unauthorized disclosure;
- c. An express statutory mandate, articulated public policy, or other recognizable public interest favors access; and
- d. The patient was notified and an attempt was made to secure an authorization from the patient for release of the records at issue.

19.2(2) A written request for a subpoena or the executive officer's written memorandum in support of the issuance of a subpoena shall contain the following:

- a. The name and address of the person to whom the subpoena will be directed;
- b. A specific description of the books, papers, records or other real evidence requested;
- c. An explanation of the reasons that the documents sought to be subpoenaed are necessary for the board to determine whether it should institute a contested case proceeding; and
- d. In the case of a subpoena request for mental health records, confirmation that the conditions described in subrule 19.2(1) have been satisfied.

19.2(3) Each subpoena shall contain the following:

- a. The name and address of the person to whom the subpoena is directed;
- b. A description of the books, papers, records or other real evidence requested;
- c. The date, time and location for production, or inspection and copying;
- d. The time within which a motion to quash or modify the subpoena must be filed;
- e. The signature, address and telephone number of the executive officer or designee;
- f. The date of issuance;
- g. A return of service.

19.2(4) Any person who is aggrieved or adversely affected by compliance with the subpoena and who desires to challenge the subpoena must, within 14 days after service of the subpoena, or before the time specified for compliance if such time is less than 14 days, file with the board a motion to quash or modify the subpoena. The motion shall describe the legal reasons why the subpoena should be quashed or modified and may be accompanied by legal briefs or factual affidavits.

19.2(5) Upon receipt of a timely motion to quash or modify a subpoena, the board may issue a decision or may request an administrative law judge to issue a decision. The administrative law judge or the board may quash or modify the subpoena, deny the motion, or issue an appropriate protective order. Prior to ruling on the motion, the board or administrative law judge may schedule oral argument or hearing by telephone or in person.

19.2(6) A person who is aggrieved by a ruling of an administrative law judge and who desires to challenge the ruling must appeal the ruling to the board in accordance with the procedure applicable to

intra-agency appeals of proposed decisions set forth in rules 193F—20.31(17A) and 193F—20.32(17A), provided that all of the time frames are reduced by one-half.

19.2(7) If the person contesting the subpoena is not the person under investigation, the board's decision is final for purposes of intra-agency appeal. If the person contesting the subpoena is the person under investigation, the board's decision is not final for purposes of intra-agency appeal until either (1) the person is notified that the investigation has been concluded with no formal action, or (2) there is a final decision in the contested case.

[ARC 4379C, IAB 3/27/19, effective 5/1/19]

These rules are intended to implement Iowa Code chapters 17A, 272C, and 543D.

[Filed ARC 4379C (Notice ARC 4224C, IAB 1/16/19), IAB 3/27/19, effective 5/1/19]

CHAPTER 20 CONTESTED CASES

193F—20.1(17A,543D) Definitions. In addition to the defined terms set forth in 193F—Chapter 2, the following additional terms shall apply in the context of this chapter, except where otherwise specifically defined by law:

“*Contested case*” means any adversary proceeding before the board to determine whether disciplinary action should be taken against a licensee under Iowa Code chapter 543D; an adversary proceeding against a nonlicensee pursuant to Iowa Code section 543D.21; or any other proceeding designated a contested case by any provision of law, including but not limited to adversary proceedings involving license applicants and the reinstatement of a suspended, revoked or voluntarily surrendered license.

“*Issuance*” means the date of mailing of a decision or order or date of delivery if service is by other means unless another date is specified by rule or in the order.

“*License*” means a license, registration, or certificate authorized by Iowa Code chapter 543D and the board’s implementing rules related thereto.

“*Party*” means the state, as represented by the assistant attorney general assigned to prosecute the case on behalf of the public interest, the respondent or applicant, or an intervenor.

“*Presiding officer*” means the board and, when applicable, a panel of board members or an administrative law judge assigned to render a proposed decision in a nondisciplinary contested case.

“*Probable cause*” means a reasonable ground for belief in the existence of facts which would support a specified proceeding under applicable law and rules.

“*Quorum*” means a majority of the members of the board. Action may generally be taken upon a majority vote of board members present at a meeting who are not disqualified, although discipline may only be imposed by a majority vote of the members of the board who are not disqualified.

[ARC 4379C, IAB 3/27/19, effective 5/1/19]

193F—20.2(17A,543D) Scope and applicability of the Iowa Rules of Civil Procedure. Except as expressly provided in Iowa Code chapter 17A and these rules, the Iowa Rules of Civil Procedure do not apply to contested case proceedings. However, upon application by a party, the board may permit the use of procedures provided for in the Iowa Rules of Civil Procedure unless doing so would unreasonably complicate the proceedings or impose an undue hardship on a party.

[ARC 4379C, IAB 3/27/19, effective 5/1/19]

193F—20.3(17A,272C) Commencement of a contested case and probable cause. A contested case in a disciplinary proceeding is commenced by the filing and service of a statement of charges and notice of hearing. A contested case in a nondisciplinary proceeding is commenced by the filing and service of a notice of hearing. A contested case may only be commenced by the board upon a finding of probable cause to do so by a quorum of the board.

[ARC 4379C, IAB 3/27/19, effective 5/1/19]

193F—20.4(17A,272C) Informal settlement. The board, board staff or a board committee may attempt to informally settle a disciplinary case before filing a statement of charges and notice of hearing. If the board and the licensee agree to a settlement of the case, a statement of charges shall be filed simultaneously with a consent order. The statement of charges and consent order may be separate documents or may be combined in one document. By electing to sign a consent order, the licensee waives all rights to a hearing and all attendant rights. The consent order shall have the force and effect of a final disciplinary order entered in a contested case and shall be published as provided in rule 193F—20.30(17A,272C). Matters not involving licensee discipline which may culminate in a contested case may also be settled through consent order. Procedures governing settlement after notice of hearing is served are described in rule 193F—20.42(543D,272C).

[ARC 4379C, IAB 3/27/19, effective 5/1/19]

193F—20.5(17A) Statement of charges. The statement of charges shall set forth the acts or omissions with which the respondent is charged including the statute(s) and rule(s) which are alleged to have been violated and shall be in sufficient detail to enable the preparation of the respondent's defense. The statement of charges shall be incorporated within or attached to the notice of hearing. The statement of charges and notice of hearing are public records open for public inspection under Iowa Code chapter 22.

[ARC 4379C, IAB 3/27/19, effective 5/1/19]

193F—20.6(17A,272C) Notice of hearing.

20.6(1) Contents of notice of hearing. Unless the hearing is waived, all contested cases shall commence with the service of a notice of hearing fixing the time and place for hearing. The notice, including any incorporated or attached statement of charges, shall contain those items specified in Iowa Code section 17A.12(2) and, if applicable, Iowa Code section 17A.18(3), and the following:

- a. A statement of the time, place, and nature of the hearing;
- b. A statement of the legal authority and jurisdiction under which the hearing is to be held;
- c. A reference to the particular sections of the statutes and rules involved;
- d. A short and plain statement of the matters asserted;
- e. Identification of all parties, including the name, address and telephone number of the assistant attorney general designated as prosecutor for the state and the respondent's counsel where known;
- f. Reference to the procedural rules governing conduct of the contested case proceeding;
- g. Reference to the procedural rules governing informal settlement after charges are filed;
- h. Identification of the board or a panel of board members as the presiding officer, or statement that the presiding officer will be an administrative law judge from the department of inspections and appeals;
- i. If applicable, notification of the time period in which a party may request, pursuant to Iowa Code section 17A.11 and rule 193F—20.10(17A,272C), that the presiding officer be an administrative law judge from the department of inspections and appeals;
- j. A statement requiring or authorizing the respondent to submit an answer of the type specified in rule 193F—20.9(17A,272C) within 20 days after service of the notice of hearing;
- k. If applicable, notification of the licensee's right to request a closed hearing in a licensee disciplinary proceeding;
- l. Information on whom to contact if, because of a disability, auxiliary aids or services are needed for a party to participate in the matter;
- m. If applicable, the date, time, and manner of conduct of a prehearing conference under rule 193F—20.21(17A,272C); and
- n. The mailing address and email address for filing with the board and notice of the option of email service as provided in subrule 20.17(6).

20.6(2) Service of notice of hearing. Service of notice of hearing on a licensee to commence a contested case which may affect the licensee's continued licensure, such as a licensee disciplinary case or challenge to the renewal of a license, shall be made by personal service as in civil actions, by restricted certified mail, return receipt requested, or by the acceptance of service by the licensee or the licensee's duly authorized legal representative. Service of the notice of hearing to commence all other contested cases may additionally be made by certified mail, return receipt requested.

[ARC 4379C, IAB 3/27/19, effective 5/1/19]

193F—20.7(13,272C) Legal representation.

20.7(1) Every statement of charges and notice of hearing prepared by the board shall be reviewed and approved by the office of the attorney general, which shall be responsible for the legal representation of the public interest in all proceedings before the board. The assistant attorney general assigned to prosecute a contested case before the board shall not represent the board in that case but shall represent the public interest.

20.7(2) The respondent or applicant may be represented by an attorney. The attorney shall file an appearance in the contested case. If the attorney is not licensed to practice law in Iowa, the attorney shall comply with Iowa Court Rule 31.14.
[ARC 4379C, IAB 3/27/19, effective 5/1/19]

193F—20.8(17A) Requests for contested case proceeding. Any person claiming an entitlement to a contested case proceeding shall file a written request for such a proceeding within the time specified by the particular rules or statutes governing the subject matter or, in the absence of such law, the time specified in the board action in question.

The request for a contested case proceeding shall state the name and address of the requester; identify the specific board action which is disputed; describe issues of material fact in dispute; and, where the requester is represented by a lawyer, identify the provisions of law or precedent requiring or authorizing the holding of a contested case proceeding in the particular circumstances involved. If the board grants the request, the board shall issue a notice of hearing. If the board denies the request, the board shall issue a written order specifying the basis for the denial.
[ARC 4379C, IAB 3/27/19, effective 5/1/19]

193F—20.9(17A,272C) Form of answer.

20.9(1) Unless otherwise provided in the notice of hearing, the answer shall:

- a. State the name, address, and telephone number of the person filing the answer, the person on whose behalf it is filed, and the attorney representing that person, if any.
- b. Specifically admit, deny, or otherwise answer all material allegations of the statement of charges.
- c. State any facts deemed to show an affirmative defense and contain as many additional defenses as the pleader may claim.

Any allegation in the statement of charges not denied in the answer is considered admitted. Any affirmative defense not raised in the answer shall be deemed waived for purposes of any subsequent intra-agency appeal, judicial review and corresponding appeal(s).

20.9(2) The answer may include any additional facts or information which the respondent deems relevant to the issues and which may be of assistance in the ultimate determination of the case, including explanations, remarks or statements of mitigating circumstances.
[ARC 4379C, IAB 3/27/19, effective 5/1/19]

193F—20.10(17A,272C) Presiding officer.

20.10(1) The presiding officer in all licensee disciplinary contested cases shall be the board, a panel of board members, or a panel of nonboard member specialists as provided in Iowa Code sections 272C.6(1) and 272C.6(2). When board members act as presiding officer, they shall conduct the hearing and issue either a final decision or, if a quorum of the board is not present, a proposed decision. As provided in subrule 20.10(4), the board may be assisted by an administrative law judge when the board acts as presiding officer.

20.10(2) In cases which do not pertain to licensee discipline, the board may act as presiding officer or may notify the parties that an administrative law judge will act as presiding officer at hearing and issue a proposed decision. The use of an administrative law judge as presiding officer is only an option in cases which do not pertain to licensee discipline because only the board may conduct licensee discipline hearings pursuant to Iowa Code section 272C.6. Any party to a nondisciplinary case who wishes to request that the presiding officer assigned to render a proposed decision be an administrative law judge employed by the department of inspections and appeals must file a written request within 20 days after service of a notice of hearing which identifies the presiding officer as the board. The board may deny the request only upon a finding that one or more of the following apply:

- a. Neither the board nor any officer of the board under whose authority the contested case is to take place is a named party to the proceeding or a real party in interest to that proceeding.
- b. There is a compelling need to expedite issuance of a final decision in order to protect the public health, safety, or welfare.

c. The case involves a disciplinary hearing to be held by the board pursuant to Iowa Code section 272C.6.

d. The case involves significant policy issues of first impression that are inextricably intertwined with the factual issues presented.

e. The demeanor of the witnesses is likely to be dispositive in resolving the disputed factual issues.

f. Funds are unavailable to pay the costs of an administrative law judge and an interboard appeal.

g. The request was not timely filed.

h. The request is not consistent with a specified statute.

20.10(3) The board shall issue a written ruling specifying the grounds for its decision within 20 days after a request for an administrative law judge is filed. If the ruling is granted, the administrative law judge assigned to act as presiding officer and issue a proposed decision in a nondisciplinary contested case shall have a J.D. degree unless waived by the board.

20.10(4) The board or a panel of board members when acting as presiding officer may request that an administrative law judge perform certain functions as an aid to the board or board panel, such as ruling on prehearing motions, conducting the prehearing conference, ruling on evidentiary objections at hearing, assisting in deliberations, or drafting the written decision for review by the board or board panel.

20.10(5) All rulings by an administrative law judge who acts either as presiding officer or assistant to the board are subject to appeal to the board pursuant to rules 193F—20.31(17A) and 193F—20.32(17A). A party must timely seek intra-agency appeal of prehearing rulings or proposed decisions in order to exhaust adequate administrative remedies. While a party may seek immediate board or board panel review of rulings made by an administrative law judge when sitting with and acting as an aid to the board or board panel during a hearing, such immediate review is not required to preserve error for judicial review.

20.10(6) Unless otherwise provided by law, board members, when reviewing a proposed decision of a panel of the board or an administrative law judge, shall have the powers of and shall comply with the provisions of this chapter which apply to presiding officers.

[ARC 4379C, IAB 3/27/19, effective 5/1/19]

193F—20.11(17A) Time requirements.

20.11(1) Time shall be computed as provided in Iowa Code section 4.1(34).

20.11(2) For good cause, the presiding officer may extend or shorten the time to take any action, except as precluded by statute. Except for good cause stated in the record, before extending or shortening the time to take any action, the presiding officer shall afford all parties an opportunity to be heard or to file written arguments.

[ARC 4379C, IAB 3/27/19, effective 5/1/19]

193F—20.12(17A) Waiver of procedures. Unless otherwise precluded by law, the parties in a contested case proceeding may waive any provision of this chapter. However, the board in its discretion may refuse to give effect to such a waiver when it deems the waiver to be inconsistent with the public interest.

[ARC 4379C, IAB 3/27/19, effective 5/1/19]

193F—20.13(17A,272C) Telephone and electronic proceedings. The presiding officer may, on the officer's own motion or as requested by a party, order hearings or argument to be held by telephone conference or other electronic means in which all parties have an opportunity to participate. The presiding officer will determine the location of the parties and witnesses for telephone or other electronic hearings. The convenience of the witnesses or parties, as well as the nature of the case, will be considered when location is chosen. Disciplinary hearings will generally not be held by telephone or electronic means in the absence of consent by all parties, but the presiding officer may permit any witness to testify by telephone or other electronic means. Parties shall disclose at or before the prehearing conference if any witness will be testifying by telephone or other electronic means.

Objections, if any, shall be filed with the board and served on all parties at least three business days in advance of hearing.

[ARC 4379C, IAB 3/27/19, effective 5/1/19]

193F—20.14(17A) Disqualification.

20.14(1) A presiding officer or other person shall withdraw from participation in the making of any proposed or final decision in a contested case if that person:

- a. Has a personal bias or prejudice concerning a party or a representative of a party;
- b. Has personally investigated, prosecuted or advocated in connection with that case, the specific controversy underlying that case, another pending factually related contested case, or a pending factually related controversy that may culminate in a contested case involving the same parties;
- c. Is subject to the authority, direction or discretion of any person who has personally investigated, prosecuted or advocated, in connection with that contested case, the specific controversy underlying that contested case, or a pending factually related contested case or controversy involving the same parties;
- d. Has acted as counsel to any person who is a private party to that proceeding within the past two years;
- e. Has a personal financial interest in the outcome of the case or any other significant personal interest that could be substantially affected by the outcome of the case;
- f. Has a spouse or relative within the third degree of relationship that (1) is a party to the case, or an officer, director or trustee of a party; (2) is a lawyer in the case; (3) is known to have an interest that could be substantially affected by the outcome of the case; or (4) is likely to be a material witness in the case; or
- g. Has any other legally sufficient cause to withdraw from participation in the decision making in that case.

20.14(2) The term “personally investigated” means taking affirmative steps to interview witnesses directly or to obtain documents or other information directly. The term “personally investigated” does not include general direction and supervision of assigned investigators, unsolicited receipt of information which is relayed to assigned investigators, review of another person’s investigative work product in the course of determining whether there is probable cause to initiate a proceeding, or exposure to factual information while performing other board functions, including fact gathering for purposes other than investigation of the matter which culminates in a contested case. A person voluntarily appearing before the board or a committee of the board waives any objection to a board member or board staff both participating in the appearance and later participating as a decision maker or aid to the decision maker in a contested case. Factual information relevant to the merits of a contested case received by a person who later serves as presiding officer in that case shall be disclosed if required by Iowa Code section 17A.17(3) and subrule 20.28(9).

20.14(3) In a situation where a presiding officer or other person knows of information which might reasonably be deemed to be a basis for disqualification and decides voluntary withdrawal is unnecessary, that person shall submit the relevant information for the record by affidavit and shall provide for the record a statement of the reasons for the determination that withdrawal is unnecessary.

20.14(4) If a party asserts disqualification on any appropriate ground, including those listed in subrule 20.14(1), the party shall file a motion supported by an affidavit pursuant to Iowa Code sections 17A.11(3) and 17A.17(7). The motion must be filed as soon as practicable after the reason alleged in the motion becomes known to the party.

20.14(5) If, during the course of the hearing, a party first becomes aware of evidence of bias or other grounds for disqualification, the party may move for disqualification but must establish the grounds by the introduction of evidence into the record.

20.14(6) A motion to disqualify a board member or other person shall first be directed to the affected board member or other person for determination. If the board member or other person determines that disqualification is appropriate, the board member or other person shall withdraw from further participation in the case. If the board member or other person determines that withdrawal is not required, the presiding officer shall promptly review that determination, provided that, if the person at

issue is an administrative law judge, the review shall be by the board. If the presiding officer determines that disqualification is appropriate, the board member or other person shall withdraw. If the presiding officer determines that withdrawal is not required, the presiding officer shall enter an order to that effect. A party asserting disqualification may seek an interlocutory appeal under rule 193F—20.31(17A), if applicable, and seek a stay under rule 193F—20.34(17A).

[ARC 4379C, IAB 3/27/19, effective 5/1/19]

193F—20.15(17A) Consolidation—severance.

20.15(1) Consolidation. The presiding officer may consolidate any or all matters at issue in two or more contested case proceedings where (a) the matters at issue involve common parties or common questions of fact or law; (b) consolidation would expedite and simplify consideration of the issues involved; and (c) consolidation would not adversely affect the rights of any of the parties to those proceedings.

20.15(2) Severance. The presiding officer may, for good cause shown, order any contested case proceedings or portions thereof severed.

[ARC 4379C, IAB 3/27/19, effective 5/1/19]

193F—20.16(17A) Amendments. Any notice of hearing or statement of charges may be amended before a responsive pleading has been filed. Amendments to pleadings after a responsive pleading has been filed and to an answer may be allowed with the consent of the other parties or in the discretion of the presiding officer who may impose terms or grant a continuance.

[ARC 4379C, IAB 3/27/19, effective 5/1/19]

193F—20.17(17A) Service and filing of pleadings and other papers.

20.17(1) When service is required. Except where otherwise provided by law, every pleading, motion, document, or other paper filed in a contested case proceeding and every paper relating to discovery in such a proceeding shall be served upon each of the parties of record to the proceeding, including the person designated as prosecutor for the state, simultaneously with their filing. Except for the original notice of hearing and statement of charges, and an application for rehearing as provided in Iowa Code section 17A.16(2), the party filing a document is responsible for service on all parties. A notice of hearing and statement of charges shall be served by the board as provided in subrule 20.6(2). Once a specific administrative law judge has been assigned to a case, copies of all prehearing motions shall also be served on the administrative law judge.

20.17(2) Service—how made. Service upon a party represented by an attorney shall be made upon the attorney unless otherwise ordered. Service is made by delivery, including through electronic transmission if reasonably calculated to reach the party or the party's attorney, or by mailing a copy to the person's last-known address. Service by mail is complete upon mailing, except where otherwise specifically provided by statute, rule, or order.

20.17(3) Filing—when required. After the notice of hearing, all pleadings, motions, documents or other papers in a contested case proceeding shall be filed with the board. All pleadings, motions, documents or other papers that are required to be served upon a party shall be filed simultaneously with the board.

20.17(4) Filing—how and when made. Except where otherwise provided by law, a document is deemed filed at the time it is received by the board. Parties may file documents with the board by hand delivery or mail or by electronic transmission to the email address specified in the notice of hearing. If a document required to be filed within a prescribed period or on or before a particular date is received by the board after such period or such date, the document shall be deemed filed on the date it is mailed by first-class mail or state interoffice mail, so long as there is proof of mailing. Filing by electronic transmission is complete upon transmission unless the party making the filing learns that the attempted filing did not reach the board. The board will not provide a mailed file-stamped copy of documents filed by email or other approved electronic means.

20.17(5) Proof of mailing. Proof of mailing includes either a legible United States Postal Service nonmetered postmark on the envelope, a certificate of service, a notarized affidavit, or a certification in substantially the following form:

I certify under penalty of perjury and pursuant to the laws of Iowa that, on (date of mailing), I mailed copies of (describe document) addressed to the Iowa Real Estate Appraiser Examining Board and to the names and addresses of the parties listed below by depositing the same in (a United States post office mailbox with correct postage properly affixed or state interoffice mail).

(Date)

(Signature)

20.17(6) Electronic service. Email or similar electronic means, unless precluded by a provision of law, shall be permitted to accomplish service where such electronic transmission is reasonably calculated to reach the other party or the other party's attorney. Factors to consider in determining whether such electronic transmission is reasonably calculated to reach the other party include, but are not limited to, prior communication practices between the parties, whether consent has been given by a party or the party's attorney, and whether the presiding officer has previously entered an order authorizing service by electronic transmission. Service by electronic transmission is complete upon transmission unless the board or party making service learns that the attempted service did not reach the party to be served.
[ARC 4379C, IAB 3/27/19, effective 5/1/19]

193F—20.18(17A) Discovery.

20.18(1) The scope of discovery described in Iowa Rule of Civil Procedure 1.503 shall apply to contested case proceedings.

20.18(2) The following discovery procedures available in the Iowa Rules of Civil Procedure are available to the parties in a contested case proceeding: depositions upon oral examination or written questions; written interrogatories; production of documents, electronically stored information, and things; and requests for admission. Unless lengthened or shortened by the presiding officer, the time frames for discovery in the specific Iowa Rule of Civil Procedure govern those specific procedures.

a. Iowa Rules of Civil Procedure 1.701 through 1.717 regarding depositions shall apply to any depositions taken in a contested case proceeding. Any party taking a deposition in a contested case shall be responsible for any deposition costs, unless otherwise specified or allocated in an order. Deposition costs include, but are not limited to, reimbursement for mileage of the deponent, costs of a certified shorthand reporter, and expert witness fees, as applicable.

b. Iowa Rule of Civil Procedure 1.509 shall apply to any interrogatories propounded in a contested case proceeding.

c. Iowa Rule of Civil Procedure 1.512 shall apply to any requests for production of documents, electronically stored information, and things in a contested case proceeding.

d. Iowa Rule of Civil Procedure 1.510 shall apply to any requests for admission in a contested case proceeding. Iowa Rule of Civil Procedure 1.511 regarding the effect of an admission shall apply in a contested case proceeding.

20.18(3) The mandatory disclosure and discovery conference requirements in Iowa Rules of Civil Procedure 1.500 and 1.507 do not apply to a contested case proceeding. However, upon application by a party, the board may order the parties to comply with these procedures unless doing so would unreasonably complicate the proceeding or impose an undue hardship. As a practical matter, the purpose of the disclosure requirements and discovery conference is served by the board's obligation to supply the information described in Iowa Code section 17A.13(2) upon request while a contested case is pending and the mutual exchange of information required in a prehearing conference under rule 193F—20.21(17A.272C).

20.18(4) Iowa Rule of Civil Procedure 1.508 shall apply to discovery of any experts identified by a party to a contested case proceeding.

20.18(5) Discovery shall be served on all parties to the contested case proceeding but shall not be filed with the board.

20.18(6) A party may file a motion to compel or other motion related to discovery in accordance with this subrule. Any motion filed with the board relating to discovery shall allege that the moving party has previously made a good-faith attempt to resolve with the opposing party the discovery issues involved. Motions in regard to discovery shall be ruled upon by the presiding officer. Opposing parties shall be afforded the opportunity to respond within ten days of the filing of the motion unless the time is lengthened or shortened by the presiding officer. The presiding officer may rule on the basis of the written motion and any response or may order argument on the motion.

20.18(7) Evidence obtained in discovery may be used in the contested case proceeding if that evidence would otherwise be admissible in that proceeding.

[ARC 4379C, IAB 3/27/19, effective 5/1/19]

193F—20.19(17A,272C) Issuance of subpoenas in a contested case.

20.19(1) Subpoenas issued in a contested case may compel the attendance of witnesses at deposition or hearing, and may compel the production of books, papers, records, and other real evidence. A command to produce evidence or to permit inspection may be joined with a command to appear at deposition or hearing, or each command may be issued separately. Subpoenas shall be issued by the executive officer or designee upon a written request that complies with this rule. In the case of a request for a subpoena of mental health records, the request must confirm compliance with the following conditions prior to the issuance of the subpoena:

- a. The nature of the issues in the case reasonably justifies the issuance of the requested subpoena;
- b. Adequate safeguards have been established to prevent unauthorized disclosure;
- c. An express statutory mandate, articulated public policy, or other recognizable public interest favors access; and
- d. An attempt was made to notify the patient and to secure an authorization from the patient for the release of the records at issue.

20.19(2) A request for a subpoena shall include the following information, as applicable:

- a. The name, address, email address, and telephone number of the person requesting the subpoena;
- b. The name and address of the person to whom the subpoena shall be directed;
- c. The date, time, and location at which the person shall be commanded to attend and give testimony;
- d. Whether the testimony is requested in connection with a deposition or hearing;
- e. A description of the books, papers, records or other real evidence requested;
- f. The date, time, and location for production, or inspection and copying; and
- g. In the case of a subpoena request for mental health records, confirmation that the conditions described in subrule 20.19(1) have been satisfied.

20.19(3) Each subpoena shall contain, as applicable:

- a. The caption of the case;
- b. The name, address, and telephone number of the person who requested the subpoena;
- c. The name and address of the person to whom the subpoena is directed;
- d. The date, time, and location at which the person is commanded to appear;
- e. Whether the testimony is commanded in connection with a deposition or hearing;
- f. A description of the books, papers, records, or other real evidence the person is commanded to produce;
- g. The date, time, and location for production, or inspection and copying;
- h. The time within which a motion to quash or modify the subpoena must be filed;
- i. The signature, address, and telephone number of the executive officer or designee;
- j. The date of issuance; and
- k. A return of service.

20.19(4) The executive officer or designee shall mail copies of all subpoenas to the parties to the contested case. The person who requested the subpoena is responsible for serving the subpoena upon

the subject of the subpoena. If a subpoena is requested to compel testimony or documents for rebuttal or impeachment at hearing, the person requesting the subpoena shall so state in the request and may ask that copies of the subpoena not be mailed to the parties in the contested case.

20.19(5) Any person who is aggrieved or adversely affected by compliance with the subpoena, or any party to the contested case who desires to challenge the subpoena, must, within 14 days after service of the subpoena, or before the time specified for compliance if such time is less than 14 days, file with the board a motion to quash or modify the subpoena. The motion shall describe the legal reasons why the subpoena should be quashed or modified and may be accompanied by legal briefs or factual affidavits. However, if a subpoena solely requests the production of books, papers, records, or other real evidence and does not also seek to compel testimony, the person who is aggrieved or adversely affected by compliance with the subpoena may alternatively serve written objection on the requesting party before the earlier of the date specified for compliance or 14 days after the subpoena is served. The serving party may then file a motion asking the presiding officer to issue an order compelling production.

20.19(6) Upon receipt of a timely motion to quash or modify a subpoena or motion to compel production, the board may issue a decision or may request an administrative law judge to issue a decision. The administrative law judge or the board may quash or modify the subpoena, deny or grant the motion, or issue an appropriate protective order. Prior to ruling on the motion, the board or administrative law judge may schedule oral argument or hearing by telephone or in person.

20.19(7) A person aggrieved by a ruling of an administrative law judge who desires to challenge the ruling must appeal the ruling to the board in accordance with the procedure applicable to intra-agency appeals of proposed decisions set forth in rules 193F—20.31(17A) and 193F—20.32(17A), provided that all of the time frames are reduced by one-half.

20.19(8) If the person contesting the subpoena is not a party to the contested case proceeding, the board's decision is final for purposes of further intra-agency appeal. If the person contesting the subpoena is a party to the contested case proceeding, the board's decision is not final for purposes of further intra-agency appeal until there is a proposed decision in the contested case.

[ARC 4379C, IAB 3/27/19, effective 5/1/19]

193F—20.20(17A) Motions.

20.20(1) No technical form for motions is required. However, prehearing motions must be in writing, state the grounds for relief, and state the relief sought.

20.20(2) Any party may file a written response to a motion within ten days after the motion is served, unless the time period is extended or shortened by rules of the board or the presiding officer. The presiding officer may consider a failure to respond within the required time period in ruling on a motion.

20.20(3) The presiding officer may schedule oral argument on any motion. If the board requests that an administrative law judge issue a ruling on a prehearing motion, the ruling is subject to interlocutory appeal pursuant to rule 193F—20.31(17A).

20.20(4) Motions pertaining to the hearing, except motions for summary judgment, must be filed and served at least seven days prior to the date of hearing unless there is good cause for permitting later action or the time for such action is lengthened or shortened by rule of the board or an order of the presiding officer.

20.20(5) Motions for summary judgment shall comply with the requirements of Iowa Rule of Civil Procedure 1.981 and shall be subject to disposition according to the requirements of that rule to the extent such requirements are not inconsistent with the provisions of this rule or any other provision of law governing the procedure in contested cases.

20.20(6) Motions for summary judgment must be filed and served at least 20 days prior to the scheduled hearing date, or other time period determined by the presiding officer. Any party resisting the motion shall file and serve a resistance within ten days, unless otherwise ordered by the presiding officer, from the date a copy of the motion was served. The time fixed for hearing or nonoral submission shall be not less than 15 days after the filing of the motion, unless a shorter time is ordered by the presiding

officer. A summary judgment order rendered on all issues in a contested case is subject to rehearing pursuant to rule 193F—20.33(17A) and appeal pursuant to rule 193F—20.32(17A).
[ARC 4379C, IAB 3/27/19, effective 5/1/19]

193F—20.21(17A,272C) Prehearing conference and disclosures.

20.21(1) Any party may request a prehearing conference. A written request for prehearing conference or an order for prehearing conference on the presiding officer's own motion shall be filed not less than ten days prior to the hearing date. A prehearing conference shall be scheduled not less than five business days prior to the hearing date. The board shall set a prehearing conference in all licensee disciplinary cases and provide notice of the date and time in the notice of hearing. Written notice of the prehearing conference shall be given by the board to all parties. For good cause the presiding officer may permit variances from this rule.

20.21(2) Each party shall disclose at or prior to the prehearing conference:

- a. A final list of the witnesses who the party anticipates will testify at hearing. Witnesses not listed may be excluded from testifying unless there was good cause for the failure to include their names; and
- b. A final list of exhibits which the party anticipates will be introduced at hearing. Exhibits other than rebuttal exhibits that are not listed may be excluded from admission into evidence unless there was good cause for the failure to include them.

Witness or exhibit lists may be amended subsequent to the prehearing conference within the time limits established by the presiding officer at the prehearing conference. Any such amendments must be served on all parties.

20.21(3) In addition to the requirements of subrule 20.21(2), the parties at a prehearing conference may:

- a. Enter into stipulations of law or fact;
- b. Enter into stipulations on the admissibility of exhibits;
- c. Identify matters which the parties intend to request be officially noticed;
- d. Enter into stipulations for waiver of any provision of law; and
- e. Consider any additional matters which will expedite the hearing.

20.21(4) Prehearing conferences shall be conducted by telephone unless otherwise ordered. Parties shall exchange and receive witness and exhibit lists in advance of a telephone prehearing conference. Unless otherwise provided in the order setting a prehearing conference, the prehearing conference shall be conducted by an administrative law judge.

20.21(5) The parties shall exchange copies of all exhibits marked for introduction at hearing in the manner provided in subrule 20.26(4) no later than three business days in advance of hearing, or as ordered by the presiding officer at the prehearing conference.
[ARC 4379C, IAB 3/27/19, effective 5/1/19]

193F—20.22(17A) Continuances. Unless otherwise provided, applications for continuances shall be made to the presiding officer.

20.22(1) A written application for a continuance shall:

- a. Be made at the earliest possible time and no less than seven days before the hearing except in case of unanticipated emergencies;
- b. State the specific reasons for the request; and
- c. Be signed by the requesting party or the party's representative.

An oral application for a continuance may be made if the presiding officer waives the requirement for a written motion. However, a party making such an oral application for a continuance must confirm that request by written application within five days after the oral request unless that requirement is waived by the presiding officer. No application for continuance shall be made or granted without notice to all parties except in an emergency where notice is not feasible. The board may waive notice of such requests for a particular case or an entire class of cases.

20.22(2) In determining whether to grant a continuance, the presiding officer may require documentation of any grounds for continuance and may consider:

- a. Prior continuances;

- b. The interests of all parties;
- c. The likelihood of informal settlement;
- d. The existence of an emergency;
- e. Any objection;
- f. Any applicable time requirements;
- g. The existence of a conflict in the schedules of counsel, parties, or witnesses;
- h. The timeliness of the request; and
- i. Other relevant factors.

20.22(3) The board's executive officer or an administrative law judge may enter an order granting an uncontested application for a continuance. Upon consultation with the board chair or chair's designee, the board's executive officer or an administrative law judge may deny an uncontested application for a continuance, or rule on a contested application for continuance.

[ARC 4379C, IAB 3/27/19, effective 5/1/19]

193F—20.23(17A) Withdrawals. A party requesting a contested case proceeding may withdraw that request prior to the hearing upon written notice filed with the board and served on all parties. Unless otherwise ordered by the board, a withdrawal shall be with prejudice.

[ARC 4379C, IAB 3/27/19, effective 5/1/19]

193F—20.24(17A) Intervention.

20.24(1) Motion. A motion for leave to intervene in a contested case proceeding shall state the grounds for the proposed intervention, the position and interest of the proposed intervenor, and the possible impact of intervention on the proceeding. A proposed answer or petition in intervention shall be attached to the motion. Any party may file a response within 14 days of service of the motion to intervene unless the time period is extended or shortened by the presiding officer.

20.24(2) When filed. Motion for leave to intervene shall be filed as early in the proceeding as possible to avoid adverse impact on existing parties or the conduct of the proceeding. Unless otherwise ordered, a motion for leave to intervene shall be filed before the prehearing conference, if any, or at least 20 days before the date scheduled for hearing. Any later motion must contain a statement of good cause for the failure to file in a timely manner. Unless inequitable or unjust, an intervenor shall be bound by any agreement, arrangement, or other matter previously raised in the case. Requests by untimely intervenors for continuances which would delay the proceeding will ordinarily be denied.

20.24(3) Grounds for intervention. The movant shall demonstrate that (a) intervention would not unduly prolong the proceedings or otherwise prejudice the rights of existing parties; (b) the movant is likely to be aggrieved or adversely affected by a final order in the proceeding; and (c) the interests of the movant are not adequately represented by existing parties.

20.24(4) Effect of intervention. If appropriate, the presiding officer may order consolidation of the petitions and briefs of different parties whose interests are aligned with each other and limit the number of representatives allowed to participate actively in the proceedings. A person granted leave to intervene is a party to the proceeding. The order granting intervention may restrict the issues that may be raised by the intervenor or otherwise condition the intervenor's participation in the proceeding.

[ARC 4379C, IAB 3/27/19, effective 5/1/19]

193F—20.25(17A,272C) Hearings. The presiding officer shall be in control of the proceedings and shall have the authority to administer oaths and to admit or exclude testimony or other evidence and shall rule on all motions and objections. The board may request that an administrative law judge assist the board by performing any of these functions. Parties have the right to participate or to be represented in all hearings. Any party may be represented by an attorney at the party's expense.

20.25(1) Examination of witnesses. All witnesses shall be sworn or affirmed by the presiding officer or the court reporter and shall be subject to cross-examination. Board members and the administrative law judge have the right to examine witnesses at any stage of a witness's testimony. The presiding officer may limit questioning in a manner consistent with law.

20.25(2) Public hearing. The hearing shall be open to the public unless a licensee or licensee's attorney requests in writing that a licensee disciplinary hearing be closed to the public. At the request of a party or on the presiding officer's own motion, the presiding officer may issue a protective order to protect all or a part of a record or information which is privileged or confidential by law.

20.25(3) Record of proceedings. Oral proceedings shall be recorded either by mechanical or electronic means or by certified shorthand reporters. Oral proceedings or any part thereof shall be transcribed at the request of any party with the expense of the transcription charged to the requesting party. The recording or stenographic notes of oral proceedings or the transcription shall be filed with and maintained by the board for at least five years from the date of decision.

20.25(4) Order of proceedings. Before testimony is presented, the record shall show the identities of any board members present, the identity of the administrative law judge, the identities of the primary parties and their representatives, and the fact that all testimony is being recorded. In contested cases initiated by the board, such as licensee discipline, hearings shall generally be conducted in the following order, subject to modification at the discretion of the board:

a. The presiding officer or designated person may read a summary of the charges and answers thereto and other responsive pleadings filed by the respondent prior to the hearing.

b. The assistant attorney general representing the state interest before the board shall make a brief opening statement which may include a summary of charges and the names of any witnesses and documents to support such charges.

c. Each respondent shall be offered the opportunity to make an opening statement, including the names of any witnesses the respondent(s) desires to call in defense. A respondent may elect to make the opening statement just prior to the presentation of evidence by the respondent(s).

d. The presentation of evidence on behalf of the state.

e. The presentation of evidence on behalf of the respondent(s).

f. Rebuttal evidence on behalf of the state, if any.

g. Rebuttal evidence on behalf of the respondent(s), if any.

h. Closing arguments first on behalf of the state, then on behalf of the respondent(s), and then on behalf of the state, if any.

The order of proceedings shall be tailored to the nature of the contested case. In license reinstatement hearings, for example, the respondent will generally present evidence first because the respondent is obligated to present evidence in support of the respondent's application for reinstatement pursuant to rule 193F—20.38(17A,272C). In license denial hearings, the state will generally first establish the basis for the board's denial of licensure, but thereafter the applicant has the burden of establishing the conditions for licensure pursuant to rule 193F—20.39(546,543D,272C).

20.25(5) Decorum. The presiding officer shall maintain the decorum of the hearing and may refuse to admit or may expel anyone whose conduct is disorderly.

20.25(6) Immunity. The presiding officer shall have authority to grant immunity from disciplinary action to a witness, as provided by Iowa Code section 272C.6(3), but only upon the unanimous vote of all members of the board hearing the case. The official record of the hearing shall include the reasons for granting the immunity.

20.25(7) Sequestering witnesses. The presiding officer, on the officer's own motion or upon the request of a party, may sequester witnesses.

20.25(8) Witness representation. Witnesses are entitled to be represented by an attorney at their own expense. In a closed hearing, the attorney may be present only when the client testifies. The attorney may assert legal privileges personal to the client but may not make other objections. The attorney may only ask questions of the client to prevent a misstatement from entering the record.

20.25(9) Depositions. Depositions may be used at hearing to the extent permitted by Iowa Rule of Civil Procedure 1.704.

20.25(10) Witness fees. The parties in a contested case shall be responsible for any witness fees and expenses incurred by witnesses appearing at the contested case hearing, unless otherwise specified or allocated in an order. The costs for lay witnesses shall be determined in accordance with Iowa Code section 622.69. The costs for expert witnesses shall be determined in accordance with Iowa Code section

622.72. Witnesses are entitled to reimbursement for mileage and may be entitled to reimbursement for meals and lodging, as incurred.

[ARC 4379C, IAB 3/27/19, effective 5/1/19]

193F—20.26(17A) Evidence.

20.26(1) The presiding officer shall rule on admissibility of evidence and may, where appropriate, take official notice of facts in accordance with all applicable requirements of law.

20.26(2) Stipulation of facts is encouraged. The presiding officer may make a decision based on stipulated facts.

20.26(3) Evidence in the proceeding shall be confined to the issues as to which the parties received notice prior to the hearing unless the parties waive their right to such notice or the presiding officer determines that good cause justifies expansion of the issues. If the presiding officer decides to admit evidence on issues outside the scope of the notice over the objection of a party who did not have actual notice of those issues, that party, upon timely request, shall receive a continuance sufficient to amend pleadings and to prepare on the additional issue.

20.26(4) The party seeking admission of an exhibit must provide opposing parties with an opportunity to examine the exhibit prior to the ruling on its admissibility. Copies of documents shall be provided to opposing parties. Copies should also be furnished to members of the board. All exhibits admitted into evidence shall be appropriately marked and be made part of the record. The state's exhibits shall be marked numerically, and the applicant's or respondent's exhibits shall be marked alphabetically.

20.26(5) Any party may object to specific evidence or may request limits on the scope of any examination or cross-examination. Such an objection must be timely and shall be accompanied by a brief statement of the grounds upon which it is based. The objection, the ruling on the objection, and the reasons for the ruling shall be noted in the record. The presiding officer may rule on the objection at the time it is made or may reserve a ruling until the written decision.

20.26(6) Whenever evidence is ruled inadmissible, the party offering that evidence may submit an offer of proof on the record. The party making the offer of proof for excluded oral testimony shall briefly summarize the testimony or, with permission of the presiding officer, present the testimony. If the excluded evidence consists of a document or exhibit, it shall be marked as part of an offer of proof and inserted in the record.

20.26(7) Irrelevant, immaterial and unduly repetitious evidence should be excluded. A finding will be based upon the kind of evidence upon which reasonably prudent persons are accustomed to rely for the conduct of their serious affairs, and may be based on hearsay or other types of evidence which may or would be inadmissible in a jury trial.

[ARC 4379C, IAB 3/27/19, effective 5/1/19]

193F—20.27(17A) Default.

20.27(1) If a party fails to appear or participate in a contested case proceeding after proper service of notice, the presiding officer may, if no adjournment is granted, enter a default decision or proceed with the hearing and render a decision in the absence of the party.

20.27(2) Where appropriate and not contrary to law, any party may move for default against a party who has requested the contested case proceeding and has failed to file a required pleading or has failed to appear after proper service.

20.27(3) Default decisions or decisions rendered on the merits after a party has failed to appear or participate in a contested case proceeding become final board action unless, within 15 days after the date of notification or mailing of the decision, a motion to vacate is filed and served on all parties or an appeal of a decision on the merits is timely initiated within the time provided by rule 193F—20.32(17A). A motion to vacate must state all facts relied upon by the moving party which establish that good cause existed for that party's failure to appear or participate at the contested case proceeding. Each fact so stated must be substantiated by at least one sworn affidavit of a person with personal knowledge of each such fact, which affidavit(s) must be attached to the motion.

20.27(4) The time for further appeal of a decision for which a timely motion to vacate has been filed is stayed pending a decision on the motion to vacate.

20.27(5) Properly substantiated and timely filed motions to vacate shall be granted only for good cause shown. The burden of proof as to good cause is on the moving party. Adverse parties shall have ten days to respond to a motion to vacate. Adverse parties shall be allowed to conduct discovery as to the issue of good cause and to present evidence on the issue prior to a decision on the motion, if a request to do so is included in that party's response.

20.27(6) "Good cause" for purposes of this rule shall have the same meaning as "good cause" for setting aside a default judgment under Iowa Rule of Civil Procedure 1.977.

20.27(7) A decision denying a motion to vacate is subject to further appeal within the time limit allowed for further appeal of a decision on the merits in the contested case proceeding. A decision granting a motion to vacate is subject to interlocutory appeal by the adverse party pursuant to rule 193F—20.31(17A).

20.27(8) If a motion to vacate is granted and no timely interlocutory appeal has been taken, the presiding officer shall issue another notice of hearing and the contested case shall proceed accordingly.

20.27(9) A default decision may award any relief consistent with the request for relief made in the petition and embraced in its issues.

20.27(10) A default decision may provide either that the default decision is to be stayed pending a timely motion to vacate or that the default decision is to take effect immediately, subject to a request for stay under rule 193F—20.34(17A).

[ARC 4379C, IAB 3/27/19, effective 5/1/19]

193F—20.28(17A) Ex parte communication.

20.28(1) Prohibited communications. Unless required for the disposition of ex parte matters specifically authorized by statute, following issuance of the notice of hearing, there shall be no communication, directly or indirectly, between the presiding officer and any party or representative of any party or any other person with a direct or indirect interest in such case in connection with any issue of fact or law in the case except upon notice and opportunity for all parties to participate. This does not prohibit persons jointly assigned such tasks from communicating with each other. Nothing in this provision is intended to preclude the presiding officer from communicating with members of the board or seeking the advice or help of persons other than those with a personal interest in, or those engaged in personally investigating as defined in subrule 20.14(2), prosecuting, or advocating in, either the case under consideration or a pending factually related case involving the same parties as long as those persons do not directly or indirectly communicate to the presiding officer any ex parte communications they have received of a type that the presiding officer would be prohibited from receiving or that furnish, augment, diminish, or modify the evidence in the record.

20.28(2) Prohibitions on ex parte communications commence with the issuance of the notice of hearing in a contested case and continue for as long as the case is pending.

20.28(3) Written, oral or other forms of communication are ex parte if made without notice and opportunity for all parties to participate.

20.28(4) To avoid prohibited ex parte communications, notice must be given in a manner reasonably calculated to give all parties a fair opportunity to participate. Notice of written communications shall be provided in compliance with rule 193F—20.17(17A) and may be supplemented by telephone, facsimile, electronic mail or other means of notification. Where permitted, oral communications may be initiated through conference telephone call including all parties or their representatives.

20.28(5) Persons who jointly act as presiding officers in a pending contested case may communicate with each other without notice or opportunity for parties to participate.

20.28(6) The executive officer or other persons may be present in deliberations or otherwise advise the presiding officer without notice or opportunity for parties to participate as long as the executive officer or other persons are not disqualified from participating in the making of a proposed or final decision under any provision of law and the executive officer or other persons comply with subrule 20.28(1).

20.28(7) Communications with the presiding officer involving uncontested scheduling or procedural matters do not require notice or opportunity for parties to participate. Parties should notify other parties prior to initiating such contact with the presiding officer when feasible, and shall notify other parties when seeking to continue hearings or other deadlines pursuant to rule 193F—20.22(17A).

20.28(8) Disclosure of prohibited communications. A presiding officer who receives a prohibited ex parte communication during the pendency of a contested case must initially determine if the effect of the communication is so prejudicial that the presiding officer should be disqualified. If the presiding officer determines that disqualification is warranted, a copy of any prohibited written communication, all written responses to the communication, a written summary stating the substance of any prohibited oral or other communication not available in written form for disclosure, all responses made, and the identity of each person from whom the presiding officer received a prohibited ex parte communication shall be submitted for inclusion in the record under seal by protective order. If the presiding officer determines that disqualification is not warranted, such documents shall be submitted for inclusion in the record and served on all parties. Any party desiring to rebut the prohibited communication must be allowed the opportunity to do so upon written request filed within ten days after notice of the communication.

20.28(9) Promptly after being assigned to serve as presiding officer at any stage in a contested case proceeding, a presiding officer shall disclose to all parties material factual information received through ex parte communication prior to such assignment unless the factual information has already been or shortly will be disclosed pursuant to Iowa Code section 17A.13(2) or through discovery. Factual information contained in an investigative report or similar document need not be separately disclosed by the presiding officer as long as such documents have been or will shortly be provided to the parties.

20.28(10) The presiding officer may render a proposed or final decision imposing appropriate sanctions for violations of this rule including default, a decision against the offending party, censure, or suspension or revocation of the privilege to practice before the board. Violation of ex parte communication prohibitions by board personnel shall be reported to the superintendent for possible sanctions including censure, suspension, dismissal, or other disciplinary action.
[ARC 4379C, IAB 3/27/19, effective 5/1/19]

193F—20.29(17A) Recording costs. Upon request, the board shall provide a copy of the whole record or any portion of the record at cost. The cost of preparing a copy of the record or of transcribing the hearing record shall be paid by the requesting party.

[ARC 4379C, IAB 3/27/19, effective 5/1/19]

193F—20.30(17A,272C) Final decisions, publication and client notification.

20.30(1) *Final decision.* When a quorum of the board presides over the reception of evidence at the hearing, the decision is a final decision. The final decision of the board shall be filed with the executive officer. A copy of the final decision and order shall immediately be sent by certified mail, return receipt requested, to the licensee's or other respondent's last-known U.S. Postal Service address or may be served as in the manner of original notices. A party's attorney may waive formal service and accept service in writing for the party. Copies shall be mailed by interoffice mail or first-class mail to the prosecutor and counsel of record.

20.30(2) *Publication of decisions.* Final decisions of the board, including consent agreements and consent orders, are public documents, are available to the public and may be disseminated as provided in Iowa Code chapter 22 by the board or others. Final decisions relating to licensee discipline shall be published on the board's website, may be published in the board's newsletter, and may be transmitted to the appropriate professional association(s), national association(s), other states, and news media, or otherwise disseminated. The board may, in its discretion, issue a formal press release.

20.30(3) *Notification of clients.* Within 15 days (or such other time period specifically ordered by the board) of the licensee's receipt of a final decision of the board, whether entered by consent or following hearing, which suspends or revokes a license or accepts a voluntary surrender of a license to resolve a disciplinary case, the licensee shall notify in writing all current clients of the fact that the license has been suspended, revoked or voluntarily surrendered. Such notice shall advise clients to obtain alternative professional services. Within 30 days of receipt of the board's final order, the licensee shall file with the

board copies of the notices sent. Compliance with this requirement shall be a condition for an application for reinstatement.

[ARC 4379C, IAB 3/27/19, effective 5/1/19]

193F—20.31(17A) Interlocutory appeals. Upon written request of a party or on its own motion, the board may review an interlocutory order of the administrative law judge, such as a ruling on a motion to quash a subpoena or other prehearing motion. In determining whether to do so, the board shall weigh the extent to which its granting the interlocutory appeal would expedite final resolution of the case and the extent to which review of the interlocutory order at the time of the issuance of a final decision would provide an adequate remedy. Any request for interlocutory review must be filed within 14 days of issuance of the challenged order, but no later than the date for compliance with the order or the date of hearing, whichever is earlier.

[ARC 4379C, IAB 3/27/19, effective 5/1/19]

193F—20.32(17A) Appeals and review.

20.32(1) Decisions issued by a panel of less than a quorum of the board or by an administrative law judge are proposed decisions.

a. *Proposed decision.* Decisions issued by a panel of less than a quorum of the board or by an administrative law judge are proposed decisions. All licensee disciplinary decisions must be issued by the board. A proposed disciplinary decision issued by a panel of the board must be acted upon by the full board in order to become the board's final proposed decision for purposes of 193F—subrule 17.2(4). In nondisciplinary cases, a proposed decision issued by a panel of the board or an administrative law judge becomes a final proposed decision for purposes of 193F—subrule 17.2(4) if not timely appealed by any party or reviewed by the board.

b. *Appeal by party.* Any adversely affected party may appeal a proposed decision rendered by a panel of the board or administrative law judge to the board within 30 days after issuance of the proposed decision. Such an appeal is required prior to seeking further intra-agency appeal as set forth in subrule 20.32(2) and 193F—subrule 17.2(4), is required to exhaust administrative remedies and is a jurisdictional prerequisite to seeking judicial review.

c. *Review.* The board may initiate review of a proposed decision rendered by a panel of the board or administrative law judge on its own motion at any time within 30 days following the issuance of such a decision.

d. *Notice of appeal.* An appeal of a proposed decision is initiated by filing a timely notice of appeal with the board. The notice of appeal must be signed by the appealing party or a representative of that party and contain a certificate of service. The notice shall specify:

- (1) The parties initiating the appeal;
- (2) The proposed decision or order which is being appealed;
- (3) The specific findings or conclusions to which exception is taken and any other exceptions to the decision or order;
- (4) The relief sought;
- (5) The grounds for relief.

e. *Requests to present additional evidence.* A party may request the taking of additional evidence only by establishing that the evidence is material, that good cause existed for the failure to present the evidence at the hearing, and that the party has not waived the right to present the evidence. A written request to present additional evidence must be filed with the notice of appeal or, by a nonappealing party, within 14 days of service of the notice of appeal. The board may remand a case to the presiding officer for further hearing or may itself preside at the taking of additional evidence.

f. *Scheduling.* The board shall issue a schedule for consideration of the appeal.

g. *Briefs and arguments.* Unless otherwise ordered, within 20 days of the notice of appeal or order for review, each appealing party may file exceptions and briefs. Within 20 days thereafter, any party may file a responsive brief. Briefs shall cite any applicable legal authority and specify relevant portions of the record in that proceeding. Written requests to present oral argument shall be filed with the briefs.

The board may resolve the appeal on the briefs or provide an opportunity for oral argument. The board may shorten or extend the briefing period as appropriate.

h. Record. The record on appeal or review shall be the entire record made before the hearing panel or administrative law judge.

20.32(2) *Intra-agency review or appeal to the superintendent.*

a. Proposed decisions. Notwithstanding anything in these rules to the contrary, all board decisions in a contested case following hearing are proposed decisions and shall be provided to the superintendent when issued as required by 193F—subrule 17.2(4). Decisions issued by a panel of less than a quorum of the board or by an administrative law judge shall not constitute a final proposed decision of the board for purposes of this subrule and 193F—subrule 17.2(4) until the appeal and review procedures outlined in subrule 20.32(1) are exhausted and the review process is complete.

b. Procedures for intra-agency review or appeal to the superintendent. Procedures for intra-agency review or appeal by or to the superintendent in a hearing following a contested case are outlined in 193F—subrule 17.2(4) and are incorporated by reference as if set forth herein.

c. Intra-agency appeal to superintendent. No person aggrieved by a proposed decision of the board may seek judicial review of that action without first appealing the action to the superintendent, as more fully described in this subrule and 193F—Chapter 17. Such intra-agency appeal to the superintendent is required to exhaust administrative remedies and is a jurisdictional prerequisite to seeking judicial review.

[ARC 4379C, IAB 3/27/19, effective 5/1/19]

193F—20.33(17A) Applications for rehearing.

20.33(1) *By whom filed.* Any party to a contested case proceeding may file an application for rehearing from a final order.

20.33(2) *Content of application.* The application for rehearing shall state on whose behalf it is filed, the specific grounds for rehearing, and the relief sought. In addition, the application shall state whether the applicant desires reconsideration of all or part of the board decision on the existing record and whether, on the basis of the grounds enumerated in subrule 20.33(3), the applicant requests an opportunity to submit additional evidence.

20.33(3) *Additional evidence.* A party may request the taking of additional evidence only by establishing that (a) the facts or other evidence arose after the original proceeding, or (b) the party offering such evidence could not reasonably have provided such evidence at the original proceeding, or (c) the party offering the additional evidence was misled by any party as to the necessity for offering such evidence at the original proceeding.

20.33(4) *Time of filing.* The application shall be filed with the board within 20 days after issuance of the final decision. The board's final decision is deemed issued on the date it is mailed or the date of delivery if service is by other means, unless another date is specified in the order. The application for rehearing is deemed filed on the date it is received by the board unless the provisions of subrule 20.17(4) apply.

20.33(5) *Notice to other parties.* A copy of the application shall be timely mailed by the applicant to all parties of record not joining therein. If the application does not contain a certificate of service, the board shall serve copies of the application on all parties.

20.33(6) *Disposition.* An application for rehearing shall be deemed denied unless the board grants the application within 20 days after its filing. An order granting or denying an application for rehearing is deemed issued on the date it is filed with the board.

20.33(7) *Proceedings.* If the board grants an application for rehearing, the board may set the application for oral argument or for hearing if additional evidence will be received. If additional evidence will not be received, the board may issue a ruling without oral argument or hearing. The board may, on the request of a party or on its own motion, order or permit the parties to provide written argument on one or more designated issues. The board may be assisted by an administrative law judge in all proceedings related to an application for rehearing.

[ARC 4379C, IAB 3/27/19, effective 5/1/19]

193F—20.34(17A) Stays of board actions.**20.34(1) When available.**

a. Any party to a contested case proceeding may petition the board for a stay of an order issued in that proceeding or for other temporary remedies, pending review by the board. The petition shall be filed with the notice of appeal and shall state the reasons justifying a stay or other temporary remedy. The board may rule on the stay or authorize the administrative law judge to do so.

b. Any party to a contested case proceeding may petition the board for a stay or other temporary remedies, pending judicial review of all or part of that proceeding. The petition shall state the reasons justifying a stay or other temporary remedy. Seeking a stay from the board is required to exhaust administrative remedies before a stay may be sought from the district court.

20.34(2) When granted. In determining whether to grant a stay, the presiding officer or board shall consider the factors listed in Iowa Code section 17A.19(5) "c."

20.34(3) Vacation. A stay may be vacated by the issuing authority upon application of the board or any other party.

[ARC 4379C, IAB 3/27/19, effective 5/1/19]

193F—20.35(17A) No factual dispute contested cases. If the parties agree that no dispute of material fact exists as to a matter that would be a contested case if such a dispute of fact existed, the parties may present all relevant admissible evidence either by stipulation or otherwise as agreed by the parties, without necessity for the production of evidence at an evidentiary hearing. If such agreement is reached, a jointly submitted schedule detailing the method and timetable for submission of the record, briefs and oral argument should be submitted to the presiding officer for approval as soon as practicable. If the parties cannot agree, any party may file and serve a motion for summary judgment pursuant to the rules governing such motions.

[ARC 4379C, IAB 3/27/19, effective 5/1/19]

193F—20.36(17A) Emergency adjudicative proceedings.

20.36(1) Necessary emergency action. To the extent necessary to prevent or avoid immediate danger to the public health, safety or welfare, and consistent with the United States Constitution and Iowa Constitution and other provisions of law, the board may issue a written order in compliance with Iowa Code section 17A.18A to suspend a license in whole or in part, order the cessation of any continuing activity, order affirmative action, or take other action within the jurisdiction of the board by emergency adjudicative order. Before issuing an emergency adjudicative order, the board shall consider factors including, but not limited to, the following:

a. Whether there has been a sufficient factual investigation to ensure that the board is proceeding on the basis of reliable information;

b. Whether the specific circumstances which pose immediate danger to the public health, safety or welfare have been identified and determined to be continuing;

c. Whether the person required to comply with the emergency adjudicative order may continue to engage in other activities without posing immediate danger to the public health, safety or welfare;

d. Whether imposition of monitoring requirements or other interim safeguards would be sufficient to protect the public health, safety or welfare; and

e. Whether the specific action contemplated by the board is necessary to avoid the immediate danger.

20.36(2) Issuance of order.

a. An emergency adjudicative order shall contain findings of fact, conclusions of law, and policy reasons to justify the determination of an immediate danger in the board's decision to take immediate action.

b. The written emergency adjudicative order shall be immediately delivered to persons who are required to comply with the order by utilizing one or more of the following procedures:

- (1) Personal delivery;
- (2) Certified mail, return receipt requested, to the last address on file with the board;
- (3) Certified mail to the last address on file with the board;

- (4) First-class mail to the last address on file with the board; or
- (5) Electronic service. Fax or email notification may be used as the sole method of delivery if the person required to comply with the order has filed a written request that board orders be sent by fax or email and has provided a fax number or email address for that purpose.
 - c. To the degree practicable, the board shall select the procedure for providing written notice that best ensures prompt, reliable delivery.

20.36(3) Oral notice. Unless the written emergency adjudicative order is provided by personal delivery on the same day that the order issues, the board shall make reasonable immediate efforts to contact by telephone the persons who are required to comply with the order.

20.36(4) Completion of proceedings. After the issuance of an emergency adjudicative order, the board shall proceed as quickly as feasible to complete any proceedings that would be required if the matter did not involve an immediate danger.

Issuance of a written emergency adjudicative order shall include notification of the date on which board proceedings are scheduled for completion. After issuance of an emergency adjudicative order, continuance of further board proceedings to a later date will be granted only in compelling circumstances upon application in writing.

[ARC 4379C, IAB 3/27/19, effective 5/1/19]

193F—20.37(17A,272C) Judicial review. Judicial review of the board's decision may be sought in accordance with the terms of Iowa Code chapter 17A.

20.37(1) Consistent with Iowa Code section 17A.19(3), if a party does not file a timely application for rehearing, a judicial review petition must be filed with the district court within 30 days after the issuance of the board's final decision. The board's final decision is deemed issued on the date it is mailed or the date of delivery if service is by other means, unless another date is specified in the order.

20.37(2) If a party does file a timely application for rehearing, a judicial review petition must be filed with the district court within 30 days after the application for rehearing is denied or deemed denied. An application for rehearing is denied or deemed denied as provided in subrule 20.33(6).

[ARC 4379C, IAB 3/27/19, effective 5/1/19]

193F—20.38(17A,272C) Reinstatement.

20.38(1) The term "reinstatement" as used in this rule shall include both the reinstatement of a suspended license and the issuance of a new license following the revocation or voluntary surrender of a license. Reinstating a license to active status under this rule is a two-step process:

a. First, the board must determine whether the suspended, revoked, or surrendered license may be reinstated under the terms of the order revoking or suspending the license or accepting the surrender of the license and under the two-part test described in subrule 20.38(5).

b. Second, if the board grants the application to reinstate, the licensee must complete and submit an application to demonstrate satisfaction of all administrative preconditions for reinstatement of the license to active status, including verification of completion of all continuing education and payment of reinstatement and renewal fees.

20.38(2) Any person whose license has been revoked or suspended by the board, or who voluntarily surrendered a license in a disciplinary proceeding, may apply to the board for reinstatement in accordance with the terms of the order of revocation or suspension, or order accepting the voluntary surrender.

20.38(3) Unless otherwise provided by law, if the order of revocation or suspension did not establish terms upon which reinstatement might occur, or if the license was voluntarily surrendered, an initial application for reinstatement may not be made until at least one year has elapsed from the date of the order or the date the board accepted the voluntary surrender of a license.

20.38(4) All proceedings for reinstatement shall be initiated by the respondent, who shall file with the board an application for reinstatement of the respondent's license. Such application shall be docketed in the original case in which the license was revoked, suspended, or relinquished. All proceedings upon the petition for reinstatement, including the matters preliminary and ancillary thereto, shall be subject to the same rules of procedure as other cases before the board. In addition, the board may grant an applicant's request to appear informally before the board prior to the issuance of a notice of hearing

on the application if the applicant requests an informal appearance in the application and agrees not to seek to disqualify on the ground of personal investigation the board members or staff before whom the applicant appears.

20.38(5) An application for reinstatement shall allege facts which, if established, will be sufficient to enable the board to determine that the basis of revocation, suspension or voluntary surrender of the respondent's license no longer exists and that it will be in the public interest for the license to be reinstated. Compliance with subrule 20.30(3) must also be established. The burden of proof to establish such facts shall be on the respondent. An order of reinstatement may include such conditions as the board deems reasonable under the circumstances. The board may grant the application without hearing, but may not deny the application in whole or in part without setting the matter for hearing or providing the applicant the opportunity to request a contested case hearing if aggrieved by a term of the reinstatement order.

20.38(6) An order of reinstatement shall be based upon a decision which incorporates findings of fact and conclusions of law and must be based upon the affirmative vote of not less than a majority of the board. This order will be published as provided for in subrule 20.30(2).

[ARC 4379C, IAB 3/27/19, effective 5/1/19]

193F—20.39(546,543D,272C) Hearing on license denial. If the board denies an application for an initial, reciprocal or comity license, the executive officer shall send written notice to the applicant by regular first-class mail identifying the factual and legal basis for denying the application. If the board denies an application to renew an existing license, the provisions of rule 193F—20.40(546,543D,272C) shall apply.

20.39(1) An applicant who is aggrieved by the denial of an application for licensure and who desires to contest the denial must request a hearing before the board within 30 calendar days of the date the notice of denial is mailed. A request for a hearing must be in writing and is deemed made on the date of the United States Postal Service nonmetered postmark or the date of personal service to the board office. The request for hearing shall specify the factual or legal errors that the applicant contends were made by the board, must identify any factual disputes upon which the applicant desires an evidentiary hearing, and may provide additional written information or documents in support of licensure. If a request for hearing is timely made, the board shall promptly issue a notice of contested case hearing on the grounds asserted by the applicant.

20.39(2) The board, in its discretion, may act as presiding officer at the contested case hearing, may hold the hearing before a panel of three board members, or may request that an administrative law judge act as presiding officer. The applicant may request that an administrative law judge act as presiding officer and render a proposed decision pursuant to rule 193F—20.10(17A,272C). A proposed decision by a panel of board members or an administrative law judge is subject to appeal or review by the board pursuant to rule 193F—20.32(17A).

20.39(3) License denial hearings are contested cases open to the public. Evidence supporting the denial of the license may be presented by an assistant attorney general. While each party shall have the burden of establishing the affirmative of matters asserted, the applicant shall have the ultimate burden of persuasion as to the applicant's qualification for licensure.

20.39(4) The board, after a hearing on license denial, may grant or deny the application for licensure. If denied, the board shall state the reasons for denial of the license and may state conditions under which the application for licensure might be granted, if applicable.

20.39(5) The notice of license denial, request for hearing, notice of hearing, record at hearing and order are open records available for inspection and copying in accordance with Iowa Code chapter 22. Copies may be provided to the media, collateral organizations and other persons or entities.

20.39(6) Following intra-agency appeal to the superintendent as required by subrule 20.32(2) and 193F—subrule 17.2(4), judicial review of a final order of the board denying licensure may be sought in accordance with the provisions of Iowa Code section 17A.19, which are applicable to judicial review of any agency's final decision in a contested case.

[ARC 4379C, IAB 3/27/19, effective 5/1/19]

193F—20.40(546,543D,272C) Denial of application to renew license. If the board denies a timely and sufficient application to renew a license, a notice of hearing shall be issued to commence a contested case proceeding.

20.40(1) Hearings on denial of an application to renew a license shall be conducted according to the procedural rules applicable to contested cases. Evidence supporting the denial of the license may be presented by an assistant attorney general. The provisions of subrules 20.39(2) and 20.39(4) to 20.39(6) shall generally apply, although license denial hearings which are in the nature of disciplinary actions will be subject to all laws and rules applicable to such hearings.

20.40(2) Pursuant to Iowa Code section 17A.18(2), an existing license shall not terminate or expire if the licensee has made timely and sufficient application for renewal until the last day for seeking judicial review of the board's final order denying the application, or a later date fixed by order of the board or the reviewing court.

20.40(3) Within the meaning of Iowa Code section 17A.18(2), a timely and sufficient renewal application shall be:

a. Received by the board in paper or electronic form, or postmarked with a nonmetered United States Postal Service postmark on or before the date the license is set to expire or lapse;

b. Signed by the licensee if submitted in paper form or certified as accurate if submitted electronically;

c. Fully completed; and

d. Accompanied with the proper fee. The fee shall be deemed improper if, for instance, the amount is incorrect, the fee was not included with the application, the credit card number provided by the applicant is incorrect, the date of expiration of a credit card is omitted or incorrect, the attempted credit card transaction is rejected, or the applicant's check is returned for insufficient funds.

20.40(4) The administrative processing of an application to renew an existing license shall not prevent the board from subsequently commencing a contested case to challenge the licensee's qualifications for continued licensure if grounds exist to do so.

[ARC 4379C, IAB 3/27/19, effective 5/1/19]

193F—20.41(543D,272C) Recovery of hearing fees and expenses. The board may assess the licensee certain fees and expenses relating to a disciplinary hearing only if the board finds that the licensee has violated a statute or rule enforced by the board. Payment shall be made directly to the banking division of the department of commerce.

20.41(1) All hearing fees and costs assessed by the board shall be paid directly to the division of banking and shall be held in a separate fund administered by the superintendent. The superintendent shall distribute moneys held in this fund during the fiscal year in which those moneys are paid to the division of banking. Distributions from the fund shall be made upon the request of the board and in the sole discretion of the superintendent. A distribution received by the board under this chapter shall be used only for expenditures related to disciplinary hearings.

a. The superintendent shall consider the following factors in exercising discretion as to whether to distribute funds to the board:

(1) The remaining funds in the board's allocated budget appropriate for disciplinary hearings in that fiscal year;

(2) The number of disciplinary hearings the board has scheduled for the remainder of that fiscal year; the nature and seriousness of those hearings; and the public health, safety, and welfare interests implicated by those hearings;

(3) Whether the board has adopted and implemented hearing cost recovery rules.

b. The superintendent shall, within 45 days from the end of the fiscal year, distribute to the board a percentage of the remaining fees and costs that is equal to the percentage of the board's total allocated budget in relation to the divisionwide total budget governed by this chapter. The fees and costs allocated back to the board shall be considered repayment receipts as defined in Iowa Code section 8.2. The fees and costs allocated back to the board shall be applied to the costs incurred for prosecution of contested cases which could result in disciplinary action.

20.41(2) The board may assess the following costs under this rule:

- a. For conducting a disciplinary hearing, an amount not to exceed \$75.
- b. All applicable costs involved in the transcript of the hearing or other proceedings in the contested case including, but not limited to, the services of the court reporter at the hearing, transcription, duplication, and postage or delivery costs. In the event of an appeal or request for review, to the full board from a decision rendered by a panel of the board or administrative law judge or by or to the superintendent from a proposed decision of the board, the appealing party shall timely request and pay for the transcript necessary for use in the board appeal process. The board may assess the transcript cost against the licensee pursuant to Iowa Code section 272C.6(6) or against the requesting party pursuant to Iowa Code section 17A.12(7), as the board deems equitable in the circumstances.
- c. All normally accepted witness expenses and fees for a hearing or the taking of depositions, as incurred by the state of Iowa. These costs shall include, but not be limited to, the cost of an expert witness and the cost involved in telephone testimony. The costs for lay witnesses shall be guided by Iowa Code section 622.69. The cost for expert witnesses shall be guided by Iowa Code section 622.72. Mileage costs shall not be governed by Iowa Code section 625.2. The provisions of Iowa Code section 622.74 regarding advance payment of witness fees and the consequences of failure to make such payment are applicable with regard to any witness who is subpoenaed by either party to testify at hearing. Additionally, the board may assess travel and lodging expenses for witnesses at a rate not to exceed the rate applicable to state employees on the date the expense is incurred.
- d. All normally applicable costs incurred by the state of Iowa involved in depositions including, but not limited to, the services of the court reporter who records the deposition, transcription, duplication, and postage or delivery costs. When a deposition of an expert witness is taken, the deposition cost shall include a reasonable expert witness fee. The expert witness fee shall not exceed the expert's customary hourly or daily rate, and shall include the time spent in travel to and from the deposition but exclude time spent in preparation for the deposition.

20.41(3) When imposed in the board's discretion, hearing fees (not exceeding \$75) shall be assessed in the final disciplinary order. Costs and expenses assessed pursuant to this rule shall be calculated and, when possible, entered into the final disciplinary order specifying the amount to be reimbursed and the time period in which the amount assessed must be paid by the licensee.

- a. When it is impractical or not possible to include in the disciplinary order the exact amount of the assessment and time period in which to pay in a timely manner, or if the expenditures occur after the disciplinary order is issued, the board, by a majority vote of the members present, may assess through separate order the amount to be reimbursed and the time period in which payment is to be made by the licensee.
- b. If the assessment and the time period are not included in the disciplinary order, the board shall have until the end of the sixth month after the date the state of Iowa paid the expenditures to assess the licensee for such expenditure. In order to rely on this provision, however, the final disciplinary order must notify the licensee that fees and expenses will be assessed once known.

20.41(4) Any party may object to the fees, costs or expenses assessed by the board by filing a written objection within 20 days of the issuance of the final disciplinary decision, or within ten days of any subsequent order establishing the amount of the assessment. A party's failure to timely object shall be deemed a failure to exhaust administrative remedies. Orders which impose fees, costs or expenses shall notify the licensee of the time frame in which objections must be filed in order to exhaust administrative remedies.

20.41(5) Fees, costs, and expenses assessed by the board pursuant to this rule shall be allocated to the expenditure category in which the disciplinary procedure of hearing was incurred. The fees, costs, and expenses shall be considered repayment receipts as defined in Iowa Code section 8.2.

20.41(6) The failure to comply with payment of the assessed costs, fees, and expenses within the time specified by the board shall constitute a violation of an order of the board, shall be grounds for discipline, and shall be considered *prima facie* evidence of a violation of Iowa Code section

272C.3(2) "a." However, no action may be taken against the licensee without the opportunity for hearing as provided in this chapter.
[ARC 4379C, IAB 3/27/19, effective 5/1/19]

193F—20.42(543D,272C) Settlement after notice of hearing.

20.42(1) Settlement negotiations after the notice of hearing is served may be initiated by the licensee or other respondent, the prosecuting assistant attorney general, the board's executive officer, or the board chair or chair's designee.

20.42(2) The board chair or chair's designee shall have authority to negotiate on behalf of the board but shall not have the authority to bind the board to particular terms of settlement.

20.42(3) The respondent is not obligated to participate in settlement negotiations. The respondent's initiation of or consent to settlement negotiation constitutes a waiver of notice and opportunity to be heard during settlement negotiation pursuant to Iowa Code section 17A.17 and rule 193F—20.28(17A). Thereafter, the prosecuting attorney is authorized to discuss informal settlement with the board chair or chair's designee, and the designated board member is not disqualified from participating in the adjudication of the contested case.

20.42(4) Unless designated to negotiate, no member of the board shall be involved in settlement negotiation until a written consent order is submitted to the full board for approval. No informal settlement shall be submitted to the full board unless it is in final written form executed by the respondent. By signing the proposed consent order, the respondent authorizes the prosecuting attorney or executive officer to have ex parte communications with the board related to the terms of settlement. If the board fails to approve the consent order, it shall be of no force and effect to either party and shall not be admissible at hearing. Upon rejecting a proposed consent order, the board may suggest alternative terms of settlement which the respondent is free to accept or reject.

20.42(5) If the board and respondent agree to a consent order, the consent order shall constitute the final decision of the board. By electing to resolve a contested case through consent order, the respondent waives all rights to a hearing and all attendant rights. A consent order in a licensee disciplinary case shall have the force and effect of a final disciplinary order entered in a contested case and shall be published as provided in rule 193F—20.30(17A,272C).
[ARC 4379C, IAB 3/27/19, effective 5/1/19]

These rules are intended to implement Iowa Code chapters 17A, 272C, 543D, and 546.

[Filed ARC 4379C (Notice ARC 4224C, IAB 1/16/19), IAB 3/27/19, effective 5/1/19]

CHAPTER 21
**DENIAL OF ISSUANCE OR RENEWAL, SUSPENSION, OR REVOCATION OF LICENSE FOR
NONPAYMENT OF CHILD SUPPORT OR STATE DEBT**

193F—21.1(252J) Nonpayment of child support. The board shall deny the issuance or renewal of a license or suspend or revoke a license upon the receipt of a certificate of noncompliance from the child support recovery unit of the department of human services according to the procedures in Iowa Code chapter 252J. In addition to the procedures set forth in chapter 252J, this rule shall apply.

21.1(1) The notice required by Iowa Code section 252J.8 shall be served upon the licensee or applicant by restricted certified mail, return receipt requested, or personal service in accordance with Iowa Rule of Civil Procedure 1.305. Alternatively, the licensee or applicant may accept service personally or through authorized counsel.

21.1(2) The effective date of the denial of the issuance or renewal of a license or the suspension or revocation of a license, as specified in the notice required by Iowa Code section 252J.8, shall be 60 days following service of the notice upon the licensee or applicant.

21.1(3) The board's executive officer is authorized to prepare and serve the notice required by Iowa Code section 252J.8 upon the licensee or applicant.

21.1(4) Licensees and applicants shall keep the board informed of all court actions and all child support recovery unit actions taken under or in connection with Iowa Code chapter 252J and shall provide the board copies, within seven days of filing or issuance, of all applications filed with the district court pursuant to Iowa Code section 252J.9, all court orders entered in such actions, and withdrawals of certificates of noncompliance by the child support recovery unit.

21.1(5) All board fees for application, license renewal or license reinstatement must be paid by licensees or applicants and all continuing education requirements must be met before a license will be issued, renewed or reinstated after the board has denied the issuance or renewal of a license or suspended or revoked a license pursuant to Iowa Code chapter 252J.

21.1(6) In the event a licensee or applicant files a timely district court action following service of a board notice pursuant to Iowa Code sections 252J.8 and 252J.9, the board shall continue with the intended action described in the notice upon the receipt of a court order lifting the stay, dismissing the action, or otherwise directing the board to proceed. For purposes of determining the effective date of the denial of the issuance or renewal of a license or the suspension or revocation of a license, the board shall count the number of days before the action was filed and the number of days after the action was disposed of by the court.

21.1(7) The board shall notify the licensee or applicant in writing through regular first-class mail, or such other means as the board deems appropriate in the circumstances, within ten days of the effective date of the denial of the issuance or renewal of a license or the suspension or revocation of a license, and shall similarly notify the licensee or applicant when the license is issued, renewed or reinstated following the board's receipt of a withdrawal of the certificate of noncompliance.

[ARC 4379C, IAB 3/27/19, effective 5/1/19]

193F—21.2(272C) Prohibited grounds for discipline. The board shall not suspend or revoke a license issued by the board to a person who is in default or is delinquent on repayment or a service obligation under federal or state postsecondary educational loans or public or private services-conditional postsecondary tuition assistance solely on the basis of such default or delinquency.

[ARC 4379C, IAB 3/27/19, effective 5/1/19; ARC 4708C, IAB 10/9/19, effective 11/13/19]

193F—21.3(272D) Nonpayment of state debt. The board shall deny the issuance or renewal of a license or suspend or revoke a license upon the receipt of a certificate of noncompliance from the centralized collection unit of the department of revenue according to the procedures in Iowa Code chapter 272D. In addition to the procedures set forth in Iowa Code chapter 272D, this rule shall apply.

21.3(1) The notice required by Iowa Code section 272D.8 shall be served upon the licensee or applicant by restricted certified mail, return receipt requested, or personal service in accordance

with Iowa Rule of Civil Procedure 1.305. Alternatively, the licensee or applicant may accept service personally or through authorized counsel.

21.3(2) The effective date of the denial of the issuance or renewal of a license or the suspension or revocation of a license, as specified in the notice required by Iowa Code section 272D.8, shall be 60 days following service of the notice upon the licensee or applicant.

21.3(3) The board's executive officer is authorized to prepare and serve the notice required by Iowa Code section 272D.8 upon the licensee or applicant.

21.3(4) Licensees and applicants shall keep the board informed of all court actions and all centralized collection unit actions taken under or in connection with Iowa Code chapter 272D and shall provide the board copies, within seven days of filing or issuance, of all applications filed with the district court pursuant to Iowa Code section 272D.9, all court orders entered in such actions, and withdrawals of certificates of noncompliance by the centralized collection unit.

21.3(5) All board fees required for application, license renewal or license reinstatement must be paid by licensees or applicants and all continuing education requirements must be met before a license will be issued, renewed or reinstated after the board has denied the issuance or renewal of a license or suspended or revoked a license pursuant to Iowa Code chapter 272D.

21.3(6) In the event a licensee or applicant files a timely district court action following service of a board notice pursuant to Iowa Code sections 272D.8 and 272D.9, the board shall continue with the intended action described in the notice upon the receipt of a court order lifting the stay, dismissing the action, or otherwise directing the board to proceed. For purposes of determining the effective date of the denial of the issuance or renewal of a license or the suspension or revocation of a license, the board shall count the number of days before the action was filed and the number of days after the action was disposed of by the court.

21.3(7) The board shall notify the licensee or applicant in writing through regular first-class mail, or such other means as the board deems appropriate in the circumstances, within ten days of the effective date of the denial of the issuance or renewal of a license or the suspension or revocation of a license, and shall similarly notify the licensee or applicant when the license is issued, renewed or reinstated following the board's receipt of a withdrawal of the certificate of noncompliance.

[ARC 4379C, IAB 3/27/19, effective 5/1/19]

These rules are intended to implement Iowa Code chapters 252J, 272C, and 272D.

[Filed ARC 4379C (Notice ARC 4224C, IAB 1/16/19), IAB 3/27/19, effective 5/1/19]

[Filed ARC 4708C (Notice ARC 4566C, IAB 7/31/19), IAB 10/9/19, effective 11/13/19]

CHAPTER 22

PETITION FOR RULE MAKING

193F—22.1(17A) Petition for rule making. Any person, board or other state agency may file a petition for rule making with the board.

A petition is deemed filed when it is received by that office. The board must provide the petitioner with a file-stamped copy of the petition if the petitioner provides the board an extra copy for this purpose. The petition must be typewritten, or legibly handwritten in ink, and must substantially conform to the following form:

BEFORE THE REAL ESTATE APPRAISER EXAMINING BOARD OF THE STATE OF IOWA

Petition by (Name of Petitioner) for the
(adoption, amendment, or repeal) of rules
relating to (State subject matter).

PETITION FOR RULE MAKING

The petition must provide the following information:

1. A statement of the specific rule-making action sought by the petitioner including the text or a summary of the contents of the proposed rule or amendment to a rule and, if it is a petition to amend or repeal a rule, a citation and the relevant language to the particular portion or portions of the rule proposed to be amended or repealed.
 2. A citation to any law deemed relevant to the board's authority to take the action urged or to the desirability of that action.
 3. A brief summary of petitioner's arguments in support of the action urged in the petition.
 4. A brief summary of any data supporting the action urged in the petition.
 5. The names, addresses, and email addresses of other persons, or a description of any class of persons, known by petitioner to be affected by, or interested in, the proposed action which is the subject of the petition.
 6. Any request by petitioner for a meeting provided for by rule 193F—22.4(17A).

22.1(1) The petition must be dated and signed by the petitioner or the petitioner's representative. It must also include the name, mailing address, email address, and telephone number of the petitioner and petitioner's representative, and a statement indicating the person to whom communications concerning the petition should be directed.

22.1(2) The board may deny a petition because it does not substantially conform to the required form.

[ARC 4379C, IAB 3/27/19, effective 5/1/19]

193F—22.2(17A) Briefs. The petitioner may attach a brief to the petition in support of the action urged in the petition. The board may request a brief from the petitioner or from any other person concerning the substance of the petition.

[ARC 4379C, IAB 3/27/19, effective 5/1/19]

193F—22.3(17A) Inquiries. Inquiries concerning the status of a petition for rule making may be made to the executive officer of the board at the board's offices.
[ARC: 1278G; IAD 2/27/19; CS 5/1/19]

[ARC 4379C, IAB 3/27/19, effective 5/1/19]

193F—22.4(17A) Board consideration.

22.4(1) Upon request by petitioner in the petition, the board must schedule a brief and informal meeting between the petitioner and the board, a member of the board, or a member of the staff of the board, to discuss the petition. The board may request the petitioner to submit additional information or argument concerning the petition. The board may also solicit comments from any person on the substance of the petition. Also, comments on the substance of the petition may be submitted to the board by any person.

22.4(2) Within 60 days after the filing of the petition, or within any longer period agreed to by the petitioner, the board must, in writing, deny the petition, and notify petitioner of its action and the specific grounds for the denial, or grant the petition and notify petitioner that it has instituted rule-making proceedings on the subject of the petition. Service of the written notice shall be sent to the email address provided by the petitioner unless the petitioner specifically requests a mailed copy. Petitioner shall be deemed notified of the denial or granting of the petition on the date when the board emails or delivers the required notification to petitioner.

22.4(3) Denial of a petition because it does not substantially conform to the required form does not preclude the filing of a new petition on the same subject that seeks to eliminate the grounds for the board's rejection of the petition.

[ARC 4379C, IAB 3/27/19, effective 5/1/19]

These rules are intended to implement Iowa Code chapter 17A.

[Filed ARC 4379C (Notice ARC 4224C, IAB 1/16/19), IAB 3/27/19, effective 5/1/19]

CHAPTER 23 DECLARATORY ORDERS

193F—23.1(17A) Petition for declaratory order. Any person may file a petition with the board for a declaratory order as to the applicability to specified circumstances of a statute, rule, or order within the primary jurisdiction of the board at the board's offices. A petition is deemed filed when it is received by that office. The board shall provide the petitioner with a file-stamped copy of the petition if the petitioner provides the board an extra copy for this purpose. The petition must be typewritten or legibly handwritten in ink and must substantially conform to the following form:

BEFORE THE REAL ESTATE APPRAISER EXAMINING BOARD OF THE STATE OF IOWA	
Petition by (Name of Petitioner) for Declaratory Order on (Cite provisions of law involved).	}
PETITION FOR DECLARATORY ORDER	

The petition must provide the following information:

1. A clear and concise statement of all relevant facts on which the order is requested.
2. A citation and the relevant language of the specific statutes, rules, policies, decisions, or orders whose applicability is questioned, and any other relevant law.
3. The questions the petitioner wants answered, stated clearly and concisely.
4. The answers to the questions desired by the petitioner and a summary of the reasons urged by the petitioner in support of those answers.
5. The reasons for requesting the declaratory order and disclosure of the petitioner's interest in the outcome.
6. A statement indicating whether the petitioner is currently a party to another proceeding involving the questions at issue and whether, to the petitioner's knowledge, those questions have been directed by, are pending determination by, or are under investigation by any governmental entity.
7. The names, addresses, and email addresses of other persons, or a description of any class of persons, known by petitioner to be affected by, or interested in, the questions in the petition.
8. Any request by petitioner for a meeting provided for by rule 193F—23.7(17A). The petition must be dated and signed by the petitioner or the petitioner's representative. It must also include the name, mailing address, email address, and telephone number of the petitioner and petitioner's representative, and a statement indicating the person to whom communications concerning the petition should be directed.

[ARC 4379C, IAB 3/27/19, effective 5/1/19]

193F—23.2(17A) Notice of petition. Within ten days after receipt of a petition for a declaratory order, the board shall give notice of the petition to all persons not served by the petitioner pursuant to rule 193F—23.6(17A) to whom notice is required by any provision of law. The board may also give notice to any other persons. Notice may be provided by email or similar electronic means.

[ARC 4379C, IAB 3/27/19, effective 5/1/19]

193F—23.3(17A) Intervention.

23.3(1) Persons who qualify under any applicable provision of law as an intervenor and who file a petition for intervention within 20 days of the filing of a petition for declaratory order shall be allowed to intervene in a proceeding for a declaratory order.

23.3(2) Any person who files a petition for intervention at any time prior to the issuance of an order may be allowed to intervene in a proceeding for a declaratory order at the discretion of the board.

23.3(3) A petition for intervention shall be filed at the board's office. Such a petition is deemed filed when it is received by the office. The board will provide the petitioner with a file-stamped copy of the petition for intervention if the petitioner provides an extra copy for this purpose. A petition for intervention must be typewritten or legibly handwritten in ink and must substantially conform to the following form:

BEFORE THE REAL ESTATE APPRAISER EXAMINING BOARD OF THE STATE OF IOWA

Petition by (Name of Original Petitioner)
for Declaratory Order on (Cite provisions
of law cited in original petition).

{

PETITION FOR
INTERVENTION

The petition for intervention must provide the following information:

1. Facts supporting the intervenor's standing and qualifications for intervention.
2. The answers urged by the intervenor to the question or questions presented and a summary of the reasons urged in support of those answers.
3. Reasons for requesting intervention and disclosure of the intervenor's interest in the outcome.
4. A statement indicating whether the intervenor is currently a party to any proceeding involving the questions at issue and whether, to the intervenor's knowledge, those questions have been decided by, are pending determination by, or are under investigation by any governmental entity.
5. The names, addresses, and email addresses of any additional persons, or a description of any additional class of persons, known by the intervenor to be affected by, or interested in, the questions presented.
6. Whether the intervenor consents to be bound by the determination of the matters presented in the declaratory order proceeding.

The petition must be dated and signed by the intervenor or the intervenor's representative. It must also include the name, mailing address, email address, and telephone number of the intervenor and intervenor's representative, and a statement indicating the person to whom communications should be directed.

[ARC 4379C, IAB 3/27/19, effective 5/1/19]

193F—23.4(17A) Briefs. The petitioner or intervenor may file a brief in support of the position urged. The board may request a brief from the petitioner, any intervenor, or any other person concerning the questions raised in the petition.

[ARC 4379C, IAB 3/27/19, effective 5/1/19]

193F—23.5(17A) Inquiries. Inquiries concerning the status of a declaratory order may be made to the executive officer of the board at the board's offices.

[ARC 4379C, IAB 3/27/19, effective 5/1/19]

193F—23.6(17A) Service and filing of petitions and other papers.

23.6(1) When service required. Except where otherwise provided by law, every petition for declaratory order, petition for intervention, brief, or other paper filed in a proceeding for a declaratory order shall be served upon each of the parties of record to the proceeding, and on all other persons identified in the petition for declaratory order or petition for intervention as affected by or interested in the questions presented, simultaneously with its filing. The party filing a document is responsible for service on all parties and other affected or interested persons.

23.6(2) Filing—when required. All petitions for declaratory orders, petitions for intervention, briefs, or other papers in a proceeding for a declaratory order shall be filed with the board at the board's office. All petitions, briefs, or other papers that are required to be served upon a party shall be filed simultaneously with the board.

23.6(3) Method of service, time of filing, and proof of mailing. Method of service, time of filing, and proof of mailing shall be as provided by rule 193F—20.17(17A).
[ARC 4379C, IAB 3/27/19, effective 5/1/19]

193F—23.7(17A) Board consideration. Upon request by petitioner, the board must schedule a brief and informal meeting between the original petitioner, all intervenors, and the board, a member of the board, or a member of the staff of the board to discuss the questions raised. The board may solicit comments

from any person on the questions raised. Also, comments on the questions raised may be submitted to the board by any person.

[ARC 4379C, IAB 3/27/19, effective 5/1/19]

193F—23.8(17A) Action on petition.

23.8(1) Within the time allowed after receipt of a petition for a declaratory order, the board shall take action on the petition within 30 days after receipt as required by Iowa Code section 17A.9. Within 30 days after receipt of a petition for a declaratory order, the board shall, in writing, do one of the following:

- a. Issue an order declaring the applicability of the statute, rule, or order in question to the specified circumstances;
- b. Set the matter for specified proceedings;
- c. Agree to issue a declaratory order by a specified time; or
- d. Decline to issue a declaratory order, stating the reasons for its action.

23.8(2) The date of issuance of an order or of a refusal to issue an order is as defined in rule 193F—20.1(17A).

[ARC 4379C, IAB 3/27/19, effective 5/1/19]

193F—23.9(17A) Refusal to issue order.

23.9(1) The board shall not issue a declaratory order where prohibited by Iowa Code section 17A.9(5) and may refuse to issue a declaratory order on some or all questions raised for the following reasons:

- a. The petition does not substantially comply with the required form.
 - b. The petition does not contain facts sufficient to demonstrate that the petitioner will be aggrieved or adversely affected by the failure of the board to issue an order.
 - c. The board does not have jurisdiction over the questions presented in the petition.
 - d. The questions presented by the petition are also presented in current rule making, contested case, or other board or judicial proceeding that may definitively resolve them.
 - e. The questions presented by the petition would more properly be resolved in a different type of proceeding or by another body with jurisdiction over the matter.
 - f. The facts or questions presented in the petition are unclear, overbroad, insufficient, or otherwise inappropriate as a basis upon which to issue an order.
 - g. There is no need to issue an order because the questions raised in the petition have been settled due to a change in circumstances.
 - h. The petition is not based upon facts calculated to aid in the planning of future conduct but is, instead, based solely upon prior conduct in an effort to establish the effect of that conduct or to challenge a board decision already made.
 - i. The petition requests a declaratory order that would necessarily determine the legal rights, duties, or responsibilities of other persons who have not joined in the petition or filed a similar petition and whose position on the questions presented may fairly be presumed to be adverse to that of petitioner.
 - j. The petitioner requests the board to determine whether a statute is unconstitutional on its face.
- 23.9(2)** A refusal to issue a declaratory order must indicate the specific grounds for the refusal and constitutes final board action on the petition.
- 23.9(3)** Refusal to issue a declaratory order pursuant to this provision does not preclude the filing of a new petition that seeks to eliminate the grounds for refusal to issue an order.

[ARC 4379C, IAB 3/27/19, effective 5/1/19]

193F—23.10(17A) Contents of declaratory order—effective date. In addition to the ruling itself, a declaratory order must contain the date of its issuance; the name of petitioner; the names of intervenors; the specific statutes, rules, policies, decisions, or orders involved; the particular facts upon which it is based; and the reasons for its conclusion. A declaratory order is effective on the date of issuance.

[ARC 4379C, IAB 3/27/19, effective 5/1/19]

193F—23.11(17A) Copies of orders. A copy of all orders issued in response to a petition for a declaratory order shall be emailed promptly to the original petitioner and all intervenors unless the petitioner specifically requests a mailed copy.
[ARC 4379C, IAB 3/27/19, effective 5/1/19]

193F—23.12(17A) Effect of a declaratory order. A declaratory order has the same status and binding effect as a final order in a contested case proceeding. It is binding on the board, the petitioner and any intervenors and is applicable only in circumstances where the relevant facts and the law involved are indistinguishable from those on which the order was based. As to all other persons, a declaratory order serves only as precedent and is not binding on the board. The issuance of a declaratory order constitutes final board action on the petition.
[ARC 4379C, IAB 3/27/19, effective 5/1/19]

These rules are intended to implement Iowa Code chapter 17A.

[Filed ARC 4379C (Notice ARC 4224C, IAB 1/16/19), IAB 3/27/19, effective 5/1/19]

CHAPTER 24
SALES AND LEASES OF GOODS AND SERVICES

193F—24.1(68B) Selling or leasing of goods or services by members of the board. The board members shall not sell or lease, either directly or indirectly, any goods or services to individuals, associations, or corporations that are subject to the regulatory authority of the board except as authorized by this rule, and by the consent documents filed with the Iowa ethics and campaign disclosure board pursuant to Iowa Code section 68B.4 and the corresponding provisions of rule 351—6.11(68B).

24.1(1) Conditions of consent for members. Consent shall be given by a majority of the members of the board upon a finding that the conditions required by Iowa Code section 68B.4, as described in 351—subrule 6.11(4), have been satisfied. The board may grant a blanket consent for sales and leases to classes of individuals, associations, or corporations when such blanket consent is consistent with 351—subrule 6.11(4) and the granting of single consents is impractical or impossible to determine.

24.1(2) Authorized sales and leases.

a. A member of the board may sell or lease goods or services to any individual, association, or corporation regulated by any division within the department of commerce, other than the board on which that official serves. This consent is granted because the sale or lease of such goods or services does not affect the board member's duties or functions on the board. The board has filed its blanket consent to such sales and leases with the ethics and campaign disclosure board.

b. A member of the board may sell or lease goods or services to any individual, association, or corporation regulated by the board if those goods or services are routinely provided to the public as part of that person's regular professional practice. This consent is granted because the sale or lease of such goods or services does not affect the board member's duties or functions on the board. In the event a complaint is filed with the board concerning the services provided by the board member to a member of the public, that board member is otherwise prohibited by law from participating in any discussion or decision by the board in that case, as provided, for instance, in the code of administrative judicial conduct at 481—Chapter 15. The board has filed its blanket consent to such sales and leases with the ethics and campaign disclosure board. The board intends that the blanket consent be interpreted broadly to allow routine professional services offered directly to the general public and to licensees, such as continuing education instruction or peer review services. Such consent recognizes that those licensees most proficient and ethical in their professional careers may also be among those whose services are desirable to enrich the professional competence of licensees. Interpreting the blanket consent broadly accordingly removes a possible disincentive to board membership.

c. Individual application and approval are not required for the sales and leases authorized by this rule and by the consents filed with the ethics and campaign disclosure board unless there are unique facts surrounding a particular sale or lease which would cause the sale or lease to affect the seller's or lessor's duties or functions, would give the buyer or lessee an advantage in dealing with the board, or would otherwise present a conflict of interest as defined in Iowa Code section 68B.2A or common law.

24.1(3) Application for consent. Prior to selling or leasing a good or service to an individual, association, or corporation subject to the regulatory authority of the department of commerce, an official must obtain prior written consent, as provided in 351—subrule 6.11(3), unless the sale or lease is specifically allowed in subrule 24.1(2) and in the consents filed with the ethics and campaign disclosure board. The request for consent must be in writing and signed by the official requesting consent. The application must provide a clear statement of all relevant facts concerning the sale or lease. The application should identify the parties to the sale or lease and the amount of compensation. The application should also explain why the sale or lease should be allowed. All applications must conform to the requirements of 351—subrule 6.11(3).

24.1(4) Limitation of consent. Consent shall be in writing and shall be valid only for the activities and the time period specifically described in the consent. Consent can be revoked at any time by a majority vote of the members of the board upon written notice to the board. A consent provided under this rule does not constitute authorization for any activity which is a conflict of interest under common law or which would violate any other statute or rule. It is the responsibility of the official requesting

consent to ensure compliance with all other applicable laws and rules. The board's ruling on each application, whether consent is conferred or denied or conditionally granted, shall be filed with the ethics and campaign disclosure board pursuant to 351—subrule 6.11(7). An official who receives a denial or conditional consent may appeal the ruling to the ethics and campaign disclosure board as provided in 351—subrule 6.11(6).

This rule is intended to implement Iowa Code chapter 68B.
[ARC 4379C, IAB 3/27/19, effective 5/1/19]

[Filed ARC 4379C (Notice ARC 4224C, IAB 1/16/19), IAB 3/27/19, effective 5/1/19]

CHAPTER 25
PUBLIC RECORDS AND FAIR INFORMATION PRACTICES

193F—25.1(17A,22) Definitions. As used in this chapter:

“*Agency*” in these rules means the real estate appraiser examining board within the Iowa division of banking.

“*Confidential record*” in these rules means a record which is not available as a matter of right for examination and copying by members of the public under applicable provisions of law. Confidential records include records or information contained in records that the agency is prohibited by law from making available for examination by members of the public, and records or information contained in records that are specified as confidential by Iowa Code section 22.7, or other provision of law, but that may be disclosed upon order of a court, the lawful custodian of the record, or by another person duly authorized to release the record. Mere inclusion in a record of information declared confidential by an applicable provision of law does not necessarily make that entire record a confidential record.

“*Custodian*” in these rules means the real estate appraiser examining board within the Iowa division of banking.

“*Personally identifiable information*” in these rules means information about or pertaining to an individual in a record which identifies the individual and which is contained in a record system.

“*Record*” in these rules means the whole or a part of a “public record,” as defined in Iowa Code section 22.1, that is owned by or in the physical possession of this agency.

“*Record system*” in these rules means any group of records under the control of the agency from which a record may be retrieved by a personal identifier such as the name of an individual, number, symbol, or other unique retriever assigned to an individual.

[ARC 4379C, IAB 3/27/19, effective 5/1/19]

193F—25.2(17A,22) Statement of policy. The purpose of this chapter is to facilitate broad public access to open records. It also seeks to facilitate sound agency determinations with respect to the handling of confidential records and the implementation of the fair information practices Act. This agency is committed to the policies set forth in Iowa Code chapter 22; agency staff shall cooperate with members of the public in implementing the provisions of that chapter.

[ARC 4379C, IAB 3/27/19, effective 5/1/19]

193F—25.3(17A,22) Requests for access to records.

25.3(1) Location of record. A request for access to a record should be directed to the agency. The request shall be directed to the board at 200 East Grand Avenue, Suite 350, Des Moines, Iowa 50309, c/o executive officer of the real estate appraiser examining board. If a request for access to a record is misdirected, agency personnel will promptly forward the request to the appropriate person within the agency.

25.3(2) Office hours. Open records shall be made available during all customary office hours, which are 8 a.m. to 4:30 p.m., Monday through Friday.

25.3(3) Request for access. Requests for access to open records may be made in writing, in person, by facsimile, email, or other electronic means or by telephone. Requests shall identify the particular record sought by name or description in order to facilitate the location of the record. Mail, electronic, or telephone requests shall include the name, address, email address, and telephone number of the person requesting the information to facilitate the board’s response, unless other arrangements are made to permit production to a person wishing to remain anonymous. A person shall not be required to give a reason for requesting an open record.

25.3(4) Response to requests. Access to an open record shall be provided promptly upon request unless the size or nature of the request makes prompt access infeasible. If the size or nature of the request for access to an open record requires time for compliance, the custodian shall comply with the request as soon as feasible. Access to an open record may be delayed for one of the purposes authorized by Iowa Code section 22.8(4) or 22.10(4). The custodian shall promptly give notice to the requester of

the reason for any delay in access to an open record and an estimate of the length of that delay and, upon request, shall promptly provide that notice to the requester in writing.

The custodian of a record may deny access to the record by members of the public only on the grounds that such a denial is warranted under Iowa Code sections 22.8(4) and 22.10(4), or that it is a confidential record, or that its disclosure is prohibited by a court order. Access by members of the public to a confidential record is limited by law and, therefore, may generally be provided only in accordance with the provisions of rule 193F—25.4(17A,22) and other applicable provisions of law.

25.3(5) Security of record. No person may, without permission from the custodian, search or remove any record from agency files. Examination and copying of agency records shall be supervised by the custodian or a designee of the custodian. Records shall be protected from damage and disorganization.

25.3(6) Copying. A reasonable number of copies of an open record may be made in the agency's office. If photocopy equipment is not available in the agency office where an open record is kept, the custodian shall permit its examination in that office and shall arrange to have copies promptly made elsewhere.

25.3(7) Fees.

a. *When charged.* The agency may charge fees in connection with the examination or copying of records only if the fees are authorized by law. To the extent permitted by applicable provisions of law, the payment of fees may be waived when the imposition of fees is inequitable or when a waiver is in the public interest.

b. *Copying and postage costs.* Price schedules for published materials and for photocopies of records supplied by the agency shall be prominently posted in agency offices. Copies of records may be made by or for members of the public on agency photocopy machines or from electronic storage systems at cost as determined and posted in agency offices by the custodian. When the mailing of copies of records is requested, the actual costs of such mailing may also be charged to the requester.

c. *Supervisory fee.* An hourly fee may be charged for actual agency expenses in supervising the examination and copying of requested records when the supervision time required is in excess of one-half hour. The custodian shall prominently post in agency offices the hourly fees to be charged for supervision of records during examination and copying. That hourly fee shall not be in excess of the hourly wage of an agency clerical employee who ordinarily would be appropriate and suitable to perform this supervisory function. To the extent permitted by law, a search fee may be charged to the same rate as and under the same conditions as are applicable to supervisory fees.

d. *Advance deposits.*

(1) When the estimated total fee chargeable under this subrule exceeds \$25, the custodian may require a requester to make an advance payment to cover all or a part of the estimated fee.

(2) When a requester has previously failed to pay a fee chargeable under this subrule, the custodian may require advance payment of the full amount of any estimated fee before the custodian processes a new request from that requester.

[ARC 4379C, IAB 3/27/19, effective 5/1/19]

193F—25.4(17A,22) Access to confidential records. Under Iowa Code section 22.7 or other applicable provisions of law, the lawful custodian may disclose certain confidential records to one or more members of the public. Other provisions of law authorize or require the custodian to release specified confidential records under certain circumstances or to particular persons. In requesting the custodian to permit the examination and copying of such a confidential record, the following procedures apply and are in addition to those specified for requests for access to records in rule 193F—25.3(17A,22).

25.4(1) Proof of identity. A person requesting access to a confidential record may be required to provide proof of identity or authority to secure access to the record.

25.4(2) Requests. The custodian may require a request to examine and copy a confidential record to be in writing. A person requesting access to such a record may be required to sign a certified statement or affidavit enumerating the specific reasons justifying access to the confidential record and to provide any proof necessary to establish relevant facts.

25.4(3) Notice to subject of record and opportunity to obtain injunction. After the custodian receives a request for access to a confidential record, and before the custodian releases such a record, the custodian may make reasonable efforts to notify promptly any person who is a subject of that record, is identified in that record, and whose address, email address, or telephone number is contained in that record. To the extent such a delay is practicable and in the public interest, the custodian may give the subject of such a confidential record to whom notification is transmitted a reasonable opportunity to seek an injunction under Iowa Code section 22.8, and indicate to the subject of the record the specific period of time during which disclosure will be delayed for that purpose.

25.4(4) Request denied. When the custodian denies a request for access to a confidential record, the custodian shall promptly notify the requester. If the requester indicates to the custodian that a written notification of the denial is desired, the custodian shall promptly provide such a notification that is signed by the custodian and that includes:

- a. The name and title or position of the custodian responsible for the denial; and
- b. A citation to the provision of law vesting authority in the custodian to deny disclosure of the record and a brief statement of the reasons for the denial to this requester.

25.4(5) Request granted. When the custodian grants a request for access to a confidential record to a particular person, the custodian shall notify that person and indicate any lawful restrictions imposed by the custodian on that person's examination and copying of the record.

[ARC 4379C, IAB 3/27/19, effective 5/1/19]

193F—25.5(17A,22) Requests for treatment of a record as a confidential record and its withholding from examination. The custodian may treat a record as a confidential record and withhold it from examination only to the extent that the custodian is authorized by Iowa Code section 22.7, another applicable provision of law, or a court order to refuse to disclose that record to members of the public.

25.5(1) Persons who may request. Any person who would be aggrieved or adversely affected by disclosure of a record and who asserts that Iowa Code section 22.7, another applicable provision of law, or a court order authorizes the custodian to treat the record as a confidential record may request the custodian to treat that record as a confidential record and to withhold it from public inspection.

25.5(2) Request. A request that a record be treated as a confidential record and be withheld from public inspection shall be in writing and shall be filed with the custodian. The request must set forth the legal and factual basis justifying such confidential record treatment for that record, and the name, address, email address, and telephone number of the person authorized to respond to any inquiry or action of the custodian concerning the request. A person requesting treatment of a record as a confidential record may also be required to sign a certified statement or affidavit enumerating the specific reasons justifying the treatment of that record as a confidential record and to provide any proof necessary to establish relevant facts. Requests for treatment of a record as such a confidential record for a limited time period shall also specify the precise period of time for which that treatment is requested.

A person filing such a request shall, if possible, accompany the request with a copy of the record in question with those portions deleted for which such confidential record treatment has been requested. If the original record is being submitted to the agency by the person requesting such confidential treatment at the time the request is filed, the person shall indicate conspicuously on the original record that all or portions of it are confidential.

25.5(3) Failure to request. Failure of a person to request confidential record treatment for a record does not preclude the custodian from treating it as a confidential record. However, if a person who has submitted business information to the agency does not request that it be withheld from public inspection under Iowa Code sections 22.7(3) and 22.7(6), the custodian of records containing that information may proceed as if that person has no objection to its disclosure to members of the public.

25.5(4) Timing of decision. A decision by the custodian with respect to the disclosure of a record to members of the public may be made when a request for its treatment as a confidential record that is not available for public inspection is filed or when the custodian receives a request for access to the record by a member of the public.

25.5(5) Request granted or deferred. If a request for such confidential record treatment is granted, or if action on such a request is deferred, a copy of the record from which the matter in question has been deleted and a copy of the decision to grant the request or to defer action upon the request will be made available for public inspection in lieu of the original record. If the custodian subsequently receives a request for access to the original record, the custodian will make reasonable and timely efforts to notify any person who has filed a request for its treatment as a confidential record that is not available for public inspection of the pendency of that subsequent request.

25.5(6) Request denied and opportunity to seek injunction. If a request that a record be treated as a confidential record and be withheld from public inspection is denied, the custodian shall notify the requester in writing of that determination and the reasons therefor. On application by the requester, the custodian may engage in a good-faith, reasonable delay in allowing examination of the record so that the requester may seek injunctive relief under the provisions of Iowa Code section 22.8, or other applicable provision of law. However, such a record shall not be withheld from public inspection for any period of time if the custodian determines that the requester had no reasonable grounds to justify the treatment of that record as a confidential record. The custodian shall notify the requester in writing of the time period allowed to seek injunctive relief or the reasons for the determination that no reasonable grounds exist to justify the treatment of that record as a confidential record. The custodian may extend the period of good-faith, reasonable delay in allowing examination of the record so that the requester may seek injunctive relief only if no request for examination of that record has been received, or if a court directs the custodian to treat it as a confidential record, or to the extent permitted by another applicable provision of law, or with the consent of the person requesting access.

[ARC 4379C, IAB 3/27/19, effective 5/1/19]

193F—25.6(17A,22) Procedure by which additions, dissents, or objections may be entered into certain records. Except as otherwise provided by law, a person may file a request with the custodian to review, and to have a written statement of additions, dissents, or objections entered into, a record containing personally identifiable information pertaining to that person. However, this does not authorize a person who is a subject of such a record to alter the original copy of that record or to expand the official record of any agency proceeding. The requester shall send the request to review such a record or the written statement of additions, dissents, or objections to the agency at 200 East Grand Avenue, Suite 350, Des Moines, Iowa 50309, c/o executive officer of the real estate appraiser examining board. The request to review such a record or the written statement of such a record of additions, dissents, or objections must be dated and signed by the requester, and shall include the current address and telephone number of the requester or the requester's representative.

[ARC 4379C, IAB 3/27/19, effective 5/1/19]

193F—25.7(17A,22) Consent to disclosure by the subject of a confidential record. To the extent permitted by any applicable provision of law, a person who is the subject of a confidential record may have a copy of the portion of that record concerning the subject disclosed to a third party. A request for such a disclosure must be in writing and must identify the particular record or records that may be disclosed, and the particular person or class of persons to whom the record may be disclosed and, where applicable, the time period during which the record may be disclosed. The person who is the subject of the record and, where applicable, the person to whom the record is to be disclosed, may be required to provide proof of identity. Additional requirements may be necessary for special classes of records. Appearance of counsel before the agency on behalf of a person who is the subject of a confidential record is deemed to constitute consent for the agency to disclose records about that person to the person's attorney.

This rule does not allow the subject of a record which is confidential under Iowa Code section 272C.6(4) to consent to its release.

[ARC 4379C, IAB 3/27/19, effective 5/1/19]

193F—25.8(17A,22) Disclosures without the consent of the subject.

25.8(1) Open records are routinely disclosed without the consent of the subject.

25.8(2) To the extent allowed by law, disclosure of confidential records may occur without the consent of the subject. Following are instances where disclosure, if lawful, will generally occur without notice to the subject:

a. For a routine use as defined in rule 193F—25.9(17A,22) or in the notice for a particular record system.

b. To a recipient who has provided the agency with advance written assurance that the record will be used solely as a statistical research or reporting record, provided that the record is transferred in a form that does not identify the subject.

c. To another government agency or to an instrumentality of any governmental jurisdiction within or under the control of the United States for a civil or criminal law enforcement activity if the activity is authorized by law, and if an authorized representative of such government agency or instrumentality has submitted a written request to the agency specifying the record desired and the law enforcement activity for which the record is sought.

d. To an individual pursuant to a showing of compelling circumstances affecting the health or safety of any individual if a notice of the disclosure is transmitted to the last-known address of the subject.

e. To the legislative services agency.

f. Disclosures in the course of employee disciplinary proceedings.

g. In response to a court order or subpoena.

h. To other licensing authorities inside and outside Iowa as described in Iowa Code section 272C.6(4).

25.8(3) Notwithstanding any statutory confidentiality provision, the board may share information with the child support recovery unit of the department of human services through manual or automated means for the sole purpose of identifying registrants or applicants subject to enforcement under Iowa Code chapter 252J or 598.

25.8(4) Notwithstanding any statutory confidentiality provision, the board may share information with the child support recovery unit of the department of human services and the centralized collection unit of the department of revenue for state debt for the sole purpose of identifying applicants or registrants subject to enforcement under Iowa Code chapters 252J and 272D.

[ARC 4379C, IAB 3/27/19, effective 5/1/19; ARC 4708C, IAB 10/9/19, effective 11/13/19]

193F—25.9(17A,22) Routine use. “Routine use” means the disclosure of a record without the consent of the subject or subjects for a purpose which is compatible with the purpose for which the record was collected. It includes disclosures required to be made by statute other than the public records law, Iowa Code chapter 22. To the extent allowed by law, the following uses are considered routine uses of all board records:

25.9(1) Disclosure to those officers, employees, and agents of the board who have a need for the record in the performance of their duties. The custodian of the record may, upon request of any officer or employee, or on the custodian’s own initiative, determine what constitutes legitimate need to use confidential records.

25.9(2) Disclosure of information indicating an apparent violation of the law to appropriate law enforcement authorities for investigation and possible criminal prosecution, civil court action, or regulatory order.

25.9(3) Disclosure to the department of inspections and appeals for matters in which it is performing services or functions on behalf of the board.

25.9(4) Transfers of information within the agency, to other state agencies, or to local units of government as appropriate to administer the program for which the information is collected.

25.9(5) Information released to staff of federal and state entities for audit purposes or for purposes of determining whether the agency is operating a program lawfully.

25.9(6) Any disclosure specifically authorized by the statute under which the record was collected or maintained.

25.9(7) Disclosure to the public and news media of pleadings, motions, orders, final decisions, and informal settlement filed in licensee disciplinary proceedings.

25.9(8) Transmittal to the district court of the record in a disciplinary hearing, pursuant to Iowa Code section 17A.19(6), regardless of whether the hearing was open or closed.

25.9(9) Name and address of licensees, date of licensure, type of license, status of licensure and related information are routinely disclosed to the public upon request.

25.9(10) Name and license numbers of licensees are routinely disclosed to the public upon request.
[ARC 4379C, IAB 3/27/19, effective 5/1/19]

193F—25.10(17A,22) Consensual disclosure of confidential records.

25.10(1) *Consent to disclosure by a subject individual.* To the extent permitted by law, the subject may consent in writing to board disclosure of confidential records as provided in rule 193F—25.7(17A,22).

25.10(2) *Complaints to public officials.* A letter from a subject of a confidential record to a public official which seeks the official's intervention on behalf of the subject in a matter that involves the board may, to the extent permitted by law, be treated as an authorization to release sufficient information about the subject to the official to resolve the matter.

[ARC 4379C, IAB 3/27/19, effective 5/1/19]

193F—25.11(17A,22,546) Release to subject.

25.11(1) The subject of a confidential record may file a written request to review confidential records about that person. However, the agency need not release the following records to the subject:

a. The identity of a person providing information to the agency need not be disclosed directly or indirectly to the subject of the information when the information is authorized to be held confidential pursuant to Iowa Code section 22.7(18) or other provision of law.

b. Records need not be disclosed to the subject when they are the work product of an attorney or are otherwise privileged.

c. Peace officers' investigative reports may be withheld from the subject, except as required by the Iowa Code. (Iowa Code section 22.7(5))

d. All information in licensee complaint and investigation files maintained by the board for purposes of licensee discipline is required to be withheld from the subject prior to the filing of formal charges and the notice of hearing in a licensee disciplinary proceeding, except those files the board can provide to the licensee before charges are filed pursuant to rules adopted under Iowa Code section 546.10(9).

e. As otherwise authorized by law.

25.11(2) Where a record has multiple subjects with interest in the confidentiality of the record, the agency may take reasonable steps to protect confidential information relating to another subject.
[ARC 4379C, IAB 3/27/19, effective 5/1/19]

193F—25.12(17A,22) Availability of records.

25.12(1) *General.* Agency records are open for public inspection and copying unless otherwise provided by rule or law.

25.12(2) *Confidential records.* The following records may be withheld from public inspection. Records are listed by category, according to the legal basis for withholding them from public inspection.

a. Personal related information in confidential personnel records of board staff and board members. (Iowa Code section 22.7(11))

b. All information in complaint and investigation files maintained by the board for purposes of licensee discipline is confidential in accordance with Iowa Code section 272C.6(4), except that the information may be released to the licensee once a licensee disciplinary proceeding has been initiated by the filing of formal charges and a notice of hearing or those files the board can provide to the licensee before charges are filed pursuant to rules adopted under Iowa Code section 546.10(9). Unlicensed complaint files are open to the public.

c. The record of a disciplinary hearing which is closed to the public pursuant to Iowa Code section 272C.6(1) is confidential under Iowa Code section 21.5(4). However, in the event a record is transmitted to the district court pursuant to Iowa Code section 17A.19(6) for purposes of judicial review, the record

shall not be considered confidential unless the district court so orders. Unlicensed hearing files are open to the public.

- d. Information relating to the contents of an examination for licensure.
 - e. Minutes and tapes of closed meetings of the board. (Iowa Code section 21.5(4))
 - f. Information or records received from a restricted source and any other information or records made confidential by law, such as academic transcripts or substance abuse treatment information.
 - g. References for examination or licensure applicants. (Iowa Code section 22.7(18))
 - h. Records which constitute attorney work products or attorney-client communications or which are otherwise privileged pursuant to Iowa Code section 22.7, 272C.6(4), 622.10 or 622.11, state and federal rules of evidence or procedure, the Code of Professional Responsibility, and case law.
 - i. Identifying details in final orders, decisions and opinions to the extent required to prevent a clearly unwarranted invasion of personal privacy or trade secrets under Iowa Code section 17A.3(1) "d."
 - j. Those portions of agency staff manuals, instructions or other statements issued which set forth the criteria or guidelines to be used by agency staff in auditing, making inspections, or in selecting or handling cases, such as operational tactics or allowable tolerances or criteria for the defense, prosecution or settlement of cases, when disclosure of these statements would:
 - (1) Enable law violators to avoid detection;
 - (2) Facilitate disregard of requirements imposed by law; or
 - (3) Give a clearly improper advantage to persons who are in an adverse position to the board. (Iowa Code sections 17A.2 and 17A.3)
 - k. Email addresses of licensees when solicited for the purpose of mass communication. An email address may be open to the public when given as part of a specific, individual email correspondence.
- 25.12(3) Authority to release confidential records.** The agency may have discretion to disclose some confidential records which are exempt from disclosure under Iowa Code section 22.7 or other law. Any person may request permission to inspect records withheld from inspection under a statute which authorizes limited or discretionary disclosure as provided in rule 193F—25.4(17A,22). If the agency initially determines that it will release such records, the agency may where appropriate notify interested parties and withhold the records from inspection as provided in subrule 25.4(3).
- [ARC 4379C, IAB 3/27/19, effective 5/1/19]

193F—25.13(17A,22) Personally identifiable information. This rule describes the nature and extent of personally identifiable information which is collected, maintained, and retrieved by the agency by personal identifier in record systems as defined in rule 193F—25.1(17A,22). For each record system, this rule describes the legal authority for the collection of that information. Records are stored on paper and in electronic form. The board's records retention schedule shall permit the destruction of paper records once the records are converted to an electronic format. Data regarding licensees is stored in a data processing system that permits the comparison of personally identifiable information in one record system with personally identifiable information in another system. Some information may also be placed on the board's website or in its newsletter or shared with others to display in databases, national registries, and similar systems. The record systems maintained by the agency are:

25.13(1) Information in complaint and investigation files maintained by the board for purposes of licensee discipline. This information is required to be kept confidential pursuant to Iowa Code section 272C.6(4). However, it may be released to the licensee once a disciplinary proceeding is commenced by the filing of formal charges and the notice of hearing. Only charges and final orders are maintained electronically.

25.13(2) Information on nonlicensee investigation files maintained by the board. This information is a public record except to the extent that certain information may be exempt from disclosure under Iowa Code section 22.7(18) or other provision of law.

25.13(3) The following information regarding licensee disciplinary proceedings:

- a. Formal charges and notices of hearing.
- b. Complete records of open disciplinary hearings. If a hearing is closed pursuant to Iowa Code section 272C.6(1), the record is confidential under Iowa Code section 21.5(4).

c. Final written decisions, including informal stipulations and settlements.

25.13(4) Licensure. Records pertaining to licensure by examination may include:

a. Transcripts from education programs. This information is collected pursuant to Iowa Code section 543D.9.

b. Applications for examination. This information is collected pursuant to Iowa Code section 543D.7.

c. Past criminal and disciplinary record. This information is collected pursuant to Iowa Code section 543D.12.

d. Examination scores. This information is collected pursuant to Iowa Code section 543D.8.

e. Social security numbers of license applicants and licensees as required by Iowa Code section 252J.8(1).

25.13(5) In addition to the above records, records pertaining to licensure by reciprocity or comity may include:

a. Disciplinary actions taken by other boards. This information is collected pursuant to Iowa Code section 543D.10.

b. Verification of licensure by another board. This information is collected pursuant to Iowa Code section 543D.11.

c. Verification of experience and other licensure qualifications.

25.13(6) Renewal forms. This information is collected pursuant to Iowa Code sections 542.6, 542B.18, 543B.28, 543D.16, 544A.10, 544B.13, and 544C.3(5). Some renewal forms are only stored in data processing systems when licensees renew electronically.

25.13(7) Continuing education records. This information is collected pursuant to Iowa Code section 272C.2.

[ARC 4379C, IAB 3/27/19, effective 5/1/19]

193F—25.14(22) Other groups of records. This rule describes groups of records maintained by the agency other than record systems as defined in rule 193F—25.1(17A,22). These records are routinely available to the public. However, the agency's files of these records may contain confidential information. In addition, the records listed in rule 193F—25.13(17A,22) may contain information about individuals. Records are paper and electronic and may be stored in automated data processing systems. The bureau's records retention schedule shall permit the destruction of paper records once the records are converted to an electronic format.

25.14(1) Rule-making records. Rule-making records may contain information about individuals making written or oral comments on proposed rules. This information is collected pursuant to Iowa Code section 17A.4. This information is not generally stored in an automated data processing system, although rule-making dockets may also be found on the board's website.

25.14(2) Board records. Agendas, minutes, and materials presented to the board members in preparation for board meetings are available from the office of the board, except those records concerning closed sessions which are exempt from disclosure under Iowa Code section 21.5(4). Board records contain information about people who participate in meetings. This information is collected pursuant to Iowa Code section 21.3. This information is not stored in an automated data processing system, although minutes and other information may be found on the board's website.

25.14(3) Publications. News releases, annual reports, project reports, agency newsletters, and other publications are available from the office of the board. Information concerning examinations and registration is available from the board office. Agency news releases, project reports, and newsletters may contain information about individuals, including agency staff or members of agency councils or committees. This information is not stored in an automated data processing system, although some board publications may be found on the board's website.

25.14(4) Appeal decisions and advisory opinions. All final orders, decisions and opinions are open to the public except for information that is confidential according to paragraphs 25.12(2) "b" and "c." These records may contain information about individuals collected under the authority of Iowa Code section 543D.17.

25.14(5) Policy manuals. The agency employees' manual, containing the policies and procedures for programs administered by the agency, is available in the office of the agency. Policy manuals do not contain information about individuals.

25.14(6) Other records. All other records that are not exempted from disclosure by law.

25.14(7) Waivers and variances. Requests for waivers and variances, board proceedings and rulings on such requests, and reports prepared for the administrative rules committee and others.

25.14(8) Declaratory orders.

25.14(9) Rule-making initiatives. All boards maintain both paper and electronic records on rule-making initiatives in accordance with Executive Order Numbers 8 and 9.

25.14(10) Personnel records of board staff and board members which may be confidential pursuant to Iowa Code section 22.7(11). The agency maintains files containing information about employees, families and dependents, and applicants for positions with the agency. The files may include payroll records, biographical information, medical information relating to disability, performance reviews and evaluations, disciplinary information, information required for tax withholding, information concerning employee benefits, affirmative action reports, and other information concerning the employer-employee relationship.

25.14(11) General correspondence, reciprocity agreements with other states, and cooperative agreements with other agencies.

25.14(12) Administrative records. These records include documents concerning budget, property inventory, purchasing, yearly reports, office policies for employees, time sheets, and printing and supply requisitions.

25.14(13) All other records that are not confidential by law.

[ARC 4379C, IAB 3/27/19, effective 5/1/19]

193F—25.15(17A,22) Data processing systems. All data processing systems used by the board permit the comparison of personally identifiable information in one record system with personally identifiable information in another record system.

[ARC 4379C, IAB 3/27/19, effective 5/1/19]

193F—25.16(17A,22) Applicability. This chapter does not:

1. Require the agency to index or retrieve records which contain information about individuals by a person's name or other personal identifier.
2. Make available to the general public records which would otherwise not be available under the public records law, Iowa Code chapter 22.
3. Govern the maintenance or disclosure of, notification of, or access to records in the possession of the agency which are governed by the regulations of another agency.
4. Apply to grantees, including local governments or subdivisions thereof, administering state-funded programs, unless otherwise provided by law or agreement.
5. Make available records compiled by the agency in reasonable anticipation of court litigation or formal administrative proceedings. The availability of such records to the general public or to any subject individual or party to such litigation or proceedings shall be governed by applicable legal and constitutional principles, statutes, rules of discovery, evidentiary privileges, and applicable regulations of the agency.

[ARC 4379C, IAB 3/27/19, effective 5/1/19]

193F—25.17(17A,22) Notice to suppliers of information. When the agency requests a person to supply information about that person, the agency shall notify the person of the use that will be made of the information, which persons outside the agency might routinely be provided this information, which parts of the requested information are required and which are optional, and the consequences of a failure to provide the information requested. This notice may be given in these rules, on the written form used to collect the information, on a separate fact sheet or letter, in brochures, in formal agreements, in contracts, in handbooks, in manuals, verbally, or by other appropriate means.

25.17(1) License and examination applicants. License and examination applicants are requested to supply a wide range of information depending on the qualifications for licensure or sitting for an examination, as provided by board statutes, rules and application forms. Failure to provide requested information may result in denial of the application. Some requested information, such as college transcripts, social security numbers, examination scores, and criminal histories, are confidential under state or federal law, but most of the information contained in license or examination applications is treated as public information, freely available for public examination.

25.17(2) Home address. License applicants and licensees are requested to provide both home and business addresses. Both addresses are treated as open records. The board will honor the “safe at home” address issued by any state’s program and protective orders in domestic abuse proceedings or otherwise issued to preserve confidentiality of a person’s physical location. If a license applicant or licensee has a basis to shield a home address from public disclosure, such as a domestic abuse protective order, written notification should be provided to the board office. Absent a court order, the board may not have a basis under Iowa Code chapter 22 to shield the home address from public disclosure, but the board may refrain from placing the home address on its website and may notify the applicant or licensee before the home address is released to the public to provide an opportunity for the applicant or licensee to seek injunction.

25.17(3) License renewal. Licensees are requested to supply a wide range of information in connection with license renewal, including continuing education information, criminal history and disciplinary actions, as provided by board statutes, rules and application forms, both on paper and electronically. Failure to provide requested information may result in denial of the application. Most information contained on renewal applications is treated as public information freely available for public examination, but some information, such as credit card numbers, may be confidential under state or federal law.

25.17(4) Investigations. Licensees are required to respond to board requests for information involving the investigation of disciplinary complaints against licensees. Failure to timely respond may result in disciplinary action against the licensee to whom the request is made. Information provided in response to such a request is confidential pursuant to Iowa Code section 272C.6(4) but may become public if introduced at a hearing which is open to the public, contained in a final order, or filed with a court of judicial review.

[ARC 4379C, IAB 3/27/19, effective 5/1/19]

These rules are intended to implement Iowa Code chapters 22, 252J and 272C.

[Filed ARC 4379C (Notice ARC 4224C, IAB 1/16/19), IAB 3/27/19, effective 5/1/19]

[Filed ARC 4708C (Notice ARC 4566C, IAB 7/31/19), IAB 10/9/19, effective 11/13/19]

CHAPTER 26
MILITARY SERVICE, VETERAN RECIPROCITY, AND SPOUSES OF ACTIVE DUTY
MILITARY SERVICE MEMBERS

193F—26.1(272C) Definitions.

“License” or “licensure” means any certification or registration that may be granted by the board.

“Military service” means honorably serving on federal active duty, state active duty, or national guard duty, as defined in Iowa Code section 29A.1; in the military services of other states, as provided in 10 U.S.C. Section 101(c); or in the organized reserves of the United States, as provided in 10 U.S.C. Section 10101.

“Military service applicant” means an individual requesting credit toward licensure for military education, training, or service obtained or completed in military service.

“Spouse” means a spouse of an active duty member of the military forces of the United States.

“Veteran” means an individual who meets the definition of “veteran” in Iowa Code section 35.1(2).
[ARC 4708C, IAB 10/9/19, effective 11/13/19]

193F—26.2(272C) Military education, training, and service credit. A military service applicant may apply for credit for verified military education, training, or service toward any experience or educational requirement for licensure by submitting a military service application form to the board office.

26.2(1) The application may be submitted with an application for licensure or examination or prior to an applicant’s applying for licensure or to take an examination. No fee is required for submission of an application for military service credit.

26.2(2) The military service applicant shall identify the experience or educational licensure requirement to which the credit would be applied if granted. Credit shall not be applied to an examination requirement.

26.2(3) The military service applicant shall provide documents, military transcripts, a certified affidavit, or forms that verify completion of the relevant military education, training, or service, which may include, when applicable, the applicant’s Certificate of Release or Discharge from Active Duty (DD Form 214) or Verification of Military Experience and Training (VMET) (DD Form 2586).

26.2(4) Upon receipt of a completed military service application, the board shall promptly determine whether the verified military education, training, or service will satisfy all or any part of the identified experience or educational qualifications for licensure.

26.2(5) The board shall grant the application in whole or in part if the board determines that the verified military education, training, or service satisfies all or part of the experience or educational qualifications for licensure.

26.2(6) The board shall inform the military service applicant in writing of the credit, if any, given toward an experience or educational qualification for licensure or explain why no credit was granted. The applicant may request reconsideration upon submission of additional documentation or information.

26.2(7) A military service applicant who is aggrieved by the board’s decision may request a contested case (administrative hearing) and may participate in a contested case by telephone. A request for a contested case shall be made within 30 days of issuance of the board’s decision. The provisions of 193F—Chapter 20 shall apply, except that no fees or costs shall be assessed against the military service applicant in connection with a contested case conducted pursuant to this subrule.

26.2(8) The board shall grant or deny the military service application prior to ruling on the application for licensure. The applicant shall not be required to submit any fees in connection with the licensure application unless the board grants the military service application. If the board does not grant the military service application, the applicant may withdraw the licensure application or request that the licensure application be placed in pending status for up to one year or as mutually agreed. The withdrawal of a licensure application shall not preclude subsequent applications supported by additional documentation or information.

[ARC 4708C, IAB 10/9/19, effective 11/13/19]

193F—26.3(272C) Veteran and spouse of active duty military service member reciprocity.

26.3(1) A veteran or spouse with an unrestricted professional license in another jurisdiction may apply for licensure in Iowa through reciprocity. A veteran or spouse must pass any examinations required for licensure to be eligible for licensure through reciprocity and will be given credit for examinations previously passed when consistent with board laws and rules on examination requirements. A fully completed application for licensure submitted by a veteran or spouse under this rule shall be given priority and shall be expedited.

26.3(2) Such an application shall contain all of the information required of all applicants for licensure who hold unrestricted licenses in other jurisdictions and who are applying for licensure by reciprocity, including, but not limited to, completion of all required forms, payment of applicable fees, disclosure of criminal or disciplinary history, and, if applicable, a criminal history background check. The applicant shall use the same forms as any other applicant for licensure by reciprocity and shall additionally provide such documentation as is reasonably needed to verify the applicant's status as a veteran under Iowa Code section 35.1(2) or spouse of an active duty member of the military forces of the United States.

26.3(3) Upon receipt of a fully completed licensure application, the board shall promptly determine if the professional or occupational licensing requirements of the jurisdiction where the applicant is licensed are substantially equivalent to the licensing requirements in Iowa. The board shall make this determination based on information supplied by the applicant and such additional information as the board may acquire from the applicable jurisdiction. As relevant to the license at issue, the board may consider the following factors in determining substantial equivalence: scope of practice, education and coursework, degree requirements, postgraduate experience, and examinations required for licensure. Generally, given federal mandates, the requirements to become certified as a real estate appraiser are substantially the same nationwide.

26.3(4) The board shall promptly grant a license to the applicant if the applicant is licensed in the same or similar profession in another jurisdiction whose licensure requirements are substantially equivalent to those required in Iowa, unless the applicant is ineligible for licensure based on other grounds, for example, the applicant's disciplinary or criminal background.

26.3(5) If the board determines that the licensing requirements in the jurisdiction in which the applicant is licensed are not substantially equivalent to those required in Iowa, the board shall promptly inform the applicant of the additional experience, education, or examinations required for licensure in Iowa. Unless the applicant is ineligible for licensure based on other grounds, such as disciplinary or criminal background, the following shall apply:

a. If an applicant has not passed the required examination(s) for licensure, the applicant may not be issued a provisional license but may request that the licensure application be placed in pending status for up to one year or as mutually agreed to provide the applicant with the opportunity to satisfy the examination requirements.

b. If additional experience or education is required in order for the applicant's qualifications to be considered substantially equivalent, the applicant may request that the board issue a provisional license for a specified period of time during which the applicant will successfully complete the necessary experience or education. The board shall issue a provisional license for a specified period of time upon such conditions as the board deems reasonably necessary to protect the health, welfare or safety of the public unless the board determines that the deficiency is of a character that the public health, welfare or safety will be adversely affected if a provisional license is granted.

c. If a request for a provisional license is denied, the board shall issue an order fully explaining the decision and shall inform the applicant of the steps the applicant may take in order to receive a provisional license.

d. If a provisional license is issued, the application for full licensure shall be placed in pending status until the necessary experience or education has been successfully completed or the provisional license expires, whichever occurs first. The board may extend a provisional license on a case-by-case basis for good cause.

26.3(6) An applicant who is aggrieved by the board's decision to deny an application for a reciprocal license or a provisional license or is aggrieved by the terms under which a provisional license will be granted may request a contested case (administrative hearing) and may participate in a contested case

by telephone. A request for a contested case shall be made within 30 days of issuance of the board's decision. The provisions of 193F—Chapter 20 shall apply, except that no fees or costs shall be assessed against the applicant in connection with a contested case conducted pursuant to this subrule.
[ARC 4708C, IAB 10/9/19, effective 11/13/19]

These rules are intended to implement Iowa Code chapters 543D and 272C and 2019 Iowa Acts, House File 288.

[Filed ARC 4708C (Notice ARC 4566C, IAB 7/31/19), IAB 10/9/19, effective 11/13/19]

CHAPTER 27
IMPAIRED LICENSEE REVIEW COMMITTEE
AND IMPAIRED LICENSEE RECOVERY PROGRAM

193F—27.1(272C) Impaired licensee review committee. Pursuant to the authority of Iowa Code section 272C.3(1)“k,” the board may establish an impaired licensee review committee.

27.1(1) Definitions. The following definitions are applicable wherever such terminology is used in the rules regarding the impaired licensee review committee.

“*Committee*” means the impaired licensee review committee.

“*Contract*” means the written document establishing the terms for participation in the impaired licensee recovery program prepared by the committee.

“*Impairment*” means an inability to practice with reasonable safety and skill as a result of alcohol or drug abuse, dependency, or addiction, or any neuropsychological or physical disorder or disability.

“*Licensee*” means a registered associate or certified real property appraiser.

“*Self-report*” means the licensee’s providing written or oral notification to the board that the licensee has been or may be diagnosed as having an impairment prior to the board’s receiving a complaint or report alleging the same from a second party.

27.1(2) Purpose. The impaired licensee review committee evaluates, assists, monitors, and, as necessary, makes reports to the board on the recovery or rehabilitation of licensees who self-report impairments or who are referred to the committee by the board.

27.1(3) Composition of the committee. The chairperson of the board shall appoint the members of the committee for that board. The membership of the committee includes, but is not limited to:

- a. One licensee member who is a certified real property appraiser with the board;
- b. One public member of the board;
- c. One or more licensed professionals with expertise in substance abuse/addiction treatment programs or other similar impairment-related treatment programs.

The board may, alternatively, contract with an established impaired licensee review committee of another board, inside or outside the department of commerce, if deemed in the best interest of the licensee or the public.

27.1(4) Eligibility. To be eligible for participation in the impaired licensee recovery program, a licensee must meet all of the following criteria:

- a. The licensee must self-report an impairment or suspected impairment directly to the office of the board or be referred to the committee by the board;
- b. The licensee must not have engaged in the unlawful diversion or distribution of controlled substances or illegal substances;
- c. At the time of the self-report, the licensee must not already be under board order for an impairment or any other violation of the laws and rules governing the practice of the profession, although the existence of such an order shall not prevent the board from making a referral when deemed in the best interest of the licensee and the public;
- d. The licensee must not have caused harm or injury to a client;
- e. The licensee must not have been subject to a civil or criminal sanction, or ordered to make reparations or remuneration by a government or regulatory authority of the United States, this or any other state or territory or foreign nation for actions that the committee determines to be serious infractions of the laws, administrative rules, or professional ethics related to the practice of the profession;
- f. The licensee must have provided truthful information and fully cooperated with the board or committee.

27.1(5) Meetings. The committee shall meet as necessary in order to review licensee compliance, develop consent agreements for new referrals, and determine eligibility for continued monitoring.

27.1(6) Terms of participation. A licensee shall agree to comply with the terms for participation in the impaired licensee recovery program established in a contract. Conditions placed upon the licensee and the duration of the monitoring period shall be established by the committee and communicated to the licensee in writing.

27.1(7) Noncompliance. Failure to comply with the provisions of the agreement shall require the committee to make immediate referral of the matter to the board for the purpose of disciplinary action.

27.1(8) Practice restrictions. The committee may impose restrictions on the licensee's practice as a term of the contract until such time as the committee receives a report from an approved evaluator that the licensee is capable of practicing with reasonable safety and skill. As a condition of participating in the program, a licensee is required to agree to restricted practice in accordance with the terms specified in the contract. In the event that the licensee refuses to agree to or comply with the restrictions established in the contract, the committee shall refer the licensee to the board for appropriate action.

27.1(9) Limitations. The committee establishes the terms and monitors a participant's compliance with the program specified in the contract. The committee is not responsible for participants who fail to comply with the terms of or fail to successfully complete the impaired licensee recovery program. Participation in the program under the auspices of the committee shall not relieve the board of any duties and shall not divest the board of any authority or jurisdiction otherwise provided. Any violation of the statutes or rules governing the practice of the licensee's profession by a participant shall be referred to the board for appropriate action. A violation of a contract is a ground for licensee discipline.

27.1(10) Confidentiality. The committee is subject to the provisions governing confidentiality established in Iowa Code section 272C.6. Accordingly, information in the possession of the board or the committee about licensees in the program shall not be disclosed to the public. Participation in the impaired licensee recovery program under the auspices of the committee is not a matter of public record.
[ARC 4708C, IAB 10/9/19, effective 11/13/19]

This rule is intended to implement Iowa Code chapter 272C.

[Filed ARC 4708C (Notice ARC 4566C, IAB 7/31/19), IAB 10/9/19, effective 11/13/19]

CHAPTER 28
SOCIAL SECURITY NUMBERS AND PROOF OF LEGAL PRESENCE

193F—28.1(543D) Purpose. This chapter outlines a uniform process for applicants and licensees to establish proof of legal presence pursuant to the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1621). This chapter also addresses the requirement that a license applicant provide a social security number under 42 U.S.C. 666(a)(13) and Iowa Code sections 252J.8(1) and 272D.8(1) for purposes including the collection of child support obligations and debts owed to the state of Iowa.

[ARC 4708C, IAB 10/9/19, effective 11/13/19]

193F—28.2(543D) Applicability.

28.2(1) Applicants and licensees who are U.S. citizens or permanent resident aliens may be requested to produce evidence of their lawful presence in the United States as a condition of initial licensure or license renewal. If requested, submission of evidence will be required once.

28.2(2) Applicants and licensees residing in the United States other than those described in subrule 28.2(1) above may be requested to provide evidence of lawful presence in the United States at the time of initial licensure and with every subsequent renewal.

28.2(3) Evidence shall not be required by foreign national applicants or licensees who are not physically present in the United States.

[ARC 4708C, IAB 10/9/19, effective 11/13/19]

193F—28.3(543D) Acceptable evidence. The board shall accept as proof of lawful presence in the United States documents generally considered acceptable documentation for purposes of establishing a U.S. place of birth, indicating U.S. citizenship, or establishing alien status. The board will not routinely retain the evidence sent and will not return the evidence once submitted. Documents may be retained in computer “imaged” format. Legible copies will be accepted. Original documents will not be required unless a question arises concerning the documentation submitted.

[ARC 4708C, IAB 10/9/19, effective 11/13/19]

193F—28.4(252J,261,272D,543D) Social security number disclosure.

28.4(1) An individual applying for a license from the board shall disclose the individual’s social security number on the application form unless:

a. The applicant demonstrates to the satisfaction of the board that the applicant does not possess and is not eligible for a social security number, or

b. The applicant demonstrates or attests that the applicant is in the process of applying for a social security number and will provide such number within 60 days of the date on which the applicant submits the application to the board. The license of an applicant who is licensed pursuant to this subrule may be revoked for failure to provide a valid social security number within 60 days of the date on which the application was filed.

28.4(2) An applicant who does not possess a social security number and is not eligible for a social security number will be required to demonstrate lawful presence in the United States, if applicable, and provide government-issued photo identification as needed to verify identity. If circumstances change and the applicant or licensee later attains a social security number, the applicant or licensee shall disclose the social security number to the board within 30 days of the date on which the social security number is issued.

[ARC 4708C, IAB 10/9/19, effective 11/13/19]

These rules are intended to implement Iowa Code chapter 543D.

[Filed ARC 4708C (Notice ARC 4566C, IAB 7/31/19), IAB 10/9/19, effective 11/13/19]

CHAPTER 29 VENDOR APPEALS

193F—29.1(543D) Purpose. This chapter outlines a uniform process for vendor appeals. The process shall be applicable only when board services are acquired through a formal bidding procedure not handled by the department of administrative services or the office of the chief information officer.
[ARC 4708C, IAB 10/9/19, effective 11/13/19]

193F—29.2(543D) Vendor appeals. Any vendor whose bid or proposal has been timely filed and who is aggrieved by the award of the board may appeal by filing a written notice of appeal with the board within five days of the date of the award, exclusive of Saturdays, Sundays, and legal state holidays. A written notice may be filed by email. The notice of appeal must be received by the board within the time frame specified to be considered timely. The notice of appeal must state the vendor's complete legal name, street address, telephone number, email address and the specific grounds upon which the vendor challenges the board's award, including legal authority, if any. The notice of appeal commences a contested case.

[ARC 4708C, IAB 10/9/19, effective 11/13/19]

193F—29.3(543D) Procedures for vendor appeals. The board's chapter governing contested cases shall be applicable, except as otherwise provided in these rules.

29.3(1) Upon receipt of a notice of vendor appeal, the board shall issue a written notice of the date, time and location of the appeal hearing to both the aggrieved vendor or vendors and the successful vendor. Service of the written notice of hearing shall be sent to the email address provided by the appellant unless the appellant specifically requests that notice be mailed or sent by certified mail. Hearing shall be held within 60 days of the date the notice of appeal was received by the board.

29.3(2) All hearings shall be open to the public.

29.3(3) Discovery requests, if any, must be served by the parties within ten days of the filing of the notice of appeal. Discovery responses or objections are due at least seven business days prior to hearing.

29.3(4) At least three business days prior to the hearing, the parties shall exchange witness and exhibit lists. The parties shall be limited at hearing to the witnesses and exhibits timely disclosed unless the board finds good cause to allow additional witnesses or exhibits at hearing.

29.3(5) The hearing, at the option of the board or administrative law judge, may be conducted in person, by telephone, or on the Iowa communications network. When the hearing is not conducted in person, all exhibits must be delivered to the board or administrative law judge no less than two business days prior to the hearing.

29.3(6) Oral proceedings shall be recorded either by mechanized means or by certified shorthand reporters. Parties requesting that the hearing be recorded by certified shorthand shall bear the costs. Copies of tapes of oral proceedings or transcripts of certified shorthand reporters shall be paid for by the requester.

29.3(7) Any party appealing the issuance of a notice of award may petition for stay of the award pending the appeal's review. The petition shall be filed with the notice of appeal and shall state the reasons justifying a stay. The filing of the petition for stay does not automatically stay the award. The board may grant a stay when it concludes that substantial legal or factual questions exist as to the propriety of the award, the party will suffer substantial and irreparable injury without the stay, and the interest of the public or licensees will not be significantly harmed by the stay. A stay may be vacated at any time upon application by any party or the board on its own motion with prior notice to all parties.

29.3(8) The record of the contested case shall include all materials specified in Iowa Code section 17A.12(6) and any other relevant procedural documents regardless of their form.

29.3(9) The board or administrative law judge may request the parties to submit proposed findings and conclusions or briefs.

29.3(10) Any request for continuance must be in writing, specifying the grounds, and filed no later than seven business days prior to hearing.

29.3(11) Requests for rehearing shall be made to the board within 20 days of issuing a final decision. A rehearing may be granted when new legal issues are raised, when new evidence is available, when an obvious mistake is corrected, or when the decision is not necessary to exhaust administrative remedies.

29.3(12) The board's final decision may be reviewed by or appealed to the superintendent within 20 days of the board's decision in accordance with 193F—subrule 17.2(3). Appealing the board's final decision to the superintendent is a prerequisite to seeking judicial review, and failure to do so shall constitute a failure to exhaust administrative remedies and preclude judicial review. Following such intra-agency appeal, judicial review may be sought in accordance with the contested case provisions of Iowa Code section 17A.19.

[ARC 4708C, IAB 10/9/19, effective 11/13/19]

193F—29.4(543D) Procedures for board referral to an administrative law judge. The board, in its discretion, may refer a vendor appeal to the department of inspections and appeals for hearing before a qualified administrative law judge. The hearing procedures set forth in rule 193F—29.3(543D) and the board's rules governing contested cases shall be substantially the same, but the ruling of an administrative law judge acting as the sole presiding officer shall constitute a proposed decision. Board review of a proposed decision shall be according to Iowa Code section 17A.15(2) and this chapter and shall be subsequently appealable to the superintendent for purposes of interagency appeal and exhaustion. Nothing in this rule shall prevent the board from hearing a vendor appeal with the assistance of an administrative law judge. This rule merely authorizes an alternative procedure.

29.4(1) The proposed decision shall become the final decision of the board 14 days after mailing of the proposed decision, unless prior to that time a party submits an appeal of the proposed decision or the board seeks review on its own motion.

29.4(2) Notice of an appeal for review of a proposed decision or notice of the board's own review shall be mailed to all parties by the board's executive officer. Within 14 days after mailing of the notice of appeal or the board's review, any party may submit to the board exceptions to and a brief in support of or in opposition to the proposed decision, copies of which shall be mailed by the submitting party to all other parties to the proceeding. The board's executive officer shall notify the parties if oral argument will be heard and shall specify whether oral argument will be heard in person, by telephone or on the Iowa communications network. The executive officer shall schedule the board's review of the proposed decision not less than 30 days after mailing of the notice of appeal or the board's own review.

29.4(3) Failure to appeal a proposed decision will constitute a failure to exhaust administrative remedies and preclude judicial review.

29.4(4) Review of a proposed decision shall be based on the record and limited to the issues raised in the hearing. The issues shall be specified in the notice of appeal of a proposed decision. The party requesting the review shall be responsible for transcribing any tape of the oral proceedings or arranging for a transcript of oral proceedings reported by a certified shorthand reporter.

29.4(5) Each party shall have the opportunity to file exceptions and present briefs. The executive officer may set deadlines for the submission of exceptions or briefs. If oral argument will be held, the executive officer shall notify all parties of the date, time and location at least ten days in advance.

29.4(6) The board shall not receive any additional evidence unless the board grants an application to present additional evidence. Any such application must be filed by a party no fewer than five business days in advance of oral argument. Additional evidence shall be allowed only upon a showing that the evidence is material to the outcome and that there were good reasons for failure to present the evidence at hearing. If an application to present additional evidence is granted, the board shall order the conditions under which the evidence shall be presented.

29.4(7) The board's final decision shall be in writing and may incorporate all or part of the proposed decision.

[ARC 4708C, IAB 10/9/19, effective 11/13/19]

193F—29.5(543D) Procedures for review by superintendent in first instance. The board or superintendent may elect to have the superintendent serve as the final decision maker in the first instance or review a proposed decision of an administrative law judge as the final decision maker. In either

case, the procedures set forth in this chapter shall be substantially the same, but further review by the superintendent shall not be required to exhaust administrative remedies or as a prerequisite to judicial review.

[ARC 4708C, IAB 10/9/19, effective 11/13/19]

These rules are intended to implement Iowa Code section 543D.23.

[Filed ARC 4708C (Notice ARC 4566C, IAB 7/31/19), IAB 10/9/19, effective 11/13/19]

CHAPTER 543E

REAL ESTATE APPRAISAL MANAGEMENT COMPANIES

Referred to in [§272C.1](#), [546.3](#), [669.14](#)

543E.1	Short title.	543E.12	Adherence to standards — mandatory reporting.
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543E.3	Definitions.	543E.14	Appraiser independence — compensation.
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543E.6	Ownership — restrictions and requirements.	543E.17	Grounds for disciplinary action.
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543E.8	Registration — application requirements.	543E.19	Surety bond.
543E.9	Registration renewal.	543E.20	Additional administrator authority.
543E.10	Fees.		
543E.11	Appraiser, appraisal review, and employee restrictions.		

543E.1 Short title.

This chapter shall be known and may be cited as the “*Iowa Appraisal Management Company Registration and Supervision Act*”.

[2016 Acts, ch 1124, §1, 32](#)

543E.2 Purpose and scope.

The purpose of this chapter is to protect the independence and integrity of the appraisal process when an appraisal is provided through an appraisal management company in connection with a consumer credit transaction secured by the principal dwelling of an Iowa consumer or securitization of such a transaction.

[2016 Acts, ch 1124, §2, 32](#)

543E.3 Definitions.

Unless the context otherwise requires, the definitions contained in [section 543D.2](#) shall apply to [this chapter](#). In addition, the following definitions shall apply for purposes of [this chapter](#):

1. “*Administrator*” means the superintendent of the division of banking of the department of commerce or the superintendent’s designee.

2. “*Appraisal management company*” means a person that oversees an appraiser panel of more than fifteen certified appraisers in this state or twenty-five or more certified or licensed appraisers nationally within a year, and that directly or indirectly performs appraisal management services for creditors or secondary mortgage market participants in connection with consumer credit transactions secured by the principal dwellings of Iowa consumers or securitizations of those transactions.

3. “*Appraisal management company national registry*” means the registry of state-registered appraisal management companies and federally regulated appraisal management companies maintained by the appraisal subcommittee.

4. “*Appraisal management services*” means any of the following:

a. Recruiting, selecting, and retaining appraisers.

b. Contracting with state certified or licensed appraisers to perform appraisal assignments.

c. 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 mortgage market participants, collecting fees from creditors and secondary mortgage market participants for services provided, and paying appraisers for services performed.

d. Reviewing and verifying the work of appraisers.

5. “*Appraisal review*” means developing and communicating an opinion under the uniform

standards of professional appraisal practice review standards regarding the quality of another appraiser's work product prepared as part of an appraisal assignment. An "*appraisal review*" does not include quality control solely to assure an appraisal report is complete, or to correct grammatical, typographical, or other similar errors.

6. "*Appraisal subcommittee*" means the appraisal subcommittee of the federal financial institutions examination council.

7. "*Appraiser*" means a person who holds a certificate as a certified real estate appraiser issued under [chapter 543D](#).

8. "*Appraiser panel*" means a network, list, or roster of certified appraisers who are independent contractors with an appraisal management company and who have been selected and approved by the appraisal management company to perform appraisals directly for the appraisal management company or for persons that have ordered appraisals through the appraisal management company. Appraisers on an appraisal management company's appraiser panel may include both appraisers engaged to perform one or more appraisals for covered transactions or for secondary mortgage market participants in connection with covered transactions, and appraisers accepted by the appraisal management company for consideration for future appraisal assignments for such purposes, as the administrator may further provide by rule.

9. "*Associate real estate appraiser*" means a person who is registered with the Iowa real estate appraiser examining board under [section 543D.20](#).

10. "*Consumer credit*" means credit offered or extended to a consumer primarily for personal, family, or household purposes.

11. "*Controlling person*" means any of the following:

a. An owner, officer, or director of an appraisal management company.

b. 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 appraisal management services and has the authority to enter into agreements with appraisers for the performance of appraisals.

c. 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.

12. "*Covered transaction*" means any consumer credit transaction secured by the consumer's principal dwelling.

13. "*Creditor*" means 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. For purposes of this subsection, a person "regularly extends consumer credit" if the person extended credit, other than credit subject to the requirements of [12 C.F.R. §1026.32](#), more than five times in the preceding calendar year for transactions secured by a dwelling. If a person did not meet those numerical standards in the preceding calendar year, the numerical standards shall be applied to the current calendar year. A person also "regularly extends consumer credit" if, in any twelve-month period, the person originates more than one credit extension that is subject to the requirements of [12 C.F.R. §1026.32](#) or one or more such credit extensions through a mortgage broker.

14. "*Dwelling*" means a residential structure that contains one to four units, whether or not that structure is attached to real property. "*Dwelling*" includes an individual condominium unit, cooperative unit, mobile home, and trailer, if it is used as a residence.

15. "*Federally regulated appraisal management company*" means an appraisal management company 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.

16. "*Federally related transaction regulations*" means regulations established by the comptroller of the currency, the board of governors of the federal reserve system, the federal deposit insurance corporation, or the national credit union administration pursuant

to sections 1112, 1113, and 1114 of Tit. XI of the federal Financial Institutions Reform, Recovery, and Enforcement Act, 12 U.S.C. §3341 – 3343.

17. “*Nonsubstantive reason*” means a reason for imposing discipline against a certified appraiser that is not described in [section 543D.17](#) or a substantially similar provision in the jurisdiction that imposed the discipline, including but not limited to the failure to pay appropriate fees.

18. “*Person*” means as defined in [section 4.1](#).

19. “*Principal dwelling*” means the primary residence of a consumer. For purposes of this chapter, a consumer may have only one “*principal dwelling*”. A vacation or other second home shall not be considered a “*principal dwelling*”. However, if a consumer buys or builds a new dwelling that will become the consumer’s primary residence within a year or upon completion of the construction, the new residence is considered the “*principal dwelling*” for purposes of this chapter.

20. “*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.

21. “*States*” means the fifty states of the United States, the District of Columbia, and the territories of American Samoa, Guam, the Northern Mariana Islands, Puerto Rico, and the United States Virgin Islands.

22. “*Substantive reason*” means a reason for imposing discipline against a certified appraiser that is described in [section 543D.17](#) or a substantially similar provision in the jurisdiction that imposed the discipline.

23. “*Uniform standards of professional appraisal practice*” means the uniform standards promulgated by the appraisal standards board of the appraisal foundation.

[2016 Acts, ch 1124, §3, 32](#)

Referred to in [§543D.6](#)

543E.4 Registration required.

A person shall not directly or indirectly engage in or attempt to engage in business as an appraisal management company or advertise or hold itself out as engaging in or conducting business as an appraisal management company in this state without first registering with the administrator.

[2016 Acts, ch 1124, §4, 32](#)

Referred to in [§543E.18](#)

543E.5 Exemptions.

This chapter shall not apply to any of the following:

1. A person that exclusively employs appraisers on an employer and employee basis for the performance of appraisals.
2. A government body, as defined in [section 22.1, subsection 1](#), that performs appraisals or retains appraisers on behalf of the government body.
3. A federally regulated appraisal management company.
4. A department or division of an entity that provides appraisal management services only to that entity.

[2016 Acts, ch 1124, §5, 32](#)

543E.6 Ownership — restrictions and requirements.

1. An appraisal management company registered or applying for registration in this state shall not be directly or indirectly owned in whole or in part by a person who has had a license or certificate to act as an appraiser refused, denied, canceled, revoked, or surrendered in lieu of revocation in any state for a substantive reason. An appraisal management company may be directly or indirectly owned in whole or in part by a person who has had a license or certificate to act as an appraiser refused, denied, canceled, revoked, or surrendered in lieu of revocation in a state for a nonsubstantive reason if the license or certificate was subsequently granted or reinstated.

2. A person who directly or indirectly owns more than ten percent of an appraisal management company in this state shall be of good moral character, as prescribed by rules adopted by the administrator consistent with applicable federal law and regulations, and shall submit to a background investigation, as prescribed by rules adopted by the administrator consistent with applicable federal law and regulations.

2016 Acts, ch 1124, §6, 32

Referred to in §543E.8, 543E.20

543E.7 Designation of controlling person.

1. An appraisal management company registered or applying for registration in this state shall designate a controlling person who shall be the main contact for all communications between the administrator and the appraisal management company, and who shall be responsible for assuring the appraisal management company complies with the provisions of this chapter when performing appraisal management services in connection with real estate located in this state.

2. The designated controlling person shall not have had a license or certificate to act as an appraiser refused, denied, canceled, revoked, or surrendered in lieu of revocation in any state for a substantive reason. A designated controlling person may have had a license or certificate to act as an appraiser refused, denied, canceled, revoked, or surrendered in lieu of revocation in a state for a nonsubstantive reason if the license or certificate was subsequently granted or reinstated.

3. The designated controlling person shall be of good moral character, as prescribed by rules adopted by the administrator consistent with applicable federal law and regulations, and shall submit to a background investigation, as prescribed by rules adopted by the administrator consistent with applicable federal law and regulations.

2016 Acts, ch 1124, §7, 32

Referred to in §543E.8, 543E.20

543E.8 Registration — application requirements.

1. An application for registration as an appraisal management company shall be submitted on a form prescribed by the administrator.

2. An application shall at a minimum include the following:

a. The name, form of business entity, contact information, and official domicile of the applicant.

b. The names and contact information for all persons who directly or indirectly own more than ten percent of the applicant and for the controlling person designated pursuant to [section 543E.7](#), and such additional information the administrator may need to enforce [section 543E.6, subsection 1](#).

c. Information as reasonably necessary to establish the size of the applicant's nationwide and Iowa appraiser panels, in accordance with rules adopted by the administrator.

d. Certification that the applicant does all of the following:

(1) Verifies that appraisers who will perform appraisal assignments concerning real estate located in this state hold a valid, unexpired certificate in good standing as a real estate appraiser issued under [chapter 543D](#).

(2) Requires that appraisals provided or coordinated by the applicant comply with the uniform standards of professional appraisal practice and has a system in place to monitor such compliance.

(3) Maintains a system to assure that appraisal management services are performed independently and free from inappropriate influence and coercion pursuant to the appraisal independence standards established under section 129E of the federal Truth in Lending Act, including the requirements for the payment of reasonable and customary fees, and pursuant to [section 543D.18, subsections 1 and 2](#), and [section 543D.18A](#).

(4) Maintains a system to retain detailed records of all appraisal management services to be performed in this state.

(5) Maintains a system to assure that the appraiser selected for an appraisal assignment is independent of the transaction and has the requisite education, expertise, and experience

necessary to competently complete the appraisal assignment for the particular market and property type.

e. If the applicant is not domiciled in this state, the name and contact information for the applicant's agent for service of process in this state and consent to service of process upon the secretary of state in any action or proceeding against the applicant arising out of a transaction or operation connected with or incidental to services performed by the applicant as a registered appraisal management company in this state or involving real property located in this state.

f. Any additional information that is reasonably needed for the administrator to implement the provisions of this chapter and assure that the applicant is eligible for registration under this chapter.

2016 Acts, ch 1124, §8, 32

Referred to in §543E.9

543E.9 Registration renewal.

1. A registration issued under [this chapter](#) shall be valid for one year as provided by rule.
2. An application to renew registration shall be submitted in the form and in the manner prescribed by the administrator. The administrator may further require periodic disclosures of changes impacting registration, such as a change in ownership or the designated controlling person.
3. An application to renew registration shall contain the information described in [section 543E.8, subsection 2](#).
4. A registration issued under [this chapter](#) shall lapse if not timely renewed, in accordance with rules adopted by the administrator.
5. A person holding a lapsed registration shall not directly or indirectly engage in or attempt to engage in business as an appraisal management company or advertise or hold itself out as engaging in or conducting business as an appraisal management company in this state until the registration has been reinstated under the process prescribed by the administrator by rule.

2016 Acts, ch 1124, §9, 32

543E.10 Fees.

1. The administrator shall by rule establish fees for registration, renewal, reinstatement, and such additional fees as are reasonably necessary for the administration of [this chapter](#). The fees shall be established in consideration of the costs of administering [this chapter](#) and the actual cost of the specific service to be provided or performed. The administrator shall periodically review and adjust the schedule of fees as needed to cover projected expenses.
2. Except as provided in [subsection 3](#), all fees collected under [this chapter](#) shall be deposited into the department of commerce revolving fund created in [section 546.12](#) and are appropriated to the administrator to be used to administer [this chapter](#) including but not limited to purposes such as examinations, investigations, and administrative staffing. Notwithstanding [section 8.33](#), moneys appropriated pursuant to this subsection are not subject to reversion to the general fund of the state.
3. The administrator shall also collect the appraisal management company national registry fee from each appraisal management company seeking to register in this state and from federally regulated appraisal management companies operating in this state. The administrator shall transfer all appraisal management company national registry fees collected by the administrator to the appraisal subcommittee.

2016 Acts, ch 1124, §10, 32

543E.11 Appraiser, appraisal review, and employee restrictions.

1. The following individuals shall not have had a license or certificate to act as an appraiser refused, denied, canceled, revoked, or surrendered in lieu of revocation in any state for a substantive reason, but may have had a license or certificate to act as an appraiser refused, denied, canceled, revoked, or surrendered in lieu of revocation in a state for a nonsubstantive reason if the license or certificate was subsequently granted or reinstated:

a. An appraiser in an appraisal management company's appraiser panel who performs or may perform appraisals of real estate located in this state.

b. An employee, independent contractor, or other agent of an appraisal management company who performs an appraisal review of an appraisal of real estate located in this state.

c. An employee, independent contractor, or other agent of an appraisal management company who, with respect to real estate located in this state, has any responsibility for assigning appraisers to specific appraisal assignments, providing quality control for appraisal reports, or communicating with appraisers regarding potential appraisal report deficiencies.

2. An appraiser who on behalf of an appraisal management company performs an appraisal review of an appraisal of a dwelling located in this state shall comply with the review provisions of the uniform standards of professional appraisal practice, and shall be certified as an appraiser under the laws of any state, except that a review appraiser shall be certified under [chapter 543D](#) if such certification is required by any applicable state or federal law, rule, or regulation, or to the extent the review appraiser provides the review appraiser's own opinion of value, concurs with the original appraiser's opinion of value, or disagrees with the original appraiser's opinion of value.

3. An appraisal management company may rely on the national registry of appraisers of the appraisal subcommittee for purposes of verifying compliance with [this section](#).

[2016 Acts, ch 1124, §11, 32](#)

543E.12 Adherence to standards — mandatory reporting.

1. An appraisal management company shall direct all appraisers it requests to perform appraisal assignments involving real estate located in this state to comply with the uniform standards of professional appraisal practice, including the competency rule.

2. An appraisal management company shall have an appraisal review system in place to monitor compliance with [subsection 1](#).

3. An appraisal management company that has a reasonable basis to believe an appraiser has materially failed to comply with the uniform standards of professional appraisal practice or has otherwise materially violated [chapter 543D](#) or [this chapter](#) shall refer the matter to the administrator in conformance with applicable federal law and regulations. An appraisal management company that has a reasonable basis to believe another appraisal management company is failing to comply with the provisions of [this chapter](#) shall refer the matter to the administrator in conformance with [section 272C.9, subsection 2](#).

4. An appraiser who is employed by or is on the appraiser panel of an appraisal management company registered under [this chapter](#) who has a reasonable basis to believe the appraisal management company is in violation of [this chapter](#) shall refer the matter to the administrator.

[2016 Acts, ch 1124, §12, 32](#)

543E.13 Recordkeeping — payment.

1. An appraisal management company shall maintain a detailed record of each service request the appraisal management company receives involving real estate located in this state and the identity of the appraiser who performs the appraisal assignment. All such records shall be maintained for at least five years after the request is sent by the appraisal management company to the appraiser or the completion of the appraisal report, whichever period expires later. An appraisal management company shall maintain such additional records regarding appraisal management services performed in this state as the administrator may specify by rule.

2. An appraisal management company shall, except in the case of breach of contract or substandard performance of an appraisal service, make payment to an appraiser for the completion of an appraisal service within forty-five days of the date on which the appraiser transmits or otherwise provides the results of the completed appraisal service to the appraisal management company. An appraisal management company shall maintain detailed records to verify that all payments to appraisers have been made in compliance

with this section. All such records shall be maintained for at least five years after payment is made or the completion of the appraisal service, whichever is later.

2016 Acts, ch 1124, §13, 32

543E.14 Appraiser independence — compensation.

1. An appraisal management company registered under [this chapter](#) shall take all reasonable steps to assure that appraisals are conducted independently and free from inappropriate influence or coercion pursuant to the appraisal independence standards established under section 129E of the federal Truth in Lending Act, including the requirements for the payment of reasonable and customary fees, and in compliance with the independence, objectivity, and impartiality provisions of [section 543D.18, subsections 1 and 2](#), and [section 543D.18A](#).

2. An appraisal management company shall compensate appraisers at a rate that is reasonable and customary for appraisal services being performed in the market area of the property being appraised in accordance with federal law.

2016 Acts, ch 1124, §14, 32

Referred to in [§543E.15](#)

543E.15 Prohibited acts.

An appraisal management company registered under [this chapter](#), or an employee, owner, director, controlling person, or other agent of an appraisal management company, shall not do any of the following:

1. Require an appraiser to indemnify an appraisal management company or hold an appraisal management company harmless for any liability, damage, losses, or claims arising out of the services performed by the appraisal management company, and not the services performed by the appraiser.

2. Alter, modify, or otherwise change a completed appraisal report submitted by an appraiser without the appraiser's written consent.

3. Require that an appraiser provide the appraisal management company with the appraiser's digital or electronic signature, seal, or certification, or any password or other form of security intended to prevent persons other than the appraiser from affixing the appraiser's digital or electronic signature, seal, or certification on a completed appraisal report.

4. Remove an appraiser from an appraiser panel without prior written notice that identifies the basis for removal. Upon request or in conjunction with an examination, an appraisal management company shall forward to the administrator copies of such notices issued to an appraiser located or certified in Iowa.

5. Require an appraiser to modify any aspect of an appraisal report other than through a request permitted under [section 543D.18A, subsection 4](#).

6. Require an appraiser to perform an appraisal assignment if the appraiser has notified the appraisal management company that, in the appraiser's own professional judgment, any of the following apply:

a. The appraiser does not have the necessary competence or expertise for the specific geographic area or type of property to be appraised.

b. The time frame under which the appraisal assignment is to be performed is insufficient for the appraiser to meet all relevant legal and professional obligations.

7. Require, either knowingly or through lack of reasonable diligence, an appraiser to take any action that would violate the uniform standards of professional appraisal practice, or any provision of [chapter 543D](#) or rule adopted pursuant thereto.

8. Prohibit an appraiser from disclosing the fee paid to the appraiser for appraisal services in the appraisal report.

9. Prohibit or inhibit lawful communications between the appraiser and the lender, a real estate salesperson or broker, or any other person from whom the appraiser, in the appraiser's own professional judgment, believes information obtained would be relevant to the appraisal assignment.

10. Condition payment of all or any part of an appraiser's fee or the appraisal management

company's fee on a particular outcome, including but not limited to any of the following outcomes:

- a. A loan closing.
 - b. A specific dollar amount in an appraisal report.
 - c. An outcome that would violate [section 543D.18, subsection 2](#), or [section 543D.18A, subsection 1](#).
11. Engage in any acts or practices that violate [section 543E.14](#).

[2016 Acts, ch 1124, §15, 32](#)

543E.16 Display of registration number.

An appraisal management company registered under this chapter shall be issued a unique registration number and shall include its registration number in any record, such as an engagement letter, order, or agreement, in which the appraisal management company contracts with an appraiser to perform an appraisal assignment involving real estate located in this state.

[2016 Acts, ch 1124, §16, 32](#)

543E.17 Grounds for disciplinary action.

1. After notice and hearing, the administrator may revoke, suspend, or refuse to issue, renew, or reinstate a registration; reprimand, censure, or limit the scope of practice of any registrant; impose a civil penalty not to exceed ten thousand dollars per violation; require remedial action; or place any registrant on probation; all with or without terms, conditions, or in combinations of remedies, for any one or more of the following reasons:

a. Fraud or deceit in obtaining registration, which may also result in permanent revocation of the registration.

b. Dishonesty, fraud, or gross negligence in the provision of appraisal management services.

c. A violation of [this chapter](#) or implementing rules by the appraisal management company or by an employee, owner, director, controlling person, or other agent of the appraisal management company.

d. Conviction of a felony or other indictable offense, any element of which is dishonesty, deception, or fraud, or is otherwise related to the performance of appraisal management services, under the laws of any state or the United States.

e. Cancellation, revocation, suspension, or refusal to renew the authority to practice as an appraisal management company, or the acceptance of the voluntary surrender of a registration to practice as an appraisal management company to conclude a disciplinary investigation or action, by any other state, a federal agency, or foreign authority for any cause other than failure to pay appropriate fees in the other jurisdiction.

f. A violation of [section 272C.10](#).

2. When determining whether to initiate a disciplinary proceeding against an appraisal management company based on actions or omissions by an employee, owner, director, controlling person, or other agent of the appraisal management company, the administrator shall take into consideration all of the following:

a. Whether the appraisal management company took reasonable steps to prevent the violation.

b. Whether the violation was or could have been discovered by the appraisal management company upon reasonable inquiry.

c. What steps the appraisal management company took upon discovering the violation.

d. Whether the violation could have been avoided had the appraisal management company established the systems or other procedures required under [this chapter](#).

e. Whether the violation is an isolated matter or more systemic to the appraisal management company's performance.

[2016 Acts, ch 1124, §17, 32](#)

543E.18 Unlawful practice — complaints and investigations — remedies and penalties.

1. If, as the result of a complaint or otherwise, the administrator believes that a person

has engaged, or is about to engage, in an act or practice that constitutes or will constitute a violation of [this chapter](#), the administrator may make application to the district court for an order enjoining such act or practice. Upon a showing by the administrator that such person has engaged, or is about to engage, in any such act or practice, an injunction, restraining order, or other order as may be appropriate shall be granted by the district court.

2. The administrator may investigate a complaint or initiate a complaint against a person who is not registered under [this chapter](#) to determine whether grounds exist to make application to the district court pursuant to [subsection 1](#) or to issue an order pursuant to [subsection 3](#), and in connection with such complaint or investigation may issue subpoenas to compel witnesses to testify or persons to produce evidence consistent with the provisions of [section 272C.6](#), [subsection 3](#), as needed to determine whether probable cause exists to initiate a proceeding under this section or to make application to the district court for an order enjoining a violation of [this chapter](#).

3. In addition to or as an alternative to making application to the district court for an injunction, the administrator may issue an order to a person who is not registered under [this chapter](#) to require compliance with [this chapter](#) and may impose a civil penalty against such person for any violation specified in [subsection 4](#) in an amount up to ten thousand dollars for each violation. All civil penalties collected pursuant to [this section](#) shall be deposited in the housing trust fund created in [section 16.181](#). An order issued pursuant to [this section](#) may prohibit a person from applying for registration under [this chapter](#) or certification or registration under [chapter 543D](#).

4. The administrator may impose a civil penalty against a person who is not registered under [this chapter](#) for any of the following:

- a. A violation of [section 543E.4](#).
- b. A violation of [section 543D.18A](#), [subsection 1](#).

c. Fraud, deceit, or deception, through act or omission, in connection with an application for registration under [this chapter](#).

5. The administrator, before issuing an order under [this section](#), shall provide the person written notice and the opportunity to request a hearing. The hearing must be requested within thirty days after receipt of the notice and shall be conducted in the same manner as provided for disciplinary proceedings involving a registrant under [this chapter](#).

6. A person aggrieved by the imposition of a civil penalty under [this section](#) may seek judicial review pursuant to [section 17A.19](#).

7. If a person fails to pay a civil penalty within thirty days after entry of an order imposing the civil penalty, or if the order is stayed pending an appeal, within ten days after the court enters a final judgment in favor of the administrator, the administrator shall notify the attorney general. The attorney general may commence an action to recover the amount of the penalty, including reasonable attorney fees and costs.

8. An action to enforce an order under [this section](#) may be joined with an action for an injunction.

[2016 Acts, ch 1124, §18, 32](#)

543E.19 Surety bond.

1. The administrator shall require that an appraisal management company be covered by a surety bond in the amount of twenty-five thousand dollars.

2. The surety bond shall be in a form as prescribed by the administrator. The administrator may, pursuant to rule, determine requirements for such surety bonds as are necessary to accomplish the purposes of this chapter. The requirements for a surety bond shall only relate to liabilities, damages, losses, or claims arising out of the appraisal management services performed by the appraisal management company involving real estate located in this state. The bond shall provide that a person having a claim against an appraisal management company may bring suit directly on the bond or the administrator may bring suit on behalf of such person.

[2016 Acts, ch 1124, §19, 32](#)

543E.20 Additional administrator authority.

1. The administrator is vested with broad administrative authority to administer, interpret, and enforce [this chapter](#) and to promulgate rules implementing [this chapter](#).
2. In addition to the duties and powers conferred upon the administrator in [this chapter](#), the administrator shall have the authority to adopt such rules as are reasonably necessary to assure the administrator's registration and supervision of appraisal management companies comply with the minimum requirements of 12 U.S.C. §3352 and related federal laws and regulations, with respect to any of the following:
 - a. Reviewing and approving or denying an appraisal management company's application for initial or renewal registration.
 - b. Examining the books and records of an appraisal management company operating in the state and requiring the appraisal management company to submit reports, information, and documents.
 - c. Verifying that the appraisers on an appraisal management company's appraiser panel who perform appraisal assignments in this state hold valid certificates issued under [chapter 543D](#).
 - d. Conducting investigations of appraisal management companies to assess potential violations of applicable appraisal-related laws, regulations, rules, or orders.
 - e. Disciplining, suspending, terminating, or denying renewal of the registration of an appraisal management company that violates applicable appraisal-related laws, regulations, rules, or orders.
 - f. Notwithstanding [section 272C.6, subsection 4](#), reporting an appraisal management company's violation of applicable appraisal-related laws, regulations, rules, or orders, as well as disciplinary and enforcement investigations and actions and other relevant information about an appraisal management company's operations, to the appraisal subcommittee.
 - g. Imposing requirements on appraisal management companies that are mandated by federal law and regulations applicable to appraisal management companies that are not exempt under federal law, including any of the following:
 - (1) Registration and supervision requirements.
 - (2) Ownership limitations.
 - (3) Engaging only certified appraisers for federally related transactions in conformity with all applicable federally related transaction regulations.
 - (4) Establishing systems for engaging appraisers who are competent and independent, and who are suited for the appraisal assignments to which they are assigned based on education, expertise, and experience.
 - (5) Directing appraisers to perform appraisal assignments in accordance with the uniform standards of professional appraisal practice.
 - (6) Establishing and complying with processes and controls reasonably designed to ensure appraisal management companies conduct appraisal management services in accordance with the requirements of section 129E(a)-(i) of the federal Truth in Lending Act, 15 U.S.C. §1639e(a)-(i), and regulations thereunder including but not limited to the requirement that appraisers who complete an appraisal in connection with a consumer credit transaction secured by the principal dwelling of the consumer be compensated with a customary and reasonable fee.
 - h. Assessing, collecting, and forwarding to the appraisal subcommittee appraisal management company national registry fees from appraisal management companies registered under [this chapter](#) and from federally regulated appraisal management companies.
3. The administrator may conduct periodic examinations of applicants or registrants under [this chapter](#) as reasonably necessary to assure compliance with all or specific provisions of [this chapter](#). All papers, documents, examination reports, and other records relating to such examinations shall be confidential as provided in [section 272C.6, subsection 4](#), except as provided in [this section](#).
4. The administrator may adopt rules governing an appraiser's use of associate real estate appraisers while performing appraisal assignments subject to [this chapter](#). Associate real estate appraisers may provide appraisal services under the supervision of a certified appraiser

as provided in chapter 543D and associated rules, but shall not be on an appraiser panel of an appraisal management company.

5. The administrator may require a national criminal history check through the federal bureau of investigation or, if authorized by federal law or regulation, the nationwide mortgage licensing system and registry, as defined in section 535D.3, when conducting background investigations under this chapter. Except as inconsistent with the registry, the following shall apply:

a. The administrator may require owners and controlling persons who are subject to the background investigation provisions of sections 543E.6 and 543E.7 to provide a full set of fingerprints, in a form and manner prescribed by the administrator. Such fingerprints, if required, shall be submitted to the federal bureau of investigation through the state criminal history repository for purposes of the national criminal history check.

b. The administrator may also request and obtain, notwithstanding section 692.2, subsection 5, criminal history data for owners and controlling persons who are subject to the background investigation provisions of sections 543E.6 and 543E.7. A request for criminal history data shall be submitted to the department of public safety, division of criminal investigation, pursuant to section 692.2, subsection 1.

c. The administrator shall inform such owners and controlling persons of the requirement of a national criminal history check or request for criminal history data and obtain a signed waiver from the applicant, certificate holder, or registrant prior to requesting the check or data.

d. The administrator may, in addition to any other fees, charge and collect such amounts as may be incurred by the administrator, the department of public safety, or the federal bureau of investigation in obtaining criminal history information. Amounts collected shall be considered repayment receipts as defined in section 8.2.

e. Criminal history data and other criminal history information relating to affected owners or controlling persons, or their appraisal management companies obtained by the administrator pursuant to this section shall remain confidential. Such information may, however, be used by the administrator in a registration denial, enforcement, or disciplinary proceeding.

2016 Acts, ch 1124, §20, 32; 2017 Acts, ch 29, §156

CHAPTER 25

APPRAISAL MANAGEMENT COMPANIES

187—25.1(17A,543E) Definitions. For the purposes of this chapter, the definitions in Iowa Code chapter 543E shall apply. In addition, unless the context otherwise requires, the following definitions shall apply:

“*Nationwide multistate licensing system*” or “*NMLS*” means a mortgage licensing system owned and operated by the State Regulatory Registry, LLC, a wholly owned subsidiary of the Conference of State Bank Supervisors.

“*Owner*” means a person who owns or has the power to vote more than 10 percent of the shares of an appraisal management company.

“*Ownership*” means being an owner or otherwise having the power to vote more than 10 percent of the shares of an appraisal management company.

“*Registrant*” means a person who is registered as an appraisal management company in this state.
[ARC 2869C, IAB 12/21/16, effective 1/1/17]

187—25.2(17A,543E) Application for registration.

25.2(1) An application for registration to operate an appraisal management company in Iowa shall be submitted to the administrator through the NMLS or as otherwise prescribed by the administrator. All information requested in the application shall be provided on or with the application form, including but not limited to any and all information required by Iowa Code section 543E.8(2). The administrator may consider an application withdrawn if the application does not contain all of the information required and the missing information is not submitted to the administrator within 30 days after the administrator requests the missing information.

25.2(2) Appraiser panel. The application shall include a list of all certified and licensed appraisers who are independent contractors and are currently on the applicant’s appraiser panel and shall also include any additional certified and licensed appraisers who are independent contractors and who in the 12 months immediately preceding submission of the application have performed appraisals, for the applicant or for persons that have ordered appraisals through the applicant, for covered transactions or for secondary mortgage market participants in connection with covered transactions in which the dwelling is located in this state. The application shall include the name, the certification or license number, the date the appraiser joined the panel, and the date the appraiser left the panel, if applicable, for each appraiser included on the applicant’s appraiser panel. The applicant’s appraiser panel shall include all appraisers the applicant has engaged to perform one or more appraisals for or in connection with a covered transaction or for a secondary mortgage market participant in connection with a covered transaction in this state and all appraisers the applicant has accepted for future consideration for such appraisal assignments.

25.2(3) All owners and controlling persons of the applicant must authorize a fingerprint background check, through the NMLS or as otherwise prescribed by the administrator, for the purpose of conducting a national criminal history background check through the Federal Bureau of Investigation. This requirement applies to all owners and controlling persons, regardless of whether the individual has previously applied as an owner or controlling person of an appraisal management company under Iowa Code chapter 543E.

25.2(4) The applicant shall submit an application fee, initial registration fee, and background investigation fee in the amounts provided in subrule 25.8(5), as well as the fee required for registration on the appraisal management company national registry maintained by the appraisal subcommittee as specified in subrule 25.8(5). The applicant shall also pay any additional fees required by the NMLS, including but not limited to, the following: system processing fees and background check fees. The applicant will be refunded the initial registration fee and the appraisal management company national registry fee if the application is denied.

25.2(5) If any information material to the application changes after the applicant files the initial application but before the administrator approves or denies the application, the applicant shall provide updated information to the administrator in writing within 10 calendar days of the change. The

administrator may deny the application when such a material change in information has occurred and the applicant has failed to provide updated information within the prescribed time frame.

25.2(6) An applicant for registration to operate an appraisal management company in Iowa must file with the administrator a \$25,000 surety bond in compliance with the provisions of Iowa Code section 543E.19.

25.2(7) A registration shall lapse on the next succeeding December 31 after it is issued, but a registration granted on or after November 1 and before December 31 shall not lapse until December 31 of the following year. For example, a registration granted on November 17, 2017, would not expire until December 31, 2018. An applicant whose registration is granted on or after November 1 and before December 31 may be required, as determined by the appraisal subcommittee, to pay the fee for registration on the appraisal management company national registry in full for both calendar years. For example, while a registration granted on November 17, 2017, would not lapse until December 31, 2018, the registrant may be required to pay the national registry fee in full for 2017 and 2018.
[ARC 2869C, IAB 12/21/16, effective 1/1/17]

187—25.3(17A,543E) Grounds for denial of a registration. The administrator may deny an application for registration to operate an appraisal management company, or issue a registration subject to restriction, for any of the reasons that follow.

25.3(1) This state or another state or jurisdiction has canceled, revoked, denied, suspended, or refused to renew the applicant's registration to operate an appraisal management company or has denied, suspended, or refused to renew a similar registration under this state's or the other state's or jurisdiction's law. An agreement made between a person and this state or another state or jurisdiction not to operate as an appraisal management company may be considered a denial of that person's registration to operate an appraisal management company in this state or the other state or jurisdiction.

25.3(2) An owner or controlling person of the applicant has been barred, removed, or prohibited from owning or serving as the controlling person of an appraisal management company, or from serving in any capacity in a financial institution by any state or federal regulatory agency, including but not limited to the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation (FDIC), the Board of Governors of the Federal Reserve System, or the U.S. Department of Housing and Urban Development.

25.3(3) An owner or controlling person of the applicant is or was the owner or controlling person of another appraisal management company in another state or jurisdiction, if such other state or jurisdiction has canceled, revoked, denied, suspended, or refused to renew the registration or application for registration of such other appraisal management company under this state's or the other state's or jurisdiction's law. An agreement made between a person and this state or another state or jurisdiction not to operate as the owner or controlling person of an appraisal management company may be considered a denial of that person's application to serve as the owner or controlling person of an appraisal management company in this state or the other state or jurisdiction.

25.3(4) An owner or controlling person of the applicant has been convicted of forgery, embezzlement, obtaining money under false pretenses, theft, extortion, conspiracy to defraud, tax evasion, or another similar offense, in a court of competent jurisdiction in this state or in any other state, territory, or district of the United States or in any foreign jurisdiction. For the purposes of this subrule, "convicted of" includes a guilty plea, deferred judgment, deferred sentence, or other similar finding of guilt by a court of competent jurisdiction.

25.3(5) The applicant, or an owner or controlling person of the applicant, has made a false submission of material fact on an application for registration or has been otherwise implicated in the submission of a false application.

25.3(6) An owner or controlling person of the applicant has demonstrated a lack of moral character in a manner that the administrator reasonably believes will impair the ability of the owner or controlling person to operate an appraisal management company in full compliance with the public interest and state policies described in Iowa Code chapter 543E.

25.3(7) For any reason listed in Iowa Code section 543E.17(1).

25.3(8) The applicant has failed to include all of the information required in the application or has failed to pay any fee required under Iowa Code chapter 543E or this chapter.
[ARC 2869C, IAB 12/21/16, effective 1/1/17]

187—25.4(17A,543E) Renewal of registration.

25.4(1) To remain registered to operate an appraisal management company in Iowa, a registrant must renew a registration before the date the registration lapses. A registrant who holds a lapsed registration shall not directly or indirectly engage in or attempt to engage in business as an appraisal management company or advertise or hold itself out as engaging in or conducting business as an appraisal management company in Iowa until the administrator has reinstated the lapsed registration or has approved a new registration.

25.4(2) An application to renew a registration shall be submitted to the administrator, through the NMLS or as otherwise prescribed by the administrator, no earlier than November 1 and no later than December 1 of the year for which the registration is valid. For example, for a registration that will lapse on December 31, 2017, an application for renewal shall be submitted by December 1, 2017. All requested information, including any material change to information contained in the original application, shall be provided to the administrator as directed by the NMLS or as otherwise prescribed by the administrator. Applications for renewal of a registration must be accompanied by a fee as specified in subrule 25.8(5). The administrator may also assess late fees as specified in subrule 25.8(5) for applications submitted after December 1.

25.4(3) The administrator shall grant an application to renew a registration if:

- a. The administrator receives the application and the appropriate renewal fee by December 1, or the administrator receives the application after December 1 but before January 1 and it is accompanied by the appropriate renewal fee and the appropriate late fee;
- b. The application is fully completed and includes all necessary information; and
- c. The application does not reveal grounds that would be sufficient to deny initial registration, or issue a registration subject to restriction, pursuant to rule 187—25.4(17A,543E).

[ARC 2869C, IAB 12/21/16, effective 1/1/17]

187—25.5(17A,543E) Reinstatement of lapsed registration.

25.5(1) The registration of an appraisal management company that has lapsed for failure to satisfy the minimum standards for renewal may be reinstated if the registrant meets the following requirements:

- a. The application for reinstatement is submitted between January 1 and February 28 of the year immediately following the year the registration lapsed.
- b. All minimum requirements for renewal of registration for the year in which the registration lapsed are satisfied prior to submission of the application for reinstatement. The registrant seeking to reinstate a registration must submit all information required to renew a registration pursuant to rule 187—25.4(17A,543E).
- c. The registrant pays a reinstatement fee as specified in subrule 25.8(5), in addition to the renewal fee, and any late charges.

25.5(2) An appraisal management company whose registration has lapsed and who fails to meet the requirements for reinstatement specified in this rule must apply for a new registration and meet the requirements in effect at that time for a new registration.

[ARC 2869C, IAB 12/21/16, effective 1/1/17]

187—25.6(17A,543E) Changes in the registrant's name, location, or ownership.

25.6(1) A registrant wishing to change the principal location of an appraisal management company shall notify the administrator through the NMLS, or as otherwise prescribed by the administrator, within 15 days of making the change. The notice shall include proof that the registrant has either obtained a new bond or amended the existing mandatory bond to reflect the new location. The registrant shall submit a fee as specified in subrule 25.8(5) in association with the change.

25.6(2) Registrants must notify the administrator no later than 15 days following a change in name and must submit to the administrator a fee as specified in subrule 25.8(5).

25.6(3) The prior written approval of the administrator is required whenever a change in ownership of a registrant is proposed. When a change in ownership of a registrant is proposed, the party that will assume ownership of the registrant shall give notice to the administrator through the NMLS, or as otherwise prescribed by the administrator, at least 30 days before the proposed change will take effect. The party that will assume ownership of the registrant shall furnish the administrator through the NMLS, or as otherwise prescribed by the administrator, with the same information required of initial applicants for registration, along with a fee as specified in subrule 25.8(5). The administrator shall approve or deny the request in accordance with the provisions of rule 187—25.3(17A,543E).

25.6(4) The prior written approval of the administrator is required whenever a change of the designated controlling person of a registrant is proposed. When change of the designated controlling person of a registrant is proposed, the party that will become the designated controlling person of the registrant shall give notice to the administrator through the NMLS, or as otherwise prescribed by the administrator, at least 30 days before the proposed change will take effect. The party that will become the designated controlling person of the registrant shall furnish the administrator through the NMLS, or as otherwise prescribed by the administrator, with the same information required of initial applicants for designation as a controlling person, along with the appropriate fee. The administrator shall approve or deny the request in accordance with the provisions of rule 187—25.3(17A,543E).

25.6(5) Failure to notify the administrator within the prescribed time as required by this rule may subject the registrant to disciplinary action. However, in the event the death, incapacity, or unexpected resignation of a designated controlling person, or a similar circumstance, makes it impossible for a registrant to provide 30 days' advance notice, no disciplinary action shall be taken if the party that will become the designated controlling person of the registrant provides the notice described in subrule 25.6(4) promptly and no later than 10 days after learning that a new controlling person must be designated.

[ARC 2869C, IAB 12/21/16, effective 1/1/17]

187—25.7(17A,543E) Notice of significant events. A registrant shall notify the administrator immediately and in writing within 15 calendar days of the occurrence of any of the following events.

25.7(1) The registrant or any of the registrant's officers, directors, owners, or affiliates file for bankruptcy protection or commence reorganization proceedings.

25.7(2) A prosecuting authority files criminal charges against the registrant or any of a registrant's officers, directors, owners, or affiliates.

25.7(3) Another state or jurisdiction institutes registration denial, cease and desist, suspension or revocation procedures, or other regulatory action against the registrant or any of the registrant's officers, directors, owners, or affiliates.

[ARC 2869C, IAB 12/21/16, effective 1/1/17]

187—25.8(17A,543E) Fees.

25.8(1) Examination or investigation fees. A registrant shall pay an investigation or examination fee as determined by the administrator based on the actual cost of the operation of the finance bureau of the banking division, as described in Iowa Code section 543E.10(1).

25.8(2) Examination or investigation late fees. A registrant shall pay the administrator the total charge for an examination or investigation within 30 days after the administrator has requested payment. If a registrant fails to pay an examination or investigation fee by the due date, the administrator may assess an additional penalty as identified in subrule 25.8(5) for each day the fee is overdue.

25.8(3) Late fees for failing to respond. In the process of administering this chapter, the administrator may require a person to provide responses to formal orders, examinations, or complaint inquiries. If a person fails to respond within 30 days of the request, the administrator may assess a fee as specified in subrule 25.8(5).

25.8(4) NMLS system processing fees. In addition to the fees set forth in this chapter, the applicant or registrant shall pay any fee assessed by the NMLS attributed to the registrant's record in the NMLS system including but not limited to the initial set-up fee, an annual processing fee, and any fees associated with changing or updating the registrant's record.

25.8(5) Fees.

Application for registration fee	\$250
Registration fee (initial) (not applicable to preregistration)	\$750
Registration fee (annual renewal)	\$750
Background investigation fee	\$51
Appraisal management company national registry fee (not applicable to preregistration)	As determined by the appraisal subcommittee
NMLS fees	As determined by the NMLS
Fee for late submission of application for renewal	\$50
Fee to reinstate a lapsed registration	\$250
Reissuance or replacement of a lost, destroyed, or stolen registration	\$25
Fee for change of principal location	\$25
Fee for change of name	\$25
Fee for change of ownership	\$150
Fee for change of controlling person	\$150
Fee for late payment of examination or investigation fees	5 percent of amount due per day beyond 30 days past due
Fee for late response to examination request	\$10 per day beyond 30 days past due
Conversion fee for preregistered persons (applicable only when converting a preregistration to a registration)	\$150
Dishonored check fee	\$30
Examination or investigation fee	\$100 per hour
Mailing list fee	\$30
Fee for letter of good standing	\$25

[ARC 2869C, IAB 12/21/16, effective 1/1/17]

187—25.9(17A,543E) Registrant records.

25.9(1) General record requirements. The following requirements apply to all records a registrant is required to keep pursuant to Iowa Code section 543E.13 and this chapter:

- a. The registrant may keep records as a hard copy or in an electronic equivalent.
- b. The registrant shall maintain all books and records in good order and shall produce books and records for the administrator upon request. Failure to produce such books and records within 30 days of the administrator's request may be grounds for disciplinary action against the registrant.
- c. The obligation to maintain required records continues even after the registrant ceases business operations in Iowa and turns in or surrenders its registration. The owners and directors of the registrant are responsible for ensuring that this requirement is met for the period required under Iowa Code section 543E.13 and this chapter.
- d. The registrant shall keep all required records for at least five years from the date the record was created, unless a longer retention period is required by statute.

25.9(2) Required records. A registrant operating an appraisal management company shall keep, and be able to retrieve or access from its principal place of business, an appraisal request and assignment log, a true and complete copy of each appraisal performed, a payment log, applications for registration, a dispute resolution policy, and certain corporate records.

- a. *Appraisal request and assignment log.* A registrant shall maintain a log of all appraisal services requested, including those requests for service that the registrant does not fulfill. A record of the appraiser assigned to each request for appraisal services accepted by the registrant shall also be kept. The record shall include a description of the assignment, the certification or registration number of the assigned

appraiser, the certification possessed by the assigned appraiser, and the expiration date of the appraiser's certification.

b. Appraisal files. For each appraisal service assigned by a registrant to an appraiser, the registrant shall keep a record of the award or engagement letter giving the appraisal assignment to the appraiser; the assigned appraiser's acceptance of the assignment; all material communications between the registrant, the assigned appraiser, and the service requestor regarding a consumer credit transaction secured by the principal dwelling of an Iowa consumer, or the securitization thereof; and the appraisal report created by the assigned appraiser.

c. Payment log. A record shall be kept of all payments made by a registrant in association with the provision of appraisal services and shall include the date the payment was made, the amount paid, the appraisal services for which payment was made, and the date on which the appraiser provided the results of the completed appraisal service to the registrant.

d. Dispute resolution policy. A registrant shall maintain a copy of a dispute resolution policy for appraisers who request a review of a decision made by the registrant. The dispute resolution policy shall provide for a written response to the appraiser's request for review, a written statement of the outcome of the dispute resolution process, and a copy of all relevant documents to the appraiser upon request. The dispute resolution policy shall provide for external review of the decision in question or internal review of the decision in question by an officer or employee of a registrant who holds a higher position than the individual who made the decision in question.

e. Corporate records. A registrant shall maintain lists of all owners, directors, officers, and employees, as well as the minutes from meetings of the registrant's board of directors if the registrant's corporate structure includes a board of directors.

25.9(3) General business records. In addition to the required records, a registrant must keep the following general business records for at least five years from the date the record was created:

a. All checkbooks, check registers, bank statements, deposit slips, withdrawal slips, and canceled checks (or copies thereof) relating to the registrant's operation of an appraisal management company.

b. Complete records (including invoices and supporting documentation) for all expenses and fees paid in connection with each appraisal, including a record of the date and amount of all such payments actually made in connection with each appraisal.

c. Copies of all federal tax withholding forms, reports of income for federal taxation, and evidence of payments to all employees, independent contractors, and others compensated by a registrant in connection with the operation of an appraisal management company.

d. All correspondence and other records relating to the maintenance of any surety bond required by Iowa Code chapter 543E.

e. Copies of all reports of audits, examinations, inspections, reviews, investigations, or other similar functions performed by any third party, including but not limited to the administrator or any other regulatory or supervisory authority.

25.9(4) Disposal of records. If a registrant or former registrant disposes of records at the end of the retention period, the registrant or former registrant shall dispose of the records in a reasonable manner that safeguards any identification information, as defined in Iowa Code section 715A.8(1)"a." The owners and directors of registrants and former registrants are responsible for ensuring that this requirement is met.

[ARC 2869C, IAB 12/21/16, effective 1/1/17]

187—25.10(17A,543E) Examinations, investigations, and complaints.

25.10(1) The administrator may, at any time and as often as the administrator deems necessary, examine a registrant's books, accounts, records, and files and investigate a registrant to assess potential violations of applicable appraisal-related laws, regulations, rules, or orders.

25.10(2) The administrator may investigate complaints about, or alleged violations committed by, any registrant.

25.10(3) The following shall constitute a complaint or alleged violation:

a. A written complaint received from a consumer, member of the public, employee, business affiliate, or other governmental agency.

b. Notice to the administrator from any source that the registrant, or any owner or controlling person thereof, has been the subject of disciplinary proceedings in another jurisdiction.

c. Notice to the administrator from any source that any owner or controlling person of the registrant has been convicted of forgery, embezzlement, obtaining money under false pretenses, extortion, conspiracy to defraud, or other similar offense, in a court of competent jurisdiction in this state or in any other state, territory, or district of the United States, or in any foreign jurisdiction.
[ARC 2869C, IAB 12/21/16, effective 1/1/17]

187—25.11(17A,543E) Disciplinary action.

25.11(1) The administrator has authority pursuant to Iowa Code chapters 543E and 17A to impose discipline for violations of Iowa Code chapter 543E and this chapter.

25.11(2) Grounds for discipline. The administrator may impose any of the disciplinary sanctions set out in Iowa Code section 543E.17(1) when the administrator finds any of the following:

a. The registrant, or an owner or controlling person thereof, has violated a provision of Iowa Code chapter 543E or this chapter.

b. The registrant, or an owner or controlling person thereof, fails to fully cooperate with an examination or investigation, including failing to respond to an inquiry from the administrator within 30 calendar days of the date the administrator mails a written communication directed to the registrant's last-known address on file with the administrator.

c. The registrant, or an owner or controlling person thereof, has engaged in any conduct that subverts or attempts to subvert an examination or investigation by the administrator.

d. The registrant continues to operate an appraisal management company without an active and current registration.

e. The registrant fails to timely notify the administrator of the occurrence of any of the significant events set forth in rule 187—25.7(17A,543E).

f. The registrant fails to notify the administrator of a change in ownership, controlling person, name, or principal place of business.

g. Another state or jurisdiction has denied, suspended, revoked, or refused to renew the registrant's registration or authorization to operate an appraisal management company under the other state's or jurisdiction's law.

h. The registrant fails to create and maintain complete and accurate records as required by state or federal law, regulation, or rule.

i. The registrant, or an owner or controlling person thereof, has violated an order of the administrator.

j. The registrant has abandoned its place of business for 60 or more days.

k. The registrant fails to pay any fee required by Iowa Code chapter 543E or this chapter or to maintain a bond required by Iowa Code chapter 543E.

l. A fact or condition exists which, had it existed at the time of the original application for registration, would have warranted the administrator to refuse to issue the original registration.

25.11(3) A registrant may surrender a registration by delivering to the administrator a written notice of surrender.
[ARC 2869C, IAB 12/21/16, effective 1/1/17]

187—25.12(17A,543E) Appraisal management company national registry maintained by the appraisal subcommittee. The administrator shall transmit to the appraisal subcommittee information and fees as necessary for inclusion on the appraisal management company national registry.

25.12(1) *Registered appraisal management companies.* The administrator shall transmit to the appraisal subcommittee all information regarding registered appraisal management companies required for inclusion on the appraisal management company national registry, including but not limited to a roster of appraisal management companies registered in this state and records relating to any disciplinary action taken against a registrant.

25.12(2) Federally regulated appraisal management companies. The administrator shall collect from a federally regulated appraisal management company all fees required for registration on the appraisal management company national registry maintained by the appraisal subcommittee. A federally regulated appraisal management company shall also pay all fees associated with the administration of this rule, including but not limited to fees required by the NMLS. The administrator shall collect from a federally regulated appraisal management company the following information necessary for the fulfillment of this obligation: the name, address, and telephone number of the company; the national registry identification number and tax identification number of the company; the start date of the company's registration on the appraisal management company national registry; the name of and contact information for a contact person for the company; and any other information as required by the administrator.

[ARC 2869C, IAB 12/21/16, effective 1/1/17]

187—25.13(17A,543E) Preregistration.

25.13(1) A person who is not required to register as an appraisal management company because its appraiser panel does not meet or exceed the size requirements specified in Iowa Code section 543E.3(2) may apply to the administrator for preregistration as an appraisal management company. If the administrator approves the application, the applicant will receive a preliminary notice indicating that the administrator intends to approve the applicant for registration as an appraisal management company, based on the information submitted, as soon as the appraiser panel that the applicant oversees meets or exceeds the statutory size requirements. The administrator's preliminary intent to approve registration will remain subject to change in the event that the administrator receives additional information indicating that registration should be denied.

25.13(2) An applicant seeking preregistration as an appraisal management company must follow the application procedures prescribed in rule 187—25.2(17A,543E), including providing all required information. The applicant shall indicate that the applicant is applying for preregistration as an appraisal management company. The applicant shall submit the application fee required by rule 187—25.2(17A,543E), but an applicant under this provision need not submit the initial registration fee or the fee required by the appraisal management company national registry. The administrator shall approve or deny the application for preregistration based on the criteria enumerated in rule 187—25.3(17A,543E). Even if the administrator approves the application for preregistration, the applicant will not be registered on the appraisal management company national registry.

25.13(3) A person who has received preregistration as an appraisal management company must apply for registration as an appraisal management company at least 30 days before the appraiser panel that the preregistered person oversees meets or exceeds the size requirements specified in Iowa Code section 543E.3(2). The applicant shall submit a conversion application to the administrator, through the NMLS or as otherwise prescribed by the administrator, specifying the new size of the applicant's appraiser panel as required by subrule 25.2(2), updating all required information as necessary, and including any other information as prescribed by the administrator. The applicant shall also submit a conversion fee, the initial registration fee, and the fee required by the appraisal management company national registry as specified in subrule 25.8(5).

25.13(4) The administrator shall approve the application for registration unless additional information submitted by the applicant, or otherwise received by the administrator, indicates that the applicant is ineligible for registration based on the criteria enumerated in rule 187—25.3(17A,543E). After the administrator approves registration, the applicant will be registered on the appraisal management company national registry and must comply with the provisions of Iowa Code chapter 543E and this chapter.

[ARC 2869C, IAB 12/21/16, effective 1/1/17]

These rules are intended to implement Iowa Code chapters 17A and 543E.

[Filed Emergency After Notice ARC 2869C (Notice ARC 2773C, IAB 10/12/16), IAB 12/21/16, effective 1/1/17]

339.500. Citation of law. — This act shall be known and may be cited as the "Missouri Certified and Licensed Real Estate Appraisers and Appraisal Management Company Regulation Act".

(L. 1990 H.B. 1456 § 2, A.L. 2012 H.B. 1103)

----- 339.500 8/28/2012 -----

339.501. Licensure or certification of real estate appraisers required, exceptions. — 1. Beginning July 1, 1999, it shall be unlawful for any person in this state to act as a real estate appraiser, or to directly or indirectly, engage or assume to engage in the business of real estate appraisal or to advertise or hold himself or herself out as engaging in or conducting such business without first obtaining a license or certificate issued by the Missouri real estate appraisers commission as provided in sections [339.500](#) to [339.549](#).

2. Except for licenses issued to appraisal management companies under section [339.511](#), no license or certificate shall be issued pursuant to sections [339.500](#) to [339.549](#) to a partnership, association, corporation, firm or group; except that, nothing in this section shall preclude a state-licensed or state-certified real estate appraiser from rendering appraisals for, or on behalf of, a partnership, association, corporation, firm or group, provided the appraisal report is prepared by, or under the immediate personal direction of the state-licensed or state-certified real estate appraiser and is reviewed and signed by such state-licensed or state-certified appraiser.

3. Any person who is not state licensed or state certified pursuant to sections [339.500](#) to [339.549](#) may assist a state-licensed or state-certified real estate appraiser in the performance of an appraisal; provided that, such person is personally supervised by a state-licensed or state-certified appraiser and provided further that any appraisal report rendered in connection with the appraisal is reviewed and signed by the state-licensed or state-certified real estate appraiser.

4. Nothing in sections [339.500 to 339.549](#) shall abridge, infringe upon or otherwise restrict the right to use the term "certified ad valorem tax appraiser" or any similar term by persons performing ad valorem tax appraisals.

5. The provisions of sections [339.500 to 339.549](#) shall not be construed to require a license or certificate for:

(1) Any person, partnership, association or corporation who, as owner, performs appraisals of property owned by such person, partnership, association or corporation;

(2) Any licensed real estate broker or salesperson who prepares a comparative market analysis or a broker price opinion;

(3) Any employee of a local, state or federal agency who performs appraisal services within the scope of his or her employment; except that, this exemption shall not apply where any local, state or federal agency requires an employee to be registered, licensed or certified to perform appraisal services;

(4) Any employee of a federal or state-regulated lending agency or institution;

(5) Any agent of a federal or state-regulated lending agency or institution in a county of third or fourth classification.

(L. 1998 H.B. 1601, et al., A.L. 2012 H.B. 1103)

----- **339.501 8/28/2012** -----



339.503. Definitions. — As used in sections [339.500 to 339.549](#), the following words and phrases mean, unless the context clearly indicates otherwise:

(1) "**Appraisal**" or "**real estate appraisal**", an objective analysis, evaluation, opinion, or conclusion relating to the nature, quality, value or utility of specified interests in, or aspects of, identified real estate. An appraisal may be classified by subject matter into either a valuation or an analysis;

(2) "**Appraisal assignment**", an engagement for which a person is employed or retained to act as a disinterested third party in rendering an objective appraisal;

(3) "**Appraisal firm**", a person, limited liability company, partnership, association, or corporation whose principal is an appraiser licensed under sections [339.500 to 339.549](#) which for compensation prepares and communicates appraisals, reviews appraisals prepared by others, provides appraisal consultation services, and supervises, trains, and reviews work produced or certified by persons licensed under sections [339.500 to 339.549](#) who produce* appraisals;

(4) "**Appraisal foundation**", the organization of the same name that was incorporated as an Illinois not-for-profit corporation on November 20, 1987, whose operative boards are the appraisal standards board and the appraiser qualifications board;

(5) "**Appraisal management company**", an individual or business entity that utilizes an appraisal panel and performs, directly or indirectly, appraisal management services;

(6) "**Appraisal management services**", to directly or indirectly perform any of the following functions on behalf of a lender, financial institution, client, or any other person:

(a) Administer an appraiser panel;

(b) Recruit, qualify, verify licensing or certification, and negotiate fees and service level expectations with persons who are part of an appraiser panel;

- (c) Receive an order for an appraisal from one person and deliver the order for the appraisal to an appraiser that is part of an appraiser panel for completion;
 - (d) Track and determine the status of orders for appraisals performed by appraisers who are part of an appraisal panel;
 - (e) Conduct quality control of a completed appraisal performed by an appraiser who is part of an appraisal panel prior to the delivery of the appraisal to the person who ordered the appraisal; and
 - (f) Provide a completed appraisal performed by an appraiser who is part of an appraisal panel to one or more persons who have ordered an appraisal;
- (7) "**Appraisal report**", any communication, written or oral, of an appraisal. The purpose of an appraisal is immaterial, therefore valuation reports, real estate counseling reports, real estate tax counseling reports, real estate offering memoranda, mortgage banking offers, highest and best use studies, market demand and economic feasibility studies and all other reports communicating an appraisal analysis, opinion or conclusion are appraisal reports, regardless of title;
- (8) "**Appraisal standards board (ASB)**", the independent board of the appraisal foundation which promulgates the generally accepted standards of the appraisal profession and the uniform standards of professional appraisal practices;
- (9) "**Appraiser**", an individual who holds a license as a state-licensed real estate appraiser or certification as a state-certified real estate appraiser under sections [339.500 to 339.549](#);
- (10) "**Appraiser panel**", a network of licensed or certified appraisers that have:

(a) Responded to an invitation, request, or solicitation from an appraisal management company, in any form, to perform appraisals for persons who have ordered appraisals through the appraisal management company, or to perform appraisals for the appraisal management company directly; and

(b) Been selected and approved by an appraisal management company to perform appraisals for any client of the appraisal management company, or to perform appraisals for the appraisal management company directly;

(11) "**Appraiser qualifications board (AQB)**", the independent board of the appraisal foundation which establishes minimum experience, education and examination criteria for state licensing of appraisers;

(12) "**Boat dock**", a structure for loading and unloading boats and connecting real property to water, public or private. A boat dock is real property and has riparian rights, provided:

(a) The lender includes the boat dock as a fixture both in the lender's deed of trust and a uniform commercial code fixture filing under section [400.9-502](#);

(b) The boat dock is attached to the real property by steel cable, bar, or chain that is permanently imbedded in concrete or rock, and otherwise securely attached to the dock; and

(c) The owner of the dock has riparian rights by means of real estate rights bordering the body of water, including such rights by license, grant, or other means allowing access to the body of water, which access may be seasonal because the water may be reduced for electric power production or flood control;

(13) "**Boat slip**" or "**watercraft slip**", a defined area of water, including the riparian rights to use such area, whether by grant, lease, or license, in accordance with all applicable laws and regulations, which is a part of a boat dock serving a common interest community, including by way of example and not of limitation condominiums and villas; and the exclusive

right to such use being allocated as a limited common element or being assigned to an owner of real estate in the common interest community in which the boat dock is located, whether by grant, lease, or otherwise. The rights of the real estate owner in such slip are included as collateral in any deed of trust and uniform commercial code filings of a lender, if any, taking a security interest in the owner's real estate;

- (14) "**Broker price opinion**", an opinion of value, prepared by a real estate licensee for a fee, that includes, but is not limited to, analysis of competing properties, comparable sold properties, recommended repairs and costs or suggested marketing techniques. A broker price opinion is not an appraisal and shall specifically state it is not an appraisal;
- (15) "**Certificate**", the document issued by the Missouri real estate appraisers commission evidencing that the person named therein has satisfied the requirements for certification as a state-certified real estate appraiser and bearing a certificate number assigned by the commission;
- (16) "**Certificate holder**", a person certified by the commission pursuant to the provisions of sections [339.500 to 339.549](#);
- (17) "**Certified appraisal report**", an appraisal prepared or signed by a state-certified real estate appraiser. A certified appraisal report represents to the public that it meets the appraisal standards defined in sections [339.500 to 339.549](#);
- (18) "**Commission**", the Missouri real estate appraisers commission, created in section [339.507](#);
- (19) "**Comparative market analysis**", the analysis of sales of similar recently sold properties in order to derive an indication of the probable sales price of a particular property undertaken by a licensed real estate broker or agent, for his or her principal. A comparative market analysis is not an appraisal and shall specifically state it is not an appraisal;
- (20) "**Controlling person**:

(a) An owner, officer, or director of a corporation, partnership, or other business entity seeking to offer appraisal management services in this state;

(b) An individual employed, appointed, or authorized by an appraisal management company that has the authority to enter into a contractual relationship with other persons for the performance of appraisal management services and has the authority to enter into agreements with appraisers for the performance of appraisals; or

(c) 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;

(21) "**Disinterested third party**" shall not exclude any state-certified real estate appraiser or state-licensed real estate appraiser employed or retained by any bank, savings association, credit union, mortgage banker or other lender to perform appraisal assignments, provided that the appraisal assignments are rendered with respect to loans to be extended by the bank, savings association, credit union, mortgage banker or other lender, and provided further that the state-certified real estate appraiser or state-licensed real estate appraiser is not requested or required to report a predetermined analysis or opinion of value;

(22) "**License**" or "**licensure**", a license or licensure issued pursuant to the provisions of sections [339.500 to 339.549](#) evidencing that the person or other legal entity named therein has satisfied the requirements for licensure as a state-licensed real estate appraiser or licensed appraisal management company and bearing a license number assigned by the commission;

(23) "**Licensed appraisal management company**", a person or other legal entity who holds a current valid license as a licensed appraisal management company under sections [339.500 to 339.549](#);

(24) "**Real estate**", an identified parcel or tract of land, including improvements, if any;

(25) "**Real estate appraiser**" or "**appraiser**", a person who for a fee or valuable consideration develops and communicates real estate appraisals or otherwise gives an opinion of the value of real estate or any interest therein;

(26) "**Real estate appraising**", the practice of developing and communicating real estate appraisals;

(27) "**Real property**", the interests, benefits and rights inherent in the ownership of real estate;

(28) "**Residential real estate**", any parcel of real estate, improved or unimproved, that is primarily residential in nature and that includes or is intended to include a residential structure containing not more than four dwelling units and no other improvements except those which are typical residential improvements that support the residential use for the location and property type. A residential unit is a condominium, town house or cooperative complex, or a planned unit development is considered to be residential real estate. Subdivisions are not considered residential real estate. Individual parcels of property located within a residential subdivision shall be considered residential property;

(29) "**Specialized appraisal services**", appraisal services which do not fall within the definition of appraisal assignment. The term "specialized services" may include valuation work and analysis work. Regardless of the intention of the client or employer, if the appraiser is acting as a disinterested third party in rendering an unbiased analysis, opinion or conclusion, the work is classified as an appraisal assignment and not specialized services;

(30) "**State-certified general appraiser trainee**", a person who holds a current valid certificate as a state-certified general appraiser trainee issued under sections [339.500 to 339.539](#);

- (31) "**State-certified general real estate appraiser**", a person who holds a current, valid certificate as a state-certified general real estate appraiser issued pursuant to the provisions of sections [339.500 to 339.549](#);
- (32) "**State-certified residential appraiser trainee**", a person who holds a current valid certificate as a state-certified residential appraiser trainee under sections [339.500 to 339.539](#);
- (33) "**State-certified residential real estate appraiser**", a person who holds a current, valid certificate as a state-certified residential real estate appraiser issued pursuant to the provisions of sections [339.500 to 339.549](#);
- (34) "**State-licensed appraiser trainee**", a person who holds a current valid license as a state-licensed appraiser trainee under sections [339.500 to 339.549](#);
- (35) "**State-licensed real estate appraiser**", a person who holds a current, valid license as a state-licensed real estate appraiser pursuant to the provisions of sections [339.500 to 339.549](#);
- (36) "**Subdivision**", a tract of land that has been divided into blocks or plots with streets, roadways, open areas and other facilities appropriate to its development as residential, commercial or industrial sites;
- (37) "**Temporary appraiser licensure or certification**", the issuance of a temporary license or certificate by the commission to a person licensed or certified in another state who enters this state for the purpose of completing a particular appraisal assignment.

(L. 1990 H.B. 1456 § 3, A.L. 1998 H.B. 1601, et al., A.L. 2009 H.B. 842, A.L. 2010 H.B. 1692, et al., A.L. 2012 H.B. 1103)

*Word "produces" appears in original rolls.

339.505. Titles of state-certified or state-licensed appraiser, who may use — certification or licensure not required to appraise for compensation — management companies, registration required, exceptions. — 1. It shall be unlawful for any person in this state to assume or use the title "state-licensed real estate appraiser" or "state-certified real estate appraiser", or any title, designation or abbreviation likely to create the impression of licensure or certification by the state of Missouri as a real estate appraiser, unless the person has first been licensed or certified by the Missouri real estate appraisers commission pursuant to the provisions of sections [339.500 to 339.549](#). The commission may adopt, for the exclusive use of persons licensed or certified pursuant to sections [339.500 to 339.549](#), a seal, symbol or other mark identifying the user as a state-licensed or state-certified real estate appraiser.

2. Any person certified as a real estate appraiser by an appraisal trade organization, on August 28, 1998, shall retain the right to use the term "certified" or any similar term in identifying himself or herself to the public; provided that, in each instance wherein such term is used, the name of the certifying organization or body is prominently and conspicuously displayed immediately adjacent to such term, and provided further that the use of such term does not create the impression of certification by the state of Missouri. Nothing in this section shall entitle any person certified only by a trade organization, and not certified or licensed by the state, the right to conduct any appraisal.

3. The term "state-licensed real estate appraiser", "state-certified real estate appraiser" or any similar term shall not be used following or immediately in connection with the name of a partnership, association, corporation or other firm or group or in such manner that it might create the impression of licensure or certification by the state of Missouri as a real estate appraiser.

4. No person shall, directly or indirectly, engage or attempt to engage in the business as an appraisal management company, to directly or indirectly engage or attempt to perform appraisal management services, or to

advertise or hold itself out as engaging in or conducting business as an appraisal management company without first obtaining a registration issued by the commission under sections [339.500 to 339.549](#); except for:

- (1) The performance of services as an appraisal firm;
- (2) A national or state bank, federal or state savings institution, or credit union that is subject to direct regulation or supervision by an agency of the United States government, or by the Missouri department of commerce and insurance, that receives a request for the performance of an appraisal from one employee of the financial institution, and another employee of the same financial institution assigns the request for the appraisal to an appraiser who is an independent contractor to the institution;
- (3) An appraisal management company that is a subsidiary owned and controlled by a financial institution and regulated by a federal institution regulatory agency;
- (4) An appraiser that enters into an agreement, whether written or otherwise, with an appraiser for the performance of an appraisal, and upon the completion of the appraisal, the report of the appraiser performing the appraisal is signed by both the appraiser who completed the appraisal and the appraiser who requested the completion of the appraisal;
- (5) A state agency or local municipality that orders appraisals for ad valorem tax purposes or any other business on behalf of the state of Missouri;
- (6) Any person licensed to practice law in this state, a court-appointed personal representative, or a trustee who orders an appraisal in connection with a bona fide client relationship when such person directly contracts with an independent appraiser.

(L. 1990 H.B. 1456 § 4, A.L. 1998 H.B. 1601, et al., A.L. 2012 H.B. 1103)

***339.507. Real estate appraisers commission and chairperson, appointment — terms — vacancies, meetings — quorum — per diem — expenses — annual report.** — 1. There is hereby created within the division of professional registration the "Missouri Real Estate Appraisers Commission", which shall consist of seven members appointed by the governor with the advice and consent of the senate, six of whom shall be appraiser members, and one shall be a public member. Each member shall be a resident of this state and a registered voter for a period of one year prior to the person's appointment. The president of the Missouri Appraiser Advisory Council in office at the time shall, at least ninety days prior to the expiration of the term of the commission member, other than the public member, or as soon as feasible after the vacancy on the commission otherwise occurs, submit to the director of the division of professional registration a list of five appraisers qualified and willing to fill the vacancy in question, with the request and recommendation that the governor appoint one of the five persons so listed, and with the list so submitted, the president of the Missouri Appraiser Advisory Council shall include in his or her letter of transmittal a description of the method by which the names were chosen by that association. The public member shall have never been engaged in the businesses of real estate appraisal, real estate sales or making loans secured by real estate.

2. The real estate appraiser members appointed by the governor shall be Missouri residents who have real estate appraisal experience in the state of Missouri for not less than five years immediately preceding their appointment. Appraiser members of the commission shall be appointed from the registry of state-certified real estate appraisers and state-licensed real estate appraisers. Real estate appraiser commission members, appointed after August 28, 2014, shall not be from the same United States congressional district.

3. All members shall be appointed for three-year terms. All members shall serve until their successors have been appointed and qualified. Vacancies occurring in the membership of the commission for

any reason shall be filled by appointment by the governor for the unexpired term. Upon expiration of their terms, members of the commission shall continue to hold office until the appointment and qualification of their successors. No more than four members of the commission shall be members of the same political party. No person shall be appointed for more than two consecutive terms. The governor may remove a member for cause.

4. The commission shall meet at least once each calendar quarter to conduct its business. A quorum of the commission shall consist of four members.

5. Each member of the commission shall be entitled to a per diem allowance of fifty dollars for each meeting of the commission at which the member is present and shall be entitled to reimbursement of the member's expenses necessarily incurred in the discharge of the member's official duties. Each member of the commission shall be entitled to reimbursement of travel expenses necessarily incurred in attending meetings of the commission.

6. The commission shall prepare an annual report outlining business conducted by the commission during the previous calendar year and shall submit a copy to the general assembly by April first of each year. The report shall include:

- (1) The number of complaints that were filed against licensees;
- (2) The number and disposition of investigations conducted by the commission pursuant to the filing of a complaint; and
- (3) An accounting of all expenditures of the commission.

(L. 1990 H.B. 1456 § 5, A.L. 1993 S.B. 18, A.L. 1997 S.B. 141, A.L. 1998 H.B. 1601, et al., A.L. 1999 H.B. 343, A.L. 2007 S.B. 272, A.L. 2008 S.B. 788, A.L. 2014 S.B. 672)

*Revisor's Note: This section was declared unconstitutional in Calzone v. Koster, et al., see 2016 annotation below.

(2016) Provisions of S.B. 672 from 2014 declared unconstitutional as violating the single subject rule of Article III, § 23; under the facts presented, those provisions cannot be severed and the bill is unconstitutional in its entirety. Calzone v. Koster, et al., Case No. 15AC-CC00247 (Cole County Cir. Ct., Feb. 9, 2016).

----- 339.507 8/28/2014 -----



***339.507. Real estate appraisers commission and chairperson, appointment — terms — vacancies, meetings — quorum — per diem — expenses.** — 1. There is hereby created within the division of professional registration the "Missouri Real Estate Appraisers Commission", which shall consist of seven members appointed by the governor with the advice and consent of the senate, six of whom shall be appraiser members, and one shall be a public member. Each member shall be a resident of this state and a registered voter for a period of one year prior to the person's appointment. The president of the Missouri Appraiser Advisory Council in office at the time shall, at least ninety days prior to the expiration of the term of the commission member, other than the public member, or as soon as feasible after the vacancy on the commission otherwise occurs, submit to the director of the division of professional registration a list of five appraisers qualified and willing to fill the vacancy in question, with the request and recommendation that the governor appoint one of the five persons so listed, and with the list so submitted, the president of the Missouri Appraiser Advisory Council shall include in his or her letter of transmittal a description of the method by which the names were chosen by that association. The public member shall have never been engaged in the businesses of real estate appraisal, real estate sales or making loans secured by real estate.

2. The real estate appraiser members appointed by the governor shall be Missouri residents who have real estate appraisal experience in the state of

Missouri for not less than five years immediately preceding their appointment. Appraiser members of the commission shall be appointed from the registry of state-certified real estate appraisers and state-licensed real estate appraisers.

3. All members shall be appointed for three-year terms. All members shall serve until their successors have been appointed and qualified. Vacancies occurring in the membership of the commission for any reason shall be filled by appointment by the governor for the unexpired term. Upon expiration of their terms, members of the commission shall continue to hold office until the appointment and qualification of their successors. No more than four members of the commission shall be members of the same political party. No person shall be appointed for more than two consecutive terms. The governor may remove a member for cause.

4. The commission shall meet at least once each calendar quarter to conduct its business. A quorum of the commission shall consist of four members.

5. Each member of the commission shall be entitled to a per diem allowance of fifty dollars for each meeting of the commission at which the member is present and shall be entitled to reimbursement of the member's expenses necessarily incurred in the discharge of the member's official duties. Each member of the commission shall be entitled to reimbursement of travel expenses necessarily incurred in attending meetings of the commission.

(L. 1990 H.B. 1456 § 5, A.L. 1993 S.B. 18, A.L. 1997 S.B. 141, A.L. 1998 H.B. 1601, et al., A.L. 1999 H.B. 343, A.L. 2007 S.B. 272, A.L. 2008 S.B. 788)

Effective 8-28-08

*Revisor's Note: This section is reprinted in accordance with section [3.066](#). S.B. 672 in 2014 amended this section and was declared unconstitutional as a violation of Art. III, Sec. 23, of the Missouri Constitution (see 2016 annotation below), rendering the repeal and reenactment of this section ineffective.

(2016) Provisions of S.B. 672 from 2014 declared unconstitutional as violating the single subject rule of Article III, § 23; under the facts presented, those provisions cannot be severed and the bill is unconstitutional in its entirety. *Calzone v. Koster, et al.*, Case No. 15AC-CC00247 (Cole County Cir. Ct., Feb. 9, 2016).

----- 339.507 8/28/2008 -----

339.509. Commission, powers and duties. — The commission shall have the following powers and duties:

- (1) To establish educational programs and research projects related to the appraisal of real estate;
- (2) To establish administrative procedures for processing applications and issuing trainee licenses, certificates of state-certified real estate appraisers, licenses of state-licensed real estate appraisers, and licenses of appraisal management companies, and for conducting disciplinary proceedings pursuant to the provisions of sections [339.500 to 339.549](#) or as required by federal law or regulation; and shall have authority to determine who meets the criteria for certification and licensure, and shall have authority to renew, censure, suspend or revoke certifications and licenses;
- (3) To further define by regulation, with respect to each category of trainee, state-certified real estate appraiser, and for state-licensed real estate appraisers and for appraisal management companies, the type of educational experience, appraisal experience and equivalent experience, and other criteria that will meet the statutory requirements of sections [339.500 to 339.549](#) or as required by federal law or regulation;

provided that such standards shall be equivalent to the minimum criteria for certification and licensure issued by the appraiser qualifications board of the appraisal foundation and the provisions of section 339.517 or as required by federal law or regulation;

(4) To further define by regulation, with respect to each category of trainee, state-certified real estate appraiser, and for state-licensed real estate appraisers, the continuing education requirements for the renewal of certification and licensure that will meet the statutory requirements provided in section 339.530 or as required by federal law or regulation;

(5) To adopt standards for the development and communication of real estate appraisals and to adopt regulations explaining and interpreting the standards; provided that such standards shall meet the standards specified by the appraisal standards board of the appraisal foundation or as required by federal law or regulation;

(6) To establish an examination for each category of state-certified real estate appraiser, and for state-licensed real estate appraisers, to provide or procure appropriate examination questions and answers, and to establish procedures for grading examinations; provided that such standards for examinations for certification shall meet the minimum criteria specified by the appraiser qualifications board of the appraisal foundation or as required by federal law or regulation;

(7) To maintain a registry of the names and addresses of trainees, state-certified real estate appraisers, state-licensed real estate appraisers, and appraisal management companies;

(8) To perform such other functions and duties as may be necessary to carry out the provisions of sections 339.500 to 339.549 or to comply with the requirements of federal law or regulation; and

(9) To establish by rule the standards of practice for appraisal management companies.

(L. 1990 H.B. 1456 § 6, A.L. 1998 H.B. 1601, et al., A.L. 2012 H.B. 1103)

----- 339.509 8/28/2012 -----

339.511. Classifications of certification and licensure for appraisers and management companies — application — qualifications — continuing education requirements. — 1. There shall be six classes of licensure for individuals including:

- (1) State-licensed appraiser trainee;
- (2) State-licensed real estate appraiser;
- (3) State-certified residential appraiser trainee;
- (4) State-certified residential real estate appraiser;
- (5) State-certified general appraiser trainee; and
- (6) State-certified general real estate appraiser.

2. There shall be one class of license for appraisal management companies.

3. Persons desiring to obtain licensure as a state-licensed appraiser trainee, state-licensed real estate appraiser, state-certified residential appraiser trainee, certification as a state-certified residential real estate appraiser, state-certified general appraiser trainee, or state-certified general real estate appraiser shall make written application to the commission on such forms as are prescribed by the commission setting forth the applicant's qualifications for licensure or certification.

4. Each applicant for licensure as a state-licensed appraiser trainee, state-licensed real estate appraiser, a state-certified residential appraiser trainee, a state-certified residential real estate appraiser, a state-certified general appraiser trainee, or a state-certified general real estate appraiser

shall have demonstrated the knowledge and competence necessary to perform appraisals of residential and other real estate as the commission may prescribe by rule not inconsistent with any requirements imposed by the appraiser qualifications board. The commission shall prescribe by rule procedures for obtaining and maintaining approved courses of instruction. The commission shall, also, prescribe the hours of training in real estate appraisal practices and the minimum level of experience acceptable for licensure or certification.

5. Persons who receive certification after March 30, 1991, or who have a state license or certificate to engage in business as a real estate appraiser issued by the commission, shall receive the same license or certificate from the commission as such persons are currently holding without further education, experience, examination or application fee, but shall be required to meet all continuing education requirements prescribed by the commission.

6. Appraisal management companies desiring to obtain licensure shall:

- (1) Make application to the commission on such forms as are prescribed by the commission setting forth the applicant's qualifications for licensure;
- (2) Remit the fee or fees as established by rule; and
- (3) Post with the commission and maintain on renewal a surety bond in the amount of twenty thousand dollars as further promulgated by rule.

(L. 1990 H.B. 1456 § 7, A.L. 1998 H.B. 1601, et al., A.L. 2012 H.B. 1103, A.L. 2020 H.B. 2046)

----- 339.511 8/28/2020 -----



339.513. Applications for examinations, original certification, licensure and renewals, requirements, contents, fees, how set — fund established — signed compliance pledge, required. — 1. Applications for

examination, original certification and licensure, and renewal certification and licensure shall be made in writing to the commission on forms provided by the commission. The application shall specify the classification of certification, or licensure, for which application is being made.

2. Appropriate fees shall accompany all applications for examination, original certification or licensure, and renewal certification or licensure; provided that such fees shall be in amounts set by the commission in order to offset the cost and expense of administering sections [339.500 to 339.549](#), and in amounts to be determined by the commission with reference to the requirements of Section 1109 of the United States Public Law 101-73, as later codified and as may be amended. All fees collected pursuant to this subsection shall be collected by the commission and deposited with the state treasurer into a fund to be known as the "Missouri Real Estate Appraisers and Appraisal Management Company Fund". The provisions of section [33.080](#) to the contrary notwithstanding, money in this fund shall not be transferred and placed to the credit of general revenue until the amount in the fund at the end of the biennium exceeds two times the amount of the appropriation from the board's funds for the preceding fiscal year or, if the board requires by rule permit renewal less frequently than yearly, then three times the appropriation from the board's funds for the preceding fiscal year. The amount, if any, in the fund which shall lapse is that amount in the fund which exceeds the appropriate multiple of the appropriations from the board's funds for the preceding fiscal year. In any proceeding in which a remedy provided by subsection 1 or 2 of section [339.532](#) is imposed, the commission may also require the respondent licensee to pay the costs of the proceeding if the commission is a prevailing party or in settlement. The moneys shall be placed in the state treasury to the credit of the Missouri real estate appraisers fund.

3. At the time of filing an application for certification or licensure, each applicant shall sign a pledge to comply with the standards set forth in

sections 339.500 to 339.549 and state that he or she understands the types of misconduct for which disciplinary proceedings may be initiated.

(L. 1990 H.B. 1456 § 8, A.L. 1990 H.B. 1788 § 8, A.L. 1998 H.B. 1601, et al., A.L. 2007 H.B. 780 merged with S.B. 272, A.L. 2012 H.B. 1103)

----- 339.513 8/28/2012 -----

339.515. Examination, content, validity period, must retake, when — failure to pass reexamination, when. — 1. An original certification as a state-certified real estate appraiser may be issued to any person who meets the qualification requirements for certification and who has achieved a passing grade on a written examination which is consistent with and equivalent to the uniform state certification examination issued or endorsed by the appraiser qualifications board of the appraisal foundation and the commission.

2. An original license as a state-licensed real estate appraiser may be issued to any person who meets the qualification requirements for licensure and who has achieved a passing grade on a written examination which is consistent with and equivalent to the uniform state licensure examination issued or endorsed by the appraiser qualifications board of the appraisal foundation and the commission.

3. If an applicant, other than an appraisal management company, is not certified or licensed within two years after passing an examination given pursuant to the provisions of this section, he or she shall be required to retake the examination prior to certification or licensure.

4. An applicant, other than an appraisal management company, who has failed an examination taken pursuant to this section may apply for reexamination by submitting an application with the appropriate examination fee within ninety days after the date of having last taken and failed the examination.

(L. 1990 H.B. 1456 § 9, A.L. 1998 H.B. 1601, et al., A.L. 2005 H.B. 738, A.L. 2012 H.B. 1103)

----- 339.515 8/28/2012 -----

339.517. Examination required, when — rules authorized, invalid, when. — 1. Any person who files with the commission an application for state licensure or certification as a real estate appraiser shall be required to pass an examination to demonstrate his or her competence. The commission shall, also, make such investigation as is required to verify such qualifications. If the results of the investigation are satisfactory to the commission and the applicant is otherwise qualified, then the commission shall issue to the applicant a license or certificate authorizing the applicant to act as a state-licensed real estate appraiser or a state-certified real estate appraiser in Missouri. If the results of the investigation are unsatisfactory, action on the application may be deferred pending a hearing before the real estate appraisal commission.

2. The commission shall promulgate and adopt regulations which prescribe and define the subjects related to real estate appraisal and the experience in real estate appraisal that will satisfy the qualification requirements for licensure or certification. The commission may approve courses of instruction in an accredited college or university relating to the appraisal of real estate and related disciplines including, but not limited to, economics, finance, statistics, principles of capitalization, real estate and such other areas deemed relevant by the commission. The commission may also approve similar courses of instruction offered by recognized professional appraisal organizations and real estate organizations and agencies of the state and federal government, and other qualified providers which may be approved by the commission. The commission may require by rule that some or all of an applicant's qualifying experience in real estate appraising be obtained on appraisals of real estate located in this state.

3. Each applicant for certification or licensure, except for appraisal management companies, shall furnish under oath a detailed statement of the real estate appraisal assignments or file memoranda for each year in

which real estate appraisal experience is claimed by the applicant. Upon request, the applicant shall furnish to the commission a sample of appraisal reports or file memoranda which the applicant has prepared in the course of his or her appraisal practice.

4. Any rule or portion of a rule, as that term is defined in section [536.010](#), that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of [chapter 536](#) and, if applicable, section [536.028](#). This section and [chapter 536](#) are nonseverable and if any of the powers vested with the general assembly pursuant to [chapter 536](#) to review, to delay the effective date or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2003, shall be invalid and void.

(L. 1990 H.B. 1456 § 10, A.L. 1990 H.B. 1788 § 10, A.L. 1993 S.B. 18, A.L. 1998 H.B. 1601, et al., A.L. 2003 S.B. 327, A.L. 2012 H.B. 1103)

----- 339.517 8/28/2012 -----



339.519. Term of license — expiration date to appear on certificate or license — continuing education requirement, proof. — 1. The term of an original certificate or license issued pursuant to sections [339.500](#) to [339.549](#) shall be for a period set by the commission. All certificates and licenses shall be subject to renewal on the same date. The expiration date of the certificate or license shall appear on the certificate or license and no other notice of its expiration need be given to its holder.

2. The commission shall require every state-certified or state-licensed real estate appraiser to provide satisfactory evidence of the completion of the required continuing education hours as promulgated by the appraiser qualifications board.

(L. 1990 H.B. 1456 § 11, A.L. 1998 H.B. 1601, et al., A.L. 2007 S.B. 272)

----- 339.519 8/28/2007 -----

339.523. Nonresidents of state — requirements to be certified or licensed in Missouri — service of process provisions. — 1. A nonresident of this state who has complied with the provisions of sections 339.511, 339.513, 339.515, and 339.517 may obtain certification as a state-certified real estate appraiser or licensure as a state-licensed real estate appraiser by conforming to all of the provisions of sections 339.500 to 339.549 relating to state-certified real estate appraisers or state-licensed real estate appraisers.

2. Every applicant for certification or licensure pursuant to sections 339.500 to 339.545 who is not a resident of this state shall submit, with the application for certification, an irrevocable consent that service of process in any action against the applicant arising out of the applicant's activities as a state-certified real estate appraiser or state-licensed real estate appraiser may be made by delivery of the process to the executive director of the commission, if the plaintiff cannot, in the exercise of due diligence, effect personal service upon the applicant. The executive director shall immediately mail a copy of the materials served on the executive director by ordinary mail to the state-certified real estate appraiser or state-licensed real estate appraiser at both his or her principal place of business and his or her residence address.

(L. 1990 H.B. 1456 § 13, A.L. 1998 H.B. 1601, et al., A.L. 2018 S.B. 840)

----- 339.523 8/28/2018 -----

339.525. Renewals, procedure — renewal of an expired certificate or license, when, fee — inactive status granted, when. — 1. To obtain a renewal certificate or license, a state certified real estate appraiser or state licensed real estate appraiser shall make application and pay the prescribed fee to the commission not earlier than one hundred twenty days nor later than thirty days prior to the expiration date of the certificate or license then

held. With the application for renewal, the state certified real estate appraiser or state licensed real estate appraiser shall present evidence in the form prescribed by the commission of having completed the continuing education requirements for renewal specified in section [339.530](#).

2. If a person is otherwise eligible to renew the person's certification or license, the person may renew an expired certification or license within two years from the date of expiration. To renew such expired certification or license, the person shall submit an application for renewal, pay the renewal fee, pay a delinquent renewal fee as established by the commission, and present evidence in the form prescribed by the commission of having completed the continuing education requirements for renewal specified in section [339.530](#). Upon a finding of extenuating circumstances, the commission may waive the payment of the delinquent fee.

3. If a person has failed to renew the person's license within two years of its expiration, the license shall be void.

4. The commission is authorized to issue an inactive certificate or license to a state-certified real estate appraiser or a state-licensed real estate appraiser who makes written application for such on a form provided by the commission and remits the fee for an inactive certificate or license established by the commission. An inactive certificate or license may be issued only to a person who has previously been issued a certificate or license to practice as a real estate appraiser in this state, who is no longer regularly engaged in such practice, and who does not hold himself or herself out to the public as being professionally engaged in such practice in this state. Each inactive certificate or license shall be subject to all provisions of this chapter, except as otherwise specifically provided. Each inactive certificate or license may be renewed by the commission subject to all provisions of this section and all other provisions of this chapter. An inactive licensee may apply for a certificate or license to regularly engage in the practice of real estate appraising upon filing a written application on a form provided by the commission, submitting the reactivation fee

established by the commission and submitting satisfactory proof of current competency as established by the commission.

5. To obtain a renewal license, an appraisal management company shall make application on a form prescribed by the commission and pay the prescribed fee.

6. To obtain a renewal license, a state-licensed appraiser trainee, state-certified residential appraiser trainee, or state-certified general appraiser trainee shall request an extension in writing at least thirty days prior to the expiration date as required by rule.

(L. 1990 H.B. 1456 § 14, A.L. 1997 S.B. 141, A.L. 2007 S.B. 272, A.L. 2012 H.B. 1103)

----- 339.525 8/28/2012 -----



339.527. Certificate or license number to be placed on report or contract — titles, how used — prohibited use — issue of certificate or license only to natural persons. — 1. A state-certified real estate appraiser may designate or identify an appraisal report rendered by him or her as a certified appraisal for the type of property included in his or her certification.

2. Each state-certified real estate appraiser or state-licensed real estate appraiser shall place the certificate or license number adjacent to or immediately below the designation "Missouri State-certified (Residential/General) Real Estate Appraiser" or "Missouri State-licensed Real Estate Appraiser" when used in an appraisal report or in a contract or other instrument used by the holder of the certificate or license in conducting an appraisal assignment or specialized appraisal services. A state-licensed real estate appraiser trainee, state-certified residential appraiser trainee, and state-certified general appraiser trainee shall place his or her license number adjacent to or immediately below the title "State-

licensed Appraiser Trainee", "State-certified Residential Appraiser Trainee", or "State-certified General Appraiser Trainee".

3. Each appraisal management company shall be required to disclose its license number on each engagement letter utilized in assigning an appraisal request for real estate appraisal assignments within the state of Missouri.

4. The terms "Missouri State-certified (Residential/General) Real Estate Appraiser", "Missouri State-licensed Real Estate Appraiser", "Missouri State-licensed Appraiser Trainee", "Missouri State-certified Residential Appraiser Trainee", and "Missouri State-certified General Appraiser Trainee" may only be used to refer to individuals who hold a certificate or license and may not be used following or immediately in connection with the name or signature of a firm, partnership, corporation, or group or in such manner that it might be interpreted as referring to certification or licensure of the firm, partnership, corporation, group, or to certification or licensure of anyone other than an individual holder of the certificate or license.

5. Except for licensed appraisal management companies, a certificate or license shall be issued pursuant to sections [339.500 to 339.549](#) only to a natural person. However, nothing in this section shall preclude a state-certified real estate appraiser or state-licensed real estate appraiser from rendering appraisals for or on behalf of a corporation, partnership or association, provided that the appraisal report is prepared by, or under the immediate direction of, a state-certified real estate appraiser or state-licensed real estate appraiser, and further provided that the appraisal report is signed by the state-certified real estate appraiser or state-licensed real estate appraiser.

(L. 1990 H.B. 1456 § 15, A.L. 1998 H.B. 1601, et al., A.L. 2012 H.B. 1103)

339.529. Addresses and changes of addresses, procedure — duties of notification. — 1. Each state-certified real estate appraiser, state-certified appraiser trainee, state-licensed appraiser trainee, and state-licensed real estate appraiser shall advise the commission of the address of his or her principal place of residence, business and all other addresses at which he or she is currently engaged in the business of preparing real property appraisal reports.

2. Whenever a state-certified real estate appraiser, state-certified appraiser trainee, state-licensed appraiser trainee, or state-licensed real estate appraiser changes the location of his or her place of business, he or she shall amend the certificate or license issued by the commission to reflect the change and shall give written notification of the change to the commission within thirty working days of the change.

3. Whenever a state-certified real estate appraiser or state-licensed real estate appraiser changes the location of his or her residence, he or she shall notify the commission of the new residence address within thirty working days of the change.

4. Each appraisal management company shall notify the commission within thirty days of a change in its controlling person, agent of record, ownership composition, or address.

(L. 1990 H.B. 1456 § 16, A.L. 1998 H.B. 1601, et al., A.L. 2012 H.B. 1103)

----- 339.529 8/28/2012 -----

339.530. Continuing education requirements for renewal or accepted other studies and projects. — 1. As a prerequisite of renewal of certification or licensure, a state-certified real estate appraiser or state-licensed real estate appraiser shall present evidence satisfactory to the commission of having met the continuing education requirements as provided in this section. The basic continuing education requirements for renewal of certification or licensure shall be the completion by the state-

certified real estate appraiser or state-licensed real estate appraiser, during the immediately preceding term of certification or licensure, of continuing education as prescribed by the appraiser qualifications board and approved by the commission.

2. In lieu of meeting the requirements of subsection 1 of this section, an applicant for renewal of certification or licensure may satisfy all or part of the requirements of this section by presenting evidence of the following:

(1) Completion of courses of study determined by the commission to be equivalent, for continuing education purposes, to courses approved by the commission pursuant to subsection 1 of this section;

(2) Participation, other than as a student, in educational processes and programs in real property appraisal theory, practices, or techniques, including, but not limited to, teaching, program development, and preparation of textbooks, monographs, articles, and other instructional materials, all to be approved by the commission.

3. The commission shall adopt regulations for implementation of the provisions of this section to assure that state-certified real estate appraisers renewing their certifications and state-licensed real estate appraisers renewing their licenses have current knowledge of real property appraisal theories, practices, and techniques which will provide a high degree of service and protection to those members of the public with whom they deal in a professional relationship under authority of the certification or licensure. Such regulations shall prescribe the following:

(1) Policies and procedures for obtaining commission approval of courses of instruction pursuant to this section;

(2) Standards, policies, and procedures to be applied by the commission in evaluating an applicant's claims of equivalency pursuant to this section;

- (3) Standards, monitoring methods, and systems for recording attendance to be employed by course sponsors as a prerequisite to commission approval of courses for credit.
4. In adopting regulations pursuant to this section, the commission shall give favorable consideration to courses of instruction, seminars, and other real property appraisal education courses or programs previously or hereafter developed by or under the auspices of professional appraisal organizations and utilized by those associations for purposes of designation, certification, licensure, recertification or relicensure of the members of the association.
5. No amendment or repeal of a regulation adopted by the commission pursuant to this section shall operate to deprive a state-certified real estate appraiser or state-licensed real estate appraiser of credit toward renewal of certification or licensure for any course of instruction completed prior to the amendment or repeal of the regulation, if the course would have qualified for continuing education credit under the regulation as it existed prior to the repeal or amendment.

(L. 1990 H.B. 1456 § 17, A.L. 1998 H.B. 1601, et al.)

----- 339.530 8/28/1998 -----



***339.531. Complaint procedure — effective date.** — 1. Any person may file a complaint with the commission alleging that a licensee has committed any combination of the acts or omissions provided in subsection 2 of section 339.532. A complaint shall be in writing and shall be signed by the complainant, but a complainant is not required to specify the provisions of law or regulations alleged to have been violated in the complaint.

2. Upon the receipt of a complaint against a licensee, the commission shall refer the complaint to the probable cause committee. The commission

shall appoint a probable cause committee of four members, one of whom shall be a current member of the commission and three members selected by the commission through recommendations provided by the Missouri Appraisers Advisory Council. The probable cause committee shall serve in an advisory capacity to the commission and review complaints and make a recommendation to the commission regarding the disposition of the complaint. The commission shall provide by rule for the selection process, length of committee member terms, and other procedures necessary for the functioning of the committee. No complaints shall be brought before the probable cause committee prior to its creation, appointment of members, and approval of all rules and regulations pursuant to [chapter 536](#).

3. Each complaint shall be considered a grievance until reviewed by the probable cause committee. When a grievance is filed under subsection 1 of this section, a copy shall be provided to the licensee, who shall have ten working days to respond documenting why the grievance may have no merit. If the licensee responds within the allowable time, the probable cause committee shall review the grievance and response. If the probable cause committee determines that the grievance has no merit, the grievance shall be dismissed and no complaint shall be placed on the licensee's record. If the probable cause committee determines that the grievance has merit, it shall present the case to the commission, and the commission shall decide whether or not to proceed with an investigation of the grievance as a complaint. If the commission decides to proceed with an investigation of a complaint, at that time the complaint shall become a part of the licensee's record.

4. When the commission determines to proceed with a complaint against a licensee, the commission shall investigate the actions of the licensee against whom the complaint is made. In conducting an investigation, the commission may request the licensee under investigation to:

- (1) Answer the charges made against him or her in writing;

(2) Produce relevant documentary evidence pertaining to the specific complaint causing the investigation; and

(3) Appear before the commission.

5. A copy of any written answer of the licensee requested under subsection 4 of this section may be furnished to the complainant, as long as furnishing the written answer does not require disclosure of confidential information under the Uniform Standards of Professional Appraisal Practice.

6. The commission shall notify the complainant and the licensee that an investigation has been commenced within ten working days of the date of the commission's decision to proceed with a complaint under subsection 4 of this section. The commission shall also notify and inform the complainant and licensee of the status of the investigation every sixty days following the commencement of the investigation. No investigation shall last longer than twelve months. Once an investigation is closed or dismissed it shall not be reopened.

7. In the event that the commission fails to meet the notification and investigation requirements of this section or does not finish the investigation within twelve months, then the commission shall provide the complainant at the commission's expense with an appraisal and an appraisal report of the real estate originally appraised by the licensee under investigation.

8. A real estate appraiser member of the commission shall recuse themselves from any matter in which their knowledge of the parties, circumstances, or subject matter will substantially affect their ability to be fair and impartial.

9. Any rule or portion of a rule, as that term is defined in section [536.010](#), that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the

provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2015, shall be invalid and void.

10. Nothing in this section shall be construed as limiting or delaying any administrative remedies or actions available through the administrative hearing process.

11. The provisions of this section shall become effective August 28, 2015.

(L. 2014 S.B. 672)

Effective 8-28-15

*Revisor's Note: This section was declared unconstitutional in Calzone v. Koster, et al., see 2016 annotation below.

(2016) Provisions of S.B. 672 from 2014 declared unconstitutional as violating the single subject rule of Article III, § 23; under the facts presented, those provisions cannot be severed and the bill is unconstitutional in its entirety. Calzone v. Koster, et al., Case No. 15AC-CC00247 (Cole County Cir. Ct., Feb. 9, 2016).

----- 339.531 8/28/2015 -----

339.532. Refusal to issue or renew certificate or license, procedure, hearing, grounds for refusal, penalties — revocation, when, appeal — recertification or relicensure, examination required. — 1. The commission may refuse to issue or renew any certificate or license issued pursuant to sections 339.500 to 339.549 for one or any combination of causes stated in subsection 2 of this section. The commission shall notify the applicant in writing of the reasons for the refusal and shall advise the

applicant of the right to file a complaint with the administrative hearing commission as provided by [chapter 621](#).

2. The commission may cause a complaint to be filed with the administrative hearing commission as provided by [chapter 621](#) against any state-certified real estate appraiser, state-licensed real estate appraiser, state-licensed appraiser trainee, state-certified residential appraiser trainee, state-certified general appraiser trainee, state-licensed appraisal management company that is a legal entity other than a natural person, any person who is a controlling person as defined in this chapter, or any person who has failed to renew or has surrendered his or her certificate or license for any one or any combination of the following causes:

- (1) Procuring or attempting to procure a certificate or license pursuant to section [339.513](#) by knowingly making a false statement, submitting false information, refusing to provide complete information in response to a question in an application for certification or licensure, or through any form of fraud or misrepresentation;
- (2) Failing to meet the minimum qualifications for certification or licensure or renewal established by sections [339.500 to 339.549](#);
- (3) Paying money or other valuable consideration, other than as provided for by section [339.513](#), to any member or employee of the commission to procure a certificate or license pursuant to sections [339.500 to 339.549](#);
- (4) The person has been finally adjudicated and found guilty, or entered a plea of guilty or nolo contendere, in a criminal prosecution under the laws of any state, of the United States, or of any country, for any offense directly related to the duties and responsibilities of the occupation, as set forth in section [324.012](#), regardless of whether or not sentence is imposed;

- (5) Incompetency, misconduct, gross negligence, dishonesty, fraud, or misrepresentation in the performance of the functions or duties of any profession licensed or regulated by sections [339.500 to 339.549](#);
- (6) Violation of any of the standards for the development or communication of real estate appraisals as provided in or pursuant to sections [339.500 to 339.549](#);
- (7) Failure to comply with the Uniform Standards of Professional Appraisal Practice promulgated by the appraisal standards board of the appraisal foundation;
- (8) Failure or refusal without good cause to exercise reasonable diligence in developing an appraisal, preparing an appraisal report, or communicating an appraisal;
- (9) Negligence or incompetence in developing an appraisal, in preparing an appraisal report, or in communicating an appraisal;
- (10) Violating, assisting or enabling any person to willfully disregard any of the provisions of sections [339.500 to 339.549](#) or the regulations of the commission for the administration and enforcement of the provisions of sections [339.500 to 339.549](#);
- (11) Accepting an appraisal assignment when the employment itself is contingent upon the appraiser's reporting a predetermined analysis or opinion or where the fee to be paid for the performance of the appraisal assignment is contingent upon the opinion, conclusion, or valuation reached or upon the consequences resulting from the appraisal assignment;
- (12) Violating the confidential nature of governmental records to which the person gained access through employment or engagement to perform an appraisal assignment or specialized appraisal services for a governmental agency;

- (13) Violating any term or condition of a certificate or license issued by the commission pursuant to the authority of sections [339.500 to 339.549](#);
- (14) Violation of any professional trust or confidence;
- (15) Obtaining or attempting to obtain any fee, charge, tuition or other compensation by fraud, deception or misrepresentation;
- (16) Assisting or enabling any person to practice or offer to practice any profession licensed or regulated by sections [339.500 to 339.549](#) who is not licensed or certified and currently eligible to practice pursuant to sections [339.500 to 339.549](#);
- (17) Use of any advertisement or solicitation which is false, misleading or deceptive to the general public or persons to whom the advertisement or solicitation is primarily directed;
- (18) Disciplinary action against the holder of a license, certificate or other right to practice any profession regulated pursuant to sections [339.500 to 339.549](#), imposed by another state, territory, federal agency or country upon grounds for which revocation or suspension is authorized in this state;
- (19) Making any material misstatement, misrepresentation, or omission with regard to any application for licensure or certification, or for license or certification renewal. As used in this section, "**material**" means important information about which the commission should be informed and which may influence a licensing decision;
- (20) Engaging in or committing, or assisting any person in engaging in or committing, any practice or act of mortgage fraud, as defined in section [443.930](#);
- (21) Influencing or attempting to influence the development, reporting, or review of an appraisal through coercion, extortion, collusion, compensation, instruction, inducement, intimidation, or bribery.

3. After the filing of such complaint, the proceedings shall be conducted in accordance with the provisions of [chapter 621](#). Upon a finding by the administrative hearing commission that the grounds, provided in subsection 2 of this section, for disciplinary action are met, the commission may, singly or in combination, publicly censure or place the person named in the complaint on probation on such terms and conditions as the commission deems appropriate for a period not to exceed five years, or may suspend, for a period not to exceed three years, or revoke, the certificate or license. The holder of a certificate or license, or the legal entity and any controlling person in the case of an appraisal management company, revoked pursuant to this section may not obtain certification as a state-certified real estate appraiser, licensure as a state-licensed real estate appraiser, or licensure as an appraisal management company for at least five years after the date of revocation.

4. Notwithstanding other provisions of this section, a real estate appraiser license or certification or an appraisal management company license shall be revoked, or in the case of an applicant, shall not be issued, if the licensee or applicant, or any controlling person in the case of an appraisal management company, has been finally adjudicated and found guilty, or has entered a plea of nolo contendere, in a criminal prosecution under the laws of any state, of the United States, or of any country, for any offense directly related to the duties and responsibilities of the occupation, as set forth in section [324.012](#), regardless of whether or not sentence is imposed. The commission shall notify the individual or legal entity of the reasons for the revocation in writing, by certified mail.

5. A person, or the legal entity or controlling person in the case of an appraisal management company, whose license is revoked under subsection 4 of this section may appeal such revocation to the administrative hearing commission, as provided by [chapter 621](#), within ninety days from the time the commission mails the notice of revocation. A person who fails to do so waives all rights to appeal the revocation.

6. A certification of a state-certified real estate appraiser, a license of a state-licensed real estate appraiser, or a license of an appraisal management company that has been suspended as a result of disciplinary action by the commission shall not be reinstated, and a person, controlling person, or legal entity may not obtain certification as a state-certified real estate appraiser, licensure as a state-licensed real estate appraiser, or licensure as an appraisal management company subsequent to revocation, unless the applicant presents evidence of completion of the continuing education required by section [339.530](#) during the period of suspension or revocation as well as fulfillment of any other conditions imposed by the commission. Applicants for recertification, re licensure or reinstatement also shall be required to successfully complete the examination for original certification or licensure required by section [339.515](#) as a condition to reinstatement of certification or licensure, or recertification or re licensure subsequent to revocation.

(L. 1990 H.B. 1456 § 18, A.L. 1998 H.B. 1601, et al., A.L. 2008 H.B. 2188, A.L. 2012 H.B. 1103, A.L. 2020 H.B. 2046)

----- [339.532](#) 8/28/2020 -----

339.533. Authority of commission, oaths and subpoenas. — 1. The chairperson of the commission may administer oaths, issue subpoenas, and issue subpoenas duces tecum requiring the production of documents and records. Subpoenas and subpoenas duces tecum shall be served by a person authorized to serve subpoenas of courts of record. In lieu of requiring attendance of a person, controlling person, or other legal entity to produce original documents in response to a subpoena duces tecum, the commission may require sworn copies of such documents to be filed with it or delivered to its designated representative.

2. The commission may enforce its subpoenas and subpoenas duces tecum by applying to the circuit court of Cole County; the county of the investigation, hearing, or proceeding; or any county where the person, controlling person, or other legal entity subpoenaed resides or may be

found for an order to show cause why such subpoena should not be enforced, such order and a copy of the application therefor to be served upon the person in the same manner as a summons in a civil action, and if the circuit court shall, after a hearing, determine that the subpoena should be sustained and enforced, such court shall proceed to enforce the subpoena in the same manner as though the subpoena had been issued in a civil case in the circuit court.

(L. 2007 S.B. 272, A.L. 2012 H.B. 1103)

----- 339.533 8/28/2012 -----



339.535. Compliance with uniform standards required. — State-certified real estate appraisers, state-licensed real estate appraisers, state-licensed appraiser trainees, and state-certified appraiser trainees shall comply with the Uniform Standards of Professional Appraisal Practice promulgated by the appraisal standards board of the appraisal foundation.

(L. 1990 H.B. 1456 § 19, A.L. 2012 H.B. 1103)

----- 339.535 8/28/2012 -----

339.537. Records to be retained, retention period — availability of records for appraisers, when, cost. — 1. State-certified real estate appraisers and state licensed real estate appraisers shall retain originals or true copies of contracts engaging an appraiser's services for appraisal assignments, specialized appraisal services, appraisal reports, and supporting data assembled and formulated in preparing appraisal reports, for five years. The period for retention of the records applicable to each engagement of the services of the state-certified real estate appraiser or state-licensed real estate appraiser shall run from the date of the submission of the appraisal report to the client. Upon requests by the commission, these records shall be made available by the state-certified real estate appraiser or state-licensed real estate appraiser for inspection and

copying at his or her expense, by the commission on reasonable notice to the state-certified real estate appraiser or state-licensed real estate appraiser. When litigation is contemplated at any time, reports and records shall be retained for two years after the final disposition.

2. All appraisal management company records shall be retained by the appraisal management company for five years. Upon request by the commission, such records shall promptly be made available to the commission for inspection and copying at the expense of the appraisal management company.

(L. 1990 H.B. 1456 § 20, A.L. 2003 S.B. 327, A.L. 2012 H.B. 1103)

----- 339.537 8/28/2012 -----

339.539. Choosing an appraiser or discriminating against one for membership or lack of membership in appraisal organization prohibited.

— No bank, savings and loan association, credit union, mortgage banker or lending institution may exclude a state certified real estate appraiser or state licensed real estate appraiser from consideration for an appraisal assignment or specialized appraisal services by virtue of membership or lack of membership of the state certified real estate appraiser or state licensed real estate appraiser in any particular real estate appraisal organization.

(L. 1990 H.B. 1456 § 21)

Effective 4-30-90

----- 339.539 8/28/1990 -----



339.541. Deception or fraud in applications, taking examination or falsely representing to public certification or licensure, penalty. — 1. It shall be a class B misdemeanor for any person to practice any deception or fraud with respect to his or her identity in connection with an application

for certification or licensure or in the taking of an examination for certification as a state certified real estate appraiser or licensure as a state licensed real estate appraiser or by holding himself or herself out to any member of the public or representing himself or herself as a state certified real estate appraiser or a state licensed real estate appraiser when, in fact, he or she is not so.

2. It shall be a class B misdemeanor for any corporation, business, or controlling person to practice any deception or fraud in its identity in connection with an application or holding out to any member of the public or representation as a licensed appraisal management company when in fact it is not so.

(L. 1990 H.B. 1456 § 22, A.L. 2012 H.B. 1103)

----- 339.541 8/28/2012 -----

339.543. Mortgage fraud, commission may file court action — civil penalty — investigation authority. — 1. If the commission believes that an appraiser, business, corporation, or controlling person has engaged in, is engaging in, or has willfully taken a substantial step toward engaging in an act, practice, omission, or course of business constituting mortgage fraud, as defined in section 443.930, or that a person, business, corporation, or controlling person has materially aided or is materially aiding any such act, practice, omission, or course of business, the commission may maintain an action in the circuit court of any county of the state or any city not within a county to enjoin the person, business, corporation, or controlling person. Upon a proper showing, the court may issue a permanent or temporary injunction, restraining order, or declaratory judgment.

2. The court may impose a civil penalty against the person, business, corporation, or controlling person not to exceed two thousand five hundred dollars for each violation and may grant any other relief the court determines is just and proper in the circumstances including, but not

limited to, a temporary suspension of any license issued by the commission.

3. The commission may initiate an investigation and take all measures necessary to find the facts of any potential violation of this section, including issuing subpoenas to compel the attendance and testimony of witnesses and the production of documents and other evidence. The commission may conduct joint investigations, enter into confidentiality agreements, and share information obtained relating to an investigation under this section with other governmental agencies.

4. The enforcement authority of the commission under this section is cumulative to any other statutory authority of the commission.

(L. 2008 H.B. 2188, A.L. 2012 H.B. 1103)

----- 339.543 8/28/2012 -----

339.544. Rulemaking authority. — Any rule or portion of a rule, as that term is defined in section 536.010, that is promulgated by the commission to administer and enforce sections 339.500 to 339.549, shall become effective only if the agency has fully complied with all of the requirements of chapter 536 including but not limited to, section 536.028, if applicable, after August 28, 1998. All rulemaking authority delegated prior to August 28, 1998, is of no force and effect and repealed as of August 28, 1998, however nothing in this act* shall be interpreted to repeal or affect the validity of any rule adopted and promulgated prior to August 28, 1998. If the provisions of section 536.028 apply, the provisions of this section are nonseverable and if any of the powers vested with the general assembly pursuant to section 536.028 to review, to delay the effective date, or to disapprove and annul a rule or portion of a rule are held unconstitutional or invalid, the purported grant of rulemaking authority and any rule so proposed and contained in the order of rulemaking shall be invalid and void, except that nothing in this act* shall affect the validity of any rule adopted and promulgated prior to August 28, 1998.

(L. 1998 H.B. 1601, et al.)

*"This act" (H.B. 1601, et al., 1998) contained numerous sections. Consult Disposition of Sections table for a definitive listing.

----- 339.544 8/28/1998 -----



339.545. Commission to issue certificates and licenses. — 1. The commission shall take such action as is necessary to be able to issue general certificates, residential certificates and licenses to qualified persons.

2. The commission shall take action as is necessary to be able to issue licenses to qualified applicants seeking licensure as an appraisal management company.

(L. 1990 H.B. 1456 § 24, A.L. 1998 H.B. 1601, et al., A.L. 2012 H.B. 1103)

----- 339.545 8/28/2012 -----

339.546. Violations of law — criminal penalties. — Any person or corporation who knowingly violates any provision of sections 339.500 to 339.549 is guilty of a class B misdemeanor. Any officer or agent of a corporation, or member or agent of a partnership or association, who knowingly and personally participates in or is an accessory to any violation of sections 339.500 to 339.549 is guilty of a class B misdemeanor. This section shall not be construed to release any person from civil liability or criminal prosecution pursuant to any other law of this state. The commission may cause a complaint to be filed for a violation of section 339.501 in any court of competent jurisdiction, and perform such other acts as may be necessary to enforce the provisions of sections 339.500 to 339.549.

(L. 1998 H.B. 1601, et al.)

339.549. Violation of law — civil penalties — injunctions, venue.

— 1. It is unlawful for any person, business, corporation, or controlling person not certified or licensed pursuant to sections [339.500 to 339.549](#) to perform any act for which certification or licensure is required. Upon application by the commission, and the necessary burden having been met, a court may grant an injunction, restraining order or other order as may be appropriate to enjoin a person, business, corporation, or controlling person from:

(1) Offering to engage or engaging in the performance of any acts or practices for which a certificate or license is required by sections [339.500 to 339.549](#) upon a showing that such acts or practices were performed or offered to be performed without a certificate or license; or

(2) Engaging in any practice or business authorized by a certificate or license issued pursuant to sections [339.500 to 339.549](#) upon a showing that the holder presents a substantial probability of serious danger to the health, safety or welfare of any resident of this state or client of the certificate holder or licensee.

2. Any such action shall be commenced in the county in which such conduct occurred or in the county in which the defendant resides.

3. Any actions brought pursuant to this section shall be in addition to and not in lieu of any penalty provided by sections [339.500 to 339.549](#) and may be brought concurrently with other actions to enforce the provisions of this chapter.



Rules of Department of Commerce and Insurance

Division 2245—Real Estate Appraisers Chapter 1—Organization and Description of Commission

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**Title 20—DEPARTMENT OF
COMMERCE AND INSURANCE
Division 2245—Real Estate Appraisers
Chapter 1—Organization and
Description of Commission**

20 CSR 2245-1.010 General Organization

PURPOSE: This rule complies with section 536.023(3), RSMo, which requires each agency to adopt as a rule a description of its operation and the methods and procedures where the public may obtain information or make submissions or requests.

PUBLISHER'S NOTE: The secretary of state has determined that the publication of the entire text of the material which is incorporated by reference as a portion of this rule would be unduly cumbersome or expensive. This material as incorporated by reference in this rule shall be maintained by the agency at its headquarters and shall be made available to the public for inspection and copying at no more than the actual cost of reproduction. This note applies only to the reference material. The entire text of the rule is printed here.

(1) Requests for general information, applications for examination and for certificates or licenses, complaint forms, or copies of regulations may be directed to the Missouri Real Estate Appraisers Commission, PO Box 1335, Jefferson City, MO 65102, telephone (573) 751-0038.

(2) The commission shall transmit to the Appraisal Subcommittee, at least monthly, a roster listing individuals who have received a state certificate or license and are eligible to perform appraisals in federally-related transactions and a listing of licensed appraisal management companies. The commission shall transmit to the Federal Financial Institutions Examination Council (FFIEC) a monthly registry fee as determined by the Appraisal Subcommittee for those individuals and licensed appraisal management companies who are listed on the roster provided to the Appraisal Subcommittee. The registry fee is included in the fees in sections 20 CSR 2245-5.020(1) and (2).

(3) In accordance with the exception established in the Jurisdictional Exception Rule of the *Uniform Standards of Professional Appraisal Practice* (USPAP), the requirements of USPAP shall not apply to the commission or its employees when reviewing or preparing an investigation, complaint, or report for enforcement, licensure, certification, or disciplinary action pursuant to the statutory author-

ity vested in the commission by Chapter 339, RSMo. This provision includes, but is not limited to, USPAP Standard Rule 3.

(4) For purposes of this section, the *Uniform Standards of Professional Appraisal Practice* (USPAP), 2020 Edition, is incorporated herein by reference and can be obtained from The Appraisal Foundation, 1155 15th Street NW, Suite 1111, Washington, DC 20005, by calling (202) 347-7722, or at www.appraisalfoundation.org. This rule does not incorporate any subsequent amendments to USPAP.

AUTHORITY: sections 339.507, 339.509, and 339.544, RSMo 2016.* This rule originally filed as 4 CSR 245-1.010. Emergency rule filed Dec. 6, 1990, effective Dec. 16, 1990, expired April 14, 1991. Original rule filed Jan. 3, 1991, effective April 29, 1991. Emergency rule filed April 4, 1991, effective April 14, 1991, expired Aug. 11, 1991. Amended: Filed Aug. 14, 1991, effective Jan. 13, 1992. Moved to 20 CSR 2245-1.010, effective Aug. 28, 2006. Amended: Filed Nov. 21, 2006, effective July 30, 2007. Amended: Filed Nov. 15, 2007, effective May 30, 2008. Amended: Filed Aug. 27, 2009, effective Feb. 28, 2010. Amended: Filed June 15, 2011, effective Dec. 30, 2011. Amended: Filed Nov. 13, 2012, effective June 30, 2013. Amended: Filed July 15, 2013, effective Jan. 30, 2014. Amended: Filed June 30, 2015, effective Dec. 30, 2015. Amended: Filed April 6, 2018, effective Oct. 30, 2018. Emergency amendment filed Aug. 7, 2018, effective Aug. 17, 2018, expired Feb. 28, 2019. Amended: Filed Aug. 7, 2018, effective Feb. 28, 2019. Amended: Filed June 12, 2019, effective Jan. 1, 2020.

*Original authority: 339.507, RSMo 1990, amended 1993, 1997, 1998, 1999, 2007, 2008, 2014; 339.509, RSMo 1990, amended 1998, 2012; and 339.544, RSMo 1998.

20 CSR 2245-1.020 Commission Compensation

(Rescinded July 30, 2007)

AUTHORITY: sections 339.507 and 339.509, RSMo Supp. 1990. This rule originally filed as 4 CSR 245-1.020. Emergency rule filed Dec. 6, 1990, effective Dec. 16, 1990, expired April 14, 1991. Emergency rule filed April 4, 1991, effective April 14, 1991, expired Aug. 11, 1991. Original rule filed Jan. 3, 1991, effective April 29, 1991. Moved to 20 CSR 2245-1.020, effective Aug. 28, 2006. Rescinded: Filed Nov. 21, 2006, effective July 30, 2007.



Rules of Department of Commerce and Insurance

Division 2245—Real Estate Appraisers Chapter 2—General Rules

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**Title 20—DEPARTMENT OF
COMMERCE AND INSURANCE**
Division 2245—Real Estate Appraisers
Chapter 2—General Rules

20 CSR 2245-2.010 Definitions

PURPOSE: This rule defines the terminology used in the rules of the Missouri Real Estate Appraisers Commission.

(1) Words defined in sections 339.500–339.549, RSMo, shall have the same meaning when used in these rules and, in addition, unless the context plainly requires a different meaning—Licensee, for the purposes of this Act, means an individual person who has been certified as a state-certified general real estate appraiser, a state-certified residential real estate appraiser, a state-licensed real estate appraiser, or a licensed appraisal management company.

(2) In accordance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, all real estate-related transactions will be protected by requiring that real estate appraisals utilized in connection with federally-related transactions are performed in writing, in accordance with uniform standards, by state-certified or state-licensed real estate appraisers. Federally-related transactions means any real property-related financial transaction in which a federal financial institution engages in, contracts for, or regulates. The financial institution regulatory agencies include the Federal Deposit Insurance Corporation (FDIC); the Federal Reserve System (FED); the National Credit Union Administration (NCUA); the Office of the Comptroller of the Currency (OCC); and the Department of the Treasury, Office of Thrift Supervision (OTS).

AUTHORITY: sections 339.503, 339.509, and 339.544, RSMo 2016.* This rule originally filed as 4 CSR 245-2.010. Emergency rule filed Dec. 6, 1990, effective Dec. 16, 1990, expired April 14, 1991. Emergency rule filed April 4, 1991, effective April 14, 1991, expired Aug. 11, 1991. Original rule filed Jan. 3, 1991, effective April 29, 1991. Amended: Filed Aug. 14, 1991, effective Jan. 13, 1992. Moved to 20 CSR 2245-2.010, effective Aug. 28, 2006. Amended: Filed Nov. 13, 2012, effective June 30, 2013. Amended: Filed April 6, 2018, effective Oct. 30, 2018.

*Original authority: 339.503, RSMo 1990, amended 1998, 2009, 2010, 2012; 339.509, RSMo 1990, amended 1998, 2012; and 339.544, RSMo 1998.

20 CSR 2245-2.020 Commission Action

PURPOSE: This rule establishes how the commission may take action and further restricts the staff from engaging in the real estate appraisal industry while in the commission's employment.

(1) Any act to be taken by the commission pursuant to the license law or these rules may be performed by the number of commission members or by those officers, employees, agents or representatives of the commission as is permitted by law and authorized by a majority of the commission's membership. The commission may take authorized action by a mail ballot or by a conference telephone call and any action so taken shall be recorded in the minutes of the commission.

(2) Neither the executive director nor any other employee or agent of the commission, except the commissioners or contracted investigators during the period of his/her employment by the commission, shall engage in any act for which a certificate or a license is required under the provisions of the license law or receive or become entitled to receive any fee or compensation of any kind, in any capacity whatsoever, either directly or indirectly, in connection with any real estate appraisal transaction.

(3) Upon receipt of a complaint in proper form, the commission may investigate the actions of the licensee against whom the complaint is made. In conducting an investigation, the commission, at its discretion, may request the licensee under investigation to answer the charges made against him/her in writing and to produce relevant documentary evidence and may request him/her to appear before the commission. A copy of any written answer of the licensee may be furnished to the complainant. Upon its own motion, the commission may initiate an inquiry or investigation against an applicant or a licensee.

(4) The commission may, at its discretion, investigate anonymous complaints.

AUTHORITY: section 339.509, RSMo 2000.* This rule originally filed as 4 CSR 245-2.020. Emergency rule filed Dec. 6, 1990, effective Dec. 16, 1990, expired April 14, 1991. Emergency rule filed April 4, 1991, effective April 14, 1991, expired Aug. 11, 1991. Original rule filed Jan. 3, 1991, effective April 29, 1991. Amended: Filed Sept. 2, 1993, effective April 9, 1994. Moved to 20 CSR 2245-2.020, effective Aug. 28, 2006. Amended: Filed Nov. 21, 2006, effective July 30, 2007.

*Original authority: 339.509, RSMo 1990, amended 1998.

20 CSR 2245-2.030 Records

PURPOSE: This rule establishes which records are public documents and which are confidential.

(1) All public records of the Real Estate Appraisers Commission shall be open for inspection and copying by any member of the general public during normal business hours (8:00 a.m. to 5:00 p.m., Monday through Friday, except holidays) except for those records closed pursuant to section 610.021, RSMo. All public meetings of the Real Estate Appraisers Commission not closed pursuant to the provisions of section 610.021, RSMo will be open to any member of the public.

(2) The commission establishes the executive director of the commission as the custodian of its records pursuant to section 610.023, RSMo. The executive director is ultimately responsible for the maintenance of the commission's records and for responses to requests for access to public records.

(3) Whenever a request for inspection of public records is made and the individual inspecting the records requests copies of the records, the commission may charge a reasonable fee for the cost for document search and copying the records. The fees charged by the commission shall be as follows:

(A) A fee for document search (research) shall not exceed the actual cost of document search and shall be established by commission rule;

(B) A fee for copying public records shall not exceed the actual cost of duplication and shall be established by commission rule; and

(C) All fees collected shall be remitted to the Department of Revenue for deposit in the State Treasury to the credit of the Missouri Real Estate Appraisers Fund.

(4) Responding to Requests for Access.

(A) Whenever a request for access to public records is made and the custodian is uncertain whether or not that access is required under the provisions of Chapter 610, RSMo, the custodian shall consult with the Office of the Attorney General before making a determination whether to deny access to records. In the event that contact by the custodian with the Office of the Attorney General is not practicable or is impossible, the custodian may make a decision to deny access pending consultation with the attorney general's office and within three (3) days shall give



this reason for delay to the person requesting the information. However, in those circumstances, the custodian shall consult with the Office of the Attorney General concerning the decision within five (5) working days of the decision.

(B) Whenever a decision is made to deny access, the custodian will comply with the requirements in section 610.023, RSMo concerning informing the individual requesting access to the records of the grounds for denial of the request.

(C) Whenever the custodian denies access to the records and the person requesting access requests in writing that the request and denial be reviewed by the commission, the custodian shall supply to members of the commission copies of the written response where the denial was conveyed to the requesting individual. At the next meeting of the commission, the commission shall either affirm the decision of the custodian or reverse the decision of the custodian. In the event that the commission decides to reverse the decision of the custodian, the commission shall direct the custodian to so advise the person requesting access to the information and supply the access to the information during regular business hours.

(D) Whenever document access, which access may be granted or denied in the discretion of the commission, is requested and the custodian is not certain of the position of the commission regarding the request, the custodian shall inform the person requesting access that the request is denied pending review of the request by the commission at the next meeting.

(5) The custodian shall maintain a file in which is retained, for a period of at least two (2) years, copies of all written requests for access to records and responses to those requests. The file shall be maintained as a public record of the commission open for inspection by any member of the general public during regular business hours.

AUTHORITY: section 339.509, RSMo 2016.* This rule originally filed as 4 CSR 245-2.030. Emergency rule filed Dec. 6, 1990, effective Dec. 16, 1990, expired April 14, 1991. Emergency rule filed April 4, 1991, effective April 14, 1991, expired Aug. 11, 1991. Original rule filed Jan. 3, 1991, effective April 29, 1991. Moved to 20 CSR 2245-2.030, effective Aug. 28, 2006. Amended: Filed April 6, 2018, effective Oct. 30, 2018.

*Original authority: 339.509, RSMo 1990, amended 1998, 2012.

20 CSR 2245-2.040 Appraiser's Seal (Rescinded July 30, 2007)

AUTHORITY: section 339.509, RSMo Supp. 1990. This rule originally filed as 4 CSR 245-2.040. Emergency rule filed Dec. 6, 1990, effective Dec. 16, 1990, expired April 14, 1991. Emergency rule filed April 4, 1991, effective April 14, 1991, expired Aug. 11, 1991. Original rule filed Jan. 3, 1991, effective April 29, 1991. Amended: Filed July 21, 1992, effective April 8, 1993. Moved to 20 CSR 2245-2.040, effective Aug. 28, 2006. Rescinded: Filed Nov. 21, 2006, effective July 30, 2007.

20 CSR 2245-2.050 Appraiser's Assignment Log

PURPOSE: This rule mandates that licensees shall maintain a summarized listing of all real estate appraisal reports handled by the appraiser and make the listing available for commission inspection at all reasonable times.

(1) Every licensee shall maintain a summarized listing of the real estate appraisal assignments which the licensee is required to retain under section 339.537, RSMo. This summarized listing shall include, at a minimum, the following information:

- (A) Date the appraisal report is signed;
- (B) Specific location or address of the property appraised;
- (C) Client's name;
- (D) Appraiser(s) involved in the appraisal;
- (E) Property type;
- (F) Appraised value; and
- (G) Type of form used, if any.

(2) The records shall be made available for inspection by the commission and its authorized agents at all times during usual business hours at the licensee's regular place of business.

AUTHORITY: sections 339.509 and 339.537, RSMo 2016.* This rule originally filed as 4 CSR 245-2.050. Original rule filed Sept. 12, 1996, effective March 30, 1997. Moved to 20 CSR 2245-2.050, effective Aug. 28, 2006. Amended: Filed Nov. 21, 2006, effective July 30, 2007. Amended: Filed Oct. 30, 2007, effective April 30, 2008. Amended: Filed Nov. 9, 2017, effective May 30, 2018.

*Original authority: 339.509, RSMo 1990, amended 1998, 2012 and 339.537, RSMo 1990, amended 2003, 2012.



Rules of Department of Commerce and Insurance

Division 2245—Real Estate Appraisers Chapter 3—Applications for Certification and Licensure

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**Title 20—DEPARTMENT OF
COMMERCE AND INSURANCE**
Division 2245—Real Estate Appraisers
**Chapter 3—Applications for
Certification and Licensure**

**20 CSR 2245-3.001 Implementation of 2015
AQB Criteria**

PURPOSE: This rule defines the licensure/certification requirements to implement 2015 Appraiser Qualifications Board (AQB) Criteria which go into effect January 1, 2015.

(1) Applicants who successfully complete all requirements for licensure/certification and are approved by the commission on or before December 31, 2014, shall be bound by requirements found in 20 CSR 2245-3.005, 20 CSR 2245-3.010, 20 CSR 2245-3.020, and 20 CSR 2245-6.015.

(2) Applicants who have not successfully completed all requirements for licensure/certification and have not been approved by the commission on or before December 31, 2014, shall be bound by the requirements found in 20 CSR 2245-3.005, 20 CSR 2245-3.010, 20 CSR 2245-3.020, and 20 CSR 2245-6.016.

AUTHORITY: sections 339.509, 339.511, and 339.515, RSMo Supp. 2012, and section 339.544, RSMo 2000.* Original rule filed Nov. 13, 2012, effective June 30, 2013.

*Original authority: 339.509, RSMo 1990, amended 1998, 2012; 339.511, RSMo 1990, amended 1998, 2012; 339.515, RSMo 1990, amended 1998, 2005, 2012; and 339.544, RSMo 1998.

20 CSR 2245-3.005 Trainee Real Estate Appraiser Registration

PURPOSE: This rule prescribes the process for an individual to register as a trainee real estate appraiser and the rules governing the practice of real estate appraising by a trainee real estate appraiser.

PUBLISHER'S NOTE: The secretary of state has determined that the publication of the entire text of the material which is incorporated by reference as a portion of this rule would be unduly cumbersome or expensive. This material as incorporated by reference in this rule shall be maintained by the agency at its headquarters and shall be made available to the public for inspection and copying at no more than the actual cost of reproduction. This note applies only to the reference material. The entire text of the rule is printed here.

(1) For purposes of this rule, "registrar"

shall mean a "trainee real estate appraiser" and "registration" shall mean the registration with the commission of a "trainee real estate appraiser" who is at least eighteen (18) years of age and has a high school diploma or the equivalent at the time of registration.

(2) An applicant for licensure or certification shall only receive credit for appraisal experience earned after July 1, 2008, if the applicant has registered as a trainee real estate appraiser with the commission prior to accruing the experience.

(3) A person may register as a trainee real estate appraiser by submitting the following to the commission:

(A) An application on a form prescribed by the commission, including, but not limited to, the name and license number of each certified appraiser under which the registrant will provide appraisal services;

(B) An affidavit signed by each supervising appraiser acknowledging the supervisory relationship on a form prescribed by the commission; and

(C) The prescribed fee.

(4) On or after July 1, 2013, trainee applicants in addition to the requirements outlined in section (3) of this rule will also be required to submit—

(A) Proof that supervisor and trainee have successfully completed an approved course related to the requirements and responsibilities of the supervisory appraiser and expectations for trainee appraisers;

(B) Proof of successfully completing the following approved courses taken within the five (5)-year period prior to date of application submission:

1. National Uniform Standards of Professional Appraisal Practice (USPAP)	
Course	15 hours
2. Basic Appraisal Principles	30 hours
3. Basic Appraisal Procedures	30 hours
	Total 75 Hours; and

(C) Proof of submission of fingerprints to the Missouri State Highway Patrol's approved vendor for both a Missouri State Highway Patrol and Federal Bureau of Investigation fingerprint background check. Any fees due for fingerprint background checks shall be paid by the applicant directly to the Missouri State Highway Patrol or its approved vendor;

(D) All applications shall include the appropriate fees as established pursuant to 20 CSR 2245-5.020 and physical work and home addresses for the applicant. The commission will not consider an application which is

incomplete or with which the correct fees have not been submitted;

(E) Licenses or certificates issued to trainees will be valid for a period of ten (10) years from the date of issuance. Thereafter, the holder of a license or certificate as a trainee may request on an annual basis, a one (1) year extension in writing and for just cause at least thirty (30) days prior to the expiration date; and

(F) The commission may refuse to issue a license or certificate for any one (1) or any combination of causes set forth in section 339.532, RSMo.

(5) No real estate appraisal experience is required as a prerequisite for registration.

(6) Training.

(A) The registrant shall be subject to direct supervision by a Missouri certified appraiser in good standing with the commission for the prior three (3) years. If the trainee is currently licensed or certified, supervision shall only be required if the trainee is completing experience outside their current scope of practice.

(B) The supervising appraiser(s) shall be responsible for the training, guidance, and direct supervision of the registrant by—

1. Accepting responsibility for the appraisal report by signing and certifying that the report complies with the *Uniform Standards of Professional Appraisal Practice* (USPAP), 2020 Edition. The USPAP, 2020 Edition, is incorporated herein by reference and can be obtained from The Appraisal Foundation, 1155 15th Street NW, Suite 1111, Washington, DC 20005, by calling (202) 347-7722, or at www.appraisalfoundation.org. This rule does not incorporate any subsequent amendments or additions to the USPAP;

2. Reviewing and signing the appraisal report(s) for which the registrant has provided appraisal services; and

3. Personally inspecting each appraised property with the registrant until the supervising appraiser determines the registrant trainee is competent, in accordance with the competency rule of USPAP. If applying for a residential certification, the supervising appraiser shall personally inspect fifty (50) properties with the registrant, unless otherwise waived by the commission for good cause. If applying for certified general, the supervising appraiser shall personally inspect twenty (20) nonresidential properties with the registrant, unless otherwise waived by the commission for good cause.

(C) The registrant is permitted to have more than one (1) supervising appraiser, but a supervising appraiser may not supervise



more than three (3) registrants at one (1) time. The supervisor shall not be employed by the trainee.

(D) The registrant and a supervising appraiser shall notify the commission of a newly created supervisory relationship and submit an affidavit from the supervising appraiser acknowledging the supervisory relationship prior to the registrant performing appraisal services under the supervising appraiser. A registrant shall not receive credit for appraisal experience under a certified appraiser unless the registrant has first notified the commission of the certified appraiser's name and license number. Within ten (10) days of the termination of a supervisory relationship, the registrant and the supervising appraiser shall notify the commission that the supervisory relationship has been terminated.

(E) The registrant and each supervising appraiser shall maintain an appraisal log. This appraisal log may be maintained jointly, but each shall be individually responsible to assure the completion and availability of the appraisal log regardless of the agreement or practice of the registrant and the supervising appraiser regarding its maintenance. Separate appraisal logs shall be maintained for each supervising appraiser. The registrant and the supervising appraiser shall provide a copy of the appraisal log to the commission upon request. At a minimum, the appraisal log shall include the information required by 20 CSR 2245-2.050 and the following:

1. Description of work performed by the trainee and scope of the review and supervision of the supervising appraiser;

2. Number of actual work hours by the trainee on the assignment; and

3. The name and state certification number of the supervising appraiser.

(F) Registrants who are submitting experience hours associated with mass appraising shall submit a log that shall include at a minimum the following:

1. Date(s): month and year;
2. Subject or project (location, description, or address);
3. Appraisal task(s);
4. Property type(s);
5. Client;
6. Number of properties;
7. Actual number of hours to complete the assignment;

8. Appraiser(s); and

9. Description of work performed by trainee and scope of supervision of the supervising appraiser.

(G) The Missouri certification of the supervising appraiser shall be in good standing and not subject to revocation, suspension, or probation within the last three (3) years. Subject

to revocation or suspension within the last three (3) years shall mean that any term of revocation or suspension shall be terminated more than three (3) years prior to a licensee serving as supervising appraiser. Anyone subject to probation cannot supervise trainees during the probationary period, unless otherwise ordered by the commission.

(7) A person may register as a trainee under a supervising appraiser certified in another state if—

(A) The supervising appraiser is certified in another state that has requirements that are substantially similar to the requirements in Missouri for certification as a state-certified general or state-certified residential real estate appraiser;

(B) The supervising appraiser's certification from the other state authorizes the supervisor, at a minimum, to perform the same scope of appraisal services that either a Missouri-certified general or certified residential real estate appraiser is authorized to perform;

(C) The supervising appraiser's certification from the other state is active and has been in good standing and not subject to discipline for the prior three (3) years. The trainee real estate appraiser application shall be accompanied by verification from the supervising appraiser's certification authority verifying that the supervising appraiser's certification is active, in good standing, and has not been disciplined as provided in this subsection; and

(D) Upon application for certification, trainees that are supervised by an appraiser certified in another state shall be required to comply with all certification requirements established by Missouri law. Trainees are also reminded that pursuant to 20 CSR 2245-3.010, applicants for a general certification must have accumulated a total of three thousand (3,000) hours of appraisal experience of which at least fifty percent (50%) (one thousand five hundred (1,500) hours) shall be in nonresidential appraisal work and under the supervision of a Missouri certified general real estate appraiser or a certified general appraiser certified in another state and who is authorized to perform the same scope of appraisal services as a Missouri-certified general appraiser.

(8) As used in this section, "direct supervision" shall mean, the degree of supervision required of a supervisory appraiser overseeing the work of a registrant by which the supervisory appraiser has control over and detailed professional knowledge of the work being done. Direct supervision is achieved when a registrant has regular direction, guidance, and support from a supervisory appraiser. The

supervisor shall determine the level of supervision that is appropriate for the appraisal project and the skill level of the registrant as assessed by the supervisor. Direct supervision shall include but is not limited to the following:

(A) Reviewing the registrant's appraisal report(s) to ensure research of general and specific data has been adequately conducted and properly reported, application of appraisal principles and methodologies has been properly applied, that any analysis is sound and adequately reported, and that any analysis, opinions, or conclusions are adequately developed and reported so that the appraisal report is not misleading; and

(B) Reviewing the registrant's work product and discussing with the registrant any edits, corrections, or modifications that need to be made.

AUTHORITY: section 339.509, RSMo 2016. Original rule filed Nov. 21, 2006, effective July 30, 2007. Amended: Filed Nov. 15, 2007, effective May 30, 2008. Amended: Filed June 27, 2008, effective Dec. 30, 2008. Rescinded and readopted: Filed April 24, 2009, effective Oct. 30, 2009. Amended: Filed Aug. 27, 2009, effective Feb. 28, 2010. Amended: Filed Nov. 13, 2012, effective June 30, 2013. Amended: Filed July 15, 2013, effective Jan. 30, 2014. Amended: Filed June 30, 2015, effective Dec. 30, 2015. Emergency amendment filed Aug. 7, 2018, effective Aug. 17, 2018, expired Feb. 28, 2019. Amended: Filed Aug. 7, 2018, effective Feb. 28, 2019. Amended: Filed June 12, 2019, effective Jan. 1, 2020. Amended: Filed Jan. 30, 2020, effective July 30, 2020.*

*Original authority: 339.509, RSMo 1990, amended 1998, 2012.

20 CSR 2245-3.010 Applications for Certification and Licensure

PURPOSE: This rule informs applicants of the requirements, procedures, and qualifications necessary for obtaining a certificate or license.

PUBLISHER'S NOTE: The secretary of state has determined that the publication of the entire text of the material which is incorporated by reference as a portion of this rule would be unduly cumbersome or expensive. This material as incorporated by reference in this rule shall be maintained by the agency at its headquarters and shall be made available to the public for inspection and copying at no more than the actual cost of reproduction. This note applies only to the reference material. The entire text of the rule is printed here.



(1) The commission shall pass upon the granting of all certificates and licenses with due regard to the paramount interest of the public as to the honesty, integrity, fair dealing, and competency of applicants.

(2) All applications for certification, licensure, renewal, and examination shall be made on forms provided by the commission and completed and signed by the applicant, with the signature acknowledged before a notary public. All original applications shall include proof of submission of fingerprints to the Missouri State Highway Patrol's approved vendor for both a Missouri State Highway Patrol and Federal Bureau of Investigation fingerprint background check. Any fees due for fingerprint background checks shall be paid by the applicant directly to the Missouri State Highway Patrol or its approved vendor. All applications shall include the appropriate fees as established pursuant to 20 CSR 2245-5.020 and physical work and home addresses for the applicant. The commission will not consider an application which is incomplete or with which the correct fees have not been submitted.

(3) The commission may require each applicant for a certificate or license to furnish, at his/her expense, any information deemed necessary by the commission to determine the applicant's qualifications for a certificate or license. All applicants shall be at least eighteen (18) years of age and have a high school diploma or the equivalent at the time of application.

(4) The commission reserves the right, at its discretion, to hold, for a reasonable length of time for investigation, the application of any applicant who has not been previously certified or licensed, before issuing a certificate or license to that applicant.

(5) Prerequisite for Certification.

(A) State-Certified General Real Estate Appraiser.

1. As a prerequisite for certification as a state-certified general real estate appraiser, an applicant shall present satisfactory evidence to the commission that the applicant possesses three thousand (3,000) hours of appraisal experience obtained continuously over a period of not less than thirty (30) months. Hours may be treated as cumulative in order to achieve the necessary three thousand (3,000) hours of appraisal experience, and there are no limitations on the number of hours which may be awarded in any year. The applicant, for experience credit, shall have accumulated a total of three thousand (3,000) hours of

appraisal experience of which at least fifty percent (50%) (one thousand five hundred (1,500) hours) shall be in non-residential appraisal work and under the supervision of a state-certified general real estate appraiser.

(B) State-Certified Residential Appraiser.

1. The prerequisite for certification as a state-certified residential appraiser shall be two thousand five hundred (2,500) hours of appraisal experience obtained continuously over a period of not less than twenty-four (24) months under the supervision of a state-certified real estate appraiser. Hours may be treated as cumulative in order to achieve the necessary two thousand five hundred (2,500) hours of appraisal experience, and there is no limitation on the number of hours which may be awarded in any year. Each applicant for certification shall furnish, under oath, a detailed listing of the real estate appraisal reports or file memoranda for each year for which experience is claimed by the applicant. Upon request, the applicant shall make available to the commission a sample of appraisal reports which the applicant has prepared in the course of the applicant's appraisal practice. For the purposes of this section, "prepared" means the participation in any function of the real estate appraisal report. Education may not be substituted for experience except as allowed in section (8) of this rule. All experience shall have been obtained after January 30, 1989, and shall be *Uniform Standards of Professional Appraisal Practice* (USPAP) compliant. The USPAP, 2020 Edition, is incorporated herein by reference and can be obtained from The Appraisal Foundation, 1155 15th Street NW, Suite 1111, Washington, DC 20005, by calling (202) 347-7722, or at www.appraisalfoundation.org. This rule does not incorporate any subsequent amendments or additions to the USPAP. Acceptable appraisal experience as defined by the Appraiser Qualifications Board (AQB) includes, but is not limited to, the following (this should not be construed as limiting credit to only those individuals who are state-certified or state-licensed):

appraisal experience obtained over a period of not less than twelve (12) months under the supervision of a state-certified real estate appraiser and supported by adequate written reports or file memoranda. Hours may be treated as cumulative in order to achieve the necessary two thousand (2,000) hours of appraisal experience.

(D) Applicants.

1. Each applicant for licensure shall furnish, under oath, a summarized listing of the real estate appraisal reports or file memoranda for each year for which experience is claimed by the applicant. Upon request, the applicant shall make available to the commission a sample of the appraisal reports that the applicant has prepared in the course of the applicant's appraisal practice. For the purposes of this section, "prepared" means the participation in any functions of the real estate appraisal report.

2. Education may not be substituted for experience except as allowed in section (8) of this rule. All experience shall have been obtained after January 30, 1989, and shall be USPAP compliant. Acceptable appraisal experience as defined by the AQB includes, but is not limited to, the following (this should not be construed as limiting credit to only those individuals who are state-certified or state-licensed):

- A. Fee and staff appraisal;
- B. *Ad valorem* tax appraisal;
- C. Technical review appraisal;
- D. Appraisal analysis;
- E. Real estate consulting;
- F. Highest and best use analysis;
- G. Feasibility analysis/study; and
- H. Condemnation appraisal.

(6) Maximum number of hours that shall be awarded for various types of appraisal and other experience is as follows with exceptions noted in subsection (6)(M):

(A) R1=single family, condo., or similar*	10 hrs
(B) R2=2, 3, or 4 unit family dwellings	15 hrs
(C) R3=vacant residential sites (up to 40 acres)	5 hrs
(D) G1=apartments 5-12 units	20 hrs
(E) G2=apartments 13 and more units	35 hrs
(F) G3=vacant land (other than single family)**	10 hrs
(G) G4=industrial	35 hrs
(H) G5=office space	35 hrs
(I) G6=retail space	35 hrs
(J) G7=special use property (provide explanation)	35 hrs
(K) G8=operating or special use agriculture***	35 hrs



(L) G9=other (provide detailed explanation)

*1. Includes homes on acreage, hobby farms, etc.

**2. Includes non-crop acreage, commercial land, etc.

***3. If operating, primary income shall come from property. Some explanation relating to type of use should be provided.

(M) Additional Hours May be Credited for Appraisals. Experience hours listed in subsections (6)(A) through (L) are considered typical. If an applicant feels more hours should be awarded for an appraisal, s/he shall list the hours requested and attach a written justification to the appraisal log. The commission will consider the additional hours based upon the applicant justification statement and may request a copy of the appraisal(s) to assist in the decision. Experience credit will be awarded on time spent in the development of the appraisal and preparation of the report. Travel and clerical time will not be considered.

(7) Include the signature of the individual responsible for the analysis, opinions, and conclusions contained in the report. The applicant seeking experience credit shall have signed the report or shall be listed in the report as an individual who provided a significant contribution. An affidavit of significant contribution shall be considered by the commission if it is signed by the appraiser who signed the report or by an official of the organization, government, firm, or other entity who was responsible for causing the appraisal to be prepared.

(8) Effective January 1, 2008, there need not be a client in order for an appraisal to qualify for experience, but experience gained for work without a client cannot exceed fifty percent (50%) of the total experience requirement. Case study or practicum courses that are approved by the AQB course approval program, or by an alternate method established by the AQB, can satisfy the non-client experience requirement. A case study or practicum course shall include the generally applicable methods of appraisal practice for the credential category. A real estate appraisal assignment from a case study or practicum course shall require actual problem solving skills for a variety of property types for the credential category. Credit shall be granted for a maximum of thirty (30) classroom hours of instruction and a maximum of ninety (90) hours of experience credit per course. Content of case study or practicum courses shall include, but not be limited to:

(A) Requiring the student to produce credible appraisals that utilize an actual subject

property;

(B) Performing actual market research containing actual sales analysis; and

(C) Applying and reporting the applicable appraisal approaches in conformity with USPAP.

AUTHORITY: sections 339.509, 339.515, and 339.517, RSMo 2016. This rule originally filed as 4 CSR 245-3.010. Emergency rule filed Dec. 6, 1990, effective Dec. 16, 1990, expired April 14, 1991. Emergency rule filed April 4, 1991, effective April 14, 1991, expired Aug. 11, 1991. Original rule filed Jan. 3, 1991, effective April 29, 1991. Amended: Filed Aug. 14, 1991, effective Jan. 13, 1992. Amended: Filed July 21, 1992, effective April 8, 1993. Amended: Filed March 14, 1996, effective Sept. 30, 1996. Emergency amendment filed Sept. 1, 1998, effective Sept. 11, 1998, expired March 9, 1999. Amended: Filed Sept. 1, 1998, effective Feb. 28, 1999. Moved to 20 CSR 2245-3.010, effective Aug. 28, 2006. Amended: Filed Nov. 21, 2006, effective July 30, 2007. Amended: Filed March 31, 2008, effective Sept. 30, 2008. Amended: Filed Aug. 27, 2009, effective March 30, 2010. Amended: Filed June 15, 2011, effective Dec. 30, 2011. Amended: Filed Nov. 13, 2012, effective June 30, 2013. Amended: Filed July 15, 2013, effective Jan. 30, 2014. Amended: Filed June 30, 2015, effective Dec. 30, 2015. Emergency amendment filed Aug. 7, 2018, effective Aug. 17, 2018, expired Feb. 28, 2019. Amended: Filed Aug. 7, 2018, effective Feb. 28, 2019. Amended: Filed June 12, 2019, effective Jan. 1, 2020.*

**Original authority: 339.509, RSMo 1990, amended 1998, 2012; 339.515, RSMo 1990, amended 1998, 2005, 2012; and 339.517, RSMo 1990, amended 1990, 1993, 1998, 2003, 2012.*

20 CSR 2245-3.020 Certification and Licensure Examinations

PURPOSE: This rule establishes how and by whom the appraiser examinations shall be given. The requirements, fees and prohibitions are included in this rule.

(1) The form, content, method of administration, passing standards and schedule of written certification and licensure examinations shall be determined by the commission and the date and place of examinations shall be announced as far in advance as is practicable. In conducting examinations, the commission may utilize professional computerized testing services.

(2) Oral examinations will be administered

only in exceptional cases involving blindness, extreme physical impairment or other unusual and extenuating circumstances as may be approved by the commission.

(3) Fees payable by applicants for certification and licensure examinations shall be those established from time-to-time by the agency or testing service administering the examination. The amounts of those fees shall be subject to the approval of the commission but shall be separate and apart from any other fee required to be paid under the provisions of these rules and the license law. Payment of an examination fee will allow an applicant to be scheduled for only one (1) examination. Any applicant who fails to appear after being notified to take an examination shall forfeit the fee paid for the examination.

(4) Every certification and licensure application shall be accompanied by proof acceptable to the commission that the applicant successfully has completed the prescribed courses in a school approved by the commission.

(5) No applicant shall be permitted to take any memoranda, pamphlet, book or paper into an examination room and otherwise shall be subject to the rules imposed by the administrator of the examination. If any applicant gives or receives any assistance while taking an examination or copies any part of any examination paper, this act shall be reason to deny issuance of a certificate or license to the applicant(s) involved.

(6) Any applicant for certification and licensure who fails an examination for the third time shall wait at least six (6) months prior to taking an examination for the fourth time and an additional six (6) months for each subsequently failed examination unless otherwise authorized by the commission.

(7) Any applicant for certification and licensure who fails to take an examination within one (1) year from the original date the application was submitted shall reapply to the commission and pay all appropriate fees. The commission may waive these requirements as deemed necessary.

(8) After failing an examination, any applicant for certification and licensure who does not reapply to take the examination and pay the applicable examination fee within ninety (90) days shall be required to apply for the certificate or license from the beginning, including the application fee.

AUTHORITY: sections 339.509, RSMo 2000



and 339.515 and 339.517, RSMo Supp. 2006. This rule originally filed as 4 CSR 245-3.020. Emergency rule filed Dec. 6, 1990, effective Dec. 16, 1990, expired April 14, 1991. Emergency rule filed April 4, 1991, effective April 14, 1991, expired Aug. 11, 1991. Original rule filed Jan. 3, 1991, effective April 29, 1991. Amended: Filed July 21, 1992, effective April 8, 1993. Moved to 20 CSR 2245-3.020, effective Aug. 28, 2006. Amended: Filed Nov. 21, 2006, effective July 30, 2007.*

**Original authority: 339.509, RSMo 1990, amended 1998; 339.515, RSMo 1990, amended 1998, 2005; and 339.517, RSMo 1990, amended 1990, 1993, 1998, 2003.*



Rules of Department of Commerce and Insurance

Division 2245—Real Estate Appraisers Chapter 4—Certificates and Licenses

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**Title 20—DEPARTMENT OF
COMMERCE AND INSURANCE
Division 2245—Real Estate Appraisers
Chapter 4—Certificates and Licenses**

20 CSR 2245-4.010 Form and Contents

PURPOSE: This rule declares the form and contents to be identified on the certificate or license.

(1) The commission shall issue to each licensee a certificate or license, as applicable, in a form as shall be prescribed by the commission. The certificate, license, or both, shall show the name of the licensee and a certificate or license number assigned by the commission. Each certificate, license, or both, shall have imprinted on it the state seal and, in addition, shall contain other matters as shall be prescribed by the commission.

(2) Certificate and license documents, application and renewal materials and pocket cards shall remain the property of the state and upon any suspension, revocation or of a denial of a certificate or license, the individual holding the related certificate or license document and pocket card shall return them to the commission within ten (10) days of notification by the commission.

AUTHORITY: sections 339.509 and 339.527, RSMo Supp. 1990.* This rule originally filed as 4 CSR 245-4.010. Emergency rule filed Dec. 6, 1990, effective Dec. 16, 1990, expired April 14, 1991. Emergency rule filed April 4, 1991, effective April 14, 1991, expired Aug. 11, 1991. Original rule filed Jan. 3, 1991, effective April 29, 1991. Moved to 20 CSR 2245-4.010, effective Aug. 28, 2006.

*Original authority: 339.509, RSMo and 339.527, RSMo 1990.

20 CSR 2245-4.020 Expiration and Renewal

PURPOSE: This rule establishes the dates of certificate and license validity and the obligation of licensees for renewal of the same.

(1) Beginning January 1, 2000 every certificate or license issued and every certificate or license renewal shall expire on June 30 in every even-numbered year after the date of issuance. The commission may prorate continuing education and fees in order to put all licensees on this biennial renewal. The commission may mail to each licensee, at least sixty (60) days prior to the expiration date of each renewal year, a notice of the expiration

and application for renewal of the certificate or license to the licensee's address on file with the commission. The commission may issue a new certificate or license for each renewal period upon receipt of a properly completed renewal application, including proof of completion of the continuing education requirements pursuant to this Act and the fee postmarked before midnight, June 30, of each year of expiration. Delinquent renewal applications must be accompanied by a delinquent fee of fifty dollars (\$50) per month or partial month elapsed since the expiration date not to exceed six hundred dollars (\$600). Any licensee who fails to complete continuing education requirements will not be eligible for certification or license renewal.

(2) Failure of a licensee to receive the notice and application to renew from the commission shall not excuse the licensee from the requirements for renewal contained in this rule.

AUTHORITY: sections 339.509 and 339.519, RSMo Supp. 1998.* This rule originally filed as 4 CSR 245-4.020. Emergency rule filed Dec. 6, 1990, effective Dec. 16, 1990, expired April 14, 1991. Emergency rule filed April 4, 1991, effective April 14, 1991, expired Aug. 11, 1991. Original rule filed Jan. 3, 1991, effective April 29, 1991. Amended: Filed Sept. 2, 1993, effective April 9, 1994. Amended: Filed June 22, 1999, effective Dec. 30, 1999. Moved to 20 CSR 2245-4.020, effective Aug. 28, 2006. **

*Original authority: 339.509, RSMo 1990, amended 1998 and 339.519, RSMo 1990, amended 1998.

**Pursuant to Executive Orders 20-04 and 20-10, 20 CSR 2245-4.020 was suspended from April 22, 2020 through June 15, 2020.

20 CSR 2245-4.025 Inactive Status

PURPOSE: This rule outlines the process for requesting inactive status.

(1) A licensee may request in writing that his/her license or certificate be placed on inactive status. The licensee shall not practice as a real estate appraiser while the license is on inactive status. The licensee shall not hold himself or herself out as actively practicing real estate appraising while on inactive status and must renew the inactive status at the beginning of each renewal period.

(2) If an individual with a license on inactive status wishes to return a license or certificate to active status prior to the renewal time, the individual shall complete a renewal form, pay the reactivation fee, and shall provide evi-

dence of completion of all continuing education hours that would have been required during the period of inactivity if the license had been active.

(3) Applicants who are approved for inactive status renewal will receive one (1) license or certificate. Duplicate licenses or certificates may be provided upon payment of the appropriate fee.

AUTHORITY: section 339.525.5, RSMo Supp. 2010.* Original rule filed Nov. 15, 2007, effective May 30, 2008. Amended: Filed June 15, 2011, effective Dec. 30, 2011.

*Original authority: 339.525.5, RSMo 1990, amended 1997, 2007 and 620.150, RSMo 1998.

20 CSR 2245-4.030 Fictitious Name

PURPOSE: This rule requires that a licensee doing business under any other name must register the name(s) with the commission.

(1) Any licensee doing business under any name other than the exact name shown on his/her certificate or license shall first register the name(s) with the commission.

AUTHORITY: sections 339.509 and 339.527, RSMo Supp. 1990.* This rule originally filed as 4 CSR 245-4.030. Emergency rule filed Dec. 6, 1990, effective Dec. 16, 1990, expired April 14, 1991. Emergency rule filed April 4, 1991, effective April 14, 1991, expired Aug. 11, 1991. Original rule filed Jan. 3, 1991, effective April 29, 1991. Moved to 20 CSR 2245-4.030, effective Aug. 28, 2006.

*Original authority: 339.509, RSMo 1990 and 339.527, RSMo 1990.

20 CSR 2245-4.040 Individual License; Business Name; Pocket Card

PURPOSE: This rule assures that the commission may fulfill its regulatory authority over licensees. In order to fulfill its authority, it must be in a position to communicate with and identify all licensees. The license pocket card is a consumer protection measure where the licensee may offer proof of his/her professional status.

(1) A licensee shall not conduct his/her business under any other name or at any other address than the one for which his/her individual certificate or license is issued unless s/he first complies with 20 CSR 2245-4.030. If a licensee changes his/her name or business



address, s/he shall notify the commission in writing within thirty (30) days after the change becomes effective.

(2) In addition to the individual certificate or license to be issued to each licensee, the commission shall furnish a pocket card to each individual licensee, which shall certify that the person whose name appears on the pocket card is a state-certified general real estate appraiser, a state-certified residential real estate appraiser or a state-licensed real estate appraiser as the case may be.

(3) Each licensee shall carry his/her pocket card upon his/her person at all times when conducting any real estate appraisal-related activity and shall exhibit it upon demand.

AUTHORITY: sections 339.509 and 339.529, RSMo 2000. This rule originally filed as 4 CSR 245-4.040. Emergency rule filed Dec. 6, 1990, effective Dec. 16, 1990, expired April 14, 1991. Emergency rule filed April 4, 1991, effective April 14, 1991, expired Aug. 11, 1991. Original rule filed Jan. 3, 1991, effective April 29, 1991. Moved to 20 CSR 2245-4.040, effective Aug. 28, 2006. Amended: Filed Nov. 21, 2006, effective July 30, 2007.*

*Original authority: 339.509, RSMo 1990, amended 1998 and 339.529, RSMo 1990, amended 1998.

20 CSR 2245-4.050 Nonresident Certification or Licensure; Reciprocity

PURPOSE: This rule clarifies and qualifies who may obtain a nonresident certificate or license and the condition for renewal.

(1) A nonresident person seeking a certificate or license to engage in the real estate appraisal business in Missouri first shall apply for an appropriate certificate or license on a form provided by the commission and shall sign the application before a notary public and submit the same with the required fee to the commission.

(2) The commission may issue a certificate or license to an individual who is certified or licensed in a state, provided the commission is furnished verification that the appraiser is in good standing, the state the appraiser is coming from is in compliance with the Appraisal Subcommittee (ASC), and the credentialing requirements of that state (as they currently exist) meet or exceed those of the reciprocal credential state (as they currently exist).

(3) After certification or licensure, a nonres-

ident licensee shall be subject to and shall comply with all provisions of the license law and these regulations.

AUTHORITY: sections 339.509 and 339.521, RSMo Supp. 2012, and section 339.523, RSMo 2000. This rule originally filed as 4 CSR 245-4.050. Emergency rule filed Dec. 6, 1990, effective Dec. 16, 1990, expired April 14, 1991. Emergency rule filed April 4, 1991, effective April 14, 1991, expired Aug. 11, 1991. Original rule filed Jan. 3, 1991, effective April 29, 1991. Amended: Filed Aug. 14, 1991, effective Jan. 13, 1992. Amended: Filed Sept. 2, 1993, effective April 9, 1994. Amended: Filed Jan. 17, 1995, effective June 30, 1995. Amended: Filed June 22, 1999, effective Dec. 30, 1999. Moved to 20 CSR 2245-4.050, effective Aug. 28, 2006. Amended: Filed Nov. 21, 2006, effective July 30, 2007. Amended: Filed Nov. 13, 2012, effective June 30, 2013.*

*Original authority: 339.509, RSMo 1990, amended 1998, 2012; 339.521, RSMo 1990, amended 2007; and 339.523, RSMo 1990, amended 1998.

20 CSR 2245-4.060 Temporary Nonresident Certificate or License

PURPOSE: This rule sets forth the administrative procedures, terms and conditions under which a nonresident applicant may obtain a temporary real estate appraiser certification or licensure.

(1) A nonresident applicant, who is certified or licensed and in good standing under the laws of another state, may obtain a Missouri temporary appraiser certification or license for a maximum of six (6) months for the purpose of completing a particular appraisal assignment. To obtain a temporary certification or license, the applicant shall make application on a form prescribed by the commission requesting the specific term of the certificate up to six (6) months, setting forth the particular assignment for which the temporary certificate or license is requested, and paying the prescribed fees as outlined in 20 CSR 2245-5.020. The commission may grant an extension for an additional three (3) months, at no charge, if made in writing and for just cause.

(2) The commission may refuse to issue a certificate or license for one (1) or any combination of causes set forth in section 339.532, RSMo. The scope of the temporary appraiser certification or license shall be limited to the particular appraisal assignment described in the application.

AUTHORITY: sections 339.503, 339.509 and 339.521, RSMo 2000. This rule originally filed as 4 CSR 245-4.060. Emergency rule filed Dec. 6, 1990, effective Dec. 16, 1990, expired April 14, 1991. Emergency rule filed April 4, 1991, effective April 14, 1991, expired Aug. 11, 1991. Original rule filed Jan. 3, 1991, effective April 29, 1991. Amended: Filed March 14, 1996, effective Sept. 30, 1996. Amended: Filed June 25, 2004, effective Feb. 28, 2005. Moved to 20 CSR 2245-4.060, effective Aug. 28, 2006. Amended: Filed Nov. 21, 2006, effective July 30, 2007.*

*Original authority: 339.503, RSMo 1990, amended 1998; 339.509, RSMo 1990, amended 1998; and 339.521, RSMo 1990.



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Division 2245—Real Estate Appraisers Chapter 5—Fees

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**Title 20—DEPARTMENT OF
COMMERCE AND INSURANCE
Division 2245—Real Estate Appraisers
Chapter 5—Fees**

20 CSR 2245-5.010 Payment

PURPOSE: This rule establishes that fees are to be paid by cashier's check, money order or personal check and sets a penalty for unpaid checks. The term of certificates and licenses and the no refund policies are established.

(1) All fees shall be payable to the Missouri Real Estate Appraisers Commission and delivered to the commission.

(2) All certificates and licenses will expire on June 30 of even-numbered years. The commission may prorate continuing education and fees in order to put all licensees on a biennial renewal. Initial certificates and licenses may be prorated on a quarterly basis. The prorated fee shall not be less than one hundred dollars (\$100). That proration shall not apply to expired certificates and license renewal. All renewal applications and fees shall be delivered to the commission office or be postmarked prior to June 30 of even-numbered years.

(3) No certificate or license fee, or portion of the fee, will be refunded should any certificate or license be surrendered, suspended or revoked during the term for which the certificate or license is issued.

(4) To renew a current, valid real estate appraiser certificate or license the licensee shall file an application on a form approved by the commission and pay the prescribed renewal fee to the commission not earlier than one hundred twenty (120) days prior to the expiration date of the certificate or license. Each application for renewal shall be accompanied by evidence in the form prescribed by the commission of having completed the continuing education requirements for renewal specified in this rule.

AUTHORITY: sections 339.509 and 339.513, RSMo 2000.* This rule originally filed as 4 CSR 245-5.010. Emergency rule filed Dec. 6, 1990, effective Dec. 16, 1990, expired April 14, 1991. Emergency rule filed April 4, 1991, effective April 14, 1991, expired Aug. 11, 1991. Original rule filed Jan. 3, 1991, effective April 29, 1991. Amended: Filed Aug. 14, 1991, effective Jan. 13, 1992. Amended: Filed July 21, 1992, effective April 8, 1993.

Amended: Filed Jan. 3, 1994, effective June 6, 1994. Amended: Filed Sept. 30, 1994, effective March 30, 1995. Amended: Filed June 22, 1999, effective Dec. 30, 1999. Amended: Filed April 13, 2001, effective Oct. 30, 2001. Moved to 20 CSR 2245-5.010, effective Aug. 28, 2006. Amended: Filed Nov. 21, 2006, effective July 30, 2007.

*Original authority: 339.509, RSMo 1990, amended 1998 and 339.513, RSMo 1990 amended 1990, 1998.

20 CSR 2245-5.020 Application, Certificate and License Fees

PURPOSE: This rule sets the fees of original issue and annual fees.

(1) The following fees shall be paid by real estate appraiser applicants and licensees for original application, issuance, and renewal of certificates or licenses:

(A) Application Fee—to be paid upon original application for certification or licensure to defray the expense of processing and investigating the application	\$300
(B) License/Certification Renewal Fee	\$300
(C) Delinquent Renewal Fee (per month not to exceed a maximum of \$600)	\$ 50
(D) Reissuance of a certificate or license, or replacement of a lost, destroyed, or stolen certificate or license fee	\$ 5
(E) Reissuance of a wallhanging certificate, or replacement of a lost, destroyed, or stolen wallhanging certificate	\$ 15
(F) Temporary Practice Permit (valid for six (6) months)	\$150
(G) Letter of Good Standing (per letter)	\$ 10
(H) Fingerprint Background Check Fee—Determined by the Missouri State Highway Patrol (MSHP) or its approved vendor	
(I) Continuing Education Course Approval Fee (per course)	\$ 25
(J) Continuing Education Course Renewal Fee (per course)	\$ 10
(K) Reinstatement Fee	\$300
(L) Inactive Renewal Fee	\$ 50

(2) The following fees shall be paid by appraisal management companies (AMC) for original application, issuance, and renewal of license:

(A) Initial Application Fee	\$350
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(B) License Renewal Fee	\$350
1. Federal AMC covered transactions (per appraiser)	\$ 25*
(C) Delinquent Renewal Fee	\$100
(D) Reissuance of a license or replacement of a lost, destroyed, or stolen license	\$ 5
(E) Fingerprint Background Check Fee—Determined by the Missouri State Highway Patrol (MSHP) or its approved vendor	
(F) Appraisal Subcommittee Fee (per appraiser)	\$ 25**

(3) The commission will collect the fees outlined in 20 CSR 2245-5.020(2)(B)1. and (F) yearly. The commission will send notification to the licensed AMCs in January of each year which outlines the reporting period and instructions for the collection of said fees.

(4) Fees shall be remitted and received by the office no later than the date specified on the notice to ensure that the commission is able to include the AMC on the national registry submission sent to the Appraisal Subcommittee. Failure to receive said fees by the date specified on the notice will not guarantee the submission of the AMC on the national registry.

(5) All fees are nonrefundable.

* For those AMC's that meet the federal definition of AMC as defined in 12 U.S.C. 3350(11): an additional twenty-five dollars (\$25) multiplied by the number of appraisers who have performed an appraisal for the AMC in connection with a covered transaction during the reporting period shall be remitted.

**Appraisal management companies that are 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 are to remit a check made payable to the Appraisal Subcommittee no later than the date specified on the notice. The amount to be remitted shall be determined by multiplying the number of appraisers who have performed an appraisal for the AMC in connection with a covered transaction by twenty-five dollars (\$25) for each reporting period.

AUTHORITY: sections 339.509, 339.513, and 339.525.4, RSMo 2016.* This rule originally filed as 4 CSR 245-5.020. Emergency



rule filed Dec. 6, 1990, effective Dec. 16, 1990, expired April 14, 1991. Emergency rule filed April 4, 1991, effective April 14, 1991, expired Aug. 11, 1991. Original rule filed Jan. 3, 1991, effective April 29, 1991. Amended: Filed Aug. 15, 1991, effective Jan. 13, 1992. Amended: Filed Jan. 3, 1994, effective June 6, 1994. Emergency amendment filed March 14, 1994, effective March 24, 1994, expired June 5, 1994. Emergency amendment filed March 24, 1995, effective April 3, 1995, expired July 31, 1995. Amended: Filed Jan. 7, 1995, effective June 30, 1995. Amended: Filed Sept. 12, 1996, effective March 30, 1997. Amended: Filed Sept. 1, 1998, effective Feb. 28, 1999. Amended: Filed June 22, 1999, effective Dec. 30, 1999. Amended: Filed April 13, 2001, effective Oct. 30, 2001. Amended: Filed June 25, 2004, effective Feb. 28, 2005. Moved to 20 CSR 2245-5.020, effective Aug. 28, 2006. Amended: Filed Nov. 21, 2006, effective July 30, 2007. Amended: Filed Nov. 15, 2007, effective May 30, 2008. Amended: Filed Aug. 27, 2009, effective Feb. 28, 2010. Amended: Filed Nov. 13, 2012, effective June 30, 2013. Emergency amendment filed March 5, 2018, effective March 15, 2018, expired Sept. 10, 2018. Amended: Filed March 5, 2018, effective Sept. 30, 2018. Amended: Filed Nov. 28, 2018, effective June 30, 2019.

*Original authority: 339.509, RSMo 1990, amended 1998, 2012; 339.513, RSMo 1990, amended 1990, 1998, 2007, 2012; and 339.525, RSMo 1990, amended 1997, 2007, 2012.



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Division 2245—Real Estate Appraisers Chapter 6—Educational Requirements

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**Title 20—DEPARTMENT OF
COMMERCE AND INSURANCE
Division 2245—Real Estate Appraisers
Chapter 6—Educational Requirements**

20 CSR 2245-6.010 General
(Rescinded May 30, 2018)

AUTHORITY: sections 339.509 and 339.517, RSMo Supp. 1998. This rule originally filed as 4 CSR 245-6.010. Emergency rule filed Dec. 6, 1990, effective Dec. 16, 1990, expired April 14, 1991. Emergency rule filed April 4, 1991, effective April 14, 1991, expired Aug. 11, 1991. Original rule filed Jan. 3, 1991, effective April 29, 1991. Amended: Filed Aug. 14, 1991, effective Jan. 13, 1992. Emergency amendment filed Dec. 16, 1993, effective Jan. 1, 1994, expired April 30, 1994. Amended: Filed Sept. 2, 1993, effective April 9, 1994. Emergency amendment filed Sept 1, 1998, effective Sept. 11, 1998, expired March 9, 1999. Amended: Filed Sept. 1, 1998, effective Feb. 28, 1999. Moved to 20 CSR 2245-6.010, effective Aug. 28, 2006. Rescinded: Filed Nov. 28, 2017, effective May 30, 2018.

20 CSR 2245-6.015 Examination and Education Requirements
(Rescinded August 30, 2019)

AUTHORITY: section 339.509, RSMo 2000 and section 339.517, RSMo Supp. 2010. Original rule filed Nov. 21, 2006, effective July 30, 2007. Amended: Filed June 15, 2011, effective Jan. 30, 2012. Rescinded: Filed Feb. 8, 2019, effective Aug. 30, 2019.

20 CSR 2245-6.016 Examinations and Education

PURPOSE: This rule defines the examination and education requirements for each level of registration, licensure, and certification for real estate appraisers.

(1) Examination and Education Requirements.

(A) State-Certified General Real Estate Appraiser.

1. To obtain certification as a state-certified general real estate appraiser, an applicant shall successfully complete the Appraiser Qualifications Board (AQB) approved state-certified general real property examination. There is no alternative to successful completion of the examination.

A. Applicants who are able to successfully complete all requirements for licensure/certification and are approved by the commission on or before December 31, 2014,

shall be bound by requirements found in 20 CSR 2245-3.001, 20 CSR 2245-3.005, 20 CSR 2245-3.010, 20 CSR 2245-3.020, and 20 CSR 2245-6.015.

B. All applicants who are not able to successfully complete all requirements for licensure/certification and who have not been approved by the commission on or before December 31, 2014, shall have completed all education and experience requirements contained in 20 CSR 2245-3.005, 20 CSR 2245-3.010, 20 CSR 2245-3.020, and 20 CSR 2245-6.016 prior to being eligible to take the AQB-approved examination for the appropriate level of licensure/certification.

(B) State-Certified Residential Real Estate Appraiser.

1. To obtain certification as a state-certified residential real estate appraiser, an applicant shall successfully complete the AQB-approved state-certified residential real property examination. There is no alternative to successful completion of the examination.

A. Applicants who are able to successfully complete all requirements for licensure/certification and are approved by the commission on or before December 31, 2014, shall be bound by requirements found in 20 CSR 2245-3.001, 20 CSR 2245-3.005, 20 CSR 2245-3.010, 20 CSR 2245-3.020, and 20 CSR 2245-6.015.

B. All applicants who are not able to successfully complete all requirements for licensure/certification and who have not been approved by the commission on or before December 31, 2014, shall have completed all education and experience requirements contained in 20 CSR 2245-3.005, 20 CSR 2245-3.010, 20 CSR 2245-3.020, and 20 CSR 2245-6.016 prior to being eligible to take the AQB approved examination for the appropriate level of licensure/certification.

(C) State-Licensed Real Estate Appraiser.

1. To obtain certification as a state-licensed real estate appraiser, an applicant shall successfully complete the AQB-approved state-licensed residential real property examination. There is no alternative to successful completion of the examination.

A. Applicants who are able to successfully complete all requirements for licensure/certification and are approved by the commission on or before December 31, 2014, shall be bound by requirements found in 20 CSR 2245-3.001, 20 CSR 2245-3.005, 20 CSR 2245-3.010, 20 CSR 2245-3.020, and 20 CSR 2245-6.015.

B. All applicants who are not able to successfully complete all requirements for licensure/certification and who have not been approved by the commission on or before December 31, 2014, shall have completed all

education and experience requirements contained in 20 CSR 2245-3.005, 20 CSR 2245-3.010, 20 CSR 2245-3.020, and 20 CSR 2245-6.016 prior to being eligible to take the AQB approved examination for the appropriate level of licensure/certification.

(D) Trainee Real Estate Appraiser.

1. There is no examination requirement for registration as a trainee real estate appraiser other than as required to earn credit for completion of the prerequisite educational courses.

(2) Qualifying Education.

(A) State-Certified General Real Estate Appraiser.

1. Applicants for the state-certified general real estate appraiser certification shall hold a bachelor's degree or higher from an accredited college or university. The college or university must be a degree-granting institute accredited by the Commission on Colleges, a regional or national accreditation association, or by an accrediting agency that is recognized by the U.S. Secretary of Education. Applicants with a college degree from a foreign country may have their education evaluated for "equivalency" by one (1) of the following:

A. An accredited, degree-granting, domestic college or university;

B. The American Association of Collegiate Registrars and Admissions Officers (AACRAO);

C. A foreign degree credential evaluation service company that is a member of the National Association of Credential Evaluation Services (NACES); or

D. 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.

2. Credit toward qualifying education requirements may also be obtained via completion of a degree in real estate from an accredited, degree-granting college or university approved by the Association to Advance Collegiate Schools of Business, or a regional or national accreditation agency recognized by the U.S. Secretary of Education, provided that the college or university has had its curriculum reviewed and approved by the AQB.

3. The applicant shall submit verification of completion of three hundred (300) creditable class hours from the core curriculum, including passage of the approved closed-book



examination for each course, as follows:

A. Basic Appraisal Principles	30 Hours
B. Basic Appraisal Procedures	30 Hours
C. The <i>15-Hour National Uniform Standards of Professional Appraisal Practice (USPAP)</i> Course or its equivalent	15 Hours
D. General Appraiser Market Analysis and Highest and Best Use	30 Hours
E. Statistics, Modeling, and Finance	15 Hours
F. General Appraiser Sales Comparison Approach	30 Hours
G. General Appraiser Site Valuation and Cost Approach	30 Hours
H. General Appraiser Income Approach	60 Hours
I. General Appraiser Report Writing and Case Studies	30 Hours
J. Appraisal Subject Matter Electives	30 Hours
Total 300 Hours	

4. Applicants shall demonstrate that their education includes the core courses listed in these criteria, with particular emphasis on non-residential properties.

5. Appraisers holding a valid state-certified general real estate appraiser trainee license may satisfy the educational requirements for the state-certified general real estate appraiser by completing the following additional educational hours:

A. General Appraiser Market Analysis and Highest and Best Use	30 Hours
B. Statistics, Modeling, and Finance	15 Hours
C. General Appraiser Sales Comparison Approach	30 Hours
D. General Appraiser Site Valuation and Cost Approach	30 Hours
E. General Appraiser Income Approach	60 Hours
F. General Appraiser Report Writing and Case Studies	30 Hours
G. Appraisal Subject Matter Electives	30 Hours
Total 225 Hours	

6. Appraisers holding a valid state-licensed real estate appraiser license may satisfy the educational requirements for the state-certified general real estate appraiser by

completing the following additional educational hours:

A. General Appraiser Market Analysis and Highest and Best Use	15 Hours
B. Statistics, Modeling, and Finance	15 Hours
C. General Appraiser Sales Comparison Approach	15 Hours
D. General Appraiser Site Valuation and Cost Approach	15 Hours
E. General Appraiser Income Approach	45 Hours
F. General Appraiser Report Writing and Case Studies	15 Hours
G. Appraisal Subject Matter Electives	30 Hours
Total 150 Hours	

7. Appraisers holding a valid state-certified residential real estate appraiser certification may satisfy the educational requirements for the state-certified general real estate appraiser by completing the following additional educational hours:

A. General Appraiser Market Analysis and Highest and Best Use	15 Hours
B. General Appraiser Sales Comparison Approach	15 Hours
C. General Appraiser Site Valuation and Cost Approach	15 Hours
D. General Appraiser Income Approach	45 Hours
E. General Appraiser Report Writing and Case Studies	10 Hours
Total 100 Hours	

(B) State-Certified Residential Real Estate Appraiser.

1. Applicants for the state-certified residential real estate appraiser certification shall hold a bachelor's degree or higher from an accredited college or university. The college or university must be a degree-granting institution accredited by the Commission on Colleges, a regional or national accreditation association, or by an accrediting agency that is recognized by the U.S. Secretary of Education. Applicants with a college degree from a foreign country may have their education evaluated for "equivalency" by one (1) of the following:

- A. An accredited, degree-granting, domestic college or university;
- B. The American Association of Collegiate Registrars and Admissions Officers (AACRAO);
- C. A foreign degree credential evaluation service company that is a member of

the National Association of Credential Evaluation Services (NACES); or

D. 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.

2. Credit toward qualifying education requirements may also be obtained via completion of a degree in real estate from an accredited, degree-granting college or university approved by the Association to Advance Collegiate Schools of Business, or a regional or national accreditation agency recognized by the U.S. Secretary of Education, provided that the college or university has had its curriculum reviewed and approved by the AQB.

3. The applicant shall submit verification of completion of two hundred (200) creditable class hours from the core curriculum, including passage of the approved closed-book examination for each course, as follows:

A. Basic Appraisal Principles	30 Hours
B. Basic Appraisal Procedures	30 Hours
C. The <i>15-Hour National Uniform Standards of Professional Appraisal Practice (USPAP)</i> Course or its equivalent	15 Hours
D. Residential Market Analysis and Highest and Best Use	15 Hours
E. Residential Appraiser Site Valuation and Cost Approach	15 Hours
F. Residential Sales Comparison and Income Approaches	30 Hours
G. Residential Report Writing and Case Studies	15 Hours
H. Statistics, Modeling, and Finance	15 Hours
I. Advanced Residential Applications and Case Studies	15 Hours
J. Appraisal Subject Matter Electives	20 Hours
Total 200 Hours	

4. Appraisers holding a valid state-certified residential real estate appraiser trainee license may satisfy the educational requirements for the state-certified residential real estate appraiser certification by completing the following additional educational hours:

A. Residential Market Analysis and Highest and Best Use	15 Hours
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B. Residential Appraiser Site Valuation and Cost Approach	15 Hours	C. A foreign degree credential evaluation service company that is a member of the National Association of Credential Evaluation Services (NACES); or	C. Residential Sales Comparison and Income Approaches	30 Hours
C. Residential Sales Comparison and Income Approaches	30 Hours	D. 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.	D. Residential Report Writing and Case Studies	15 Hours
D. Residential Report Writing and Case Studies	15 Hours	3. Credit toward qualifying education requirements may also be obtained via completion of a degree in real estate from an accredited, degree-granting, college or university approved by the Association to Advance Collegiate Schools of Business, or a regional or national accreditation agency recognized by the U.S. Secretary of Education, provided that the college or university has had its curriculum reviewed and approved by the AQB.		
E. Statistics, Modeling, and Finance	15 Hours	4. The applicant shall submit verification of completion of one hundred fifty (150) creditable class hours from the core curriculum, including passage of the approved closed-book examination for each course, as follows:	A. National USPAP Course	15 hours
F. Advanced Residential Applications and Case Studies	15 Hours	A. Basic Appraisal Principles	B. Basic Appraisal Principles	30 hours
G. Appraisal Subject Matter Electives	20 Hours	B. Basic Appraisal Procedures	C. Basic Appraisal Procedures	30 hours
	Total 125 Hours	C. The 15-Hour National Uniform Standards of Professional Appraisal Practice (USPAP) Course or its equivalent		Total 75 Hours
5. Appraisers holding a state-licensed real estate appraiser license may satisfy the educational requirements for the state-certified residential real estate appraiser credential by completing the following additional educational hours:		D. Residential Market Analysis and Highest and Best Use		
A. Statistics, Modeling, and Finance	15 Hours	E. Residential Appraiser Site Valuation and Cost Approach	15 Hours	
B. Advanced Residential Applications and Case Studies	15 Hours	F. Residential Sales Comparison and Income Approaches	30 Hours	
C. Appraisal Subject Matter Electives	20 Hours	G. Residential Report Writing and Case Studies	15 Hours	
	Total 50 Hours		Total 150 Hours	
(C) State-Licensed Real Estate Appraiser.		5. Appraisers holding a valid state-licensed real estate appraiser trainee license may satisfy the educational requirements for the state-licensed real estate appraiser by completing the following additional educational hours:		
1. Applicants for the state-licensed real estate appraiser license shall successfully complete thirty (30) semester hours of college-level education from an accredited college, junior college, community college, or university. The college or university must be a degree-granting institution accredited by the Commission on Colleges, a regional or national accreditation association, or by an accrediting agency that is recognized by the U.S. Secretary of Education. If an accredited college or university accepts the College-Level Examination Program (CLEP) and examinations and issues a transcript for the exam, showing its approval, it will be considered as credit for the college course. Applicants holding an associate degree or higher from an accredited college, junior college, community college, or university satisfy the thirty- (30-) hour college level education requirement.		A. Residential Market Analysis and Highest and Best Use	15 Hours	
2. Applicants with a college degree from a foreign country may have their education evaluated for "equivalency" by one (1) of the following:		B. Residential Appraiser Site Valuation and Cost Approach	15 Hours	
A. An accredited, degree-granting, domestic college or university;				
B. The American Association of Collegiate Registrars and Admissions Officers (AACRAO);				



2. Basic Appraisal Procedures	30 Hours	1. Possession of a Bachelor's Degree in any field of study from an accredited college or university. The college or university must be a degree granting institution accredited by the Commission on Colleges, a regional or national accreditation association or by an accrediting agency that is recognized by the U.S. Secretary of Education. Applicants with a college degree from a foreign country may have their education evaluated for "equivalency" by one (1) of the following:
3. National Uniform Standards of Appraisal Practice (USPAP)	15 Hours	A. An accredited, degree-granting, domestic college or university;
4. Residential Market Analysis and Highest and Best Use	15 Hours	B. A foreign degree credential evaluation service company that is a member of the National Association of Credential Evaluation Services (NACES); or
5. Residential Appraiser Site Valuation and Cost Approach	15 Hours	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;
6. Residential Sales Comparison and Income Approaches	30 Hours	2. Possession of an Associate's Degree in the field of study related to business administration, accounting, finance, economics, or real estate from an accredited college or university. The college or university must be a degree granting institution accredited by the Commission on Colleges, a regional or national accreditation association or by an accrediting agency that is recognized by the U.S. Secretary of Education. Applicants with a college degree from a foreign country may have their education evaluated for "equivalency" by one (1) of the following:
7. Residential Report Writing and Case Studies	15 Hours	A. An accredited, degree-granting, domestic college or university;
	150 Total Hours	B. A foreign degree credential evaluation service company that is a member of the National Association of Credential Evaluation Services; or
(B) Appraisers holding a valid state licensed real estate appraiser trainee license may satisfy the education requirements for a state licensed real estate appraiser by completing the following additional educational hours:		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;
1. Residential Market Analysis and Highest and Best Use	15 Hours	2. Successful completion of thirty (30) semester hours of college-level courses that cover each of the following specific topic areas and hours:
2. Residential Appraiser Site Valuation and Cost Approach	15 Hours	A. English Composition (three (3) semester hours);
3. Residential Sales Comparison and Income Approaches	30 Hours	B. Microeconomics (three (3) semester hours);
4. Residential Report Writing and Case Studies	15 Hours	C. Macroeconomics (three (3) semester hours);
	75 Total Hours	D. Finance (three (3) semester hours);
(C) To obtain a license as a stated licensed real estate appraiser, an applicant shall successfully complete the AQB approved Licensed Residential Real Property Appraiser Examination. There is no alternative to successful completion of the examination. All education and experience hours are required to be completed prior to being allowed to sit for the examination;		E. Algebra, Geometry, or higher mathematics (three (3) semester hours);
(D) As a prerequisite for licensure as a state licensed real estate appraiser, an applicant shall present satisfactory evidence to the commission that the applicant possesses the equivalent of one thousand (1,000) hours of experience obtained over a period of not less than six (6) months under the supervision of a state certified real estate appraiser and supported by adequate written reports and file memoranda. Hours may be treated as cumulative in order to achieve the necessary one thousand (1,000) hours of appraisal experience.		F. Statistics (three (3) semester hours);
(3) State Certified Residential Real Estate Appraiser—		G. Computer Science (three (3) semester hours);
(A) Applicants for the state certified residential real estate appraiser certification shall satisfy at least one (1) of the following five (5) options below:		H. Business or Real Estate Law (three (3) semester hours); and
		I. Two (2) elective courses in any of the topics listed above or in accounting, geography, agricultural economics, business management, or real estate (three (3) semester hours each);
		4. Successful completion of at least thirty (30) semester hours of College Level Examination Program® (CLEP®) examinations from each of the following subject matter areas:
		A. College Algebra (three (3) semester hours);
		B. College Composition (six (6) semester hours);
		C. College Composition Modular (three (3) semester hours);
		D. College Mathematics (six (6) semester hours);
		E. Principles of Macroeconomics (three (3) semester hours);
		F. Principles of Microeconomics (three (3) semester hours);
		G. Introductory Business Law (three (3) semester hours); and
		H. Information Systems (three (3) semester hours);
		5. Any combination of paragraphs (3)(A)3. and (3)(A)4. above that ensures coverage of all topics and hours identified in paragraph (3)(A)3.;
		(B) As an alternative to the requirements in subsection (3)(A) above, individuals who have held a state license for a minimum of five (5) years may qualify for a certified residential credential by satisfying all of the following:
		1. 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 (5) years immediately preceding the date of application for a certified residential credential;
		2. Successful completion of the additional required qualifying education as specified in subsection (3)(G) below;
		3. Successful completion of the required experience as specified in subsection (3)(E) below; and
		4. Successful completion of the Certified Residential Real Property Appraiser examination as specified in subsection (3)(D) below;
		(C) Applicants for state certified residential real estate appraiser license shall submit verification of completion of two hundred (200) creditable class hours from the core curriculum, including passage of the approved closed book examination for each course, as follows:
		1. Basic Appraisal Principles
		30 Hours



2. Basic Appraisal Procedures	30 Hours	3. Residential Sales Comparison and Income Approaches	30 Hours	degree-granting, domestic college or university, or by a state licensing board that issues credentials in another discipline;
3. National Uniform Standards of Appraisal Practice (USPAP) or its equivalent	15 Hours	4. Residential Report Writing and Case Studies	15 Hours	(B) Applicants for state certified general real estate appraiser shall submit verification of completion of three hundred (300) creditable class hours from the core curriculum, including passage of the approved closed book examination for each course, as follows:
4. Residential Market Analysis and Highest and Best Use	15 Hours	5. Statistics, Modeling, or Finance	15 Hours	1. Basic Appraisal Principles
5. Residential Appraiser Site Valuation and Cost Approach	15 Hours	6. Advanced Residential Applications and Case Studies	15 Hours	2. Basic Appraisal Procedures
6. Residential Sales Comparison and Income Approaches	30 Hours	7. Appraisal Subject Matter Electives	20 Hours	3. National Uniform Standards of Appraisal Practice (USPAP) or its equivalent
7. Residential Report Writing and Case Studies	15 Hours		125 Total Hours	4. General Appraiser Market Analysis And Highest and Best Use
8. Statistics, Modeling, or Finance	15 Hours			5. General Appraiser Site Valuation and Cost Approach
9. Advanced Residential Applications and Case Studies	15 Hours			6. General Sales Comparison
10. Appraisal Subject Matter Electives (May include hours over minimum shown above in other modules)	20 Hours			7. General Appraiser Income Approach
	200 Total Hours			8. Statistics, Modeling, or Finance
(D) To obtain a state certified residential real estate appraiser license, an applicant shall successfully complete the AQB approved Certified Residential Real Property Appraiser Examination. There is no alternative to successful completion of the examination. All education and experience hours are required to be completed prior to being allowed to sit for the examination;				9. General Appraiser Report Writing and Case Studies
(E) As a prerequisite for licensure as a state certified residential real estate appraiser, an applicant shall present satisfactory evidence to the commission that the applicant possesses the equivalent of one thousand five hundred (1,500) hours of experience obtained over a period of not less than twelve (12) months under the supervision of a state certified real estate appraiser and supported by adequate written reports and file memoranda. Hours may be treated as cumulative in order to achieve the necessary one thousand five hundred (1,500) hours of appraisal experience;				10. Appraisal Subject Matter Electives (May include hours over minimum shown in above other modules)
(F) Appraisers holding a valid trainee appraiser credential may satisfy the educational requirements for the certified residential real property appraiser credential by successfully completing the following additional educational hours:				300 Total Hours
1. Residential Market Analysis and Highest and Best Use	15 Hours	(C) To obtain a state certified general real estate appraiser license, an applicant shall successfully complete the AQB approved Certified General Real Property Appraiser Examination. There is no alternative to successful completion of the examination. All education and experience hours are required to be completed prior to being allowed to sit for the examination;		
2. Residential Appraiser Site Valuation and Cost Approach	15 Hours	(D) As a prerequisite for licensure as a state certified general real estate appraiser, an applicant shall present satisfactory evidence to the commission that the applicant possesses the equivalent of three thousand (3,000) hours of experience obtained over a period of not less than eighteen (18) months. One thousand five hundred (1,500) hours must be in non-residential appraisal work. Hours may be treated as cumulative in order to achieve the necessary three thousand (3,000) hours of appraisal experience;		
		(E) Appraisers holding a valid trainee appraiser license may satisfy the educational requirements for certified general real estate appraiser by successfully completing the following additional educational hours:		



1. General Appraiser Market Analysis and Highest and Best Use	30 Hours	(4)(A) and (4)(B) above.
2. Statistics, Modeling, or Finance	15 Hours	<i>AUTHORITY: section 339.509, RSMo 2016.* Original rule filed Feb. 8, 2019, effective Aug. 30, 2019.</i>
3. General Appraiser Sales Comparison Approach	30 Hours	<i>*Original authority: 339.509, RSMo 1990, amended 1998, 2012.</i>
4. General Appraiser Site Valuation and Cost Approach	30 Hours	
5. General Appraiser Income Approach	60 Hours	20 CSR 2245-6.020 Correspondence Courses
6. General Appraiser Report Writing and Case Studies	30 Hours	(Rescinded July 30, 2007)
7. Appraisal Subject Matter Electives	30 Hours	
		225 Total Hours

(F) Appraisers holding a valid state license real estate appraiser license may satisfy the education requirements for the certified general real estate appraiser license by successfully completing the following additional educational hours:

1. General Appraiser Market Analysis and Highest and Best Use	15 Hours	
2. General Appraiser Site Valuation and Cost Approach	15 Hours	
3. General Sales Comparison	15 Hours	
4. General Appraiser Income Approach	45 Hours	20 CSR 2245-6.030 Distance Education
5. Statistics, Modeling, or Finance	15 Hours	(Rescinded July 30, 2007)
6. General Appraiser Report Writing and Case Studies	15 Hours	
7. Appraisal Subject Matter Electives	30 Hours	
		150 Total Hours

(G) Appraisers holding a valid certified residential real estate appraiser license may satisfy the educational requirements for the certified general real estate appraiser license by successfully completing the following additional educational hours:

1. General Appraiser Market Analysis and Highest and Best Use	15 Hours	
2. General Appraiser Sales Comparison	15 Hours	
3. General Appraiser Site Valuation and Cost Approach	15 Hours	
4. General Appraiser Income Approach	45 Hours	20 CSR 2245-6.040 Case Study Courses
5. General Appraiser Report Writing and Case Studies	10 Hours	
		100 Total Hours

(H) Trainee appraisers, state licensed real estate appraisers, and state certified residential real estate appraisers wishing to upgrade to certified general real estate appraiser must also satisfy the requirements in subsections

(4)(A) and (4)(B) above.

(1) General.

(A) The case study course is an educational offering which shall be designed to investigate the intellectual development and practical application of constructing and reporting a real property appraisal. Any such course shall include both classroom and on-site instruction and experience, including the passage of a final examination for pre-licensure education credit, and the submission of one (1) or more acceptable appraisal reports for experience credit.

(B) Case study courses shall be at least thirty (30) hours of instruction. For each case study course, experience credit hours may not exceed three (3) times the education credit granted, and in no event shall the experience credit granted for a single course exceed ninety (90) hours. An applicant for licensure or certification may receive thirty (30) hours of pre-licensure education credit upon passage of an examination approved by the Appraiser Qualifications Board (AQB) course approval program or by an alternate method established by the AQB. A licensee may receive twenty-eight (28) hours of continuing education credit for a case study course as allowed pursuant to 20 CSR 2245-8.010. An applicant for licensure or certification will receive the experience credit upon completing one (1) or more *Uniform Standards of Professional Appraisal Practice* (USPAP) compliant appraisal reports for the course. The USPAP, 2020 Edition, is incorporated herein by reference and can be obtained from The Appraisal Foundation, 1155 15th Street NW, Suite 1111, Washington, DC 20005, by calling (202) 347-7722, or at www.appraisalfoundation.org. This rule does not incorporate any subsequent amendments or additions to the USPAP. The amount of education and experience credit available from a case study course will be determined at the time it is approved by the AQB course approval program or by an alternate method established by the AQB.

(C) A course provider may offer case study courses in the following areas:

1. Residential, including but not limited to, single family, modular, condominium, two (2) to four (4) family residential, manufactured, and other unique residences;
2. Commercial, including but not limited to, the following uses: office, retail, shopping center, hotel or motel, convenience store, restaurant, apartments (five (5) or more units), subdivisions, or any combination thereof;
3. Industrial, including but not limited to, warehouses;
4. Special uses, including but not limited to, houses of worship;



5. Agricultural, including but not limited to, farms (row crop and/or pasture) and timberland;

6. Review appraisals in any of the areas listed above in this subsection;

7. Appraisal consulting, including but not limited to, feasibility studies or marketability studies in any of the areas listed above in this subsection;

8. Appraisal management, including but not limited to, 1) supervisory appraiser responsibilities, functions and liabilities, and 2) management of an appraisal office including, but not limited to, staff management and supervision, databank, and plant set-up;

9. Miscellaneous, including but not limited to, condemnation appraisals in any of the areas listed above in this subsection; and

10. Any other area approved by the AQB.

(D) A case study course shall require completion of one (1) or more appraisal reports of the type of property to which the course pertains. The appraisal report(s) may value any real property interest, including, but not limited to, fee simple, leased-fee, leasehold, sub-leasehold, fractional interest, physical segment, or partial holding. Personal property and business valuation issues shall be addressed if related to the appraisal of real property, but shall not be the primary focus of the course.

(E) The provider shall assure that the course includes review of the appraisal process, including an in-depth review of the methods and techniques used in the three (3) approaches that pertain to the type of property appraised and the development and reporting requirements of the USPAP. The instruction regarding USPAP principles should include, at a minimum, discussion regarding the scope of work, the type of report used (self-contained, summary, restricted-use, or oral), and the other specific methods and techniques required in the report. Other appraisal report preparation issues that shall be discussed in the course include report format (narrative or form), grammar and syntax issues, quality control, and details relating to pertinent addendum for the type of property or report. The instructor or other approved USPAP reviewer shall be available to answer questions from and provide input to the students as to the deficiencies in the submitted appraisal report(s).

(F) A case study course shall include substantial time with the instructor in the field as well as in classroom instruction. The case study course shall include the following for each appraisal report completed, if applicable: inspect the subject property and neighborhood, view and photograph the compara-

ble sales and rental properties used in the three (3) approaches, research and analyze data to apply the three (3) approaches to value, and reconcile the estimated values from each valuation approach to develop a final value opinion. The class may visit the courthouse, use data accessible via the Internet (multiple listing service (MLS), sales/listings, public information, demographic websites, etc.), and other sources, to collect the necessary data to perform the appraisal. To obtain experience credit from the course, an applicant for certification or licensure shall write a USPAP compliant appraisal report(s) reviewed and found acceptable by the course instructor or other approved USPAP reviewer. Before experience credit will be granted to an applicant for certification or licensure, the instructor or other approved USPAP reviewer shall certify to the commission that the appraisal report(s) required for the case study course is compliant with USPAP.

(G) A case study course regarding residential real property shall include completion of a written complete summary appraisal report of the subject property. A case study course regarding nonresidential real property shall include completion of a written complete self-contained appraisal report of the subject property. The appraisal report(s) shall be submitted to the course provider within thirty (30) days after taking the course final examination. The course instructor or other approved USPAP reviewer will identify USPAP reporting deficiencies in the appraisal report. The provider will notify the student of any deficiencies noted in the appraisal report. The student shall correct all deficiencies to the satisfaction of the instructor or other approved USPAP reviewer.

(H) All audio or visual teaching aids used in the course shall be used under the personal supervision of the instructor approved to conduct the course and may not exceed twenty percent (20%) of the total presentation. Guest speakers may not be used for more than ten percent (10%) of a course presentation and such guest speakers do not have to possess instructor credentials.

(I) Upon submitting a statement from the provider of successful completion of a case study course, including passage of the course examination and completion of the required appraisal(s), an applicant for certification or licensure or a licensee shall receive the number of education and experience hours for which the case study course is approved, not to exceed thirty (30) hours of pre-licensure education credit, twenty-eight (28) hours of continuing education credit or ninety (90) hours of experience credit.

(2) Course Approval Application Process.

(A) Any course provider desiring to provide a case study course to licensed and/or certified real estate appraisers and/or to applicants for licensure or certification as real estate appraisers shall obtain from the AQB, or by an alternate method established by the AQB, approval of each case study course, its instructor(s), and any other USPAP reviewer(s), if any, prior to enrolling any students in the case study course. A course provider shall submit verification to the commission that a case study course has been approved by the AQB.

(3) Course Administration Requirements.

(A) Prior to enrolling a person for a particular case study course, the course provider shall require each prospective student to provide documentation of satisfactory completion of all course work required to obtain the license or certificate that is required under 20 CSR 2245-9.010(3) for an appraiser to perform the type of appraisal that is the subject of the case study course.

1. If a student is not licensed or certified when enrolled in a case study course, the documentation shall include completion certificates for all pre-licensure courses required for licensure or certification.

2. If a student is already licensed or certified when applying for a case study course, the documentation shall include a copy of the student's state license or certificate and, if the course is for a type of appraisal which is outside of the scope of practice of the student's current certification as defined by 20 CSR 2245-9.010, the documentation shall include completion certificates for any additional pre-licensure courses required for the different certification.

(B) All course providers shall maintain a list of case study curriculum classes offered with the following information on record and available for audit by the commission:

1. Course title;
 2. The name, address, and business phone number for each instructor and USPAP reviewer, if any;
 3. Class location, including facility name and city;
 4. Class dates;
 5. Student roster, including student name, address, phone number;
 6. Student registration, license or certification number, if any;
 7. Type of credit student earned (e.g., pre-licensure education, continuing education, and/or number of experience credits); and
 8. Documentation of AQB approval.
- (C) Upon successful completion of each



case study course, the course provider shall provide each student with a certificate specifying the type and number of education hours (pre-licensure or continuing education) and the number of experience hours he/she has earned.

(4) Course Objectives. Each case study course shall include the following objectives:

(A) Cognitive. After completing an appraisal case study course, an individual should be able to—

1. Recall verbally or in writing the controlling steps and sequences in the appraisal process;

2. Demonstrate verbally or in writing the elements of problem identification;

3. Demonstrate verbally or in writing the steps for proper scope of work decisions;

4. Recall verbally or in writing relevant USPAP and advisory references;

5. Recall verbally or in writing the appraiser's ethical obligations;

6. Demonstrate verbally or in writing appraisal competency requirements;

7. Demonstrate verbally or in writing the binding requirements for appraisal development;

8. Recall verbally or in writing the binding requirements for appraisal reporting; and

9. Distinguish verbally or in writing between the various classifications of appraisals and appraisal reports;

(B) Affective. After completing an appraisal case study course, an individual should develop an understanding of—

1. Competency as it relates to the scope of work decision;

2. The kind of information that shall be identified and considered regarding the client's intended use of an appraisal;

3. Relevant characteristics;

4. How to analyze the effect of assignment conditions on the appraisal process;

5. The relationship between intended use and a credible solution;

6. How the standard of value affects the scope of work decision;

7. Reasonable exposure time;

8. How the appraiser's workfile preserves evidence of all applicable data that supports the appraiser's opinions and conclusions; and

9. The appraiser's responsibility to demonstrate proper judgment and execution; and

(C) Skills. After completing a real property appraisal case study course the student should be able to do the following:

1. Identify the appraisal problem;

2. Make a proper scope of work decision;

3. Conduct a market analysis;

4. Identify the subject property's neighborhood and conduct a neighborhood analysis;

5. Identify relevant real property characteristics;

6. Discern assignment conditions;

7. Describe site improvements;

8. Describe real property improvements;

9. Collect and analyze cost construction data;

10. Collect and analyze sales comparison data;

11. Collect and analyze income approach data;

12. Reconcile data into final value opinion; and

13. Prepare a written real property appraisal report in compliance with USPAP.

(5) Unit Titles. The following is a sample of possible unit titles and time allocations that might be used for a case study course curriculum.

(A) Problem Identification and Scope of Work Decision (4 Hours)—

1. The appraisal process defined;

2. The eleven (11) basic controlling steps and their sequence;

3. Ethics and Competency;

4. Prohibitions and Exhortations;

5. Judgment and Execution;

6. Intended Use and Intended Users Interview;

7. Work Order;

8. Problem Identification;

9. Departure Possibilities;

10. Scope of Work;

11. Preliminary Survey and Appraisal Plan; and

12. Appraisal Contract.

(B) Data Collection and Analysis—General Data (5 Hours)—

1. Market Analysis;

2. Financial Analysis;

3. Economic Base;

4. Market Trends;

5. Forecasts;

6. Neighborhood Analysis; and

7. Measures of Central Tendency.

(C) Data Collection and Analysis—Specific Data (7 Hours)—

1. Property Rights;

2. Physical Characteristics of the Site and Improvements;

3. Environmental Issues;

4. Conformity;

5. Cost and Depreciation Data;

6. Comparative Properties;

7. Elements of Comparison;

8. Units of Comparison; and

9. Income Analysis.

(D) Appraisal Development (9 Hours)—

1. Identify the Client and Other Intended Users;

2. Identify the Intended Use of the Appraiser's Opinions and Conclusions;

3. Identify the Purpose of the Assignment—Standard of Value;

4. Identify the Effective Date of the Appraiser's Opinions and Conclusions;

5. Identify the Characteristics of the Property that are Relevant to the Purpose and Intended Use of the Appraisal;

6. Identify the Scope of Work Necessary to Complete the Assignment;

7. Identify any Extraordinary Assumptions Necessary in the Assignment;

8. Identify any Hypothetical Conditions Necessary in the Assignment;

9. When Applicable, Develop an Opinion of Highest and Best Use;

10. Analyze and Collate Site Data;

11. Analyze and Collate Cost Construction Data;

12. Analyze and Collate Sales Comparison Data;

13. Analyze and Collate Income Data;

14. Analyze all Agreements of Sale, Options, or Listings of the Subject Property that are Current as of the Effective Date of the Appraisal;

15. Analyze all Sales of the Subject Property that Occurred Within the Three (3) Years Prior to the Effective Date of the Appraisal;

16. Reconcile the Quality and Quantity of Data Available and Analyzed Within the Approaches Used; and

17. Reconcile the Applicability or Suitability of the Approaches Used to Arrive at the Value Conclusion.

(E) Appraisal Reporting (5 Hours)—

1. Review Competency Requirements for Reporting;

2. Review Reporting Formats;

3. Report the Identity of the Client and any Intended User by Name or by Type;

4. Report the Intended Use of the Appraisal;

5. Describe Information Sufficient to Identify the Real Estate Involved;

6. Report the Real Property Interest Appraised;

7. Report the Purpose of the Appraisal, Including the Type and Definition of Value and its Source;

8. State the Effective Date of the Appraisal and Date of the Report;

9. Report Sufficient Information to Disclose the Scope of Work;

10. State all Assumptions, Hypothetical Conditions, and Limiting Conditions;

11. Report the Information Analyzed,



the Appraisal Procedures Followed, and the Reasoning that Supports the Analyses, Opinions, and Conclusions;

12. Address the Use of the Property that is the Subject of the Appraisal;

13. Report and Explain any Permitted Departures;

14. Include a Signed Certification; and
15. Discuss Work File Requirements.

(F) Appraisal Practicum—

1. All case study students will demonstrate appraisal development and reporting skills by submitting an acceptable appraisal on an assigned property. The appraisal will be a culminating activity performed in partial fulfillment of the requirements for the “Case Study Course” related to appraisal licensure or certification; and

2. Appraisal reports may be submitted in sections for instructor review and approval. When all sections are completed satisfactorily, the entire report accompanied by the appraisal work file shall be presented to the instructor or other approved USPAP reviewer.

AUTHORITY: section 339.509(3) and (4), RSMo 2016. Original rule filed Nov. 21, 2006, effective July 30, 2007. Amended: Filed March 31, 2008, effective Sept. 30, 2008. Amended: Filed Aug. 27, 2009, effective Feb. 28, 2010. Amended: Filed June 15, 2011, effective Dec. 30, 2011. Amended: Filed July 15, 2013, effective Jan. 30, 2014. Amended: Filed June 30, 2015, effective Dec. 30, 2015. Emergency amendment filed Aug. 7, 2018, effective Aug. 17, 2018, expired Feb. 28, 2019. Amended: Filed Aug. 7, 2018, effective Feb. 28, 2019. Amended: Filed June 12, 2019, effective Jan. 1, 2020.*

*Original authority: 339.509, RSMo 1990, amended 1998, 2012.



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**Title 20—DEPARTMENT OF
COMMERCE AND INSURANCE
Division 2245—Real Estate Appraisers
Chapter 7—Prelicense Course Approval**

20 CSR 2245-7.010 Standards for Prelicense Course Approval

PURPOSE: This rule regulates the standards for approval of a prelicense real estate appraisal course including the subjects, curriculum and the minimal requirements of instructors.

(1) Providers of prelicense real estate appraisal courses, shall obtain approval of each course from the commission, that will be granted upon proof of compliance with the following requirements:

(A) The prelicense courses of study offered by the course provider shall include the subjects set forth in the three hundred (300) classroom hours for state-certified general real estate appraisers, the two hundred (200) classroom hours for state-certified residential real estate appraisers, the one hundred fifty (150) classroom hours for state-licensed real estate appraisers, or any combination of;

(B) Each area of study shall be conducted and supervised by an instructor who shall be present in the classroom at all times. Each instructor shall be qualified by specialized preparation, training and experience to ensure competent instruction. The qualifications of each instructor shall be approved by the commission prior to participation in a course of study. As a minimum requirement, each instructor shall—

1. Be a certified or licensed Missouri real estate appraiser with at least two (2) years of real estate appraisal experience acquired within a period of five (5) years immediately preceding the filing for approval. The commission may waive the certification or licensure requirements for good cause; and

2. Have verifiable practical experience in an area of study to be taught which, in the opinion and discretion of the commission, is substantially equivalent to the foregoing requirements. The commission may request documentation be provided to them; and

(C) All audio or visual teaching aids employed by a course provider shall be used under the personal supervision of the instructor approved to conduct the prelicense course and may not exceed twenty percent (20%) of the total prelicense course presentation. Guest speakers may not be used for more than ten percent (10%) of a prelicense course presentation and they do not have to possess instructor credentials.

(2) Providers of prelicense real estate appraisal courses shall attain approval for each course from the Appraisal Qualifications Board (AQB) Course Approval Program or an AQB approved course approval program prior to submitting for commission review as outlined in section (1) of this rule. Approval by the commission will be automatically withdrawn if the course is no longer an approved course by the AQB.

AUTHORITY: sections 339.509, RSMo 2000 and 339.517, RSMo Supp. 2006.* This rule originally filed as 4 CSR 245-7.010. Emergency rule filed Dec. 6, 1990, effective Dec. 16, 1990, expired April 14, 1991. Emergency rule filed April 4, 1991, effective April 14, 1991, expired Aug. 11, 1991. Original rule filed Jan. 3, 1991, effective April 29, 1991. Amended: Filed Aug. 14, 1991, effective Jan. 13, 1992. Emergency amendment filed Dec. 16, 1993, effective Jan. 1, 1994, expired April 30, 1994. Amended: Filed Sept. 2, 1993, effective April 9, 1994. Emergency amendment filed Sept. 1, 1998, effective Sept. 11, 1998, expired March 9, 1999. Amended: Filed Sept. 1, 1998, effective Feb. 28, 1999. Moved to 20 CSR 2245-7.010, effective Aug. 28, 2006. Amended: Nov. 21, 2006, effective July 30, 2007. Amended: Filed July 11, 2007, effective Jan. 30, 2008.

*Original authority: 339.509, RSMo 1990, amended 1998 and 339.517, RSMo 1990, amended 1990, 1993, 1998, 2003.

20 CSR 2245-7.020 Application for Prelicense Course Approval

PURPOSE: This rule states the documents necessary for prelicense course approval. It includes requiring supportive documentation of the educational qualifications of instructors.

(1) Until July 1, 2007, any person or entity seeking initial approval from the commission for a real estate appraisal course of study for certification or licensure examination in Missouri shall submit the following:

(A) Completed application on a form provided by the commission and accompanied by supporting documents specified in the application;

(B) A complete curriculum showing all courses offered and the times allocated to each course;

(C) Application for approval of each instructor on a form provided by the commission and accompanied by a resume' showing the qualifications of the applicant; and

(D) A copy of the course provider's final examination and the correct answers. No course provider may provide a certificate of completion to a student who has not satisfactorily completed an appropriate in-class final examination.

(2) Instructors shall teach all courses in close adherence to the outline on file with the commission. In the event a substantive change is proposed, the sponsor shall file a revised course outline at least thirty (30) days in advance of the scheduled course offering. Approval in writing from the commission shall be received prior to implementation of any substantive course change.

(3) Effective July 1, 2007, providers of prelicense real estate appraisal courses shall attain approval for each course from the Appraisal Qualifications Board (AQB) Course Approval Program or an AQB approved course approval program.

AUTHORITY: sections 339.509, RSMo 2000 and 339.517, RSMo Supp. 2006.* This rule originally filed as 4 CSR 245-7.020. Emergency rule filed Dec. 6, 1990, effective Dec. 16, 1990, expired April 14, 1991. Emergency rule filed April 4, 1991, effective April 14, 1991, expired Aug. 11, 1991. Original rule filed Jan. 3, 1991, effective April 29, 1991. Amended: Filed Aug. 14, 1991, effective Jan. 13, 1992. Moved to 20 CSR 2245-7.020, effective Aug. 28, 2006. Amended: Filed Nov. 21, 2006, effective July 30, 2007.

*Original authority: 339.509, RSMo 1990, amended 1998 and 339.517, RSMo 1990, amended 1990, 1993, 1998, 2003.

20 CSR 2245-7.030 Prelicense Correspondence Courses

(Rescinded July 30, 2007)

AUTHORITY: sections 339.509, RSMo Supp. 1990 and 339.517, RSMo Supp. 1993. This rule originally filed as 4 CSR 245-7.030. Emergency rule filed Dec. 6, 1990, effective Dec. 16, 1990, expired April 14, 1991. Emergency rule filed April 4, 1991, effective April 14, 1991, expired Aug. 11, 1991. Original rule filed Jan. 3, 1991, effective April 29, 1991. Amended: Filed Aug. 14, 1991, effective Jan. 13, 1992. Moved to 20 CSR 2245-7.030, effective Aug. 28, 2006. Rescinded: Filed Nov. 21, 2006, effective July 30, 2007.



**20 CSR 2245-7.040 Approval and Renewal
for Prelicense Courses**
(Rescinded July 30, 2007)

AUTHORITY: sections 339.509, 339.513, and 339.517, RSMo Supp. 1990. This rule originally filed as 4 CSR 245-7.040. Emergency rule filed Dec. 6, 1990, effective Dec. 16, 1990, expired April 14, 1991. Emergency rule filed April 4, 1991, effective April 14, 1991, expired Aug. 11, 1991. Original rule filed Jan. 3, 1991, effective April 29, 1991. Amended: Filed Aug. 14, 1991, effective Jan. 13, 1992. Moved to 20 CSR 2245-7.040, effective Aug. 28, 2006. Rescinded: Filed Nov. 21, 2006, effective July 30, 2007.

lic interest, or that the application or supporting material contains any false statement or substantial misrepresentation.

AUTHORITY: sections 339.509, RSMo 2000 and 339.517, RSMo Supp. 2006. This rule originally filed as 4 CSR 245-7.060. Original rule filed Aug. 14, 1991, effective Jan. 13, 1992. Moved to 20 CSR 2245-7.060, effective Aug. 28, 2006. Amended: Filed Nov. 21, 2006, effective July 30, 2007.*

*Original authority: 339.509, RSMo 1990, amended 1998 and 339.517, RSMo 1990, amended 1990, 1993, 1998, 2003.

20 CSR 2245-7.050 Records
(Rescinded July 30, 2007)

AUTHORITY: sections 339.509, RSMo Supp. 1990 and 339.517, RSMo Supp. 1993. This rule originally filed as 4 CSR 245-7.050. Original rule filed Aug. 14, 1991, effective Jan. 13, 1992. Moved to 20 CSR 2245-7.050, effective Aug. 28, 2006. Rescinded: Filed Nov. 21, 2006, effective July 30, 2007.

**20 CSR 2245-7.060 Investigation and
Review**

PURPOSE: This rule establishes the policies of the investigation and review of prelicense courses.

(1) The commission may investigate approved or proposed course offerings by conferring with a representative(s) of the Appraisal Qualifications Board (AQB) Course Approval Program or by the representative of an alternate method established by the AQB, the course providers or instructors, visitation with or without prior notice, or by surveys to participants, instructors or course providers.

(2) If the commission determines that a course provider, instructor or course is in violation of any of these rules or otherwise fails to maintain reasonable standards, notice in writing specifying the defect will be transmitted promptly to the course provider, the instructor, or both. Failure of the provider, the instructor, or both, to correct the defects within thirty (30) days shall be grounds for suspension or revocation of approval. The commission may deny, revoke, suspend or place on probation the approval of an instructor or course, if not in compliance with the license law or these rules or if the level of performance or credentials are not in the pub-



Rules of Department of Commerce and Insurance

Division 2245—Real Estate Appraisers Chapter 8—Continuing Education

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**Title 20—DEPARTMENT OF
COMMERCE AND INSURANCE**
Division 2245—Real Estate Appraisers
Chapter 8—Continuing Education

20 CSR 2245-8.010 Requirements

PURPOSE: This rule implements the continuing education mandates.

PUBLISHER'S NOTE: The secretary of state has determined that the publication of the entire text of the material which is incorporated by reference as a portion of this rule would be unduly cumbersome or expensive. This material as incorporated by reference in this rule shall be maintained by the agency at its headquarters and shall be made available to the public for inspection and copying at no more than the actual cost of reproduction. This note applies only to the reference material. The entire text of the rule is printed here.

(1) Each licensee who holds a certificate or license shall complete, during the two- (2-) year license period prior to renewal, as a condition precedent to certification or license renewal, the required number of hours of real estate appraisal instruction approved for continuing education credit by the Missouri Real Estate Appraisers Commission as specified in section (2) of this rule. Licensees shall maintain their evidence of course participation or course completion certificates for the period set for appraisal file retention. Such evidence shall be submitted upon request by the commission.

(2) Licensees are required to complete twenty-eight (28) hours of continuing education during the two- (2-) year renewal cycle. The commission may require specific courses of continuing education. A licensee shall provide verification of completion of continuing education by affidavit at the time of renewal. The affidavit shall contain a truthful statement of approved courses by the commission of continuing education taken by the licensee.

(3) Individual licensees may receive continuing education credit for courses taken in Missouri or another state with which Missouri has a reciprocal agreement which have not been submitted previously by the course provider for approval; provided course content, instructor qualifications, and course administration are acceptable to the commission. Applications for nonpreapproved course credit must be received by the commission on or before December 31 in the year preceding license expiration and must be on a form prescribed by the commission.

(4) The following offerings will not be considered by the commission to meet Missouri continuing education requirements even though the offerings may be approved by states with which Missouri enters into continuing education reciprocity:

(A) Training or education not directly related to real estate appraisal or real estate appraisal practice;

(B) Training or education in office and business skills, such as typing, speedreading, memory improvement, report writing, personal motivation, salesmanship, sales psychology, and time management;

(C) Sales promotions or other meetings held in conjunction with general real estate brokerage activity;

(D) Meetings which are a normal part of in-house training;

(E) That portion of any offering devoted to meals or refreshments;

(F) Sales or brokerage prelicensure education; and

(G) Any course or program that is less than two (2) hours in duration.

(5) Hours obtained in excess of the requirement for continuing education shall not be carried forward to satisfy the requirements for any subsequent renewal period.

(6) A licensee shall be physically present in the classroom during at least ninety percent (90%) of the actual classroom instruction.

(7) Credit will be given to a licensee for attending a specific or substantially similar course offering only once during a certificate or license renewal period.

(8) Time spent as an instructor may be counted as classroom attendance for an approved instructor who is also a licensee. This credit may be gained by an instructor only once for each course or substantially similar course offered during any renewal period. Continuing education credit may also be granted for participation, other than as a student, in appraisal educational processes and programs. Examples of activities for which credit may be granted are teaching, program development, authorship of textbooks, or similar activities which are determined to be equivalent to obtaining continuing education. The number of credit hours granted will be equivalent to the number of hours allowed by the current Appraiser Qualifications Board (AQB) criteria.

(9) Passing an examination shall not be required for credit under this chapter even when an examination is required by the provider of the course. Time devoted to examinations, other than brief periods for

review and self-graded quizzes, may not be credited toward the required minimum hours of continuing education.

(10) No part of any course for continuing education shall be used to solicit memberships in organizations, recruit licensees for affiliation with any organization, or advertise the merits of any organization.

(11) All licensees of the state of Missouri shall complete, for continuing education credit, the seven- (7-) hour national *Uniform Standards of Professional Appraisal Practice* (USPAP) update course or its equivalent during each renewal cycle. The USPAP, 2020 Edition, is incorporated herein by reference and can be obtained from The Appraisal Foundation, 1155 15th Street NW, Suite 1111, Washington, DC 20005, by calling (202) 347-7722, or at www.appraisalfoundation.org. This rule does not incorporate any subsequent amendments or additions to the USPAP.

AUTHORITY: sections 339.509 and 339.530, RSMo 2016.* This rule originally filed as 4 CSR 245-8.010. Emergency rule filed Dec. 6, 1990, effective Dec. 16, 1990, expired April 14, 1991. Emergency rule filed April 4, 1991, effective April 14, 1991, expired Aug. 11, 1991. Original rule filed Jan. 3, 1991, effective April 29, 1991. Amended: Filed Aug. 14, 1991, effective Jan. 13, 1992. Amended: Filed July 21, 1992, effective April 8, 1993. Amended: Filed Sept. 30, 1994, effective March 30, 1995. Amended: Filed Sept. 1, 1998, effective Feb. 28, 1999. Amended: Filed June 22, 1999, effective Dec. 30, 1999. Moved to 20 CSR 2245-8.010, effective Aug. 28, 2006. Amended: Filed Nov. 21, 2006, effective July 30, 2007. Amended: Filed March 31, 2008, effective Sept. 30, 2008. Amended: Filed Aug. 27, 2009, effective Feb. 28, 2010. Amended: Filed June 15, 2011, effective Dec. 30, 2011. Amended: Filed July 15, 2013, effective Jan. 30, 2014. Amended: Filed June 30, 2015, effective Dec. 30, 2015. Emergency amendment filed Aug. 7, 2018, effective Aug. 17, 2018, expired Feb. 28, 2019. Amended: Filed Aug. 7, 2018, effective Feb. 28, 2019. Amended: Filed June 12, 2019, effective Jan. 1, 2020. **

*Original authority: 339.509, RSMo 1990, amended 1998, 2012 and 339.530, RSMo 1990, amended 1998.

**Pursuant to Executive Orders 20-04 and 20-10, 20 CSR 2245-8.010 was suspended from April 22, 2020 through June 15, 2020.

20 CSR 2245-8.020 Course Approval

PURPOSE: This rule sets the criteria for course approval.



(1) No course or program for continuing education credit shall be announced or advertised until it is approved by the commission for credit.

(2) All applications for course approval shall be submitted by the course provider at least ninety (90) days prior to the date the course is expected to be offered. Applications shall be submitted on a form prescribed by the Missouri Real Estate Appraisers Commission and shall be accompanied by the required fee for course approval. The commission will respond in writing to all requests for course approval within sixty (60) days of receipt of a properly completed application. The commission will either assign a course number or other identification to a course when it is approved or will notify the course provider of the grounds for the course not being approved, as provided in section (4) of this rule.

(3) Course approval will be for the duration of the certificate or license period for which approval is sought.

(4) If the commission determines that a proposed course does not meet prescribed standards or if the proposed course does not adequately reflect and present current real estate appraisal knowledge toward the goal of public protection and service, notice in writing specifying the deficiencies will be provided to the course provider.

(5) Instructors shall teach all courses in close adherence to the outline on file with the commission. In the event a substantive change is proposed, the course provider shall file a revised course outline at least thirty (30) days in advance of the scheduled course offering. Approval in writing from the commission shall be received prior to implementation of any substantive course change.

(6) Dates, times and the location(s) of course offerings shall be submitted to the commission at least thirty (30) days prior to each course offering.

AUTHORITY: sections 339.509 and 339.530, RSMo 2000.* This rule originally filed as 4 CSR 245-8.020. Emergency rule filed Dec. 6, 1990, effective Dec. 16, 1990, expired April 14, 1991. Emergency rule filed April 4, 1991, effective April 14, 1991, expired Aug. 11, 1991. Original rule filed Jan. 3, 1991, effective April 29, 1991. Amended: Filed Aug. 14, 1991, effective Jan. 13, 1992. Moved to 20 CSR 2245-8.020, effective Aug. 28, 2006. Amended: Filed Nov. 21, 2006, effective July 30, 2007.

*Original authority: 339.509, RSMo 1990, amended 1998 and 339.530, RSMo 1990, amended 1998.

20 CSR 2245-8.030 Instructor Approval

PURPOSE: This rule sets the criteria for instructor approval.

PUBLISHER'S NOTE: The secretary of state has determined that the publication of the entire text of the material which is incorporated by reference as a portion of this rule would be unduly cumbersome or expensive. This material as incorporated by reference in this rule shall be maintained by the agency at its headquarters and shall be made available to the public for inspection and copying at no more than the actual cost of reproduction. This note applies only to the reference material. The entire text of the rule is printed here.

(1) All continuing education course offerings shall be conducted by an approved instructor.

(2) A course provider of a continuing education course shall submit an application for approval of each instructor on a form prescribed by the commission at least ninety (90) days prior to the date the course is scheduled to be offered.

(3) The commission will notify the course provider within sixty (60) days that the instructor has been approved or the grounds upon which approval is being denied.

(4) All instructors of the national *Uniform Standards of Professional Appraisal Practice* (USPAP) course, the national USPAP update course, or their equivalents shall be approved through the instructor certification program of the Appraisal Qualifications Board (AQB) or by an alternate method established by the AQB. The USPAP, 2020 Edition, is incorporated herein by reference and can be obtained from The Appraisal Foundation, 1155 15th Street NW, Suite 1111, Washington, DC 20005, by calling (202) 347-7722, or at www.appraisalfoundation.org. This rule does not incorporate any subsequent amendments or additions to the USPAP. At least one (1) instructor of the national USPAP course and the national USPAP update course shall be a state-certified appraiser and shall be approved through the AQB instructor certification program.

AUTHORITY: sections 339.509 and 339.530, RSMo 2016.* This rule originally filed as 4 CSR 245-8.030. Emergency rule filed Dec. 6, 1990, effective Dec. 16, 1990, expired April 14, 1991. Emergency rule filed April 4, 1991, effective April 14, 1991, expired Aug. 11, 1991. Original rule filed Jan. 3, 1991, effective April 29, 1991. Amended: Filed Aug. 14, 1991, effective Jan. 13, 1992. Moved to 20 CSR 2245-8.040, effective Aug. 28, 2006. Amended: Filed Nov. 21, 2006, effective July 30, 2007.

1991. Original rule filed Jan. 3, 1991, effective April 29, 1991. Amended: Filed Aug. 14, 1991, effective Jan. 13, 1992. Moved to 20 CSR 2245-8.030, effective Aug. 28, 2006. Amended: Filed Nov. 21, 2006, effective July 30, 2007. Amended: Filed March 31, 2008, effective Sept. 30, 2008. Amended: Filed Aug. 27, 2009, effective Feb. 28, 2010. Amended: Filed June 15, 2011, effective Dec. 30, 2011. Amended: Filed July 15, 2013, effective Jan. 30, 2014. Amended: Filed June 30, 2015, effective Dec. 30, 2015. Emergency amendment filed Aug. 7, 2018, effective Aug. 17, 2018, expired Feb. 28, 2019. Amended: Filed Aug. 7, 2018, effective Feb. 28, 2019. Amended: Filed June 12, 2019, effective Jan. 1, 2020.

*Original authority: 339.509, RSMo 1990, amended 1998, 2012 and 339.530, RSMo 1990, amended 1998.

20 CSR 2245-8.040 Records

PURPOSE: This rule establishes the criteria for maintaining continuing education course records.

(1) Licensees shall maintain evidence of course participation or course completion certificates for the period set for appraisal file retention. Such evidence or certificate shall be submitted upon request by the commission.

(2) The course provider shall within thirty (30) days of the end date of any continuing education course provide to each individual licensee who has satisfactorily completed the course a certificate of course completion in duplicate in a form prescribed by the commission.

AUTHORITY: sections 339.509 and 339.530, RSMo 2000.* This rule originally filed as 4 CSR 245-8.040. Emergency rule filed Dec. 6, 1990, effective Dec. 16, 1990, expired April 14, 1991. Emergency rule filed April 4, 1991, effective April 14, 1991, expired Aug. 11, 1991. Original rule filed Jan. 3, 1991, effective April 29, 1991. Amended: Filed Aug. 14, 1991, effective Jan. 13, 1992. Amended: Filed June 22, 1999, effective Dec. 30, 1999. Moved to 20 CSR 2245-8.040, effective Aug. 28, 2006. Amended: Filed Nov. 21, 2006, effective July 30, 2007.

*Original authority: 339.509, RSMo 1990, amended 1998 and 339.530, RSMo 1990, amended 1998.

20 CSR 2245-8.050 Investigation and Review

PURPOSE: This rule establishes the policies



of the investigation and review of continuing education courses.

- (1) The commission may investigate approved or proposed course offerings by conferring with course providers or instructors, visitation with or without prior notice, or by surveys to participants, instructors or course providers.
- (2) If the commission determines that a course provider's instructor or course is in violation of any of these rules or otherwise fails to maintain reasonable standards, notice in writing specifying the defect will be transmitted promptly to the course provider or the instructor, or both. Failure of the course provider or the instructor or both to correct the defects within thirty (30) days shall be grounds for suspension or revocation of approval. The commission may deny, revoke, suspend or place on probation the approval of an instructor or course, if not in compliance with the license law or these rules or if their level of performance or credentials are not in the public interest, or that their application (see 20 CSR 2245 Chapter 3) or supporting material contains any false statement or substantial misrepresentation.

AUTHORITY: sections 339.509 and 339.530, RSMo 2000. This rule originally filed as 4 CSR 245-8.050. Emergency rule filed Dec. 6, 1990, effective Dec. 16, 1990, expired April 14, 1991. Emergency rule filed April 4, 1991, effective April 14, 1991, expired Aug. 11, 1991. Original rule filed Jan. 3, 1991, effective April 29, 1991. Amended: Filed Aug. 14, 1991, effective Jan. 13, 1992. Moved to 20 CSR 2245-8.050, effective Aug. 28, 2006. Amended: Filed Nov. 21, 2006, effective July 30, 2007.*

**Original authority: 339.509, RSMo 1990, amended 1998 and 339.530, RSMo 1990, amended 1998.*



Rules of Department of Commerce and Insurance

Division 2245—Real Estate Appraisers Chapter 9—Competency and Scope of Practice Standards

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**Title 20—DEPARTMENT OF
COMMERCE AND INSURANCE**
Division 2245—Real Estate
Appraisers
**Chapter 9—Competency and Scope of
Practice Standards**

**20 CSR 2245-9.010 Competency and Scope
of Practice Standards**

PURPOSE: *This rule sets the scope of practice standards for the development and communication of real estate appraisals by state-certified general real estate appraisers, state-certified residential real estate appraisers, and state-licensed real estate appraisers.*

(1) Prior to accepting an assignment or entering into an agreement to perform any assignment, an appraiser shall properly identify the problem to be addressed and have the knowledge and experience to complete the assignment competently; or alternatively, must:

(A) Disclose the lack of knowledge and/or experience to the client before accepting the assignment;

(B) Take all steps necessary or appropriate to complete the assignment competently; and

(C) Describe the lack of knowledge and/or experience and the steps taken to complete the assignment competently in the report.

(2) If an appraiser discovers during the course of an appraisal assignment that he or she lacks the required knowledge or experience to complete the assignment competently, at the point of such discovery, the appraiser shall notify the client and comply with subsections (1)(B) and (1)(C) of this rule.

(3) Notwithstanding the requirements and allowances of sections (1) and (2) of this rule, state-certified and state-licensed real estate appraisers shall limit their practice to the development and communication of real estate appraisals as follows:

(A) State-certified general real estate appraisers may perform appraisals on all types of real estate regardless of complexity or transaction value and may perform appraisal consulting, if, and only if, performed in compliance with all state and federal laws, rules and regulations pertaining to the appraisal assignment;

(B) State-certified residential real estate appraisers may perform appraisals on residential real estate of one to four (1–4) residential units without regard to transaction value or complexity and may perform appraisal consulting in the area of residential real estate, if, and only if, performed in compliance with all state and federal laws, rules

and regulations pertaining to the appraisal assignment. This designation permits the appraisal of vacant or unimproved land that may be utilized for one- to four- (1–4) family purposes. This certification does not permit the appraisal of subdivisions or of agricultural real estate. Individual parcels of property located within a residential subdivision shall be considered residential real estate. For all other appraisals, the appraisal report shall be signed by the state-certified residential real estate appraiser and a state-certified general real estate appraiser. For the purposes of this rule, “agricultural real estate” shall be defined as improved or unimproved land with a highest and best use and primary purpose devoted to income production by crops, livestock and other products of the soil (fruit, pasture, timberland, etc).

(C) State-licensed real estate appraisers may perform appraisals of real property consisting of one (1) residential unit, if, and only if, performed in compliance with all state and federal laws, rules and regulations pertaining to the appraisal assignment. For all other appraisals, the appraisal report shall be signed by the state-licensed real estate appraiser and a state-certified real estate appraiser.

(4) A state-licensed or state-certified real estate appraiser shall be exempt from the provisions of section (3) of this rule if providing valuation services in a setting for which licensure or certification would not be required under section 339.501.5, RSMo. In all other instances, a real estate appraiser must comply fully with sections (1), (2) and (3) of this rule. Sections (1), (2) and (3) shall not be interpreted so as to except a real estate appraiser from compliance with the other sections.

(5) Prior to July 1, 2007, the provisions of section (3) of this rule shall not apply to any person that was certified or licensed as a real estate appraiser before the effective date of this rule.

AUTHORITY: section 339.509(5), RSMo 2000.* *This rule originally filed as 4 CSR 245-9.010. Original rule filed June 25, 2004, effective Feb. 28, 2005. Moved to 20 CSR 2245-9.010, effective Aug. 28, 2006.*

*Original authority: 339.509, RSMo 1990, amended 1998.

Article 41 – REAL ESTATE APPRAISERS

58-4101. Short title. This act shall be known and may be cited as the state certified and licensed real property appraisers act.

History: L. 1990, ch. 270, § 1; L. 1991, ch. 164, § 1; May 2.

58-4102. Definitions. As used in this act:

(a) "Appraisal" or "real estate appraisal" means an analysis, opinion or conclusion prepared by a real estate appraiser relating to the nature, quality, value or utility of specified interests in, or aspects of, identified real estate. An appraisal may be classified by subject matter into either a valuation or an analysis. A valuation is an estimate of the value of real estate or real property. An analysis is a study of real estate or real property other than estimating value.

(b) "Appraisal assignment" means an engagement for which an appraiser is employed or retained to act, or would be perceived by third parties or the public as acting, as a disinterested party in rendering an unbiased analysis, opinion or conclusion relating to the nature, quality, value or utility of specified interests in, or aspects of, identified real estate.

(c) "Broker's price opinion" and "comparative market analysis" means an analysis, opinion or conclusion prepared by an individual licensed as a real estate broker or salesperson pursuant to K.S.A. 58-3034 et seq., and amendments thereto, relating to the price of specified interests in or aspects of identified real estate property that is provided to a potential customer, client or third party in the ordinary course of business.

(d) "Board" means the real estate appraisal board established pursuant to the provisions of this act.

(e) "Federal law" means title XI of the financial institutions reform, recovery and enforcement act of 1989 (12 U.S.C. 3331 et seq.) and any other federal law, and any regulations adopted pursuant thereto.

(f) "Federally related transaction" means any real estate-related financial transaction which:

(1) A federal financial institutions regulatory agency or the resolution trust corporation engages in, contracts for or regulates; and

(2) requires the services of an appraiser.

(g) "Real estate" means an identified parcel or tract of land, including improvements, if any.

(h) "Real estate appraisal organization" means any nationally recognized organization of professional appraisers.

(i) "Real estate-related financial transaction" means any transaction involving:

(1) The sale, lease, purchase, investment in or exchange of real property, including interests in property or the financing thereof;

(2) the refinancing of real property or interests in real property;

(3) the use of real property or interests in property as security for a loan or investment, including mortgage-backed securities; or

(4) a federally related transaction.

(j) "Real property" means one or more defined interests, benefits and rights inherent in the ownership of real estate.

(k) "Specialized services" means those appraisal services which do not fall within the definition of appraisal assignment. Specified services may include valuation work and analysis work. Regardless of the intention of the client or employer, if the appraiser would be perceived by third parties or the public as acting as a disinterested party in rendering an unbiased analysis, opinion or conclusion, the work is classified as an appraisal assignment and not specialized services.

(l) A "state certified appraiser" means a person who develops and communicates real estate appraisals and who holds a current, valid certificate issued to such person under the provisions of this act.

(m) A "state licensed appraiser" means a person who develops and communicates real estate appraisals and holds a current, valid license issued to such person under the provisions of this act.

(n) "Written appraisal" means a written statement used in connection with a real estate-related financial transaction that is independently and impartially prepared by a licensed or certified appraiser setting

forth an opinion of defined value of an adequately described property as of a specific date, supported by presentation and analysis of relevant market information.

(o) "Appraiser" means a person who develops and communicates real estate appraisals for real estate-related financial transactions and holds a current valid certification or license issued to such person under the provisions of K.S.A. 58-4101 et seq., and amendments thereto.

History: L. 1990, ch. 270, § 2; L. 1991, ch. 164, § 2; L. 1993, ch. 267, § 1; L. 2008, ch. 153, § 2; July 1.

58-4103. Certification or licensure, when required; temporary certification or licensure; penalty for violations; exemptions. (a) Except as provided in subsection (b), no person, other than a state certified or licensed appraiser, shall:

(1) Engage in any written appraisal in connection with a real estate-related financial transaction;

(2) assume or use the title of state certified or licensed appraiser or any title, designation or abbreviation likely to create the impression of certification or licensure as a real estate appraiser by this state; or

(3) advertise or otherwise represent in any manner that such person is a state certified or licensed appraiser.

(b) The board shall recognize on a temporary basis the certification or license of an appraiser issued by another state if:

(1) The property to be appraised is part of a real estate-related financial transaction;

(2) the appraiser's business in this state is of a temporary nature; and

(3) the appraiser registers with the board, as prescribed by the board.

(c) Violation of subsection (a) is a class A nonperson misdemeanor.

(d) An individual who is not a state certified or licensed appraiser may assist in the preparation of an appraisal if:

(1) The assistant is under the direct supervision of an individual who is a state licensed or certified appraiser; and

(2) the final appraisal document is approved and signed by an individual who is a state certified or licensed appraiser.

(e) (1) The provisions of paragraph (1) of subsection (a) shall not be applicable to financial institutions engaging in real estate- related financial transactions and otherwise subject to K.S.A. 58-4101 et seq., and amendments thereto, when the following conditions are met:

(A) An employee of the financial institution conducts an appraisal as defined in subsection (a) of K.S.A. 58-4102, and amendments thereto, or conducts an evaluation in accordance with state and federal banking regulations; and

(B) when the loan that is the subject of such appraisal is not intended to be sold in the secondary market and is intended to be held by the financial institution for the life of the loan.

(2) If the financial institution disposes of the loan granted under paragraph (1)(B) of this subsection in the secondary market, such financial institution shall be required to obtain an appraisal by a state licensed or certified appraiser as required by paragraph (1) of subsection (a). The employee of the financial institution that conducted the prior appraisal shall not be considered to be an appraiser under the law unless such person is a state certified or licensed appraiser.

(f) The provisions of paragraph (1) of subsection (a) shall not preclude an individual licensed as a real estate broker or salesperson pursuant to K.S.A. 58-3034 et seq., and amendments thereto, from performing and providing a comparative market analysis or broker's price opinion to a customer, client or third party for compensation in the ordinary course of business. In no event shall such comparative market analysis or broker's price opinion be referred to as an appraisal nor shall such individual represent such individual's self as a certified or licensed appraiser under this act unless such person is a state certified or licensed appraiser.

(g) The provisions of paragraph (1) of subsection (a) shall not preclude an individual licensed as a certified public accountant pursuant to K.S.A. 1-301 et seq., and amendments thereto, from performing and providing services as a certified public accountant or as otherwise allowed by law. In no event shall any report by a certified public accountant be referred to as an appraisal nor shall such certified public accountant

represent such individual's self as a state certified or licensed appraiser unless such certified public accountant is a state certified or licensed appraiser.

(h) The provisions of paragraph (1) of subsection (a) shall not preclude an individual licensed as an attorney pursuant to K.S.A. 7-103 et seq., and amendments thereto, from performing and providing services as an attorney or as otherwise allowed by law. In no event shall any report by an attorney be referred to as an appraisal nor shall such attorney represent such individual's self as a state certified or licensed appraiser unless such attorney is a state certified or licensed appraiser.

(i) The provisions of paragraph (1) of subsection (a) shall not be applicable to employees of the Kansas department of transportation performing appraisals for the department for the purpose of real property acquisition or disposal of real property by the department. In no event shall such employee performing such appraisal represent such individual's self as a state certified or licensed appraiser unless such employee is a state certified or licensed appraiser.

(j) The provisions of paragraph (1) of subsection (a) shall not preclude an individual licensed as an insurance agent pursuant to K.S.A. 40-4901 et seq., and amendments thereto, or an individual retained by an insurance company, while acting within the scope of the Kansas insurance code, from performing and providing services as an insurance agent or an individual retained by an insurance company as otherwise allowed by law. In no event shall any report by an insurance agent or an individual retained by an insurance company be referred to as an appraisal nor shall such insurance agent or an individual retained by an insurance company represent such individual's self as a state certified or licensed appraiser unless such employee is a state certified or licensed appraiser.

History: L. 1990, ch. 270, § 3; L. 1991, ch. 164, § 3; L. 2008, ch. 153, § 3; July 1.

58-4104. Real estate appraisal board; establishment. (a) There is hereby established the real estate appraisal board.

(b) The board shall consist of seven members appointed by the governor. At least one member of the board shall represent the general public, at least two shall represent financial institutions and at least three shall be real estate appraisers. Upon expiration of the terms of the first members appointed to the board and thereafter: (1) No real estate appraiser member of the board shall be eligible to serve unless such member is a state certified or licensed appraiser; and (2) at least one appraiser member shall be a certified general real property appraiser. Any member representing the general public shall not be affiliated with any financial institution or in the practice of real estate appraising.

(c) Members of the board shall serve for terms of three years except that, of the members first appointed to the board, two shall serve for terms of two years and two shall serve for terms of one year, as designated by the governor. Upon expiration of a members term, the member shall continue to hold office until the appointment and qualification of a successor. No person shall serve as a member of the board for more than two consecutive terms.

(d) The governor may remove a member of the board for cause.

(e) The board shall hold meetings and hearings in the city of Topeka or at such times and places as it designates, on call of the chairperson or on request of two or more members.

(f) The members of the board shall select a chairperson from among the members to preside at board meetings.

(g) A quorum of the board shall be four members.

(h) Each member of the board shall be paid compensation, subsistence allowances, mileage and other expenses as provided in K.S.A. 75-3223 and amendments thereto for attendance at any meeting of the board or any subcommittee meeting authorized by the board.

History: L. 1990, ch. 270, § 4; L. 1991, ch. 164, § 4; L. 1992, ch. 12, § 1; L. 1992, ch. 257, § 1; L. 1993, ch. 267, § 2; Oct. 1.

58-4105. Real estate appraisal board; powers; requirements for certification. (a) The board may adopt such rules and regulations as necessary to implement, administer and enforce the provisions of this act.

(b) The board shall:

- (1) Approve courses of instruction to meet requirements of this act and monitor approved courses;
- (2) adopt rules and regulations prescribing policies and procedures for obtaining board approval of courses, monitoring approved courses and withdrawing board approval of courses;
- (3) administer, or designate a testing service to administer, examinations required by this act;
- (4) receive and approve or disapprove applications for certification and licensure and renewal of certificates and licenses and issue certificates and licenses after approval of application;
- (5) receive and approve or disapprove applications to place certificates or licenses on inactive status;
- (6) receive and approve or disapprove applications for reinstatement of active status of certificates or licenses;
- (7) maintain a registry of the names and addresses of persons certified and licensed under this act and transmit the registry to the appraisal subcommittee of the federal financial institutions examination council on an annual basis in accordance with federal law;
- (8) maintain all records submitted to the board;
- (9) collect fees prescribed pursuant to K.S.A. 58-4107, and amendments thereto;
- (10) review from time to time the standards for the development and communication of real estate appraisals provided for in this act and to adopt rules and regulations explaining and interpreting the standards; and
- (11) perform such other functions and duties as necessary to carry out the provisions of this act.

(c) The board shall maintain an office in the city of Topeka. The board shall employ a director, who shall keep a record of all proceedings, hearings, meetings, communications and official acts of the board and perform such other duties as the board requires. The director shall be in the unclassified service under the Kansas civil service act and shall receive compensation fixed by the board. The board may employ such other employees as necessary, who shall be in the classified service under the Kansas civil service act. The board may make such other expenditures as necessary to properly carry out the provisions of this act. The board may enter into such contracts for the services of attorneys and appraisers as necessary to administer and enforce the provisions of this act.

(d) In connection with any investigation, based upon a written complaint or other reasonably reliable written information received by the board, the board or its duly authorized agents or employees may apply to the district court in accordance with the provisions of K.S.A. 60-245 or 60-245a, and amendments thereto, whichever is applicable, for the issuance of subpoenas compelling the attendance and testimony of witnesses or the production for examination or copying of documents or any other physical evidence if such evidence relates to practices which may be grounds for disciplinary action.

History: L. 1990, ch. 270, § 5; L. 1991, ch. 164, § 5; L. 1993, ch. 267, § 4; L. 2007, ch. 96, § 2; July 1.

58-4107. Fees. (a) The board shall adopt rules and regulations prescribing the fees provided for by this act in amounts necessary to administer and enforce this act, subject to the following:

(1) For application for certification or licensure, a fee not to exceed \$50.

(2) For any examination required for certification or licensure, a fee in an amount equal to the actual cost of the examination and administration thereof.

(3) For original or renewal certification or licensure, a fee not to exceed \$300.

(4) For late renewal of a certificate or license, a late fee not to exceed \$50.

(5) For certification to another jurisdiction that an individual is certified or licensed, an amount not exceeding \$25.

(6) For approval of a course of instruction approved pursuant to K.S.A. 58-4105, and amendments thereto, an amount not to exceed \$100.

(7) For renewal of a course of instruction approved pursuant to K.S.A. 58-4105, and amendments thereto, an amount not to exceed \$25.

(8) For reinstatement of active status of a certificate or license, a fee not to exceed \$50.

If a certificate or license is issued or renewed for a period other than one year, the fee shall be prorated to the nearest whole month.

(b) The board may prescribe a fee not to exceed \$50 for registration of an appraiser pursuant to subsection (b) of K.S.A. 584 103, and amendments thereto.

(c) The board may establish different classes of courses of instruction for the purpose of establishing fees pursuant to subsections (a)(6) and (7) and may establish a different fee for each such class.

(d) In addition to the fees prescribed above, the board shall collect any registry fee required pursuant to federal law. Such registry fees shall be transmitted by the board to the appraisal subcommittee of the federal financial institutions examination council in accordance with federal law.

(e) Except as provided in subsection (f), the board shall collect all fees provided for by this act. No original or renewed certificate or license shall be issued unless all appropriate fees, including any federal registry fee, have been paid.

(f) If a testing service has been designated by the board to administer the examination, each applicant shall pay the examination fee to the testing service.

(g) The director of the board shall remit all moneys, received pursuant to this act to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury. Ten percent of each such deposit, other than amounts collected for federal registry fees or for civil fines imposed pursuant to K.S.A. 58-4118, and amendments thereto, shall be credited to the state general fund and the balance shall be credited to the appraiser fee fund, which is hereby created in the state treasury. All expenditures from such fund shall be made in accordance with appropriations acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the chairperson of the board or by a person or persons designated by the chairperson.

(h) All amounts collected for federal registry fees shall be credited totally to the federal registry clearing fund, which is hereby created in the state treasury. All disbursements from the federal registry clearing fund shall be made upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the chairperson of the board or by a person or persons designated by the chairperson. Amounts credited to the federal registry clearing fund under this section shall not be subject to any limitations imposed by any appropriations act of the legislature.

History: L. 1990, ch. 270, § 7; L. 1991, ch. 164, § 7; L. 1992, ch. 12, § 3; L. 1993, ch. 267, § 5; L. 2001, ch. 5, §204; L. 2007, ch. 96, § 3; L. 2011, ch. 53, § 26; July 1.

58-4108. Application for certification, licensure or examination. (a) Applications for original certification and licensure and renewal of certificates and licenses shall be made in writing to the board on forms approved by the board and shall be accompanied by the appropriate fees prescribed pursuant to K.S.A. 58-4107 and amendments thereto.

(b) Applications for examination shall be made in writing to the board on forms approved by the board and shall be accompanied by the appropriate fee prescribed pursuant to K.S.A. 58-4107 and amendments thereto. If a testing service has been designated by the board to administer the examination, applicants for examination shall be made in writing to the testing service on forms approved by the testing service.

(c) At the time of filing an application for certification or licensure, each applicant shall sign a statement agreeing to comply with the standards set forth in this act and stating that the applicant understands the types of misconduct for which disciplinary proceedings may be initiated against a state certified or licensed appraiser, as set forth in this act.

History: L. 1990, ch. 270, § 8; L. 1991, ch. 164, § 8; L. 1993, ch. 267, § 6; Oct. 1.

58-4109. Classes of appraisers. (a) There is hereby established the following classes of real property appraisers:

- (1) State licensed real property appraiser classification;
- (2) certified general real property appraiser classification;
- (3) certified residential real property appraiser classification; and
- (4) state provisional licensed real property appraiser classification.

(b) The board may establish, by rules and regulations, such other classifications as permitted by federal law.

(c) The board shall adopt rules and regulations, consistent with requirements and criteria adopted pursuant to federal law, to:

- (1) Define each classification;
- (2) establish education and experience requirements for each classification;
- (3) establish examination specifications for each classification; and
- (4) establish continuing education requirements for renewal of each classification.

(d) In adopting rules and regulations pursuant to subsection (c), the board shall determine the education, experience and examination requirements necessary to provide appropriate assurance that an applicant for certification or licensure is competent to perform appraisals within the scope of practice of the appraisal work authorized for the classification applied for and that persons renewing their certificates or licenses have current knowledge of real property appraisal theory, practices and techniques which will provide a high degree of service and protection to those members of the public with whom they deal. In making such determination, the board shall take into consideration the following:

(1) Appropriate knowledge of technical terms commonly used in or related to real estate appraising, appraisal report writing and economic concepts applicable to real estate;

(2) understanding of the principles of land economics, real estate appraisal processes and problems likely to be encountered in gathering, interpreting and processing data in carrying out appraisal disciplines;

(3) understanding of the standards for the development and communication of real estate appraisals as provided in this act;

(4) knowledge of theories of depreciation, cost estimating, methods of capitalization and mathematics of real estate appraisal that are appropriate for the classification applied for;

(5) knowledge of such other principles and procedures as may be appropriate for the respective classifications;

(6) basic understanding of real estate law;

(7) understanding of the types of misconduct for which disciplinary proceedings may be initiated against a state certified or licensed appraiser, as set forth in this act;

(8) the requirements of federal law; and

(9) such other matters as the board determines appropriate and relevant.

(e) The application for original certification or licensure and examination shall specify the classification being applied for.

History: L. 1990, ch. 270, § 9; L. 1991, ch. 164, § 9; L. 1993, ch. 267, § 7; L. 1994, ch. 241, § 1; L. 2005, ch. 179, § 20; July 1.

58-4110. Expiration of certificates and licenses. Certificates and licenses issued pursuant to this act shall expire annually on June 30. The expiration date of the certificate or license shall appear on the certificate and no other notice of its expiration need be given to its holder.

History: L. 1990, ch. 270, § 10; L. 1991, ch. 164, § 10; May 2.

58-4111. Reciprocal certification and licensure. If, in the determination of the board, another state has certification and licensure requirements substantially equivalent to those of this state, an applicant who is certified or licensed under the laws of the other state may obtain certification or licensure under this act upon such terms and conditions as prescribed by the board.

History: L. 1990, ch. 270, § 11; L. 1991, ch. 164, § 11; May 2.

58-4112. Real estate appraisers; renewal of certificate or license. (a) To obtain renewal of a certificate or license, the holder of a current, valid certificate or license shall make application for renewal on a form provided by the board and pay the fee prescribed pursuant to K.S.A. 58-4107, and amendments thereto, to the board not earlier than 120 days nor later than 30 days prior to the expiration date of the certificate or license then held. With the application for renewal, the applicant shall present evidence in the form prescribed by the board of having completed the continuing education requirements for renewal specified in this act.

(b) If a person fails to apply for renewal prior to the date provided by subsection (a), the person may obtain renewal of a certificate or license if the person, not later than three months after expiration of the certificate or license, satisfies all of the requirements for renewal and pays the renewal and late fees prescribed pursuant to K.S.A. 58-4107, and amendments thereto.

History: L. 1990, ch. 270, § 12; L. 1991, ch. 164, § 12; L. 1993, ch. 267, § 8; L. 1996, ch. 75, § 1; L. 2007, ch. 96, § 4; July 1.

58-4112a. Real estate appraisers; inactive status. (a) Except as provided by subsection (f), the holder of a certificate or license may request that such certificate or license be placed on inactive status for a period not to exceed two years. Such request shall be submitted to the board on an application form prescribed by the board.

(b) The holder of a certificate or license that has been placed on inactive status shall pay the renewal fee required by K.S.A. 58-4107, and amendments thereto, while such certificate or license is on inactive status.

(c) The holder of a certificate or license which has been placed on inactive status shall not:

(1) Assume or use any title designation or abbreviation likely to create the impression that such person holds an active certificate or license issued by the board;

(2) describe or refer to any appraisal or evaluation of real estate by the term state certified or state licensed or words of substantially similar meaning; or

(3) prepare real estate appraisals for federally related transactions which, under title XI of the financial institutions reform, recovery and enforcement act of 1989 require the services of a state certified or licensed appraiser.

(d) The holder of a certificate or license that has been placed on inactive status may request that such certificate or license be reinstated to active status. The request shall be submitted to the board on an application form prescribed by the board and shall be accompanied by the reinstatement fee required by K.S.A. 58-4107, and amendments thereto, and the federal registry fee. An applicant for reinstatement shall provide evidence of completion of continuing education hours required by the board.

(e) The holder of any certificate or license which has been placed on inactive status for more than two years shall be required to meet all the requirements for original issuance of a certificate or license.

(f) A certificate or license issued to a person as trainee appraiser shall not be eligible to be placed on inactive status.

History: L. 2007, ch. 96, § 1; July 1.

58-4113. Denial of certificate or license. (a) The board may refuse to issue or renew a certificate or license on any applicable grounds enumerated in K.S.A. 58-4118 and amendments thereto.

(b) If the board, after an application for certification or licensure or renewal of a certificate or license has been filed with the proper form, accompanied by the proper fee, denies the application, the board shall give notice to the applicant setting forth the reasons for such refusal. Such notice and an opportunity to be heard shall be given in accordance with the provisions of the Kansas administrative procedure act, unless the application is denied solely because of the applicants failure to pass a required examination.

History: L. 1990, ch. 270, § 13; L. 1991, ch. 164, § 13; May 2.

58-4114. Appraisers address; notice to commission. (a) Each state certified or licensed appraiser shall advise the board of the address of the appraisers principal place of business and all other addresses at which the appraiser is currently engaged in the business of preparing real property appraisal reports.

(b) When a state certified or licensed appraiser changes a place of business, the appraiser shall immediately give written notice of the change to the board.

(c) Each state certified or licensed appraiser shall notify the board of the appraisers current residence address. Residence addresses on file with the board are exempt from disclosure as public records.

History: L. 1990, ch. 270, § 14; L. 1991, ch. 164, § 14; L. 1993, ch. 267, § 9; Oct. 1.

58-4115. Certificate or license; number required, when. (a) Each certificate and license issued under authority of this act shall include the classification for which the appraiser has qualified and shall bear the signature or facsimile signature of the chairperson of the board and a certificate or license number assigned by the board.

(b) Each state certified or licensed appraiser shall designate the appraisers classification on any appraisal report or in any contract or other instrument used by the appraiser in conducting real property appraisal activities and shall place the appraisers certificate or license number adjacent to or immediately below the classification.

History: L. 1990, ch. 270, § 15; L. 1991, ch. 164, § 15; L. 1993, ch. 267, § 10; Oct. 1.

58-4116. Certification and licensure limited to individuals. (a) The term "state certified appraiser" or "state licensed appraiser" may be used only to refer to individuals who hold a certificate or license issued pursuant to this act and may not be used following or immediately in connection with the name or signature of a firm, partnership, corporation or group, or in such manner that it might be interpreted as referring to a firm, partnership, corporation, group or anyone other than an individual holder of the certificate or license.

(b) No certificate or license shall be issued under the provisions of this act to a corporation, partnership, firm or group. This shall not be construed to prevent a state certified or licensed appraiser from signing an appraisal report on behalf of a corporation, partnership, firm or group practice.

History: L. 1990, ch. 270, § 16; L. 1991, ch. 164, § 16; May 2.

58-4117. Continuing education. (a) As a prerequisite to renewal of a certificate or license, the appraiser shall present evidence satisfactory to the board of having met the continuing education requirements.

(b) The basic continuing education requirement for renewal of a certificate or license shall be the completion by the applicant, during the immediately preceding term of certification or licensure, of the number of hours of classroom instruction which have been established pursuant to K.S.A. 58-4109 and amendments thereto and which have received the approval of the board.

(c) No amendment or repeal of a rule and regulation adopted by the board shall operate to deprive an applicant of credit toward renewal of a certificate or license for any course of instruction completed by the applicant prior to the amendment or repeal of the rule and regulation which would have qualified for continuing education credit under the rule and regulation as it existed prior to the repeal or amendment.

(d) A certificate or license that has been revoked as a result of disciplinary action by the board shall not be reinstated unless the applicant presents evidence of completion of the continuing education required pursuant to this act.

History: L. 1990, ch. 270, § 17; L. 1991, ch. 164, § 17; L. 2008, ch. 153, § 4; July 1.

58-4118. Revocation, condition, limitation or suspension of certificate or license or other disciplinary action; non- licensed persons; civil fine; cease and desist order. (a) The board may investigate the actions of a state certified or licensed appraiser and may revoke, condition, limit or suspend the certificate or license of the appraiser, or censure the appraiser, for any of the following acts or omissions:

- (1) Procuring or attempting to procure a certificate or license pursuant to this act by knowingly making a false statement, submitting false information, refusing to provide complete information in response to a question in an application for certification or licensure or any form of fraud or misrepresentation;
 - (2) failing to meet the minimum qualifications established by this act;
 - (3) paying money, other than provided for by this act, to any member or employee of the board to procure a certificate or license under this act;
 - (4) a plea of guilty or nolo contendere to, or conviction of:
 - (A) Forgery, embezzlement, obtaining money under false pretenses, larceny, extortion, conspiracy to defraud or any other similar offense;
 - (B) a crime involving moral turpitude; or
 - (C) any felony charge;
 - (5) an act or omission involving dishonesty, fraud or misrepresentation, with the intent to substantially benefit the appraiser or another person or with the intent to substantially injure another person;
 - (6) violation of any of the standards for the development or communication of real estate appraisals as provided in this act;
 - (7) failure or refusal without good cause to exercise reasonable diligence in developing an appraisal, preparing an appraisal report or communicating an appraisal;
 - (8) negligence or incompetence in developing an appraisal, preparing an appraisal report or communicating an appraisal;
 - (9) willfully disregarding or violating any provision of this act or rules and regulations of the board for the administration and enforcement of the provisions of this act;
 - (10) accepting an appraisal assignment, described in K.S.A. 58-4122, and amendments thereto, when the employment itself is contingent upon the appraiser reporting a predetermined estimate, analysis or opinion, or when the fee to be paid is contingent upon the opinion, conclusion or valuation reached, or upon the consequences resulting from the appraisal assignment;
 - (11) violating the confidential nature of governmental records to which the appraiser gained access through employment or engagement as an appraiser by a governmental agency;
 - (12) entry of a final civil judgment against the person on grounds of fraud, misrepresentation or deceit in the making of any appraisal of real property;
 - (13) disciplinary action in relation to appraisal work, including, but not limited to, denial, revocation or suspension of a license or certificate by another state, district or territory of the United States or another country; or
 - (14) receipt of an order of prohibition in relation to appraisal work, by consent or otherwise, issued by an agency of the federal government.
- (b) In addition to or in lieu of any other administrative, civil or criminal remedy provided by law, the board upon a finding that a state certified or licensed appraiser has violated any provision of this act or of any rules and regulations adopted hereunder or upon a finding that a person who is not a state certified or licensed appraiser has violated any provision of subsection (a) of K.S.A. 58-4103, and amendments thereto, may impose upon such appraiser or such person a civil fine not exceeding \$1,000 for each violation. All moneys collected by the board from such fines shall be remitted to the state treasurer in accordance with the

provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury to the credit of the state general fund.

(c) In a disciplinary proceeding based upon a civil judgment, the appraiser shall be afforded an opportunity to present matters in mitigation and extenuation but may not collaterally attack the civil judgment.

(d) If the board determines that a person has violated any provision of subsection (a) of K.S.A. 58-4103, and amendments thereto, in addition to any other penalties imposed by law, the board may issue a cease and desist order against such person.

(e) All administrative proceedings pursuant to this section shall be conducted in accordance with the Kansas administrative procedure act.

History: L. 1990, ch. 270, § 18; L. 1991, ch. 164, § 18; L. 1993, ch. 267, § 11; L. 1997, ch. 48, § 1; L. 2001, ch. 5 § 205; L. 2008, ch. 153, § 5; July 1.

58-4119. Hearings, costs. (a) The costs incurred by the board in conducting any proceeding under the Kansas administrative procedure act may be assessed against the appraiser or applicant if the order of the board is adverse to the appraiser or applicant in such proportion as the board determines upon consideration of all relevant circumstances including the nature of the proceeding and the level of participation by the parties. The board may reduce any such assessment to judgment by filing a petition in the district court of Shawnee county. No certificate or license shall be reinstated, renewed or issued if an assessment for costs has not been paid by the applicant or appraiser. If the board is the unsuccessful party, the costs shall be paid from the real estate appraisal board fee fund.

(b) For purposes of this section "costs" means the fees and expenses of the presiding officer, costs of making and preparing the record, witness fees and expenses, mileage, travel allowances and subsistence expenses of board employees and fees and expenses of agents of the board who provide services to the board. "Costs" shall not mean fees and expenses or costs of making and preparing the record unless the board has designated or retained the services of the office of administrative hearings to perform such functions.

(c) The board shall make any assessment of costs incurred as part of the final order rendered in the proceeding. Such order shall include findings and conclusions in support of the assessment of costs.

History: L. 1990, ch. 270, § 19; L. 1991, ch. 164, § 19; L. 2007, ch. 96, § 5; July 1.

58-4120. Judicial review of board action. Any person aggrieved by an order of the board may appeal the order in accordance with the provisions of the Kansas judicial review act.

. **History:** L. 1990, ch. 270, § 20; L. 2010, ch. 17, § 108; July 1.

58-4121. Appraisal practice standards. A state certified or licensed appraiser shall comply with the 2014-2015 edition of the uniform standards of professional appraisal practice promulgated pursuant to federal law or later versions as established in rules and regulations adopted by the board.

History: L. 1990, ch. 270, § 21; L. 1991, ch. 164, § 20; L. 2014, ch. 108, § 2; July 1.

58-4122. Employment of certified or licensed appraiser, purpose. A client or employer may retain or employ a state certified or licensed appraiser to act as a disinterested third party in rendering an unbiased estimate of value or analysis. A client or employer may also retain or employ a state certified or licensed appraiser to provide specialized services to facilitate the clients or employers objectives. In either case, the appraisal and the appraisal report must comply with the provisions of this act.

History: L. 1990, ch. 270, § 22; L. 1991, ch. 164, § 21; May 2.

58-4123. Appraisers records, retention and board access; consent to inspection.

(a) A state certified or licensed appraiser shall retain for five years originals or true copies of all written contracts engaging the appraisers services for real property appraisal work and all reports and supporting data assembled and formulated by the appraiser in preparing the reports.

(b) The five-year period for retention of records is applicable to each engagement of the services of the appraiser and shall commence upon the date of the submittal of the appraisal to the client unless, within such five-year period, the appraiser is notified that the appraisal or report is involved in litigation, in which event the five-year period for the retention of records shall commence upon the date of the final disposition of such litigation.

(c) All records required to be maintained under the provisions of this act shall be made available by the appraiser for inspection and copying by the board on reasonable notice to the appraiser.

(d) The application for or acceptance of a license or certificate shall be deemed conclusively to be the consent of the applicant, licensee or certificate holder to the right of inspection of appraisal records, reports and supporting data by the board or the boards authorized representative, upon prior notice which shall not be less than three days, during normal business hours unless otherwise agreed. Each applicant or appraiser shall grant full access to all appraisal records, reports and supporting data which pertain to the application process or to a complaint investigation. Such inspection may be conducted by the board or the boards representative. Refusal of such inspection shall be grounds for denial, suspension or revocation of the license or certificate.

History: L. 1990, ch. 270, § 23; L. 1991, ch. 164, § 22; L. 1997, ch. 48, § 2; July 1.

58-4124. Mandatory licensure or certification, study and recommendations by board. Not more than two years after the effective date of this act, the board shall hold public hearings to address the question of implementation of mandatory licensing or certification of appraisers. Such hearings shall be held at such reasonable times and places as to provide adequate opportunity for input by all interested parties. At the end of the two-year period, the board will present evidence of the hearings and make a recommendation to the legislature, based upon the results of the hearings, as to whether mandatory licensing or certification should be implemented. If the board determines that the hearings show the need for mandatory licensing or certification of appraisers, the board shall draft such legislation and request its introduction by an appropriate committee of the legislature.

History: L. 1990, ch. 270, § 24; April 19.

58-4125. Severability. If any provision of this act or its application to any person or in any circumstance is declared by a court of competent jurisdiction to be invalid or unenforceable, provisions constituting the remainder of the act and the application of those provisions to other persons and in other circumstances shall not be affected.

History: L. 1990, ch. 270, § 25; April 19.

- 58-4127. Fingerprints; criminal history record check.** (a) The real estate appraisal board may require the following individuals to be fingerprinted and submit to a state and national criminal history record check:
- (1) An individual applying for: (A) An original license or certification; (B) licensure by reciprocity or endorsement; or (C) renewal of a license or certification; or
- (2) a currently licensed or certified individual, if necessary, to investigate a complaint or if required by the appraisal subcommittee.
- (b) The fingerprints shall be used to identify the individual and to determine whether the individual has a record of criminal history in this state or other jurisdiction. The board is authorized to submit the fingerprints to the Kansas bureau of investigation and the federal bureau of investigation for a state and national criminal history record check. The board may use the information obtained from the fingerprinting and the individual's criminal history for purposes of verifying the identification of any individual and in the official determination of the qualifications and fitness of the individual to be issued, to maintain or to renew a license or certification.
- (c) Local and state law enforcement officers and agencies shall assist the board in taking and processing fingerprints of individuals as required by this section and shall release all records of adult convictions to the board. Local law enforcement officers and agencies may charge a fee as reimbursement for expenses incurred in taking and processing fingerprints under this section.
- (d) The board may fix and collect a fee in an amount necessary to reimburse the board for the cost of fingerprinting and the criminal history record check. The board is hereby authorized to adopt rules and regulations pertaining to such fee.
- (e) This section shall be part of and supplemental to the state certified and licensed real property appraisers act.

History: L. 2014, ch. 108, § 1; July 1.

- 117-1-1. Definitions.** (a) "Act" means the state certified and licensed real property appraisers act.
- (b) "Appraisal foundation" means the appraisal foundation established on November 30, 1987 as a not-for-profit corporation under the laws of Illinois.
- (c) "Appraiser" means a state licensed or certified appraiser.
- (d) "Board" means real estate appraisal board.
- (e) "Classroom hour" means 50 minutes within a 60-minute segment. This definition reflects the traditional educational practice of having 50 minutes of instruction and 10 minutes of break time for each scheduled hour of instruction. The prescribed number of classroom hours shall include time devoted to examinations, which are considered to be part of the course.
- (f) "Course" means any educational offering.
- (g) "Course objectives" means the board's document titled "supervisory appraiser/trainee appraiser course objectives and outline," dated September 3, 2014, which is hereby adopted by reference.
- (h) "Distance education" means any type of education during which the student and instructor are geographically separated.
- (i) "General classification" means the certified general real property appraiser classification.
- (j) "Good standing" means that both of the following conditions are met:
- (1) The appraiser is not currently subject to a consent agreement or other comparable document that affects the appraiser's legal eligibility to engage in appraisal practice by an appraisal regulatory agency in this or any other jurisdiction.
- (2) The appraiser is not currently subject to a summary order or final order that affects the appraiser's legal eligibility to engage in appraisal practice by an appraisal regulatory agency in this or any other jurisdiction.
- (k) "Licensed classification" means the state licensed real property appraiser classification.
- (l) "National uniform standards of professional appraisal practice course" means the uniform standards of professional appraisal practice course developed by the appraisal foundation.
- (m) "Provisional classification" means the state provisional licensed real property appraiser classification.
- (n) "Residential classification" means the certified residential real property appraiser classification.
- (o) "Sponsor" means any of the following entities, which may request course approval from the board or offer a course approved by the board for credit toward any education requirement of the act:
- (1) Colleges or universities;
- (2) community or junior colleges;
- (3) real estate appraisal or real estate-related organizations;
- (4) state or federal agencies or commissions;
- (5) proprietary schools;
- (6) other providers approved by the board; and
- (7) the appraisal foundation or its board. (Authorized by and implementing K.S.A. 2016 Supp. 58-4105; effective Jan. 21, 1991; amended, T-117-6-10-91, June 10, 1991; amended Aug. 5, 1991; amended May 24, 1993; amended Aug. 15, 1994; amended May 3, 1996; amended May 23, 2003; amended Jan. 1, 2008; amended April 17, 2009; amended June 17, 2016; amended May 26, 2017.)

117-2-1. Licensed classification; education requirements. (a) Each applicant shall meet the following requirements:

- (1) Have received credit for 150 classroom hours in the following subjects, as specified:
 - (A) 30 classroom hours in basic appraisal principles;
 - (B) 30 classroom hours in basic appraisal procedures;
 - (C) 15 classroom hours in the national uniform standards of professional appraisal practice (USPAP) course or its equivalent. The applicant shall be required to pass this examination. There shall be no alternative to successful completion of the USPAP course and examination;
 - (D) 15 classroom hours in market analysis and highest and best use;
 - (E) 15 classroom hours in residential appraisal site valuation and cost approach;
 - (F) 30 classroom hours in residential sales comparison and income approaches; and
 - (G) 15 classroom hours in residential report writing and case studies; and
 - (2) provide evidence, satisfactory to the board, of one of the following:
 - (A) Successful completion of courses approved by the board as specified in paragraph (a)(1); or
 - (B) successful completion of courses not approved by the board, with evidence that the education covered all of the requirements specified in paragraph (a)(1).
- (b) Credit toward the education requirements specified in paragraph (a)(1) may also be obtained by completing a degree in real estate from an accredited degree-granting college or university approved by the association to advance collegiate schools of business or a national accreditation agency recognized by the U.S. secretary of education or Kansas board of regents if the college or university has had its curriculum reviewed and approved by the appraiser qualifications board (AQB).
- (c) Classroom hours may be obtained only if both of the following conditions are met:
- (1) The minimum length of the educational offering is at least 15 classroom hours.
 - (2) The applicant successfully completes an approved closed-book examination pertinent to that educational offering.
- (d) A distance education course may be deemed to meet the classroom hour requirement specified in paragraph (a)(1) if all of the following conditions are met:
- (1) The course provides an environment in which the student has verbal or written communication with the instructor.
 - (2) The sponsor obtains course content approval from any of the following:
 - (A) The appraiser qualifications board;
 - (B) an appraiser licensing or certifying agency in this or any other state; or
 - (C) an accredited college, community college, or university that offers distance education programs and is approved or 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 or the Kansas board of regents. Each non-academic credit college course provided by a college shall be approved by the appraiser qualifications board or the appraiser licensing or certifying agency in this or any other state.
 - (3) The course design and delivery are approved by one of the following sources:
 - (A) An appraiser qualifications board-approved organization;
 - (B) a college that qualifies for course content approval as specified in paragraph (d)(2)(C) and awards academic credit for the distance education course; or
 - (C) a college that qualifies for course content approval as specified in paragraph (d)(2)(C) with a distance education delivery program that approves the course design and includes a delivery system incorporating interactivity.
- (e) Each distance education course intended for use as qualifying education shall include a written examination proctored by an official approved by the college or university or by the sponsor.

(f) Any applicant who has completed two or more courses generally comparable in content, meaning topics covered, may receive credit only for the longest of the comparable courses completed. The national uniform standards of professional appraisal practice (USPAP) course taken in different years shall not be considered repetitive.

(Authorized by and implementing K.S.A. 58-4109; effective Jan. 21, 1991; amended, T-117-6-10-91, June 10, 1991; amended Aug. 5, 1991; amended May 24, 1993; amended Jan. 9, 1998; amended March 26, 1999; amended May 23, 2003; amended Jan. 1, 2008; amended April 16, 2010; amended Jan. 1, 2015; amended Nov. 30, 2018.)

117-2-2. Licensed classification; appraisal experience requirement. (a)(1) Each applicant for the licensed classification shall have 1,000 hours of appraisal experience obtained in at least six months.

(2) At least six hours of real property appraisal experience shall be on an improved property.

(3) Acceptable appraisal experience shall include at least 750 hours of real property appraisal experience.

(4) Acceptable appraisal experience may include an aggregate maximum of 250 experience hours in the following appraisal categories:

- (A) Mass appraisal;
- (B) real estate consulting;
- (C) review appraisal;
- (D) highest and best use analysis; and
- (E) feasibility analysis study.

(5) Experience hours may be granted for appraisals performed without a traditional client. However, appraisal experience gained from work without a traditional client shall not exceed 50 percent of the total appraisal experience requirement. Practicum courses that are approved by the appraiser qualifications board's course-approval program or by a state appraiser regulatory agency may also be used to meet the requirement for non-traditional client experience. Each practicum course shall include the generally applicable methods of appraisal practice for the licensed classification. The course content shall include the following:

(A) Requiring the student to produce credible appraisals that utilize an actual subject property;
(B) performing market research containing sales analysis; and
(C) applying and reporting the applicable appraisal approaches in conformity with the uniform standards of professional appraisal practice.

Each assignment shall require problem-solving skills for a variety of property types for the licensed classification. Experience credit shall be granted for the actual number of classroom hours of instruction and hours of documented research and analysis as awarded from the practicum course approval process.

(6) For the purposes of this regulation, "traditional client" shall mean a client who hires an appraiser for a business purpose.

(b) All appraisal experience shall be in compliance with the uniform standards of professional appraisal practice (USPAP), as required by K.S.A. 58-4121 and amendments thereto. Each applicant's experience shall be appraisal work conforming to standards 1, 2, 3, 5, and 6, in which the applicant demonstrates proficiency in the appraisal principles, methodology, procedures, and reporting conclusions.

(c) The real property appraisal experience requirement specified in paragraph (a)(3) shall be met by time involved in the appraisal process. The appraisal process shall consist of the following:

- (1) Analyzing factors that affect value;
- (2) defining the problem;
- (3) gathering and analyzing data;
- (4) applying the appropriate analysis and methodology; and
- (5) arriving at an opinion and correctly reporting the opinion in compliance with USPAP.

(d)(1) In order for the board to determine whether or not the experience requirements have been satisfied, each applicant shall submit appraisal experience log sheets, in a format prescribed by the board, listing the appraisal reports completed by the applicant within the five-year period preceding the date of application. Each appraisal report shall be signed by the applicant or the preparer of the report who supervised the applicant. If the applicant does not sign the appraisal report, the preparer shall indicate whether or not the applicant provided significant professional assistance in the appraisal process.

(2) Each applicant shall maintain a record of the actual number of hours involved in completing an appraisal. Unless the board approves a greater number of experience hours for a particular appraisal

based upon the unusually difficult or complex nature of the appraisal, the maximum number of experience hours for each appraisal shall be in accordance with the board's document titled "experience hours table," dated December 1, 2017, which is hereby adopted by reference.

(3) Each applicant shall maintain a separate log of appraisals completed with each supervising appraiser.

Each page of each supervised experience log shall include the certification number and the signature of the applicant's supervising appraiser, which shall serve as verification of the accuracy of the information.

(e) Upon request of the board, each applicant shall submit at least three appraisal reports selected by the board from the applicant's log sheet and one appraisal report selected by the applicant from the log sheet. The selected appraisal reports shall be reviewed in accordance with standard rule 3 by the board or the board's designee for competency, within the scope of practice of the appraisal work authorized for the licensed classification, by using the criteria specified in K.S.A. 58-4109(d) and amendments thereto and, in particular, standards 1 and 2 of the edition of USPAP in effect when the appraisal was performed.

Approval of an applicant's experience hours shall be subject to board approval of the requisite number of experience hours and board approval of the selected appraisal reports. (Authorized by and implementing K.S.A. 58-4109; effective Jan. 21, 1991; amended, T-117-6-10-91, June 10, 1991; amended Aug. 5, 1991; amended July 25, 1994; amended June 5, 1995; amended March 7, 1997; amended March 26, 1999; amended Oct. 8, 2004; amended Sept. 1, 2006; amended Jan. 1, 2008; amended April 16, 2010; amended Aug. 24, 2012; amended Aug. 22, 2014; amended Jan. 1, 2015; amended June 17, 2016; amended May 26, 2017; amended Nov. 30, 2018.)

117-2-2a. Licensed classification; experience supervision requirements. (a) In order for an applicant's experience to be approved by the board when the applicant is applying for the licensed classification, the experience shall have been supervised by an appraiser according to all of the following conditions:

- (1) The supervising appraiser was a certified appraiser in good standing for the three years immediately preceding supervision and during the period of supervision.
- (2) The supervising appraiser did not supervise more than three provisional licensed appraisers or unlicensed appraiser applicants at the same time.
- (3) The supervising appraiser maintained responsibility for supervision of the applicant by meeting both of the following requirements:
 - (A) Before signing the certification section or addendum, the supervising appraiser reviewed each appraisal report that the applicant prepared or provided assistance in developing, preparing, or communicating.
 - (B) The supervising appraiser met the following requirements:
 - (i) Ensured that at least the first 25 properties for which the applicant provided assistance in developing, preparing, or communicating an appraisal report were personally inspected by a supervising appraiser; and
 - (ii) continued to personally inspect each property for which the applicant provided assistance in developing, preparing, or communicating an appraisal report until the supervising appraiser was satisfied that the applicant was competent to appraise the property type, in accordance with the competency provision of the uniform standards of professional appraisal practice (USPAP) as required by K.S.A. 58-4121 and amendments thereto.
- (4) Before beginning supervision, the supervising appraiser completed a course that, at a minimum, meets the course objectives adopted by reference in K.A.R. 117-1-1. The supervising appraiser shall submit proof of completion of the course to the board office before beginning supervision.
 - (b) Each applicant shall be permitted to have more than one supervising appraiser.
 - (c) The supervising appraiser shall supervise the work of an applicant on appraisal reports performed on properties only if both of the following conditions are met:
 - (1) The supervising appraiser is permitted by the supervising appraiser's current credential to appraise the properties.
 - (2) The supervising appraiser is competent to appraise the properties.

(Authorized by and implementing K.S.A. 58-4109; effective July 1, 2007; amended Jan. 18, 2008; amended April 17, 2009; amended Aug. 24, 2012; amended Jan. 1, 2015; amended May 26, 2017.)

117-2-3. Licensed classification; examination requirement. (a) Except as specified in subsection (b), each applicant for the licensed classification shall be required to successfully complete the national uniform appraiser examination designated by the board for the licensed classification within 24 months from the date of the board's approval of that applicant to take the examination. The board's approval shall be based upon the applicant's completion of the education requirements in K.A.R. 117-2-1 and experience requirements in K.A.R. 117-2-2.

The applicant's successful completion of the examination shall be valid for 24 months.

(b) The only alternative to successful completion of the licensed classification examination shall be the successful completion of the residential or general classification examination.

This regulation shall be effective on and after January 1, 2015. (Authorized by and implementing K.S.A. 58-4109; effective, T-117-6-10-91, June 10, 1991; effective Aug. 5, 1991; amended, T-117-7-1-05, July 1, 2005; amended Oct. 28, 2005; amended Jan. 1, 2008; amended Jan. 1, 2015.)

117-2-4. Licensed classification; scope of practice. (a)(1) The licensed classification shall apply to the appraisal of the following:

- (A) Non-complex one- to four-family residential units having a transaction value of less than \$1,000,000; and
- (B) complex one- to four-family residential units having a transaction value of \$250,000 or less.
- (2) For the purposes for this regulation, the following definitions shall apply:
 - (A) A complex one- to four-family residential property appraisal shall mean an appraisal in which the property to be appraised, the form of ownership, or the market conditions are atypical.
 - (B) For non-federally related transaction appraisals, transaction value shall mean market value.
- (b) The licensed classification shall include the appraisal of vacant or unimproved land that is utilized for one- to four-family purposes and where the highest and best use is for one- to four-family purposes. The licensed classification shall not include the appraisal of subdivisions in which a development analysis or appraisal is necessary and utilized.
- (c) The licensed classification may also apply to the appraisal of any other property permitted by the regulations of the applicable federal financial institution's regulatory agency, other agency, or regulatory body.
- (d) Each licensed appraiser shall comply with the competency rule of the uniform standards of professional appraisal practice (USPAP), as required by K.S.A. 58-4121 and amendments thereto.
- (e) Each licensed appraiser shall perform and practice in compliance with the USPAP, as required by K.S.A. 58-4121 and amendments thereto. (Authorized by and implementing K.S.A. 58-4109; effective, T-117-6-10-91, June 10, 1991; effective Aug. 5, 1991; amended May 24, 1993; amended Jan. 1, 2008; amended June 17, 2016.)

117-3-1. General classification; education requirements. (a) Each applicant shall meet the following requirements:

- (1) Have a bachelor's degree or higher from an accredited college or university;
 - (2) have received credit for 300 classroom hours in the following subjects, as specified:
 - (A) 30 classroom hours in basic appraisal principles;
 - (B) 30 classroom hours in basic appraisal procedures;
 - (C) 15 classroom hours in the national uniform standards of professional appraisal practice course or its equivalent;
 - (D) 30 classroom hours in general appraisal market analysis and highest and best use;
 - (E) 15 classroom hours in statistics, modeling, and finance;
 - (F) 30 classroom hours in the general appraisal sales comparison approach;
 - (G) 30 classroom hours in the general appraisal site valuation and cost approach;
 - (H) 60 classroom hours in the general appraisal income approach;
 - (I) 30 classroom hours in general appraisal report writing and case studies; and
 - (J) 30 classroom hours in appraisal subject matter electives, which may include hours over the minimum specified in paragraphs (a)(2)(A) through (I); and
 - (3) provide evidence, satisfactory to the board, of one of the following:
 - (A) Successful completion of courses approved by the board as specified in paragraph (a)(2); or
 - (B) successful completion of courses not approved by the board, with evidence that the education covered all of the requirements specified in paragraph (a)(2).
- (b) Credit toward the education requirements specified in paragraph (a)(2) may also be obtained by completing a degree in real estate from an accredited degree-granting college or university approved by the association to advance collegiate schools of business or a regional or national accreditation agency recognized by the U.S. secretary of education if the college or university has had its curriculum reviewed and approved by the appraiser qualifications board (AOB).
- (c) Classroom hours may be obtained only if both of the following conditions are met:
- (1) The length of the educational offering is at least 15 classroom hours.
 - (2) The applicant successfully completes an approved closed-book examination pertinent to that educational offering.
- (d) The 300 classroom hours specified in paragraph (a)(2) may include a portion of the 150 classroom hours required for the licensed classification or the 200 classroom hours required for the residential classification.
- (e)(1) Any appraiser holding a valid state license as a real property appraiser may meet the educational requirements for the general classification by performing the following:
- (A) Satisfying the college-level educational requirements as specified in paragraph (a)(1); and
 - (B) completing an additional 150 educational hours in the following subjects:
 - (i) 15 hours of general appraiser market analysis and highest and best use;
 - (ii) 15 hours of statistics, modeling, and finance;
 - (iii) 15 hours of general appraiser sales comparison approach;
 - (iv) 15 hours of general appraiser site valuation and cost approach;
 - (v) 45 hours of general appraiser income approach;
 - (vi) 15 hours of general appraiser report writing and case studies; and
 - (vii) 30 hours of appraisal subject matter electives.
- (2) Any appraiser holding a valid residential real property appraiser credential may meet the educational requirements for the general classification by performing the following:
- (A) Satisfying the college-level educational requirements as specified in paragraph (a)(1); and
 - (B) completing an additional 100 educational hours in the following subjects:

- (i) 15 hours of general appraiser market analysis and highest and best use;
- (ii) 15 hours of general appraiser sales comparison approach;
- (iii) 15 hours of general appraiser site valuation and cost approach;
- (iv) 45 hours of general appraiser income approach; and
- (v) 10 hours of general appraiser report writing and case studies.

(f) A distance education course may be deemed to meet the classroom hour requirement specified in paragraph (a)(2) if all of the following conditions are met:

(1) The course provides an environment in which the student has verbal or written communication with the instructor.

(2) The sponsor obtains course content approval from any of the following:

- (A) The appraiser qualifications board;
- (B) an appraiser licensing or certifying agency in this or any other state; or
- (C) an accredited college, community college, or university that offers distance education programs and is approved or 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. Each non-academic credit college course provided by a college shall be approved by the appraiser qualifications board or the appraiser licensing or certifying agency in this or any other state.

(3) The course design and delivery are approved by one of the following sources:

(A) An appraiser qualifications board-approved organization;

(B) a college that qualifies for course content approval as specified in paragraph (f)(2)(C) that awards academic credit for the distance education course; or

(C) a college that qualifies for course content approval as specified in paragraph (f)(2)(C) with a distance education delivery program that approves the course design and includes a delivery system incorporating interactivity.

(g) Each distance education course intended for use as qualifying education shall include a written examination proctored by an official approved by the college or university or by the sponsor.

(h) Any applicant who has completed two or more courses generally comparable in content, meaning topics covered, may receive credit only for the longest of the comparable courses completed. The national uniform standards of professional appraisal practice course (USPAP) taken in different years shall not be considered repetitive.

This regulation shall be effective on and after January 1, 2015. (Authorized by and implementing K.S.A. 58-4109; effective Jan. 21, 1991; amended, T-117-6-10-91, June 10, 1991; amended Aug. 5, 1991; amended May 24, 1993; amended Jan. 9, 1998; amended March 26, 1999; amended May 23, 2003; amended Jan. 1, 2008; amended July 10, 2009; amended April 16, 2010; amended Jan. 1, 2015.)

117-3-2. General classification; appraisal experience requirement. (a)(1) Each applicant for the general classification shall have 3,000 hours of appraisal experience obtained over a period of at least 18 months.

(2) At least six hours of real property appraisal experience shall be on an improved property.

(3) At least 1,500 hours of real property appraisal experience shall have been nonresidential appraisal work. For purposes of this regulation, "residential" shall be defined as residential units for one to four families.

(4) Acceptable appraisal experience shall include at least 1,500 experience hours of real property appraisal experience.

(5) Acceptable appraisal experience may include either of the following:

(A) 1,500 experience hours in mass appraisal; or

(B) an aggregate maximum of 750 experience hours in the following appraisal categories:

(i) Real estate consulting;

(ii) review appraisal;

(iii) highest and best use analysis; and

(iv) feasibility analysis study.

(6) Experience hours may be granted for appraisals performed without a traditional client.

However, appraisal experience gained from work without a traditional client shall not exceed 50 percent of the total appraisal experience requirement. Practicum courses that are approved by the appraiser qualifications board's course-approval program or by a state appraiser regulatory agency may also be used to meet the requirement for non-traditional client experience. Each practicum course shall include the generally applicable methods of appraisal practice for the general classification. The course content shall include the following:

(A) Requiring the student to produce credible appraisals that utilize an actual subject property;

(B) performing market research containing sales analysis; and

(C) applying and reporting the applicable appraisal approaches in conformity with the uniform standards of professional appraisal practice.

Each practicum course assignment shall require problem-solving skills for a variety of property types for the general classification. Experience credit shall be granted for the actual number of classroom hours of instruction and hours of documented research and analysis as awarded from the practicum course approval process.

(7) For the purposes of this regulation, "traditional client" shall mean a client who hires an appraiser for a business purpose.

(b) All appraisal experience shall be in compliance with the uniform standards of professional appraisal practice (USPAP), as required by K.S.A. 58-4121 and amendments thereto. Each applicant's experience shall be appraisal work conforming to standards 1, 2, 3, 5, and 6, in which the applicant demonstrates proficiency in the appraisal principles, methodology, procedures, and report conclusions.

(c) The real property appraisal experience requirement specified in paragraph (a)(4) shall be met by time involved in the appraisal process. The appraisal process shall consist of the following:

(1) Analyzing factors that affect value;

(2) defining the problem;

(3) gathering and analyzing data;

(4) applying the appropriate analysis and methodology; and

(5) arriving at an opinion and correctly reporting the opinion in compliance with USPAP.

(d)(1) In order for the board to determine whether or not the experience requirements have been met, each applicant shall submit appraisal experience log sheets, in a format prescribed by the board, listing the appraisal reports completed by the applicant within the five-year period preceding the date of

application. Each appraisal report shall be signed by the applicant or the preparer of the report who supervised the applicant. If the applicant does not sign the appraisal report, the preparer shall indicate whether or not the applicant provided significant professional assistance in the appraisal process.

(2) Each applicant shall maintain a record of the actual number of hours involved in completing an appraisal. Unless the board approves a greater number of experience hours for a particular appraisal based upon the unusually difficult or complex nature of the appraisal, the maximum number of experience hours for each appraisal shall be in accordance with the board's document titled "experience hours table," which is adopted by reference in K.A.R. 117-2-2.

(3) If an applicant has both supervised experience and unsupervised experience, the applicant shall maintain a separate log of appraisals for each type of experience.

When logging supervised experience, the applicant shall maintain a separate log of appraisals completed with each supervising appraiser. Each page of each supervised experience log shall include the certification number and the signature of that applicant's supervising appraiser, which shall serve as verification of the accuracy of the information.

(e) Upon request of the board, each applicant shall submit at least three appraisal reports selected by the board from the applicant's log sheet and one appraisal report selected by the applicant from the log sheet. The selected appraisal reports shall be reviewed by the board or the board's designee, in accordance with standard rule 3, for competency within the scope of practice of the appraisal work authorized for the general classification, by using the criteria specified in K.S.A. 58-4109(d) and amendments thereto and, in particular, standard rules 1 and 2 of the edition of USPAP in effect when the appraisal was performed. Approval of an applicant's experience hours shall be subject to board approval of the requisite number of experience hours and board approval of the selected appraisal reports. (Authorized by and implementing K.S.A. 58-4109; effective Jan. 21, 1991; amended, T-117-6-10-91, June 10, 1991; amended Aug. 5, 1991; amended July 25, 1994; amended June 5, 1995; amended March 7, 1997; amended Jan. 9, 1998; amended March 26, 1999; amended Oct. 8, 2004; amended Sept. 1, 2006; amended Jan. 1, 2008; amended April 16, 2010; amended Aug. 24, 2012; amended Aug. 22, 2014; amended Jan. 1, 2015; amended June 17, 2016; amended May 26, 2017; amended Nov. 30, 2018.)

117-3-2a. General classification; experience supervision requirements. (a) In order for an applicant's experience to be approved by the board when the applicant is applying for the general classification, all experience attained by an unlicensed or uncertified individual or by a licensed or certified appraiser whose experience is outside that appraiser's scope of practice shall have been supervised by an appraiser according to the following conditions:

- (1) The supervising appraiser was a certified appraiser in good standing for the three years immediately preceding supervision and during the period of supervision.
 - (2) The supervising appraiser did not supervise more than three provisional licensed appraisers or unlicensed appraiser applicants at the same time.
 - (3) The supervising appraiser maintained responsibility for supervision of the applicant by meeting both of the following requirements:
 - (A) Before signing the certification section or addendum, the supervising appraiser reviewed each appraisal report that the applicant prepared or provided assistance in developing, preparing, or communicating.
 - (B) The supervising appraiser met the following requirements:
 - (i) Ensured that at least the first 25 properties for which the applicant provided assistance in developing, preparing, or communicating an appraisal report were personally inspected by a supervising appraiser; and
 - (ii) continued to personally inspect each property for which the applicant provided assistance in developing, preparing, or communicating an appraisal report until the supervisor was satisfied that the applicant was competent to appraise the property type, in accordance with the competency provision of the uniform standards of professional appraisal practice (USPAP) as required by K.S.A. 58-4121 and amendments thereto.
 - (4) Before beginning supervision, the supervising appraiser completed a course that, at a minimum, meets the course objectives adopted by reference in K.A.R. 117-1-1. The supervising appraiser shall submit proof of completion of the course to the board office before beginning supervision.
 - (b) Each applicant shall be permitted to have more than one supervising appraiser.
 - (c) The supervising appraiser shall supervise the work of an applicant on appraisal reports performed on properties only if both of the following conditions are met:
 - (1) The supervising appraiser is permitted by the supervising appraiser's current credential to appraise the properties.
 - (2) The supervising appraiser is competent to appraise the properties.
- (Authorized by and implementing K.S.A. 58-4109; effective July 1, 2007; amended July 1, 2007; amended Jan. 18, 2008; amended April 17, 2009; amended Aug. 24, 2012; amended Jan. 1, 2015; amended May 26, 2017.)

117-3-3. General classification; examination requirement. Each applicant for the general classification shall be required to successfully complete the national uniform appraiser examination designated by the board for the general classification within 24 months from the date of the board's approval of that applicant to take the examination. The board's approval shall be based upon the applicant's completion of the education requirements in K.A.R. 117-3-1 and experience requirements in K.A.R. 117-3-2.

The applicant's successful completion of the examination shall be valid for 24 months.

This regulation shall be effective on and after January 1, 2015. (Authorized by and implementing K.S.A. 58-4109; effective, T-117-6-10-91, June 10, 1991; effective Aug. 5, 1991; amended, T-117-7-1-05, July 1, 2005; amended Oct. 28, 2005; amended Jan. 1, 2015.)

117-3-4. General classification; scope of practice. (a) The general classification shall apply to the appraisal of all types of real property.

(b) Each certified general appraiser shall comply with the competency rule of the uniform standards of professional appraisal practice (USPAP), as required by K.S.A. 58-4121 and amendments thereto.

(c) Each certified general appraiser shall perform and practice in compliance with the USPAP, as required by K.S.A. 58-4121 and amendments thereto. (Authorized by and implementing K.S.A. 58-4109; effective, T-117-6-10-91, June 10, 1991; effective Aug. 5, 1991; amended Jan. 1, 2008; amended June 17, 2016.

117-4-1. Residential classification; education requirements. (a) Each applicant shall meet one of the following requirements:

- (1) Have a bachelor's degree or higher from an accredited four-year college or university;
 - (2) have an associate's degree in a field of study related to one of the following:
 - (A) Business administration;
 - (B) accounting;
 - (C) finance;
 - (D) economics; or
 - (E) real estate;
 - (3) successfully complete 30 semester hours of college-level courses in the following subjects, with at least three semester hours in each subject:
 - (A) English composition;
 - (B) microeconomics;
 - (C) macroeconomics;
 - (D) finance;
 - (E) algebra, geometry, or higher mathematics;
 - (F) statistics;
 - (G) principles of management;
 - (H) business or real estate law; and
 - (I) two elective courses in any of the following subjects:
 - (i) Accounting;
 - (ii) geography;
 - (iii) agricultural economics;
 - (iv) business management; or
 - (v) real estate;
 - (4) successfully complete at least 30 hours of college-level examination program (CLEP) examinations in the following subjects:
 - (A) English composition;
 - (B) microeconomics;
 - (C) macroeconomics;
 - (D) finance;
 - (E) algebra, geometry, or higher mathematics;
 - (F) statistics;
 - (G) computer science;
 - (H) principles of management; and
 - (I) any two of the following:
 - (i) Accounting;
 - (ii) geography;
 - (iii) agricultural economics;
 - (iv) business management; or
 - (v) real estate; or
 - (5) successfully complete any combination of paragraphs (a)(3) and (4) that includes all of the subjects listed in those paragraphs.
- (b) Each applicant shall meet the following requirements:
- (1) Have received credit for 200 classroom hours in the following subjects, as specified:
 - (A) 30 classroom hours in basic appraisal principles;
 - (B) 30 classroom hours in basic appraisal procedures;

(C) 15 classroom hours in the national uniform standards of professional appraisal practice course or its equivalent;

(D) 15 classroom hours in residential market analysis and highest and best use;

(E) 15 classroom hours in the residential appraiser site valuation and cost approach;

(F) 30 classroom hours in residential sales comparison and income approaches;

(G) 15 classroom hours in residential report writing and case studies;

(H) 15 classroom hours in statistics, modeling, and finance;

(I) 15 classroom hours in advanced residential applications and case studies; and

(J) 20 classroom hours in appraisal subject matter electives, which may include hours over the minimum specified in paragraph (b)(1); and

(2) provide evidence, satisfactory to the board, of one of the following:

(A) Successful completion of courses approved by the board as specified in paragraph (b)(1); or

(B) successful completion of courses not approved by the board, with evidence that the education covered all of the requirements specified in paragraph (b)(1).

(c) Credit toward the education requirements specified in paragraph (b)(1) may also be obtained by completing a degree in real estate from an accredited degree-granting college or university approved by the association to advance collegiate schools of business or a regional or national accreditation agency recognized by the U.S. secretary of education if the college or university has had its curriculum reviewed and approved by the appraiser qualifications board (AQB).

(d) Classroom hours may be obtained only if both of the following conditions are met:

(1) The length of the educational offering is at least 15 classroom hours.

(2) The applicant successfully completes an approved closed-book examination pertinent to that educational offering.

(e) Any appraiser holding a valid state license as a real property appraiser may meet the educational requirements for the certified residential classification by performing the following:

(1) (A) Satisfying the college-level educational requirements as specified in subsection (a); or

(B) having a state license for at least five years immediately preceding the date of application if there has been no final adjudicated disciplinary action affecting the state licensed appraiser's legal eligibility to engage in appraisal practice; and

(2) completing an additional 50 hours of classroom or distance education, or both in the following subjects:

(A) 15 hours of statistics, modeling, and finance;

(B) 15 hours of advanced residential applications and case studies; and

(C) 20 hours of appraisal subject matter electives.

(f) The 200 classroom hours specified in paragraph (b)(1) may include a portion of the 150 classroom hours required for the licensed classification.

(g) A distance education course may be deemed to meet the classroom hour requirement specified in paragraph (b)(1) if all of the following conditions are met:

(1) The course provides an environment in which the student has verbal or written communication with the instructor.

(2) The sponsor obtains course content approval from any of the following:

(A) The appraiser qualifications board;

(B) an appraiser licensing or certifying agency in this or any other state; or

(C) an accredited college, community college, or university that offers distance education programs and is approved or 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. Each non-

academic credit college course provided by a college shall be approved by the appraiser qualifications board or the appraiser licensing or certifying agency in this or any other state.

(3) The course design and delivery are approved by one of the following sources:

(A) An appraiser qualifications board-approved organization;

(B) a college that qualifies for course content approval as specified in paragraph (g)(2)(C) and awards academic credit for the distance education course; or

(C) a college that qualifies for course content approval as specified in paragraph (g)(2)(C) with a distance education delivery program that approves the course design and includes a delivery system incorporating interactivity.

(h) Each distance education course intended for use as qualifying education shall include a written examination proctored by an official approved by the college or university or by the sponsor.

(i) Any applicant who has completed two or more courses generally comparable in content, meaning topics covered, may receive credit only for the longest of the comparable courses completed. The national uniform standards of professional appraisal practice (USPAP) course taken in different years shall not be considered repetitive. (Authorized by and implementing K.S.A. 58-4109; effective Jan. 21, 1991; amended, T-117-6-10-91, June 10, 1991; amended Aug. 5, 1991; amended May 24, 1993; amended Jan. 1, 1994; amended Jan. 9, 1998; amended March 26, 1999; amended May 23, 2003; amended Jan. 1, 2008; amended July 10, 2009; amended April 16, 2010; amended Jan. 1, 2015; amended June 17, 2016; amended Nov. 30, 2018.)

117-4-2. Residential classification; appraisal experience requirement. (a)(1) Each applicant for the residential classification shall have 1,500 hours of appraisal experience obtained over a period of at least 12 months.

(2) At least six hours of real property appraisal experience shall be on an improved property.

(3) Acceptable appraisal experience shall include at least 1,125 experience hours of real property appraisal experience.

(4) Acceptable appraisal experience may include an aggregate maximum of 375 experience hours in the following appraisal categories:

- (A) Mass appraisal;
- (B) real estate consulting;
- (C) review appraisal;
- (D) highest and best use analysis; and
- (E) feasibility analysis study.

(5) Experience hours may be granted for appraisals performed without a traditional client. However, appraisal experience gained from work without a traditional client shall not exceed 50 percent of the total appraisal experience requirement. Practicum courses that are approved by the appraiser qualifications board's course-approval program or by a state appraiser regulatory agency may also be used to meet the requirement for non-traditional client experience. Each practicum course shall include the generally applicable methods of appraisal practice for the residential classification. The course content shall include the following:

- (A) Requiring the student to produce credible appraisals that utilize an actual subject property;
- (B) performing market research containing sales analysis; and
- (C) applying and reporting the applicable appraisal approaches in conformity with the uniform standards of professional appraisal practice.

Each assignment shall require problem-solving skills for a variety of property types for the residential classification. Experience credit shall be granted for the actual classroom hours of instruction and hours of documented research and analysis as awarded from the practicum course approval process.

(6) For the purposes of this regulation, "traditional client" shall mean a client who hires an appraiser for a business purpose.

(b) All appraisal experience shall be in compliance with the uniform standards of professional appraisal practice (USPAP), as required by K.S.A. 58-4121 and amendments thereto. Each applicant's experience shall be appraisal work conforming to standards 1, 2, 3, 5, and 6, in which the applicant demonstrates proficiency in the appraisal principles, methodology, procedures, and report conclusions.

(c) The real property appraisal experience requirement specified in paragraph (a)(3) shall be met by time involved in the appraisal process. The appraisal process shall consist of the following:

- (1) Analyzing factors that affect value;
- (2) defining the problem;
- (3) gathering and analyzing data;
- (4) applying the appropriate analysis and methodology; and
- (5) arriving at an opinion and correctly reporting the opinion in compliance with USPAP.

(d)(1) In order for the board to determine whether or not the experience requirements have been met, each applicant shall submit appraisal experience log sheets, in a format prescribed by the board, listing the appraisal reports completed by the applicant within the five-year period preceding the date of application. Each appraisal report shall be signed by the applicant or the preparer of the report who supervised the applicant. If the applicant does not sign the appraisal report, the preparer shall indicate whether or not the applicant provided significant professional assistance in the appraisal process.

(2) Each applicant shall maintain a record of the actual number of hours involved in completing an appraisal. Unless the board approves a greater number of experience hours for a particular appraisal based upon the unusually difficult or complex nature of the appraisal, the maximum number of experience hours for each appraisal shall be in accordance with the board's document titled "experience hours table," which is adopted by reference in K.A.R. 117-2-2.

(3) Each applicant shall maintain a separate log of appraisals for supervised experience and for unsupervised experience.

When logging supervised experience, the applicant shall maintain a separate log of appraisals completed with each supervising appraiser. Each page of each supervised experience log shall include the certification number and the signature of that applicant's supervising appraiser, which shall serve as verification of the accuracy of the information.

(e) Upon request of the board, each applicant shall submit at least three appraisal reports selected by the board from the applicant's log sheet and one appraisal report selected by the applicant from the log sheet. The selected appraisal reports shall be reviewed by the board or the board's designee, in accordance with standard rule 3 for competency within the scope of practice of the appraisal work authorized for the residential classification, by using the criteria specified in K.S.A. 58-4109(d) and amendments thereto and, in particular, standard rules 1 and 2 of the edition of USPAP in effect when the appraisal was performed. Approval of an applicant's experience hours shall be subject to board approval of the requisite number of experience hours and board approval of the selected appraisal reports. (Authorized by and implementing K.S.A. 58-4109; effective, T-117-6-10-91, June 10, 1991; effective Aug. 5, 1991; amended July 25, 1994; amended June 5, 1995; amended March 7, 1997; amended Jan. 9, 1998; amended March 26, 1999; amended Oct. 8, 2004; amended Sept. 1, 2006; amended Jan. 1, 2008; amended April 16, 2010; amended Aug. 24, 2012; amended Aug. 22, 2014; amended Jan. 1, 2015; amended June 17, 2016; amended May 26, 2017; amended Nov. 30, 2018.)

117-4-2a. Residential classification; experience supervision requirements. (a) In order for an applicant's experience to be approved by the board when the applicant is applying for the residential classification, all experience attained by an unlicensed individual or by a licensed appraiser whose experience is outside that appraiser's scope of practice shall have been supervised by an appraiser according to all of the following conditions:

- (1) The supervising appraiser was a certified appraiser in good standing for the three years immediately preceding supervision and during the period of supervision.
 - (2) The supervising appraiser did not supervise more than three provisional licensed appraisers or unlicensed appraiser applicants at the same time.
 - (3) The supervising appraiser maintained responsibility for supervision of the applicant by meeting both of the following requirements:
 - (A) Before signing the certification section or addendum, the supervising appraiser reviewed each appraisal report that the applicant prepared or provided assistance in developing, preparing, or communicating.
 - (B) The supervising appraiser met the following requirements:
 - (i) Ensured that at least the first 25 properties for which the applicant provided assistance in developing, preparing, or communicating an appraisal report were personally inspected by a supervising appraiser; and
 - (ii) continued to personally inspect each property for which the applicant provided assistance in developing, preparing, or communicating an appraisal report until the supervising appraiser was satisfied that the applicant was competent to appraise the property type, in accordance with the competency provision of the uniform standards of professional appraisal practice (USPAP) as required by K.S.A. 58-4121 and amendments thereto.
 - (4) Before beginning supervision, the supervising appraiser completed a course that, at a minimum, meets the course objectives adopted by reference in K.A.R. 117-1-1. The supervising appraiser shall submit proof of completion of the course to the board office before beginning supervision.
 - (b) Each applicant shall be permitted to have more than one supervising appraiser.
 - (c) The supervising appraiser shall supervise the work of an applicant on appraisal reports performed on properties only if both of the following conditions are met:
 - (1) The supervising appraiser is permitted by the supervising appraiser's current credential to appraise the properties.
 - (2) The supervising appraiser is competent to appraise the properties.
- (Authorized by and implementing K.S.A. 58-4109; effective July 1, 2007; amended July 1, 2007; amended Jan. 18, 2008; amended April 17, 2009; amended Aug. 24, 2012; amended Jan. 1, 2015; amended May 26, 2017.)

117-4-3. Residential classification; examination requirement. (a) Except as specified in subsection (b), each applicant for the residential classification shall be required to successfully complete the national uniform appraiser examination designated by the board for the residential classification within 24 months from the date of the board's approval of that applicant to take the examination. The board's approval shall be based upon the applicant's completion of the education requirements in K.A.R. 117-4-1 and experience requirements in K.A.R. 117-4-2.

The applicant's successful completion of the examination shall be valid for 24 months.

(b) The only alternative to the successful completion of the residential classification examination shall be the successful completion of the general classification examination.

This regulation shall be effective on and after January 1, 2015. (Authorized by and implementing K.S.A. 58-4109; effective, T-117-6-10-91, June 10, 1991; effective Aug. 5, 1991; amended, T-117-7-1-05, July 1, 2005; amended Oct. 28, 2005; amended Jan. 1, 2008; amended Jan. 1, 2015.)

117-4-4. Residential classification; scope of practice. (a) The residential classification shall apply to the appraisal of residential units for one to four families without regard to transaction value or complexity.

(b) The residential classification shall include the appraisal of vacant or unimproved land that is utilized for one-family to four-family purposes and where the highest and best use is for one-family to four-family purposes. The residential classification shall not include the appraisal of subdivisions in which a development analysis or appraisal is necessary and utilized.

(c) The residential classification may also apply to the appraisal of any other property permitted by the regulations of the applicable federal financial institution's regulatory agency, other agency, or regulatory body.

(d) Each certified residential appraiser shall comply with the competency rule of the uniform standards of professional appraisal practice (USPAP), as required by K.S.A. 58-4121 and amendments thereto.

(e) Each certified residential appraiser shall perform and practice in compliance with the USPAP, as required by K.S.A. 58-4121 and amendments thereto. (Authorized by and implementing K.S.A. 58-4109; effective, T-117-6-10-91, June 10, 1991; effective Aug. 5, 1991; amended May 24, 1993; amended Jan. 1, 2008; amended June 17, 2016.)

117-5-1. Provisional classification; education requirements. In order to be eligible for the provisional classification, each applicant shall meet the education requirements specified in the following:

- (a) K.A.R. 117-3-1(a)(1), or K.A.R. 117-4-1(a)(1) through (5); and
- (b) within the five years preceding the date of application, K.A.R. 117-2-1(a)(1), K.A.R. 117-3-1(a)(2), or K.A.R. 117-4-1(b)(1).

(Authorized by and implementing K.S.A. 58-4109; effective Aug. 15, 1994; amended April 24, 1998; amended Sept. 1, 2006; amended Jan. 1, 2015; amended Nov. 30, 2018.)

117-5-2. Provisional classification; supervised experience requirements. (a) Each provisional licensed appraiser's work in developing, preparing, or communicating an appraisal report shall be directly supervised by a supervising appraiser as specified in K.A.R. 117-5-2a.

(b) Before beginning supervised experience, each provisional licensed appraiser shall have completed a course that, at a minimum, meets the requirements contained in the board's document titled "supervisory appraiser/trainee appraiser course objectives and outline," dated September 3, 2014, which is hereby adopted by reference. Each provisional licensed appraiser shall submit proof of completion of the course to the board office before commencing supervised experience.

(c) Each appraisal report shall be signed by the provisional licensed appraiser or by the preparer of the report who supervised the provisional licensed appraiser, certifying that the report is in compliance with the uniform standards of professional appraisal practice of the appraisal foundation in effect at the time of the appraisal.

(d) If the provisional licensed appraiser does not sign the appraisal report, the preparer of the report who supervised the provisional licensed appraiser shall describe, in the certification section or in the dated and signed addendum to the certification page of the appraisal report, the extent to which the provisional licensed appraiser provided assistance in developing, preparing, or communicating the appraisal through generally accepted appraisal methods and techniques.

(e) Each provisional licensed appraiser shall be permitted to have more than one supervising appraiser.

(f) In order to be licensed as a real property appraiser, certified as a general real property appraiser, or certified as a residential real property appraiser, the provisional licensed appraiser shall complete the experience requirements in K.A.R. 117-2-2, K.A.R. 117-3-2, or K.A.R. 117-4-2.

(g) The requirements for real property appraisal experience specified in K.A.R. 117-2-2, K.A.R. 117-3-2, and K.A.R. 117-4-2 shall be met by time involved in the appraisal process. The appraisal process shall consist of the following:

- (1) Analyzing factors that affect value;
- (2) defining the problem;
- (3) gathering and analyzing data;
- (4) applying the appropriate analysis and methodology; and

(5) arriving at an opinion and correctly reporting the opinion in compliance with the national uniform standards of professional appraisal practice.

(h)(1) In order for the board to determine whether or not the experience requirements have been satisfied, each provisional licensed appraiser shall submit appraisal experience log sheets, in a format prescribed by the board, listing the appraisal reports completed by the applicant within the five-year period preceding the date of application.

(2) Each page of the log shall include the certification number and the signature of the supervising appraiser, which shall serve as verification of the accuracy of the information.

(3) Each applicant shall maintain a record of the actual number of hours involved in completing an appraisal. Unless the board approves a greater number of experience hours for a particular appraisal based upon the unusually difficult or complex nature of the appraisal, the maximum number of experience hours for each appraisal shall be in accordance with the board's document titled "experience hours table," dated April 25, 2014, which is hereby adopted by reference.

(i) Each provisional licensed appraiser shall maintain a separate log of appraisals completed with each supervising appraiser.

This regulation shall be effective on and after January 1, 2015. (Authorized by and implementing K.S.A. 58-4109; effective April 24, 1998; amended Dec. 5, 2003; amended April 17, 2009; amended Aug. 24, 2012; amended Aug. 22, 2014; amended Jan. 1, 2015.)

117-5-2a. Provisional classification; supervisor requirements. (a) In order for a provisional licensed appraiser's experience to be approved by the board, that individual's experience shall have been supervised by an appraiser according to all of the following conditions:

- (1) The supervising appraiser was a certified appraiser in good standing for the three years immediately preceding supervision and during the period of supervision.
- (2) The supervising appraiser did not supervise more than three provisional licensed appraisers or unlicensed appraiser applicants at the same time.
- (3) The supervising appraiser maintained responsibility for supervision of the provisional licensed appraiser by meeting both of the following requirements:
 - (A) Before signing the certification section or addendum, the supervising appraiser reviewed each appraisal report that the applicant prepared or provided assistance in developing, preparing, or communicating.
 - (B) The supervising appraiser met the following requirements:
 - (i) Ensured that at least the first 25 properties for which the applicant provided assistance in developing, preparing, or communicating an appraisal report were personally inspected by a supervising appraiser; and
 - (ii) continued to personally inspect each property for which the applicant provided assistance in developing, preparing, or communicating an appraisal report until the supervising appraiser was satisfied that the applicant was competent to appraise the property type, in accordance with the competency provision of the uniform standards of professional appraisal practice (USPAP).

(4) The supervising appraiser has completed the course required in K.A.R. 117-5-2(b). The supervising appraiser shall submit proof of completion of the course to the board office before beginning supervision.

(b) The supervising appraiser shall supervise the work of a provisional licensed appraiser on appraisal reports performed on properties only if both of the following conditions are met:

(1) The supervising appraiser is permitted by the supervising appraiser's current credential to appraise the properties.

(2) The supervising appraiser is competent to appraise the properties.

(Authorized by and implementing K.S.A. 58-4109; effective July 1, 2007; amended Jan. 18, 2008; amended April 17, 2009; amended Aug. 24, 2012; amended Jan. 1, 2015; amended May 26, 2017.)

117-5-3. Provisional classification; scope of practice. The provisional licensed classification shall apply to the appraisal of the properties that the supervising appraiser is permitted to appraise. (Authorized by and implementing K.S.A. 58-4109; effective April 24, 1998.)

117-6-1. Continuing education; renewal requirements. (a)(1) The continuing education requirement for renewal of any license or certificate for the provisional, licensed, residential, or general classification that has been in force for one year or more shall be a total of 28 hours, which may be averaged over each two-year education cycle as defined in paragraph (a)(5) and as provided in paragraph (a)(6).

(2) The continuing education requirement for renewal of any license or certificate for the provisional, licensed, residential, or general classification that has been in force for less than one year but more than 184 days shall be a total of 14 hours, completed on or after the original date of issuance of the license or certificate.

(3) No hours of continuing education shall be required for renewal of any license or certificate for the provisional, licensed, residential, or general classification that has been in force for 184 days or less.

(4) Each course for which credit is requested shall have received the approval of the board or approval of the appraisal licensing agency of the state in which the course was held for renewal of the applicable classification before the completion of the course.

(5) The two-year education cycle shall commence on July 1 of each odd-numbered year and end on June 30 of the next odd-numbered year.

(6) Within every two-year education cycle, each certified or licensed appraiser required to complete 14 or more continuing education hours shall attend a seven-classroom-hour national uniform standards of professional appraisal practice update course, or its equivalent.

(b) An appraiser shall not receive continuing education credit for a course for which the appraiser received credit toward the original classroom-hour requirement specified in K.A.R. 117-2-1, 117-3-1, or 117-4-1, except for the course on the uniform standards of professional appraisal practice and updates of the course. However, if a licensed or certified appraiser receives credit for a course to apply toward a higher classification, the appraiser may also receive continuing education credit for the course if it is approved by the board or by the appraisal licensing agency of the state in which the course was held for continuing education credit.

(c)(1) Up to one-half of an individual's continuing education credit may also be granted for participation, other than as a student, in appraisal educational processes and programs. Activities for which credit may be granted shall include any of the following:

(A) Teaching of appraisal courses. Credit for any course or seminar shall be awarded only once during each two-year continuing education cycle;

(B) program development;

(C) attendance at a state appraiser regulatory agency meeting, according to the following requirements:

(i) Credit shall be granted for attendance at no more than one meeting per education cycle;

(ii) the meeting shall be at least two hours in length; and

(iii) total credit shall not exceed seven hours;

(D) authorship of textbooks; or

(E) similar activities that are determined by the board to be equivalent to obtaining continuing education.

(2) Each appraiser seeking credit for attendance at or participation in an educational activity that was not previously accredited shall submit to the board a request for credit, which shall include the following information:

(A) A description of the activity;

(B) the date or dates of the activity;

(C) the subject or subjects covered;

(D) the name of each instructor and the instructor's qualifications; and

(E) any other relevant information required by the board. Within 30 days after receipt of this request, the appraiser shall be advised by the board in writing whether credit is granted and what amount of continuing education credit will be allowed. Either the sponsor or appraiser shall submit a separate request for approval of each continuing education activity.

(d) It shall be the appraiser's responsibility to keep track of that individual's continuing education credit. At the time of renewal of a license or certificate, the appraiser shall provide verification of completion of continuing education by affidavit to the board.

(1) The affidavit shall contain a statement of continuing education courses completed by the appraiser.

(2) The appraiser shall list all courses completed on the affidavit.

(3) The appraiser shall retain all course completion certificates for five years and shall make the certificates available to the board for review upon request.

(e) If any appraiser requests credit according to subsection (c), the appraiser shall submit a detailed description of the activities with the application for renewal on a form obtained from the board.

This regulation shall be effective on and after January 1, 2015. (Authorized by K.S.A. 2013 Supp. 58-4105(a) and K.S.A. 58-4109; implementing K.S.A. 58-4109, K.S.A. 2008 2013 Supp. 58-4112, and K.S.A. 2008 2013 Supp. 58-4117; effective Jan. 21, 1991; amended, T-117-6-10-91, June 10, 1991; amended Aug. 5, 1991; amended May 24, 1993; amended July 25, 1994; amended Feb. 6, 1995; amended Jan. 9, 1998; amended July 16, 1999; amended May 17, 2002; amended May 23, 2003; amended Sept. 1, 2006; amended Jan. 1, 2008; amended April 4, 2008; amended July 10, 2009; amended May 21, 2010; amended Jan. 1, 2015.)

117-6-2. Continuing education; approval of courses; requirements. (a) Each sponsor of a continuing education course approved by the board shall ensure that each appraiser participates in a program that maintains and increases the appraiser's skill, knowledge, and competency in real estate appraising.

(b) Courses approved by the board for renewal of a license or certificate shall cover real estate-related appraisal topics that may include the following:

- (1) Mass appraisal;
- (2) arbitration and 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;
- (6) land use planning and zoning;
- (7) management, leasing, and time-sharing;
- (8) property development and partial interests;
- (9) real estate appraisal;
- (10) real estate law, easements, and legal interests;
- (11) real estate litigation, damages, and condemnation;
- (12) real estate financing and investment;
- (13) real estate appraisal-related computer applications;
- (14) real estate securities and syndication;
- (15) developing opinions of real property value in appraisals that also include personal property or business value, or both;
- (16) seller concessions and the impact on real estate value; and
- (17) energy-efficient items and appraisals of "green buildings."

(c) The length of each course approved for continuing education credit shall be at least two classroom hours.

(d) Any distance education course may be approved for continuing education credit if all of the following conditions are met:

(1) The course provides an environment in which the student has verbal or written communication with the instructor.

(2) The sponsor obtains course content approval from any of the following:
(A) The appraiser qualifications board;
(B) an appraiser licensing or certifying agency in this or any other state; or
(C) an accredited college, community college, or university that offers distance education programs and is approved or 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. Each non-academic credit college course provided by a college shall be approved by the appraiser qualifications board or the appraiser licensing or certifying agency in another state.

(3) The course design and delivery are approved by one of the following:

(A) An appraiser qualifications board-approved organization;
(B) a college that qualifies for course content approval as specified in paragraph (d)(2)(C) and awards academic credit for the distance education course; or
(C) a college that qualifies for course content approval as specified in paragraph (d)(2)(C) with a distance education delivery program that approves the course design and includes a delivery system incorporating interactivity.

(4) Each course includes at least one of the following:

(A) A written examination proctored by an official approved by the college or university or by the sponsor; or

(B) successful completion of prescribed course components required to demonstrate knowledge of the subject matter.

(e) To receive credit for a course, each applicant shall attend all classroom hours, even when the number of credit hours for which a course is approved is less than the total number of hours of the course presentation.

(f) The only course for which students or instructors may receive credit for attending or instructing any subsequent offering of the course after attending or teaching the course during the same education cycle shall be any update of the ethics and standards of professional practice course.

This regulation shall be effective on and after January 1, 2015. (Authorized by K.S.A. 2013 Supp. 58-4105; implementing K.S.A. 58-4109, K.S.A. 2013 Supp. 58-4112, and K.S.A. 2013 Supp. 58-4117; effective Jan. 21, 1991; amended, T-117-6-10-91, June 10, 1991; amended Aug. 5, 1991; amended May 24, 1993; amended Feb. 6, 1995; amended May 23, 2003; amended Sept. 1, 2006; amended Jan. 1, 2008; amended Jan. 1, 2015.)

117-6-3. Education; obtaining course approval. (a) To request board approval of a course to meet any education requirement of the act or portion of it, for each course the sponsor shall perform the following:

- (1) Appoint a coordinator, who shall monitor the course and ensure compliance with the appropriate statutes and regulations;
- (2) submit all information, materials, and fees required by the board for course approval at least 30 days before the first scheduled class session, including the following:
 - (A) A completed application for course registration on a form prescribed by the board;
 - (B) the procedure for maintaining attendance records;
 - (C) the proposed dates and times of the course offering;
 - (D) the total amount of the attendance fee;
 - (E) the total number of class sessions and the length of time per session;
 - (F) the total number of hours in the course and the number of credit hours requested;
 - (G) if approval of the course is requested according to K.A.R. 117-2-1, 117-3-1, or 117-4-1, the amount of time allotted for the required examination;
 - (H) a course syllabus, including a detailed course outline and course objectives;
 - (I) an instructor resume, demonstrating that the instructor meets the qualifications in relation to knowledge of the subject matter and ability to teach;
 - (J) the methods of instruction or teaching techniques to be used in the course;
 - (K) a copy of any textbook or manual that will be used;
 - (L) a copy of all handout materials that will be used; and
 - (M) the course approval fee prescribed by K.A.R. 117-7-1.
- (b) For continuing education purposes, each instructor shall demonstrate knowledge of the subject matter as indicated by either of the following:
 - (1) A college degree in an academic area related to the course; or
 - (2) at least three years of experience in a subject area directly related to the course.
- (c) For prelicensing education or qualifying education purposes, according to K.A.R. 117-2-1, 117-3-1, and 117-4-1, each instructor shall demonstrate knowledge of the subject matter as indicated by any of the following:
 - (1) A current appraiser's license or certification pursuant to K.S.A. 58-4109(a)(1), (2), or (3), and amendments thereto;
 - (2) a current appraiser's license or certification issued by another state;
 - (3) a college degree in an academic area related to the course; or
 - (4) (A) Evidence of completion of all the required courses specified in K.A.R. 117-2-1, 117-3-1, or 117-4-1 within the past five years; and
(B) an appraisal log sheet that shows the equivalent of two years of appraisal experience within the past five calendar years in the subject area related to the course. One thousand hours shall constitute one year of appraisal experience.
- (d) For purposes of continuing education or prelicensing education on the "uniform standards of professional appraisal practice" (USPAP), the only courses that will be accepted by the board for either prelicensing or continuing education shall be the "national uniform standards of professional appraisal practice" and "national uniform standards of professional appraisal practice update" courses that meet any of the following conditions:
 - (1) Have been developed by the appraisal foundation; or
 - (2) have been approved by the appraiser qualifications board or by an alternate entity specified by the appraiser qualifications board as being equivalent to these courses, if the requirements of subsections (a), (b), and (c) have been met.

Each instructor shall have a current certified residential or certified general classification in this or any other jurisdiction and be certified as a USPAP instructor by the appraiser qualifications board.

(e) For prelicensing education or qualifying education purposes, according to K.A.R. 117-2-1, 117-3-1, and 117-4-1, the ability to teach effectively shall be demonstrated by one of the following:

(1) Within the preceding two years, completing a board-approved program for instructors that is designed to develop the ability to communicate;

(2) holding a current teaching certificate issued by any state department of education or an equivalent agency;

(3) holding a four-year undergraduate degree in education; or

(4) having experience teaching in schools, seminars, or an equivalent setting.

(f) Each instructor shall perform the following:

(1) Comply with all laws and regulations pertaining to appraiser continuing education;

(2) provide students with the most current and accurate information;

(3) maintain an atmosphere conducive to learning in a classroom; and

(4) provide assistance to the students and respond to questions relating to course material.

(g) Course approvals shall expire on December 31 of each year. On or before November 15 a notification that includes the necessary forms shall be sent by the board, informing each sponsor that an application for renewal is necessary. The course renewal applications and necessary forms shall be received by the board before the following April 1, or the course approvals shall not be renewed. After notice and opportunity for a hearing, course approval or renewal of a course approval may be denied or revoked by the board under either of the following conditions:

(1) The course sponsor procured or attempted to procure course approval by knowingly making a false statement, submitting false information, or refusing to provide complete information in response to a question in an application for course approval or renewal of course approval.

(2) The course sponsor engages in any form of fraud or misrepresentation.

(h) The sponsor shall not advertise a course as approved unless written approval has been granted by the board.

(i) The sponsor shall conduct each course in a classroom or other facility that is adequate to comfortably accommodate the number of students enrolled.

(j) Each sponsor shall maintain, for at least five years, accurate records relating to course offerings, instructors, and student attendance. If a sponsor ceases operations, the coordinator appointed under paragraph (a)(1) shall be responsible for maintaining the records or providing a custodian acceptable to the board.

(k) Each sponsor shall provide each student with a certificate of completion within seven days of the date on which the student completes the course. The sponsor may require payment of course tuition as a condition for completing the course. (Authorized by and implementing K.S.A. 2013 Supp. 58-4105; effective Jan. 21, 1991; amended, T-117-6-10-91, June 10, 1991; amended Aug. 5, 1991; amended May 3, 1996; amended Jan. 9, 1998; amended Nov. 30, 1998; amended April 21, 2000; amended June 15, 2001; amended May 23, 2003; amended Feb. 4, 2005; amended May 21, 2010; amended Jan. 1, 2015.)

117-6-4. Education; denial or revocation of course approval. (a) After notice and opportunity for a hearing, approval of a course that is offered to meet the prelicensing requirements may be denied or revoked by the board if the course does not fulfill the requirements listed in K.A.R. 117-2-1, K.A.R. 117-3-1, or K.A.R. 117-4-1.

(b) After notice and opportunity for a hearing, approval or renewal of a course that is offered to meet the continuing education requirements may be denied or revoked by the board if the course does not fulfill the requirements listed in K.A.R. 117-6-2 and K.A.R. 117-6-3. (Authorized by K.S.A. 58-4105(a); implementing K.S.A. 58-4109, K.S.A. 1999 Supp. 58-4112, and K.S.A. 58-4117; effective June 15, 2001.)

117-7-1. Fees. The following fees shall be submitted to the board: (a) For application for certification or licensure, the fee shall be \$50.

- (b) For original certification or licensure, the fee shall be \$225.
- (c) For renewal of a certificate or license, the fee shall be \$150.
- (d) For late renewal of a certificate or license, the fee shall be the amount specified in subsection (c) and an additional \$50.
- (e) Except as provided in subsection (h), for approval of a course of instruction to meet any portion of the education requirements of K.A.R. 117-2-1, 117-3-1, or 117-4-1, the fee shall be \$100.
- (f) Except as provided in subsection (h), for approval of a course of instruction to meet the continuing education requirements of K.A.R. 117-6-1, the fee shall be \$50.
- (g) Except as provided in subsection (h), for renewal of any course of instruction, the fee shall be \$25.
- (h) For approval or renewal of any course of instruction that is endorsed by the appraiser qualifications board, the fee shall be \$10.
- (i) For reinstatement of an inactive certificate or license, the fee shall be \$50. (Authorized by and implementing K.S.A. 2014 Supp. 58-4107; effective Jan. 21, 1991; amended, T-117-6-10-91, June 10, 1991; amended Aug. 5, 1991; amended, T-117-4-22-92, April 22, 1992; amended June 22, 1992; amended Feb. 6, 1995; amended Jan. 28, 2000; amended June 15, 2001; amended Feb. 4, 2005; amended Jan. 18, 2008; amended April 17, 2009; amended Feb. 18, 2011; amended June 8, 2012; amended March 15, 2013; amended May 23, 2014; amended May 15, 2015.)

117-8-1. (Authorized by K.S.A. 2008 Supp. 58-4105; implementing K.S.A. 2008 Supp. 58-4105 and K.S.A. 58-4121; effective, T-117-6-10-91, June 10, 1991; effective Aug. 5, 1991; amended May 24, 1993; amended Feb. 6, 1995; amended May 3, 1996; amended Jan. 9, 1998; amended, T-117-3-6-98, March 6, 1998; amended Aug. 14, 1998; amended July 16, 1999; amended April 21, 2000; amended July 6, 2001; amended May 17, 2002; amended May 23, 2003; amended April 2, 2004; amended Feb. 4, 2005; amended July 7, 2006; amended Jan. 18, 2008; amended April 16, 2010; revoked August 24, 2012.)

117-8-2. Confidentiality provisions. An appraiser shall not be considered to violate the provision of the uniform standards of professional appraisal practice that requires an appraiser to protect the confidential nature of the appraiser-client relationship, if the appraiser discloses confidential factual data obtained from a client or the results of an assignment prepared for the client to any of the following:

- (a) The client and persons specifically authorized by the client;
- (b) any third parties that may be authorized by due process of law;
- (c) a duly authorized professional peer review committee; or
- (d) the board in relation to a complaint made against another appraiser. (Authorized by and implementing K.S.A. 58-4105; effective Nov. 30, 1998.)

117-8-3. "Uniform standards of professional appraisal practice"; adoption by reference. The 2018-2019 edition of the "uniform standards of professional appraisal practice," as published by the appraisal standards board of the appraisal foundation and effective January 1, 2018, is hereby adopted by reference, except for the following:

- (a) All materials before page 1; and
- (b) standards 7, 8, 9, and 10. (Authorized by K.S.A. 2017 Supp. 58-4105; implementing K.S.A. 2017 Supp. 58-4105 and 58-4121; effective March 25, 2016; amended Feb. 23, 2018.)

117-9-1. Temporary practice. (a) Any appraiser from another state who is licensed or certified by the appraiser licensing or certifying agency in that or any other state may register to receive temporary licensing or certification privileges in this state, if the appraiser is in good standing with each agency, by performing the following:

(1) Paying a \$50 fee; and

(2) filing with the board a registration form obtained from the board.

(b) For the purpose of this regulation, "good standing" shall mean that all of the following conditions are met:

(1) The certified or licensed appraiser is not subject to a disciplinary action.

(2) The certified or licensed appraiser is not subject to a summary order or final order.

(3) The appraiser's license or certificate is not suspended or revoked.

(c) Within five days of receipt of the fee and a properly completed registration form, written notification of acceptance of the registration shall be mailed to the appraiser by the board. (Authorized by K.S.A. 58-4105; implementing K.S.A. 58-4103(b) and K.S.A. 2002 Supp. 58-4107(c); effective, T-117-6-10-91, June 10, 1991; effective Aug. 5, 1991; amended Jan. 28, 2000; amended Feb. 20, 2004.)

117-10-1. Reinstatement of certificate or license to active status; continuing education. The holder of a certificate or license that has been on inactive status for less than two years, upon request for reinstatement, shall submit evidence satisfactory to the board of completion of all continuing education requirements as specified in K.A.R. 117-6-1. (Authorized by and implementing K.S.A. 2007 Supp. 58-4112a; effective April 17, 2009.)

Article 47.—KANSAS APPRAISAL MANAGEMENT COMPANY REGISTRATION ACT

58-4701. Kansas appraisal management company registration act; citation of act. The provisions of K.S.A. 2012 Supp. 58-4701 through 58-4725, and amendments thereto, shall be known and may be cited as the Kansas appraisal management company registration act.

History: L. 2012, ch. 93, § 1; July 1.

58-4702. Same; purpose. (a) It is the intent of the legislature to develop a process for real estate appraisal management company registration and regulation in order to protect lenders, financial institutions, clients, consumers and the public from economic and financial harm and the potential for such harm that may result from interference with the independence, objectivity and impartiality of the real estate appraisal process.

(b) The purpose of the Kansas appraisal management company registration act is to provide a process for the registration and regulation of entities conducting, performing or engaging in, or attempting to conduct, perform or engage in, real estate appraisal management services as a real estate appraisal management company within the state of Kansas.

History: L. 2012, ch. 93, § 2; July 1.

58-4703. Same; definitions. As used in this act:

- (a) "Appraisal" has the meaning specified in K.S.A. 58-4102, and amendments thereto.

- (b) "Appraisal management company" or "AMC" means an individual, firm, partnership, association, corporation, limited liability company or any other business entity acting as an external third party authorized either by a creditor of a consumer credit transaction secured by a consumer's principal dwelling or by an underwriter of or other principal in the secondary mortgage markets:

- (1) That performs appraisal management services, regardless of the use of any of the following terms: Appraisal management company, mortgage technology provider, mortgage services provider, lender processing services provider, loan processor, real estate closing services provider, vendor management company or any other like term; and

- (2) such entity oversees an appraiser panel of:

- (A) More than 15 appraisers who are certified or licensed in Kansas; or

- (B) a total of more than 25 appraisers who are certified or licensed in Kansas and in any other jurisdiction.

- (c) "Appraisal management services" means to perform or attempt to perform, directly or indirectly, any one or more of the following functions on behalf of a lender, financial institution, client, or any other person:

- (1) Administer an appraiser panel;

- (2) recruit, qualify, verify licensing or certification and negotiate fees and service level expectations with any person who is part of an appraiser panel;

- (3) receive an order for an appraisal from one entity and deliver the order for the appraisal to an appraiser that is part of an appraiser panel for completion;

- (4) track and determine the status of orders for appraisals;

- (5) conduct quality control of a completed appraisal prior to the delivery of such appraisal to the person that ordered the appraisal; or

- (6) submit a completed appraisal performed by an appraiser to one or more clients.

- (d) "Appraiser" means an individual who holds a credential issued by the Kansas real estate appraisal board pursuant to the state certified and licensed real property appraiser act entitling that individual to perform an appraisal of real property in the state of Kansas consistent with the scope of practice for such credential.

- (e) "Appraiser panel" means a network of one or more licensed or certified appraisers who are independent contractors to the AMC and have:

- (1) Responded to an invitation, request, or solicitation from an AMC, in any form, to perform appraisals for persons that have ordered appraisals through the AMC, or to perform appraisals for the AMC directly, on a periodic basis, as requested and assigned by the AMC; and

- (2) been selected and approved by an AMC to perform appraisals for any client of the AMC that has ordered an appraisal through the AMC, or to perform appraisals for the AMC directly, on a periodic basis, as assigned by the AMC.

- (f) "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 of value, conclusions, estimate of value, or compliance with the uniform standards of professional appraisal practice. This term "appraisal review" does not include a general examination for:

- (1) Grammatical, typographical or other similar errors; or
 - (2) Completeness including regulatory requirements, client requirements, or both such requirements as specified in the engagement letter that does not communicate an opinion.
- (g) "Board" means the Kansas real estate appraisal board.
 - (h) "Credential" means a certificate, license or temporary permit issued by the board pursuant to the provisions of the state certified and licensed real estate appraisals act authorizing an individual to act as a temporary permitted appraiser, provisional appraiser, state licensed appraiser, certified residential appraiser or certified general appraiser in the state of Kansas.
 - (i) "Controlling person" means:
 - (1) An owner, officer, manager, or director of a corporation, partnership, firm, association, limited liability company, or other business entity seeking to offer appraisal management services in this state;
 - (2) an individual employed, appointed, or authorized by an AMC that has the authority to enter into a contractual relationship with other persons for the performance of appraisal management services 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 AMC.
 - (j) "Person" means an individual, firm, partnership, association, corporation, or any other entity.
 - (k) "Uniform standards of professional appraisal practice" or "USPAP" means the edition of the uniform standards of professional appraisal practice as specified in K.S.A. 58-4121, and amendments thereto.

History: L. 2012, ch. 93, § 3; July 1.

58-4704. Same; application for registration. (a) The application for the registration shall be on a form approved by the board and shall, at a minimum, include the following information:

- (1) The legal name and any other trade or business name of the entity seeking registration;
 - (2) the mailing and physical addresses of the entity seeking registration;
 - (3) the telephone, email, website, and facsimile contact information of the entity seeking registration;
 - (4) if the entity is a corporation, limited liability company, partnership, association, sole proprietorship or any other business entity that is not domiciled in this state:
 - (A) The name and contact information for the entity's agent for service of process in this state pursuant to K.S.A. 2012 Supp. 58-4707, and amendments thereto; and
 - (B) proof that the entity is properly and currently registered with the Kansas office of the secretary of state;
 - (5) the name, mailing and physical addresses, telephone, email and facsimile contact for any person that owns 10% or more of the AMC;
 - (6) the name, mailing and physical addresses, telephone, email and facsimile contact for the named controlling person;
 - (7) a certification that the entity has a system and process in place to verify that a person being added to the appraiser panel of the AMC for appraisal services being performed in Kansas:
 - (A) Holds a credential in good standing in this state pursuant to the state certified and licensed real estate appraisers act and the regulations adopted thereunder if a license or certification is required to perform appraisals, pursuant to K.S.A. 2012 Supp. 58-4711, and amendments thereto; and
 - (B) is geographically competent and performs appraisal assignments within the appraiser's scope of practice;
 - (8) a certification that the entity has a system in place to review an amount or percentage of the appraisal reports submitted by each appraiser who is performing real estate appraisal services for the AMC within Kansas as specified in rules and regulations of the board on an annual basis to validate that the real estate appraisal services are being conducted in accordance with USPAP and the state certified and licensed real estate appraisers act and the regulations adopted thereunder, pursuant to K.S.A. 2012 Supp. 58-4712, and amendments thereto;
 - (9) a certification that the entity maintains a detailed record of each service request that it receives and the appraiser that performs real estate appraisal services for the AMC, pursuant to K.S.A. 2012 Supp. 58-4713, and amendments thereto;
 - (10) an irrevocable consent to service of process pursuant to K.S.A. 2012 Supp. 58-4707, and amendments thereto;
 - (11) any other information reasonably required by the board to evaluate compliance with the application requirements in this act; and
 - (12) a certification that the entity requires that appraisals are conducted independently and free from inappropriate influence and coercion pursuant to the appraisal independence standards established under section 129E of the truth in lending act, as specified in subsection (a) of K.S.A. 2012 Supp. 58-4716, and amendments thereto.
- (b) The board shall review each application that is properly submitted and either issue the

registration to the applicant or deny such application in accordance with the provisions of this act.

History: L. 2012, ch. 93, § 4; July 1.

58-4705. Same; exemptions from registration. (a) The registration provisions of this act shall not apply to an AMC that is a subsidiary owned and controlled by a financial institution regulated by a federal financial institutions regulatory agency.

(b) The provisions of this act shall not apply to:

(1) A person as defined in K.S.A. 2012 Supp.

58-4703, and amendments thereto, who exclusively employs appraisers on an employer and employee basis for the performance of appraisals; or

(2) an individual or individuals who are state-certified or state-licensed appraisers in good standing credentialed by the board and who are actively engaged in the practice of real estate appraising and, as a function of the practice, maintain a list of not more than 15 employees who are credentialed appraisers in good standing or independent contractor credentialed appraisers in good standing.

History: L. 2012, ch. 93, § 5; July 1.

58-4706. Same; registration period. (a) The registration period shall commence on October 1 and end on September 30 of the following year. A registration granted by the board may be renewed annually thereafter.

(b) To obtain renewal of a registration, the holder shall make application for renewal on a form provided by the board and pay the fee prescribed pursuant to K.S.A. 2012 Supp. 58-4708, and amendments thereto, not earlier than 120 days nor later than 30 days prior to the expiration date of the registration.

(c) If the holder of the registration fails to apply for renewal prior to the date of expiration, the holder may obtain renewal of the registration if the holder, not later than three months after expiration of the registration, pays the renewal and late renewal fees prescribed pursuant to K.S.A. 2012 Supp. 58-4708, and amendments thereto.

History: L. 2012, ch. 93, § 6; July 1.

58-4707. Same; requirements for nonresident applicants; investigation. (a) Prior to the issuance of a registration to a nonresident applicant, the applicant must agree in writing to abide by all provisions of this act with respect to the applicant's appraisal management activities within this state and submit to the jurisdiction of the board and the state in all matters relating thereto. Such agreement shall be filed with the board and shall remain in force for so long as the nonresident is registered by this state and thereafter with respect to acts or omissions committed while registered as a nonresident.

(b) The board may investigate the actions of a nonresident registrant and, pursuant to the Kansas administrative procedures act, may revoke, condition, limit, suspend, censure or nonrenew the registration of the nonresident registrant for disciplinary action in relation to AMC practices, including, but not limited to, denial, revocation or suspension of a registration taken by another state, district or territory of the United States.

(c) Prior to the issuance of a registration to a nonresident AMC, the applicant shall file with the board a designation in writing that appoints the executive director of the board as the applicant's agent, upon whom all judicial and other process or legal notices directed to the applicant may be served in the event such applicant becomes a registrant. Any process or legal notices to a nonresident registrant shall be directed to the executive director and, in the case of a summons, shall require the nonresident registrant to answer within 40 days from the date of service on such registrant. A summons and a certified copy of the petition shall be forthwith forwarded by the clerk of the court to the executive director, who immediately shall forward a copy of the summons and the certified copy of the petition to the nonresident registrant. Thereafter, the executive director shall make return of the summons to the court from which it was issued, showing the date of its receipt by the executive director, the date of forwarding and the name and address of the person to whom the executive director forwarded a copy. Such return shall have the same force and effect as a return made by the sheriff on process directed to the sheriff.

History: L. 2012, ch. 93, § 7; July 1.

58-4708. Same; fees. (a) The board shall establish by rules and regulations the fee to be paid by each AMC seeking registration or renewal of a registration under this act. The amount of the registration and renewal fees shall be sufficient for the administration of this act, but in no case shall the fees be more than \$3,500. The initial registration fee shall be prorated for an applicant that initially applies for registration 11 or fewer months prior to September 30.

(b) The board shall establish by rules and regulations a late renewal fee not to exceed \$500.

(c) The executive director of the board shall remit all moneys, received pursuant to this act to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury. Other than amounts collected for the AMC federal registry fees, or for civil fines imposed pursuant to K.S.A. 2012 Supp. 58-4723, and amendments thereto, such deposit shall be credited to the appraiser fee fund. All expenditures from such fund shall be made in accordance with appropriations acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the chairperson of the board or by a person or persons designated by the chairperson. Civil fines shall be credited to the state general fund.

(d) All amounts required to be collected and actually collected for the AMC federal registry fees shall be credited totally to the AMC federal registry clearing fund which is hereby created in the state treasury. All disbursements from the AMC federal registry clearing fund shall be made upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the chairperson of the board or by a person or persons designated by the chairperson. Amounts credited to the AMC federal registry clearing fund under this section shall not be subject to any limitations imposed by the appropriations act of the legislature.

History: L. 2012, ch. 93, § 8; July 1.

58-4709. Same; limitation on ownership interest in an AMC; conditions. (a) No single interest in an AMC applying for, holding, or renewing a registration under this act shall exceed 10% when owned by:

(1) An individual who has held a credential issued by any appraiser-credentialing jurisdiction to act as an appraiser and such credential:

(A) Was refused, denied, suspended, revoked, or surrendered or nonrenewed in lieu of a pending disciplinary proceeding in any jurisdiction against such individual; and

(B) not subsequently granted or reinstated; or

(C) is otherwise not in good standing; or

(2) any person who owns more than a 10% interest in an entity and such person has held a credential issued by any appraiser-credentialing jurisdiction to act as an appraiser that:

(A) Was refused, denied, revoked, suspended, or surrendered or nonrenewed in lieu of a pending disciplinary proceeding in any jurisdiction against such person; and

(B) (i) not subsequently granted or reinstated, or

(ii) is otherwise not in good standing.

(b) (1) Each individual that owns more than a 10% interest in an AMC who applies for, holds, or renews a registration under this act shall be of good moral character as determined by the board by rules and regulations.

(2) As a part of an application for an original registration, and for a renewal registration if required by the board, the board shall require the individual to be fingerprinted and submit to a state and national criminal history record check. The individual's fingerprints shall be used to identify the individual and to determine whether the individual has a record of criminal history in this state or other jurisdiction. The board shall require the individual to submit the fingerprints to the Kansas bureau of investigation and the federal bureau of investigation for a state and national criminal history record check. The board shall use the information obtained from the fingerprinting and the criminal history for purposes of verifying the identification of the individual and in the official determination of the qualifications and fitness of the applicant to be issued, maintain, or renew a registration.

(3) Local and state law enforcement officers and agencies shall assist the board in taking and processing fingerprints of individuals for any registration and shall release all records of adult convictions to the board.

(4) The board may fix and collect a fee in an amount necessary to reimburse the board for the cost of fingerprinting and the criminal history record check. Such fee shall be established by rules and regulations.

(c) Each AMC applying for registration or for renewal of a registration under this act shall certify to the board on a form prescribed by the board that:

(1) Such AMC has reviewed each person or entity that owns more than a 10% interest in the AMC; and

(2) no person or entity that owns more than a 10% interest in the AMC has held a credential issued by any appraiser-credentialing jurisdiction to act as an appraiser and such credential:

(A) Was refused, denied, suspended, revoked, or surrendered or nonrenewed in lieu of a pending disciplinary proceeding in any jurisdiction against such individual; and

(B) (i) was not subsequently granted or reinstated; or

(ii) is otherwise not in good standing.

History: L. 2012, ch. 93, § 9; July 1.

58-4710. Same; designation of controlling person for AMC. (a) Each AMC applying to the board for a registration or for a renewal of a registration in this state shall designate one controlling person that shall serve as the main contact for all communication between the board and the AMC.

(b) The controlling person designated pursuant to subsection (a) shall:

(1) Remain in good standing with any appraiser-credentialing jurisdictions from which the controlling person has obtained credentials, except that no provision in this section shall require that a designated controlling person hold an appraiser credential in any jurisdiction; or

(2) have never had a credential issued by any appraiser-credentialing jurisdiction to act as an appraiser that:

(A) Was refused, denied, suspended, revoked, or surrendered or nonrenewed in lieu of a pending disciplinary proceeding, and:

(B) (i) Not had such credential subsequently reinstated or granted; or

(ii) is not otherwise in good standing in any jurisdiction.

(c) As a part of an application for an original registration and if required by the board for a renewal registration, the board shall require the controlling person to be fingerprinted and submit to a state and national criminal history record check. The fingerprints shall be used to identify the person and to determine whether the controlling person has a record of criminal history in this state or other jurisdiction. The board shall require the controlling person to submit the fingerprints to the Kansas bureau of investigation and the federal bureau of investigation for a state and national criminal history record check. The board shall use the information obtained from the fingerprinting and the criminal history for purposes of verifying the identification of the controlling person and in the official determination of the qualifications and fitness of the applicant to be issued, maintain or renew a registration.

(d) Local and state law enforcement officers and agencies shall assist the board in taking and processing fingerprints of applicants for any license and shall release all records of adult convictions to the board.

(e) The board may fix and collect a fee in an amount necessary to reimburse the board for the cost of fingerprinting and the criminal history record check. Such fee shall be established by rules and regulations. Any moneys collected under this subsection shall be deposited in the state treasury and credited to the real estate appraisal board's appraiser fee fund established pursuant to K.S.A. 58-4107, and amendments thereto.

History: L. 2012, ch. 93, § 10; July 1.

58-4711. Same; AMC appraiser requirements. (a) If a license or certification is required to perform an appraisal, prior to placing an assignment with an appraiser on the appraiser panel of an AMC, the AMC shall verify that the appraiser receiving the assignment holds a credential in good standing in this state issued pursuant to this act and the rules and regulations adopted thereunder. A letter of engagement shall include instructions to the appraiser to decline the assignment in the event the appraiser is not geographically competent or the assignment falls outside the appraiser's scope of practice.

(b) Any employee of, or independent contractor to, the AMC that performs an appraisal review for a property located in Kansas shall be an appraiser credentialed in good standing in the state of Kansas.

(c) No AMC registered in this state pursuant to this act shall enter into any contract or agreement with an appraiser for the performance of appraisals in Kansas unless such AMC verifies that the individual is credentialed in good standing to perform the appraisal pursuant to the state certified and licensed real property appraisers act.

(d) Each AMC registered or seeking to be registered in this state shall certify to the board on an annual basis on a form prescribed by the board that such AMC has a system and process in place to verify that any individual being added to the appraiser panel of the AMC for appraisal services in Kansas:

(1) Holds a credential in good standing in this state pursuant to the state certified and licensed real estate appraisers act; and

(2) is geographically competent and performs appraisal assignments within the appraiser's scope of practice.

History: L. 2012, ch. 93, § 11; July 1.

58-4712. Same; appraisal review reporting. Each AMC seeking to be registered or to renew a registration in this state shall certify to the board on an annual basis on a form prescribed by the board that such AMC has a system in place to perform an appraisal review on a number or percentage of the appraisal reports submitted by each appraiser who is performing appraisals for such AMC on a periodic basis as specified in rules and regulations of the board to validate that the appraisals are being conducted in accordance with:

- (a) The USPAP; and
- (b) the state certified and licensed real property appraisers act and the regulations adopted thereunder.

History: L. 2012, ch. 93, § 12; July 1.

58-4713. Same; record keeping required; inspection of records. (a) Each AMC seeking to be registered or to renew an existing registration in this state shall certify to the board on an annual basis on a form prescribed by the board that such AMC maintains a detailed record of each service request that it receives for appraisal of real property located in Kansas.

(b) An AMC registered under the provisions of this act shall retain for a period of five years all records required to be maintained under this act. This five-year period shall commence on:

- (1) The date of the final action by the AMC for each individual transaction; or
- (2) if the AMC is notified that the transaction is involved in litigation, the date that the final judgment has been issued and all appeals, if any, have been taken.

(c) All records required to be maintained by the registered AMC pursuant to the provisions of this act shall be made available by the registration holder for inspection and copying by the board or its designee on reasonable notice to the AMC.

History: L. 2012, ch. 93, § 13; July 1.

58-4714. Same; disclosures. (a) An AMC shall be required to have a system in place to disclose to its client the fees paid:

- (1) For appraisal management services; and
- (2) to the appraiser for the completion of an appraisal assignment.

(b) No AMC shall prohibit an appraiser that is part of an appraiser panel of the AMC from recording the fee that the appraiser was paid by the AMC for the performance of the appraisal within the body of the appraisal that is submitted by the appraiser to the AMC.

History: L. 2012, ch. 93, § 14; July 1.

58-4715. Same; unlawful acts; registration required. Except as provided by K.S.A. 2012 Supp. 58-4705, and amendments thereto, it shall be unlawful for any person to do any of the following without first obtaining a registration issued by the board pursuant to K.S.A. 2012 Supp. 58-4704, and amendments thereto:

- (a) Directly or indirectly engage or attempt to engage in business as an AMC;
- (b) directly or indirectly perform or attempt to perform appraisal management services as an AMC; or
- (c) advertise or hold such person out as engaging in or conducting business as an AMC.

History: L. 2012, ch. 93, § 15; July 1.

58-4716. Same; unlawful acts. (a) It shall be unlawful and a violation of this act for any employee, partner, director, officer or agent of an AMC to influence or attempt to influence the development, reporting, result or review of an appraisal through coercion, extortion, collusion, compensation, inducement, intimidation, bribery or in any other manner, including, but not limited to:

(1) Withholding or threatening to withhold timely payment or partial payment for an appraisal unless such appraisal is substandard or noncompliant.

(2) Withholding or threatening to withhold, either expressly or by implication, future business from an appraiser.

(3) Demoting or terminating or threatening to demote or terminate an appraiser.

(4) Promising, either expressly or by implication, future business, promotions or increased compensation for an appraiser.

(5) Conditioning an assignment of an appraisal or the payment of an appraisal fee or salary or bonus on:

(A) The opinion, conclusion or valuation to be reached by an appraiser; or

(B) a preliminary estimate or opinion requested from an appraiser.

(6) Requesting that an appraiser provide at any time prior to the appraiser's completion of an appraisal:

(A) An estimated, predetermined or desired valuation in an appraisal; or

(B) estimated values or comparable sales, except that a copy of the sales contract for purchase transactions may be provided.

(7) Providing to an appraiser:

(A) An anticipated, estimated, encouraged or desired value for a subject property; or

(B) a proposed or target amount to be loaned to the borrower, except that a copy of the sales contract for purchase transactions may be provided.

(8) Providing to an appraiser, or any entity or individual related to the appraiser, stock or other financial or nonfinancial benefit or thing of value.

(9) Without prior written notice to such appraiser:

(A) Allowing or directing the removal of an appraiser from an appraiser panel; or

(B) the addition of an appraiser to an exclusionary list of disapproved appraisers used by any entity.

(10) Committing any other act or practice that impairs or attempts to impair an appraiser's independence, objectivity or impartiality.

(11) Submitting or attempting to submit false, misleading or inaccurate information in any application for registration or renewal.

(b) No provision of subsection (a) shall be construed to prohibit the AMC from requesting that an appraiser:

(1) Provide additional information about the basis for a valuation including consideration of additional comparable data; or

(2) correct objective factual errors in an appraisal.

(c) It shall be unlawful and a violation of this act for any employee, partner, director, officer, agent or independent contractor of an AMC to:

(1) Require an appraiser to sign any sort of indemnification agreement that requires the appraiser to defend and hold harmless the appraisal management company or any of its agents,

employees or independent contractors for any liability, damage, losses or claims arising out of the services performed by the AMC or its agents, employees or independent contractors but does not also include the services performed by the appraiser;

(2) employ any person who has had a credential to act as an appraiser issued by any appraiser-credentialing jurisdiction that:

(A) Was refused, denied, suspended, revoked, or surrendered or nonrenewed in lieu of a pending disciplinary proceeding in any jurisdiction against such individual; and

(B) (i) was not subsequently granted or reinstated; or

(ii) is otherwise not in good standing in any jurisdiction;

(3) knowingly enter into any independent contractor arrangement, whether in verbal, written or other form for the performance of appraisal or appraisal management services, with any person who has had a credential to act as an appraiser that was issued by any appraiser-credentialing jurisdiction that:

(A) Was refused, denied, suspended, revoked, or surrendered or nonrenewed in lieu of a pending disciplinary proceeding in any jurisdiction against such individual; and

(B) (i) was not subsequently granted or reinstated; or

(ii) is otherwise not in good standing in any jurisdiction;

(4) knowingly enter into any contract, agreement, or other business relationship, whether in verbal, written, or any other form, with any entity that employs, has entered into an independent contract arrangement, or has entered into any contract, agreement or other business relationship, whether in verbal, written or any other form for the performance of appraisal or appraisal management services, with any person who has ever had a credential issued by any appraiser-credentialing jurisdiction to act as an appraiser that:

(A) Was refused, denied, suspended, revoked or surrendered or nonrenewed in lieu of a pending disciplinary proceeding in any jurisdiction against such individual; and

(B) (i) was not subsequently granted or reinstated; or

(ii) is otherwise not in good standing in any jurisdiction;

(5) commit an act of unprofessional conduct as defined by rules and regulations of the board;

(6) fail to report to the board the results of any appraisal reviews in which an appraisal is found to be substantially noncompliant with USPAP;

(7) fail to timely respond to any subpoena or any other request for information from the board;

(8) fail to timely obey an administrative order of the board; or

(9) fail to fully cooperate in any investigation by the board.

(d) It shall be unlawful and a violation of this act for an AMC to include on the panel of the AMC for appraisal services in Kansas any appraiser who:

(1) Does not hold a credential in good standing in this state pursuant to the state certified and licensed real estate appraisers act; or

(2) is not geographically competent to perform appraisal assignments within the appraiser's scope of practice.

An attestation provided by an appraiser that such appraiser is geographically competent within the appraiser's scope of practice will satisfy an AMC's responsibility pursuant to this subsection.

History: L. 2012, ch. 93, § 16; July 1.

58-4717. Same; prohibited acts. No AMC shall perform or attempt to perform any of the following acts:

- (a) Require an appraiser to modify any aspect of an appraisal unless the modification complies with subsection (b) of K.S.A. 2012 Supp. 58-4716, and amendments thereto;
- (b) require an appraiser to prepare an appraisal if the appraiser, in the appraiser's own independent professional judgment:
 - (1) Believes the appraiser does not have the necessary expertise for the assignment or for the specific geographic area; and
 - (2) the appraiser has notified the AMC and declined the assignment;
 - (c) require an appraiser to prepare an appraisal under a time frame that the appraiser, in the appraiser's own professional judgment:
 - (1) Believes does not afford the appraiser the ability to meet all the relevant legal and professional obligations; and
 - (2) the appraiser has notified the AMC and declined the assignment;
 - (d) prohibit or inhibit legal or other allowable communication between the appraiser and the lender, a real estate licensee, or any other person from whom the appraiser, in the appraiser's own professional judgment, believes information would be relevant;
 - (e) require the appraiser to do anything that does not comply with USPAP, the state certified and licensed real estate appraisers act or the regulations adopted thereunder, or any assignment conditions and certifications required by the client; or
 - (f) make any portion of the appraiser's fee or the AMC's fee contingent on a predetermined or favorable outcome, including, but not limited, to a loan closing or a specific dollar amount being achieved by the appraiser in the appraisal.

History: L. 2012, ch. 93, § 17; July 1.

58-4718. Same; prompt payment. Except in bona fide cases of breach of contract or substandard performance of services, each AMC shall make payment to an appraiser for the completion of an appraisal or valuation assignment within 45 days of the date on which the appraiser transmits or otherwise provides the completed appraisal or valuation study to the AMC or its assignee unless a mutually agreed upon alternate arrangement has been previously established in good faith.

History: L. 2012, ch. 93, § 18; July 1.

58-4719. Same; modification of appraisal prohibited. (a) No AMC shall alter, modify, or otherwise change or attempt to alter, modify, or otherwise change a completed appraisal submitted by an appraiser.

(b) No AMC shall require an appraiser to provide the AMC with the appraiser's digital signature. No provision of this subsection shall be deemed to prohibit an appraiser from voluntarily providing such appraiser's digital signature to another person in the manner permitted by the provisions of the USPAP.

History: L. 2012, ch. 93, § 19; July 1.

58-4720. Same; registration number. (a) The board shall issue a unique registration number to each AMC that is registered in this state.

(b) The board shall maintain on its website a list of the AMCs that have registered with the board pursuant to this act and have been issued a registration number pursuant to subsection (a) of this section.

(c) An AMC registered in this state shall place its registration number on any instrument utilized by the AMC for procurement of appraisal services in this state.

History: L. 2012, ch. 93, § 20; July 1.

58-4721. Same; removal of appraiser, limitation. (a) Except within the first 30 days after an appraiser is first added to the appraiser panel of an AMC, no AMC shall 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 such appraiser is being removed from the appraiser panel of the AMC;

(2) providing an opportunity for the appraiser to respond to the written notification of the AMC either personally or through legal counsel; and

(3) if the appraiser is being removed from the panel for illegal conduct, violation of the USPAP, or a violation of this act or the regulations adopted thereunder, providing notice to the appraiser and to the board detailing allegations of fact and alleged violations of USPAP, regulations or laws.

History: L. 2012, ch. 93, § 21; July 1.

58-4722. Same; denial of registration or renewal thereof; grounds. The board may deny the issuance of a registration or a renewal of a registration to an applicant for failure to comply with any requirement of this act, or any rule or regulation adopted pursuant thereto, or for any of the following acts or omissions:

- (a) That the applicant, in the case of an application for renewal of a registration has, within 12 months preceding the date of the application, violated any provision of this act or any regulation adopted thereunder, or any provision of the state certified and licensed real property appraiser act or any regulation adopted thereunder;
- (b) that the applicant is not of good moral character; or
- (c) that the applicant has been the holder of a registration that:
 - (1) Was denied, revoked or suspended for cause; or
 - (2) (A) surrendered or nonrenewed in lieu of disciplinary proceedings and not subsequently granted or reinstated; or
 - (B) is otherwise not in good standing in any jurisdiction;
- (d) when in the case of an application for renewal of a registration, the applicant has, in the conduct of affairs under the registration, demonstrated:
 - (1) Incompetency;
 - (2) untrustworthiness;
 - (3) conduct or practices rendering the registrant unfit to carry on appraisal management services;
 - (4) conduct or practices making continuance in the business detrimental to the public interest; or
 - (5) that the registrant is no longer in good faith carrying on appraisal management services, and for this conduct is found to be a source of detriment, injury or loss to the public; or
- (e) that the applicant, the controlling person or any owner of an interest in the AMC of 10% or more has been convicted of a felony and has not been sufficiently rehabilitated to merit the public trust.

History: L. 2012, ch. 93, § 22; July 1.

58-4723. Same; penalties; hearing. (a) The board may censure an AMC, condition, limit, suspend or revoke the registration of an AMC, and in addition to or in lieu of any other administrative, civil or criminal remedy provided by law may impose a civil fine not to exceed \$2,000 per violation for any of the following acts or omissions:

- (1) Committing any violation of this act;
 - (2) violating any regulation adopted by the board to implement or administer the provisions of this act;
 - (3) procuring a registration or renewal of a registration for the AMC or committing any other act by fraud, misrepresentation, or deceit; or
 - (4) employing a controlling person or any individual who owns more than 10% of the AMC who has been convicted of a felony and who has not been sufficiently rehabilitated to merit the public trust.
- (b) Administrative proceedings under this act shall be conducted in accordance with the Kansas administrative procedure act.
- (c) A violation of this act, or of any rule or regulation adopted pursuant thereto, shall be a class C misdemeanor.

History: L. 2012, ch. 93, § 23; July 1.

58-4724. Same; hearing; assessment of costs. (a) The costs incurred by the board in conducting any proceeding under the Kansas administrative procedure act may be assessed against the AMC if the order of the board is adverse to the AMC in such proportion as the board determines upon consideration of all relevant circumstances including the nature of the proceeding and the level of participation by the parties. The board may reduce any such assessment to judgment by filing a petition in the district court of Shawnee county. No registration shall be reinstated, renewed or issued if an assessment for costs has not been paid by the applicant or registrant.

(b) (1) Except as provided in paragraph (2), for purposes of this section, costs include the fees and expenses of the presiding officer, costs of making and preparing the record, witness fees and expenses, mileage, travel allowances and subsistence expenses of board employees and fees and expenses of agents of the board who provide services to the board.

(2) Costs shall not include fees and expenses or costs of making and preparing the record unless the board has designated or retained the services of the office of administrative hearings to perform such functions.

(c) The board shall make any assessment of costs incurred as part of the final order rendered in the proceeding. Such order shall include findings and conclusions in support of the assessment of costs.

History: L. 2012, ch. 93, § 24; July 1.

58-4725. Same; rules and regulations. In accordance with the provisions of the rules and regulations filing act, K.S.A. 77-415 et seq., and amendments thereto, the board may adopt, amend and revoke rules and regulations governing the administration and enforcement of this act, including, but not limited to:

- (a) Any fee required by this act;
- (b) any report, record or other information which may be required to be kept, and maintained pursuant to this act; and
- (c) such other rules and regulations as the board may deem necessary to carry out the provisions of this act.

History: L. 2012, ch. 93, § 25; July 1.

117-20-1. Definitions. Each of the following terms used in this article shall have the meaning specified in this regulation, in addition to the terms defined in L. 2012, ch. 93, sec. 3 and amendments thereto:

- (a) "Applicant" means an appraisal management company seeking registration.
 - (b) "Good moral character" shall include the qualities of good judgment, honesty, fairness, responsibility, credibility, reliability, self-discipline, self-evaluation, initiative, trustworthiness, integrity, respect for and obedience to the laws of the state and nation, and respect for the rights of others and for the judicial process.
 - (c) "Good standing" has the meaning specified in K.A.R. 117-1-1.
 - (d) "Oversee an appraiser panel" means to supervise or manage an appraiser panel.
- (Authorized by L. 2012, ch. 93, sec. 25; implementing L. 2012, ch. 93, secs. 4, 5, 9, 10, 11, 16, and 22; effective, T-117-7-3-12, July 3, 2012; effective Oct. 19, 2012.)

117-20-2. Registration. (a) Each controlling person shall submit the application forms prescribed by the board with the fees specified in K.A.R. 117-20-4.

(b) Each application shall be supported by a separate form for the controlling person and for each owner of more than 10 percent of the applicant.

(1) Each owner of more than 10 percent of the applicant shall submit that individual's fingerprints and the fee specified in K.A.R. 117-20-4 in the manner prescribed by the board for a state and national criminal history record check. The individual shall not be fingerprinted more than 120 days before submitting the application for initial registration.

(2) The controlling person of the applicant shall submit that individual's fingerprints and the fee specified in K.A.R. 117-20-4 in the manner prescribed by the board for a state and national criminal history record check. The individual shall not be fingerprinted more than 120 days before submitting the application for initial registration. (Authorized by L. 2012, ch. 93, sec. 25; implementing L. 2012, ch. 93, secs. 9 and 10; effective, T-117-7-3-12, July 3, 2012; effective Oct. 19, 2012.)

117-20-3. Registration renewal. To renew an AMC's registration, the controlling person of the AMC with a current, valid registration shall submit an application for renewal on forms provided by the board and pay the fees specified in K.A.R. 117-20-4. (Authorized by L. 2012, ch. 93, sec. 25; implementing L. 2012, ch. 93, secs. 6, 9, and 10; effective, T-117-7-3-12, July 3, 2012; effective Feb. 8, 2013.)

117-20-4. Fees. The following fees shall be collected by the board: (a) For initial registration, \$1,500; (b) for registration renewal, \$900; (c) for late registration renewal, the amount specified in subsection (b) and an additional \$100; (d) for processing fingerprints and a criminal history record check, \$50; and (e) for initial registration and for registration renewal, the AMC federal registry fee in any amount assessed by the appraisal subcommittee of the federal financial institutions examination council for all AMCs holding a registration. (Authorized by and implementing K.S.A. 2012 Supp. 58-4708, 58-4709, 58-4710, and 58-4725; effective T-117-7-3-12, July 3, 2012; effective Oct. 19, 2012; amended Sept. 6, 2013; amended Aug. 22, 2014.)

117-20-5. Certificate of registration. Each certificate of registration shall show on its face in clear and concise language the following information:

- (a) The legal name of the AMC;
- (b) the certificate of registration number;
- (c) the date of issuance;
- (d) the date of expiration; and
- (e) the signature or facsimile signature of the chairperson of the board. (Authorized by and implementing L. 2012, ch. 93, sec. 25; effective, T-117-7-3-12, July 3, 2012; effective Oct. 19, 2012.)

117-20-6. Change of information. (a) Each holder of a registration, controlling person, and owner of more than 10 percent of an AMC shall submit written notice to the board of each change to any of the information required by L. 2012, ch. 93, sec. 4, and amendments thereto, within 10 days of the change.

(b) Each holder of a registration shall report each change of the controlling person or an owner of more than 10 percent of an AMC within 10 days of the change. (Authorized by and implementing L. 2012, ch. 93, sec. 25; effective, T-117-7-3-12, July 3, 2012; effective Oct. 19, 2012.)

117-20-7. Certification of annual review. The controlling person of each AMC applying for an initial registration or registration renewal shall certify that the AMC performed an appraisal review on at least five percent of all appraisal reports submitted by appraisers performing real estate appraisal services for the AMC within Kansas on an annual basis. (Authorized by L. 2012, ch. 93, sec. 25; implementing L. 2012, ch. 93, sec. 12; effective, T-117-7-3-12, July 3, 2012; effective Feb. 8, 2013.)

Chapter 6:

Appraiser Regulation

An * in the left margin indicates a change in the statute, rule, or text since the last publication of the manual.

I. The Colorado Board of Real Estate Appraisers

The Colorado Board of Real Estate Appraisers (“Board”) meets every other month and consists of seven members who are appointed by the Governor. The overall objective of the Board is to protect the public. In order to do so, the Colorado legislature has granted the Board rulemaking authority for matters related to the profession of real estate appraisers, and Appraisal Management Companies (AMC). Rules are made after notice and public hearings in which all interested parties may participate.

The Division of Real Estate (“Division”) is part of the Department of Regulatory Agencies and is responsible for budgeting, purchasing, and related management functions. The director of the Division is an administrative officer who executes the directives of the Board and is given statutory authority in all matters delegated by the Board. The Board exercises its duties and authority through licensing, certification, and enforcement.

II. Appraiser Licensing and Certification

- * In 1990, the legislature passed laws governing the practice of real estate appraisal in Colorado in response to the federal “Financial Institutions Reform, Recovery and Enforcement Act of 1989” (“FIRREA”). This enabling legislation has been amended several times since being adopted. The full text of the statutes, §§ 12-10-601 through 12-10-623, C.R.S., are reprinted in this chapter.
- * The Colorado Board of Real Estate Appraisers is composed of three licensed or certified appraisers, one of whom shall have expertise in eminent domain matters; one shall be a county assessor in office; one shall be an officer or employee of a commercial bank experienced in real estate lending; one shall be an officer or employee of an appraisal management company; and one shall be member of the public at large not engaged in any of the businesses represented by the other members of the board. Members of the Board shall hold office for terms of three years. The Board has statutory authority to implement Colorado law in a manner consistent with federal regulations, including rulemaking and imposing discipline for violations of appraiser license law.
- * Unless a specific exemption applies, any person acting as a real estate appraiser in this state must be licensed as provided by §§ 12-10-601, *et seq.* Exceptions to the definition of “real estate appraiser” are found in § 12-10-602(9)(b), C.R.S., and include, among others, licensed real estate brokers who perform broker price opinions and competitive market analyses that are not represented as appraisals and are not used for purposes of obtaining financing. Other exceptions are provided for corporations valuing property they own, may purchase or sell, and for appraisers of personal property, water or mineral rights.
- * Colorado appraisal licensing and certification law, rules, and practices are reviewed and approved by the Federal Appraisal Subcommittee (ASC). The ASC oversees the real estate

appraisal process as it relates to federally related transactions. The Appraisal Foundation (TAF), a private non-profit appraisal organization, is charged with developing the qualifications for appraisers and standards for appraisals through two of its independent Boards, the Appraisal Qualifications Board (AQB) and the Appraisal Standards Board (ASB). In general, the standards for the development and reporting of an appraisal are those of the Uniform Standards of Professional Appraisal Practice (USPAP) as developed, interpreted, and amended by the ASB. The AQB and ASB have no legislative power, but their recommendations have been adopted via § 12-10-613(1)(g) and Board Rule 11.1.

Federal financial regulatory agencies have developed rules as to the appraiser and appraisal related requirements that must be met for valuation of properties in “federally related transactions.” Additional standards are imposed by federal and/or state law for real estate appraisals, in particular, for eminent domain, conservation easements and appraisals used for income tax purposes.

III. Levels of Appraiser Licensure

Colorado appraiser law and Board rules establish four levels of licensure, summarized in more detail below. A license or certification is issued when an individual meets the education, examination, and experience requirements for their level of licensure. The level of licensure determines what properties an appraiser, if competent for the assignment, may appraise.

Licensed Ad Valorem Appraiser: This level of licensure is only utilized for appraiser employees of county tax assessment offices. These individuals may also qualify for and hold a licensed or certified credential.

Licensed Appraiser: The licensed credential allows the appraiser to appraise non-complex 1-4 unit residential properties having a transaction value of less than \$1 million and complex 1-4 unit residential properties having a transaction value of less than \$250,000. The terms “Complex Residential Property” and “Transaction Value” are defined by Board Rule and the Real Property Appraiser Qualification Criteria of the AQB.

* **Certified Residential Appraiser:** The certified residential credential allows the appraiser to appraise 1-4 unit residential properties without regard to transaction value or complexity. The credential includes the appraisal of vacant or unimproved land that is utilized for 1-4 residential units purposes or for which the highest and best use is for 1-4 residential units, but does not include the appraisal of subdivisions for which a development analysis/appraisal is necessary.

Certified General Appraiser: The certified general credential allows the appraiser to appraise all types of real property.

Colorado does not have trainee or supervisory appraiser classifications and there are no specific requirements for either in statute or Board rule.

IV. Requirements for Appraiser Licensure

In general, there are three requirements that must be met for appraiser licensure: education, examination, and experience. The specific requirements in these areas for the licensed, certified and ad valorem credentials are detailed under Board Rules 2.2, 2.3, 2.4 and 2.9.

V. Continuing Education Requirements

An initial license or certification issued to an appraiser is valid through December 31 of the year issued. Appraisers who obtain their initial license or certification prior to July 1 of any calendar year must complete at least 14 hours of approved appraiser continuing education before December 31. Appraisers who renew their credential will be issued a two-year license and must complete at least 28 hours of approved appraiser continuing education during the two-year renewal cycle.

At a minimum, appraisers must successfully complete the 7-hour National Uniform Standards of Professional Appraisal Practice (USPAP) Update Course every two calendar years. The update course will be credited towards the required 28 hours of continuing education for the renewal cycle. The 15-hour National USPAP course cannot be substituted for the required 7-hour National USPAP update course. Continuing education requirements are more fully detailed in Chapter 7 of the Board Rules.

VI. Appraisal Management Companies

In accordance with the Dodd–Frank Wall Street Reform and Consumer Protection Act, the Colorado legislature passed HB 12-1110 which requires appraisal management companies (AMCs) to be licensed in the state of Colorado as of July 1, 2013. Each appraisal management company must designate a Controlling Appraiser to supervise all licensed activities that occur in the state. The Board of Real Estate Appraisers shall not issue a license to an AMC until the Controlling Appraiser and each individual that owns more than 10% of the company establishes that he or she is truthful and honest and has good moral character and has submitted a set of fingerprints to the Colorado Bureau of Investigations. Each AMC must maintain a surety bond for a minimum of \$25,000.

- * **Title 12, Article 10, Part 6, Colorado Revised Statutes – Real Estate Appraisers**
- * *§ 12-10-601, C.R.S. Legislative declaration.*
- * *Editor's note: This section is similar to former §12-61-701 as it existed prior to 2019.*

The general assembly finds, determines, and declares that sections 12-10-602 to 12-10-623 are enacted pursuant to the requirements of the “Real Estate Appraisal Reform Amendments”, Title XI of the federal “Financial Institutions Reform, Recovery, and Enforcement Act of 1989”, as amended, 12 U.S.C. secs. 3331 to 3351. The general assembly further finds, determines, and declares that sections 12-10-602 to 12-10-623 are intended to implement the requirements of federal law in the least burdensome manner to real estate appraisers and appraisal management companies. Licensed ad valorem appraisers licensed under this article 10 are not regulated by the federal “Real Estate Appraisal Reform Amendments”, Title XI of the federal “Financial Institutions Reform, Recovery, and Enforcement Act of 1989”, as amended, 12 U.S.C. secs. 3331 to 3351.

- * *§ 12-10-602, C.R.S. Definitions.*
- * *Editor's note: (1) This section is similar to former §12-61-702 as it existed prior to 2019; except that §12-61-702 (7) and (8) were relocated to §12-10-101 (1) and (2), respectively.*
- * *(2) Before its relocation in 2019, this section was amended in SB 19-046. Those amendments were superseded by the repeal and reenactment of this title 12, effective October 1, 2019. For those*

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amendments to the former section in effect from March 25, 2019, to October 1, 2019, see SB 19-046, chapter 50, Session Laws of Colorado 2019.

- * (3) *Section 4 of chapter 50 (SB 19-046), Session Laws of Colorado 2019, provides that the act changing this section takes effect October 1, 2019, only if HB 19-1172 becomes law. HB 19-1172 became law and took effect October 1, 2019.*

As used in this part 6, unless the context otherwise requires:

- (1) (a) “Appraisal”, “appraisal report”, or “real estate appraisal” means a written or oral analysis, opinion, or conclusion relating to the nature, quality, value, or utility of specified interests in, or aspects of, identified real estate that is transmitted to the client upon the completion of an assignment. These terms include a valuation, which is an opinion of the value of real estate, and an analysis, which is a general study of real estate not specifically performed only to determine value; except that the terms include a valuation completed by an appraiser employee of a county assessor as defined in section 39-1-102 (2).
 - (b) The terms do not include an analysis, valuation, opinion, conclusion, notation, or compilation of data by an officer, director, or regularly salaried employee of a financial institution or its affiliate, made for internal use only by the financial institution or affiliate, concerning an interest in real estate that is owned or held as collateral by the financial institution or affiliate and that is not represented or deemed to be an appraisal except to the financial institution, the agencies regulating the financial institution, and any secondary markets that purchase real estate secured loans. An appraisal prepared by an officer, director, or regularly salaried employee of a financial institution who is not licensed or certified under this part 6 shall contain a written notice that the preparer is not licensed or certified as an appraiser under this part 6.
 - (c) “Appraisal”, “appraisal report”, or “real estate appraisal” does not include a federally authorized “waiver valuation”, as defined in 49 CFR 24.2 (a)(33), as amended.
- (2) (a) “Appraisal management company” or “AMC” means, in connection with valuing properties collateralizing mortgage loans or mortgages incorporated into a securitization, any external third party authorized either by a creditor in a consumer credit transaction secured by a consumer’s principal dwelling that oversees an appraiser panel or by an underwriter of, or other principal in, the secondary mortgage markets that oversees an appraiser panel to:
 - (I) Recruit, select, and retain appraisers;
 - (II) Contract with licensed and certified appraisers to perform appraisal assignments;
 - (III) Manage the process of having an appraisal performed, including providing administrative duties such as receiving appraisal orders and appraisal reports, submitting completed appraisal reports to creditors and underwriters, collecting fees from creditors and underwriters for services provided, and reimbursing appraisers for services performed; or
 - (IV) Review and verify the work of appraisers.
- (b) “Appraisal management company” or “AMC” does not include:
 - (I) A corporation, limited liability company, sole proprietorship, or other entity that directly performs appraisal services;
 - (II) A corporation, limited liability company, sole proprietorship, or other entity that does not contract with appraisers for appraisal services, but that solely distributes orders to a client-selected panel of appraisers; and
 - (III) A mortgage company, or its subsidiary, that manages a panel of appraisers who are engaged to provide appraisal services on mortgage loans either originated by the mortgage company or funded by the mortgage company with its own funds.

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- (3) “Board” means the board of real estate appraisers created in section 12-10-603.
 - (4) “Client” means the party or parties who engage an appraiser or an appraisal management company for a specific assignment.
 - (5) “Consulting services” means services performed by an appraiser that do not fall within the definition of an “independent appraisal” in subsection (7) of this section. “Consulting services” includes marketing, financing and feasibility studies, valuations, analyses, and opinions and conclusions given in connection with real estate brokerage, mortgage banking, and counseling and advocacy in regard to property tax assessments and appeals thereof; except that, if in rendering the services the appraiser acts as a disinterested third party, the work is deemed an independent appraisal and not a consulting service. Nothing in this subsection (5) precludes a person from acting as an expert witness in valuation appeals.
 - (6) “Financial institution” means any “bank” or “savings association”, as those terms are defined in 12 U.S.C. sec. 1813, any state bank incorporated under title 11, any state or federally chartered credit union, or any company that has direct or indirect control over any of those entities.
 - (7) “Independent appraisal” means an engagement for which an appraiser is employed or retained to act as a disinterested third party in rendering an unbiased analysis, opinion, or conclusion relating to the nature, quality, value, or utility of specified interests in or aspects of identified real estate.
 - (8) (a) “Panel” or “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.
(b) Appraisers on an AMC’s appraiser panel include both:
 - (I) 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
 - (II) 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.
 - (c) An appraiser is an independent contractor for purposes of this subsection (8) if the appraiser is treated as an independent contractor by the AMC for purposes of federal income taxation.
- (9) (a) “Real estate appraiser” or “appraiser” means a person who provides an estimate of the nature, quality, value, or utility of an interest in, or aspect of, identified real estate and includes one who estimates value and who possesses the necessary qualifications, ability, and experience to execute or direct the appraisal of real property.
(b) “Real estate appraiser” or “appraiser” does not include:
 - (I) A person who conducts appraisals strictly of personal property;
 - (II) A person licensed as a broker pursuant to part 2 of this article 10 who provides an opinion of value that is not represented as an appraisal and is not used for purposes of obtaining financing;
 - (III) A person licensed as a certified public accountant pursuant to article 100 of this title 12, and otherwise regulated, as long as the person does not represent his or her opinions of value for real estate as an appraisal;
 - (IV) A corporation, acting through its officers or regularly salaried employees, when conducting a valuation of real estate property rights owned, to be purchased, or sold by the corporation;
 - (V) A person who conducts appraisals strictly of water rights or of mineral rights;

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- (VI) A right-of-way acquisition agent, an appraiser who is licensed and certified pursuant to this part 6, or any other individual who has sufficient understanding of the local real estate market to be qualified to make a waiver valuation when the agent, appraiser, or other qualified individual is employed by or contracts with a public entity and provides an opinion of value that is not represented as an appraisal and when, for any purpose, the property or portion of property being valued is valued at twenty-five thousand dollars or less, as permitted by federal law and 49 CFR 24.102 (c)(2), as amended;
- (VII) An officer, director, or regularly salaried employee of a financial institution or its affiliate who makes, for internal use only by the financial institution or affiliate, an analysis, evaluation, opinion, conclusion, notation, or compilation of data with respect to an appraisal so long as the person does not make a written adjustment of the appraisal's conclusion as to the value of the subject real property;
- (VIII) An officer, director, or regularly salaried employee of a financial institution or its affiliate who makes an internal analysis, valuation, opinion, conclusion, notation, or compilation of data concerning an interest in real estate that is owned or held as collateral by the financial institution or its affiliate; or
- (IX) A person who represents property owners as an advocate in tax or valuation protests and appeals pursuant to title 39.

* **§ 12-10-603, C.R.S. Board of real estate appraisers – creation – compensation – immunity – legislative declaration – subject to review – repeal of part.**

* ***Editor's note:*** This section is similar to former §12-61-703 as it existed prior to 2019.

- (1) (a) There is hereby created in the division of real estate a board of real estate appraisers consisting of seven members appointed by the governor with the consent of the senate. Of the members, three shall be licensed or certified appraisers, one of whom shall have expertise in eminent domain matters; one shall be a county assessor in office; one shall be an officer or employee of a commercial bank experienced in real estate lending; one shall be an officer or employee of an appraisal management company; and one shall be a member of the public at large not engaged in any of the businesses represented by the other members of the board.
(b) Members of the board shall hold office for terms of three years. In the event of a vacancy by death, resignation, removal, or otherwise, the governor shall appoint a member to fill the unexpired term. The governor has the authority to remove any member for misconduct, neglect of duty, or incompetence.
- (2) (a) The board shall exercise its powers and perform its duties and functions under the division of real estate as if transferred to the division by a **type 1** transfer, as defined in the "Administrative Organization Act of 1968", article 1 of title 24.
(b) The general assembly finds, determines, and declares that the organization of the board under the division as a **type 1** agency will provide the autonomy necessary to avoid potential conflicts of interest between the responsibility of the board in the regulation of real estate appraisers and the responsibility of the division in the regulation of real estate brokers and salespersons. The general assembly further finds, determines, and declares that the placement of the board as a **type 1** agency under the division is consistent with the organizational structure of state government.
- (3) Each member of the board shall receive the same compensation and reimbursement of expenses as is provided for members of boards and commissions in the division of professions and occupations pursuant to section 12-20-103 (6). Payment for all per diem compensation and

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expenses shall be made out of annual appropriations from the division of real estate cash fund provided for in section 12-10-605.

- (4) Members of the board, consultants, and expert witnesses are immune from liability in any civil action based upon any disciplinary proceedings or other official acts they performed in good faith pursuant to this part 6.
- (5) A majority of the board constitutes a quorum for the transaction of all business, and actions of the board require a vote of a majority of the members present in favor of the action taken.
- (6) This part 6 is repealed, effective September 1, 2022. Before the repeal, this part 6 is scheduled for review in accordance with section 24-34-104.

* **§ 12-10-604, C.R.S. Powers and duties of the board – rules.**

* *Editor's note:* (1) This section is similar to former §12-61-704 as it existed prior to 2019.

(2) *Before its relocation in 2019, this section was amended in HB 19-1264. Those amendments were superseded by the repeal and reenactment of this title 12, effective October 1, 2019. For those amendments to the former section in effect from June 30, 2019, to October 1, 2019, see HB 19-1264, chapter 420, Session Laws of Colorado 2019.*

(3) *Section 17 of chapter 420 (HB 19-1264), Session Laws of Colorado 2019, provides that the act changing this section takes effect October 1, 2019, only if HB 19-1172 becomes law. HB 19-1172 became law and took effect October 1, 2019.*

- (1) In addition to all other powers and duties imposed upon it by law, the board has the following powers and duties:
 - (a) (I) To promulgate and amend, as necessary, rules pursuant to article 4 of title 24 for the implementation and administration of this part 6 and as required to comply with the federal “Real Estate Appraisal Reform Amendments”, Title XI of the federal “Financial Institutions Reform, Recovery, and Enforcement Act of 1989”, as amended, 12 U.S.C. secs. 3331 to 3351, and with any requirements imposed by amendments to that federal law.
 - (II) The board shall not establish any requirements that are more stringent than the requirements of any applicable federal law.
 - (III) Licensed ad valorem appraisers are not regulated by the federal “Real Estate Appraisal Reform Amendments”, Title XI of the federal “Financial Institutions Reform, Recovery, and Enforcement Act of 1989”, as amended, 12 U.S.C. secs. 3331 to 3351, but the board shall adopt rules regarding minimum qualifications and standards of practice for licensed ad valorem appraisers.
 - (IV) In any list or registry it maintains, the board shall identify or separately account for any appraisal management company that oversees a panel of more than fifteen certified or licensed appraisers in Colorado, or more than twenty-five in all states in which it does business, within a given year.
 - (b) To charge application, examination, and license and certificate renewal fees established pursuant to section 12-10-215 from all applicants for licensure, certification, examination, and renewal under this part 6. The board shall not refund any fees received from applicants seeking licensure, certification, examination, or renewal.
 - (c) Through the department and subject to appropriations made to the department, to employ administrative law judges, appointed pursuant to part 10 of article 30 of title 24, on a full-time or part-time basis to conduct any hearings required by this part 6;
 - (d) To issue, deny, or refuse to renew a license or certificate pursuant to this part 6;
 - (e) To take disciplinary actions in conformity with this part 6;

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- (f) To delegate to the director the administration and enforcement of this part 6 and the authority to act on behalf of the board on occasions and in circumstances that the board directs;
 - (g) (I) To develop, purchase, or contract for any examination required for the administration of this part 6, to offer each examination at least twice a year or, if demand warrants, at more frequent intervals, and to establish a passing score for each examination that reflects a minimum level of competency.
 - (II) If study materials are developed by a testing company or other entity, the board shall make the materials available to persons desiring to take examinations pursuant to this part 6. The board may charge fees for the materials to defray any costs associated with making the materials available.
 - (h) In compliance with article 4 of title 24, to make investigations; subpoena persons and documents, which subpoenas may be enforced by a court of competent jurisdiction if not obeyed; hold hearings; and take evidence in all matters relating to the exercise of the board's power under this part 6;
 - (i) Pursuant to section 1119 (b) of Title XI of the federal "Financial Institutions Reform, Recovery, and Enforcement Act of 1989", Pub.L. 101-73, as amended, to apply, if necessary, for a federal waiver of the requirement relating to certification or licensing of a person to perform appraisals and to make the necessary written determinations specified in that section for purposes of making the application; and
 - (j) If the board has reasonable cause to believe that a person, partnership, limited liability company, or corporation is violating this part 6, to enter an order requiring the individual or appraisal management company to cease and desist the violation.
 - (k) Repealed.
- (2) The board shall maintain or preserve, for seven years, licensing history records of a person licensed or certified under this part 6. Complaints of record in the office of the board and board investigations, including board investigative files, are closed to public inspection. Stipulations and final agency orders are public record and are subject to sections 24-72-203 and 24-72-204.

* **§ 12-10-605, C.R.S. Fees, penalties, and fines collected under part 6.**

* ***Editor's note:* This section is similar to former §12-61-705 as it existed prior to 2019.**

All fees, penalties, and fines collected pursuant to this part 6, not including fees retained by contractors pursuant to contracts entered into in accordance with section 12-10-203, 12-10-606, or 24-34-101, shall be transmitted to the state treasurer, who shall credit the same to the division of real estate cash fund, created in section 12-10-215.

* **§ 12-10-606, C.R.S. Qualifications for licensing and certification of appraisers – continuing education – definitions – rules.**

* ***Editor's note:* (1) This section is similar to former §12-61-706 as it existed prior to 2019.**

* ***(2) Before its relocation in 2019, this section was amended in HB 19-1166. Those amendments were superseded by the repeal and reenactment of this title 12, effective October 1, 2019. For those amendments to the former section in effect from April 18, 2019, to October 1, 2019, see HB 19-1166, chapter 125, Session Laws of Colorado 2019.***

* ***(3) Section 78 of chapter 125 (HB 19-1166), Session Laws of Colorado 2019, provides that the act changing this section takes effect October 1, 2019, only if HB 19-1172 becomes law. HB 19-1172 became law and took effect October 1, 2019.***

- (1) (a) The board shall, by rule, prescribe requirements for the initial licensing or certification of persons under this part 6 to meet the requirements of the "Real Estate Appraisal Reform Amendments", Title XI of the federal "Financial Institutions Reform, Recovery, and

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Enforcement Act of 1989”, as amended, 12 U.S.C. secs. 3331 to 3351, and shall develop, purchase, or contract for examinations to be passed by applicants. The board shall not establish any requirements for initial licensing or certification that are more stringent than the requirements of any applicable federal law; except that all applicants shall pass an examination offered by the board. If there is no applicable federal law, the board shall consider and may use as guidelines the most recent available criteria published by the Appraiser Qualifications Board of the Appraisal Foundation or its successor organization.

- (b) The four levels of appraiser licensure and certification, pursuant to subsection (1)(a) of this section, are defined as follows:
 - (I) “Certified general appraiser” means an appraiser meeting the requirements set by the board for general certification.
 - (II) “Certified residential appraiser” means an appraiser meeting the requirements set by the board for residential certification.
 - (III) “Licensed ad valorem appraiser” means an appraiser meeting the requirements set by the board for ad valorem appraiser certification. Only a county assessor, employee of a county assessor’s office, or employee of the division of property taxation in the department of local affairs may obtain or possess an ad valorem appraiser certification.
 - (IV) “Licensed appraiser” means an appraiser meeting the requirements set by the board for a license.
 - (c) A county assessor or employee of a county assessor’s office who is a licensed ad valorem appraiser may not perform real estate appraisals outside of his or her official duties.
 - (d) The board shall transfer persons employed in a county assessor’s office or in the division of property taxation in the department of local affairs who are registered appraisers as of July 1, 2013, to the category of licensed ad valorem appraiser. The board shall allow these persons, until December 31, 2015, to meet any additional requirements imposed by the board pursuant to section 12-10-604 (1)(a).
- (2) (a) The board shall, by rule, prescribe continuing education requirements for persons licensed or certified as certified general appraisers, certified residential appraisers, or licensed appraisers as needed to meet the requirements of the “Real Estate Appraisal Reform Amendments”, Title XI of the federal “Financial Institutions Reform, Recovery, and Enforcement Act of 1989”, as amended, 12 U.S.C. secs. 3331 to 3351. The board shall not establish any continuing education requirements that are more stringent than the requirements of any applicable federal law; except that all persons licensed or certified under this part 6 are subject to continuing education requirements. If there is no applicable federal law, the board shall consider and may use as guidelines the most recent available criteria published by the Appraiser Qualifications Board of the Appraisal Foundation or its successor organization.
 - (b) The board shall, by rule, prescribe continuing education requirements for licensed ad valorem appraisers.
- (3) Notwithstanding any provision of this section to the contrary, the criteria established by the board for the licensing or certification of appraisers pursuant to this part 6 shall not include membership or lack of membership in any appraisal organization.
 - (4) (a) Subject to section 12-10-619 (2), all appraiser employees of county assessors shall be licensed or certified as provided in subsections (1) and (2) of this section. Obtaining and maintaining a license or certificate under either subsection (1) or (2) of this section entitles an appraiser employee of a county assessor to perform all real estate appraisals required to fulfill the person’s official duties.

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- (b) Appraiser employees of county assessors who are employed to appraise real property are subject to this part 6; except that appraiser employees of county assessors who are employed to appraise real property are not subject to disciplinary actions by the board on the ground that they have performed appraisals beyond their level of competency when appraising real estate in fulfillment of their official duties. County assessors, if licensed or certified as provided in subsections (1) and (2) of this section, are not subject to disciplinary actions by the board on the ground that they have performed appraisals beyond their level of competency when appraising real estate in fulfillment of their official duties.
- (c) The county in which an appraiser employee of a county assessor is employed shall pay all reasonable costs incurred by the appraiser employee of the county assessor to obtain and maintain a license or certificate pursuant to this section.
- (5) The board shall not issue an appraiser's license as referenced in subsection (1)(b)(IV) of this section unless the applicant has at least twelve months' appraisal experience.
- (6)
 - (a) The board shall not issue a license or certification until the applicant demonstrates that he or she meets the fitness standards established by board rule and submits 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 utilizing records of the Colorado bureau of investigation and the federal bureau of investigation. Each person submitting a set of fingerprints shall pay the fee established by the Colorado bureau of investigation for conducting the fingerprint-based criminal history record check to the bureau. Upon completion of the criminal history record check, the bureau shall forward the results to the board. The board shall require a name-based criminal history record check, as defined in section 22-2-119.3 (6)(d), for an applicant who has twice submitted to a fingerprint-based criminal history record check and whose fingerprints are unclassifiable or when the results of a fingerprint-based criminal history record check of an applicant performed pursuant to this subsection (6) reveal a record of arrest without a disposition. The applicant shall pay the costs associated with a name-based criminal history record check. The board may deny an application for licensure or certification based on the outcome of the criminal history record check and may establish criminal history requirements more stringent than those established by any applicable federal law. At a minimum, the board shall adopt the criminal history requirements established by any applicable federal law.
 - (b) An applicant for certification as a licensed ad valorem appraiser is not subject to the fingerprinting and criminal background check requirements of subsection (6)(a) of this section.

* **§ 12-10-607, C.R.S. Appraisal management companies – application for license – exemptions.**

- * ***Editor's note:** (1) This section is similar to former §12-61-707 as it existed prior to 2019.*
- * *(2) Before its relocation in 2019, this section was amended in HB 19-1166. Those amendments were superseded by the repeal and reenactment of this title 12, effective October 1, 2019. For those amendments to the former section in effect from April 18, 2019, to October 1, 2019, see HB 19-1166, chapter 125, Session Laws of Colorado 2019.*
- * *(3) Section 78 of chapter 125 (HB 19-1166), Session Laws of Colorado 2019, provides that the act changing this section takes effect October 1, 2019, only if HB 19-1172 becomes law. HB 19-1172 became law and took effect October 1, 2019.*

- (1) An applicant shall apply for a license as an appraisal management company, or as a controlling appraiser, to the board in a manner prescribed by the board.

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- (2) The board may grant appraisal management company licenses to individuals, partnerships, limited liability companies, or corporations. A partnership, limited liability company, or corporation, in its application for a license, shall designate a controlling appraiser who is actively certified in a state recognized by the appraisal subcommittee of the federal financial institutions examination council or its successor entity. The controlling appraiser is responsible for the licensed practices of the partnership, limited liability company, or corporation and all persons employed by the entity. The application of the partnership, limited liability company, or corporation and the application of the appraiser designated by it as the controlling appraiser shall be filed with the board. The board has jurisdiction over the appraiser so designated and over the partnership, limited liability company, or corporation.
- (3) The board shall not issue a license to any partnership, limited liability company, or corporation unless and until the appraiser designated by the partnership, limited liability company, or corporation as controlling appraiser and each individual who owns more than ten percent of the entity demonstrates that he or she meets the fitness standards established by board rule and submits 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 utilizing records of the Colorado bureau of investigation and the federal bureau of investigation. Each person submitting a set of fingerprints shall pay the fee established by the Colorado bureau of investigation for conducting the fingerprint-based criminal history record check to the bureau. Upon completion of the criminal history record check, the bureau shall forward the results to the board. The board shall require a name-based criminal history record check, as defined in section 22-2-119.3 (6)(d), for an applicant who has twice submitted to a fingerprint-based criminal history record check and whose fingerprints are unclassifiable or when the results of a fingerprint-based criminal history record check of an applicant performed pursuant to this subsection (3) reveal a record of arrest without a disposition. The applicant shall pay the costs associated with a name-based criminal history record check. The board may deny an application for licensure or refuse to renew a license based on the outcome of the criminal history record check. The board may require criminal history requirements more stringent than those established by any applicable federal law. At a minimum, the board shall adopt the criminal history requirements established by any applicable federal law.
- (4) The board shall not issue a license to any partnership, limited liability company, or corporation if the appraiser designated by the entity as controlling appraiser has previously had, in any state, an appraiser registration, license, or certificate refused, denied, cancelled, surrendered in lieu of revocation, or revoked. A disciplinary action resulting in refusal, denial, cancellation, surrender in lieu of revocation, or revocation relating to a registration, license, or certification as an appraiser registered, licensed, or certified under this part 6 or any related occupation in any other state, territory, or country for disciplinary reasons is prima facie evidence of grounds for denial of a license by the board.
- (5) The board shall not issue a license to any partnership, limited liability company, or corporation if it is owned, in whole or in part, directly or indirectly, by any person who has had, in any state, an appraiser license, registration, or certificate refused, denied, cancelled, surrendered in lieu of revocation, or revoked. A disciplinary action resulting in refusal, denial, cancellation, surrender in lieu of revocation, or revocation relating to a license, registration, or certification as an appraiser licensed, registered, or certified under this part 6 or any related occupation in any other state, territory, or country for disciplinary reasons is prima facie evidence of grounds for denial of a license by the board.
- (6) The board may deny an application for a license for any partnership, limited liability company, or corporation if the partnership, limited liability company, or corporation has previously had a license revoked or surrendered a license in lieu of revocation. A disciplinary action resulting in the surrender in lieu of revocation or the revocation of a license as an appraisal management company under this part 6 or any related occupation in any other state, territory, or country for

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disciplinary reasons may be deemed to be *prima facie* evidence of grounds for denial of a license by the board.

- (7) Each appraisal management company must maintain a definite place of business. If the appraisal management company is domiciled in another state, the appraiser designated by the appraisal management company as controlling appraiser is responsible for supervising all licensed activities that occur in Colorado. All licensed actions occurring within the state of Colorado must occur under the name under which the appraisal management company is licensed or its trade name adopted in accordance with Colorado law.
- (8) An application that is submitted by an appraisal management company that is:
 - (a) A partnership must be properly registered with the Colorado department of revenue or properly filed with the Colorado secretary of state and in good standing, proof of which must be included in the application. If an assumed or trade name is to be used, it must be properly filed with the Colorado department of revenue or filed and accepted by the Colorado secretary of state, proof of which must be included with the application.
 - (b) A limited liability company must be properly registered with the Colorado secretary of state and in good standing, proof of which must be included with the application. If an assumed or trade name is to be used, it must be properly filed with the Colorado secretary of state, proof of which must be included with the application.
 - (c) A corporation must be registered as a foreign corporation or properly incorporated with the Colorado secretary of state and in good standing, proof of which must be included with the application. If an assumed or trade name is to be used, it must be properly filed with the Colorado secretary of state, proof of which must be included with the application.
- (9) Financial institutions and appraisal management company subsidiaries that are owned and controlled by the financial institution and regulated by a federal financial institution regulatory agency are not required to register with or be licensed by the board. This exemption includes a panel of appraisers who are engaged to provide appraisal services and are administered by a financial institution regulated by a federal financial regulatory agency.

* **§ 12-10-608, C.R.S. Errors and omissions insurance – duties of the division – certificate of coverage – group plan made available – rules.**

* ***Editor's note:*** This section is similar to former §12-61-708 as it existed prior to 2019.

- (1) Every licensee under this part 6, except an appraiser who is employed by a state or local governmental entity or an inactive appraiser or appraisal management company, shall maintain errors and omissions insurance to cover all activities contemplated under this part 6. The division shall make the errors and omissions insurance available to all licensees by contracting with an insurer for a group policy after a competitive bid process in accordance with article 103 of title 24. A group policy obtained by the division must be available to all licensees with no right on the part of the insurer to cancel any licensee. A licensee may obtain errors and omissions insurance independently if the coverage complies with the minimum requirements established by the division.
- (2) (a) If the division is unable to obtain errors and omissions insurance coverage to insure all licensees who choose to participate in the group program at a reasonable annual premium, as determined by the division, a licensee shall independently obtain the errors and omissions insurance required by this section.
 - (b) The division shall solicit and consider information and comments from interested persons when determining the reasonableness of annual premiums.
- (3) The division shall determine the terms and conditions of coverage required under this section based on rules promulgated by the board. Each licensee shall be notified of the required terms

and conditions at least thirty days before the annual premium renewal date as determined by the division. Each licensee shall file a certificate of coverage showing compliance with the required terms and conditions with the division by the annual premium renewal date, as determined by the division.

- (4) In addition to all other powers and duties conferred upon the board by this part 6, the board is authorized and directed to adopt rules it deems necessary or proper to carry out the requirements of this section.

* **§ 12-10-609, C.R.S. Bond required.**

* ***Editor's note:*** This section is similar to former §12-61-709 as it existed prior to 2019.

- (1) Before the board issues a license to an applicant for an appraisal management company license, the applicant shall post with the board a surety bond in the amount of twenty-five thousand dollars. A licensed appraisal management company shall maintain the required bond at all times.
- (2) The surety bond shall require the surety to provide notice to the board within thirty days if payment is made from the surety bond or if the bond is cancelled.

* **§ 12-10-610, C.R.S. Expiration of licenses – renewal – penalties – fees – rules.**

* ***Editor's note:*** (1) This section is similar to former §12-61-710 as it existed prior to 2019.

* ***(2) Before its relocation in 2019, this section was amended in HB 19-1166. Those amendments were superseded by the repeal and reenactment of this title 12, effective October 1, 2019. For those amendments to the former section in effect from April 18, 2019, to October 1, 2019, see HB 19-1166, chapter 125, Session Laws of Colorado 2019.***

* ***(3) Section 78 of chapter 125 (HB 19-1166), Session Laws of Colorado 2019, provides that the act changing this section takes effect October 1, 2019, only if HB 19-1172 becomes law. HB 19-1172 became law and took effect October 1, 2019.***

- (1) (a) All licenses or certificates expire pursuant to a schedule established by the director and may be renewed or reinstated pursuant to this section. Upon compliance with this section and any applicable rules of the board regarding renewal, including the payment of a renewal fee plus a reinstatement fee established pursuant to subsection (1)(b) of this section, the expired license or certificate shall be reinstated. A real estate appraiser's license or certificate that has not been renewed for a period greater than two years shall not be reinstated, and the person must submit a new application for licensure or certification.
- (b) A person who fails to renew his or her license or certificate before the applicable renewal date may have it reinstated if the person submits an application as prescribed by the board:
- (I) Within thirty-one days after the date of expiration, by payment of the regular renewal fee;
- (II) More than thirty-one days, but within one year, after the date of expiration, by payment of the regular renewal fee and payment of a reinstatement fee equal to one-third of the regular renewal fee; or
- (III) More than one year, but within two years, after the date of expiration, by payment of the regular renewal fee and payment of a reinstatement fee equal to two-thirds of the regular renewal fee.
- (2) If the federal registry fee collected by the board and transmitted to the federal financial institutions examination council is increased prior to expiration of a license or certificate, the board shall collect the amount of the increase in the fee from the holder of the license or

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certificate and forward the amount to the council annually. The federal registry fee does not apply to licensed ad valorem appraisers licensed under this article 10.

- (3) (a) If the applicant has complied with this section and any applicable rules of the board regarding renewal, except for the continuing education requirements pursuant to section 12-10-606, the licensee may renew the license on inactive status. An inactive license may be activated if the licensee submits written certification of compliance with section 12-10-606 for the previous licensing period. The board may adopt rules establishing procedures to facilitate reactivation of licenses.
 - (b) The holder of an inactive license shall not perform a real estate appraisal or appraisal management duties.
 - (c) The holder of an inactive license shall not hold himself or herself out as having an active license pursuant to this part 6.
- (4) At the time of renewal or reinstatement, every licensee, certificate holder, and person or individual who owns more than ten percent of an appraisal management company shall submit 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 utilizing records of the Colorado bureau of investigation and the federal bureau of investigation, if the person has not previously done so for issuance of a license or certification by the board. Each person submitting a set of fingerprints shall pay the fee established by the Colorado bureau of investigation for conducting the fingerprint-based criminal history record check to the bureau. The bureau shall forward the results to the board. The board shall require a name-based criminal history record check, as defined in section 22-2-119.3 (6)(d), for an applicant who has twice submitted to a fingerprint-based criminal history record check and whose fingerprints are unclassifiable or when the results of a fingerprint-based criminal history record check of an applicant performed pursuant to this section reveal a record of arrest without a disposition. The applicant shall pay the costs associated with a name-based criminal history record check. The board may refuse to renew or reinstate a license or certification based on the outcome of the criminal history record check.

* **§ 12-10-611, C.R.S. Licensure or certification by endorsement – temporary practice.**

* ***Editor's note:* This section is similar to former §12-61-711 as it existed prior to 2019.**

- (1) The board may issue a license or certification to an appraiser by endorsement to engage in the occupation of real estate appraisal to any applicant who has a license or certification in good standing as a real estate appraiser under the laws of another jurisdiction if:
 - (a) The applicant presents proof satisfactory to the board that, at the time of application for a Colorado license or certificate by endorsement, the applicant possesses credentials and qualifications that are substantially equivalent to the requirements of this part 6; or
 - (b) The jurisdiction that issued the applicant a license or certificate to engage in the occupation of real estate appraisal has a law similar to this subsection (1) pursuant to which it licenses or certifies persons who are licensed real estate appraisers in this state.
- (2) The board may specify, by rule, what constitutes substantially equivalent credentials and qualifications and the manner in which the board will review credentials and qualifications of an applicant.
- (3) Pursuant to section 1122 (a) of Title XI of the federal “Financial Institutions Reform, Recovery, and Enforcement Act of 1989”, Pub.L. 101-73, as amended, the board shall recognize, on a temporary basis, the license or certification of an appraiser issued by another state if:
 - (a) The appraiser’s business is of a temporary nature; and
 - (b) The appraiser applies for and is granted a temporary practice permit by the board.

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- * **§ 12-10-612, C.R.S. Denial of license or certificate – renewal – definition.**
- * *Editor's note:* This section is similar to former §12-61-712 as it existed prior to 2019.
 - (1) The board may determine whether an applicant for licensure or certification possesses the necessary qualifications for licensure or certification required by this part 6. The board may consider such qualities as the applicant's fitness and prior professional licensure and whether the applicant has been convicted of a crime. As used in this subsection (1), "applicant" includes any individual who owns, in whole or in part, directly or indirectly, an appraisal management company and any appraiser designated as a controlling appraiser by a partnership, limited liability company, or corporation acting as an appraisal management company.
 - (2) If the board determines that an applicant does not possess the applicable qualifications required by this part 6, or the applicant has violated this part 6, rules promulgated by the board, or any board order, the board may deny the applicant a license or certificate or deny the renewal or reinstatement of a license or certificate pursuant to section 12-10-610, and, in such instance, the board shall provide the applicant with a statement in writing setting forth the basis of the board's determination that the applicant does not possess the qualifications or professional competence required by this part 6. The applicant may request a hearing on the determination as provided in section 24-4-104 (9).
- * **§ 12-10-613, C.R.S. Prohibited activities – grounds for disciplinary actions – procedures.**
- * *Editor's note:* This section is similar to former §12-61-713 as it existed prior to 2019.
 - (1) A real estate appraiser is in violation of this part 6 if the appraiser:
 - (a) Has been convicted of a felony or has had accepted by a court a plea of guilty or nolo contendere to a felony if the felony is related to the ability to act as a real property appraiser. A certified copy of the judgment of a court of competent jurisdiction of the conviction or plea is conclusive evidence of the conviction or plea. In considering the disciplinary action, the board shall be governed by the provisions of section 24-5-101.
 - (b) Has violated, or attempted to violate, directly or indirectly, or assisted in or abetted the violation of, or conspired to violate this part 6, a rule promulgated pursuant to this part 6, or an order of the board issued pursuant to this part 6;
 - (c) Has accepted any fees, compensation, or other valuable consideration to influence the outcome of an appraisal;
 - (d) Has used advertising that is misleading, deceptive, or false;
 - (e) Has used fraud or misrepresentation in obtaining a license or certificate under this part 6;
 - (f) Has conducted an appraisal in a fraudulent manner or used misrepresentation in any such activity;
 - (g) Has acted or failed to act in a manner that does not meet the generally accepted standards of professional appraisal practice as adopted by the board by rule. A certified copy of a malpractice judgment of a court of competent jurisdiction is conclusive evidence of the act or omission, but evidence of the act or omission is not limited to a malpractice judgment.
 - (h) Has performed appraisal services beyond his or her level of competency;
 - (i) Has been subject to an adverse or disciplinary action in another state, territory, or country relating to a license, certificate, or other authorization to practice as an appraiser. A disciplinary action relating to a license or certificate as an appraiser licensed or certified under this part 6 or any related occupation in any other state, territory, or country for disciplinary reasons is *prima facie* evidence of grounds for disciplinary action or denial of licensure or certification by the board. This subsection (1)(i) applies only to violations

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- based upon acts or omissions in the other state, territory, or country that are also violations of this part 6.
- (j) Has failed to disclose in the appraisal report the fee paid to the appraiser for a residential real property appraisal if the appraiser was engaged by an appraisal management company to complete the assignment; or
 - (k) Has engaged in conduct that would be grounds for the denial of a license or certification under section 12-10-612.
- (2) If an applicant, a licensee, or a certified person has violated any provision of this section, the board may deny or refuse to renew the license or certificate, or, as specified in subsections (3) and (6) of this section, revoke or suspend the license or certificate, issue a letter of admonition to a licensee or certified person, place a licensee or certified person on probation, or impose public censure.
- (3) When a complaint or an investigation discloses an instance of misconduct by a licensed or certified appraiser that, in the opinion of the board, does not warrant formal action by the board but should not be dismissed as being without merit, the board may send a letter of admonition by certified mail to the appraiser against whom a complaint was made. The letter shall advise the appraiser of the right to make a written request, within twenty days after receipt of the letter of admonition, to the board to begin formal disciplinary proceedings as provided in this section to adjudicate the conduct or acts on which the letter was based.
- (4) The board may start a proceeding for discipline of a licensee or certified person when the board has reasonable grounds to believe that a licensee or certified person has committed any act or failed to act pursuant to the grounds established in subsection (1) of this section or when a request for a hearing is timely made under subsection (3) of this section.
- (5) Disciplinary proceedings shall be conducted in the manner prescribed by the "State Administrative Procedure Act", article 4 of title 24.
- (6) As authorized in subsection (2) of this section, disciplinary actions by the board may consist of the following:
- (a) **Revocation of a license or certificate.**
 - (I) Revocation of a license or certificate by the board means that the licensed or certified person shall surrender his or her license or certificate immediately to the board.
 - (II) Any person whose license or certificate to practice is revoked is ineligible to apply for a license or certificate issued under this part 6 until more than two years have elapsed from the date of surrender of the license or certificate. A reapplication after the two-year period is treated as a new application.
 - (b) **Suspension of a license or certificate.** Suspension of a license or certificate by the board is for a period to be determined by the board.
 - (c) **Probationary status.** The board may impose probationary status on a licensee or certified person. If the board places a licensee or certified person on probation, the board may include conditions for continued practice that the board deems appropriate to assure that the licensee or certified person is otherwise qualified to practice in accordance with generally accepted professional standards of professional appraisal practice, as specified in board rules, including any or all of the following:
 - (I) A requirement that the licensee or certified person take courses of training or education as needed to correct deficiencies found in the hearing;
 - (II) A review or supervision of his or her practice as may be necessary to determine the quality of the practice and to correct deficiencies in the practice; and

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- (III) The imposition of restrictions upon the nature of his or her appraisal practice to assure that he or she does not practice beyond the limits of his or her capabilities.
- (d) **Public censure.** If, after notice and hearing, the director or the director's designee determines that the licensee or certified person has committed any of the acts specified in this section, the board may impose public censure.
- (7) In addition to any other discipline imposed pursuant to this section, any person who violates this part 6 or the rules promulgated pursuant to this article 10 may be penalized by the board upon a finding of a violation pursuant to article 4 of title 24 as follows:
 - (a) In the first administrative proceeding against a person, a fine of not less than three hundred dollars but not more than five hundred dollars per violation;
 - (b) In any subsequent administrative proceeding against a person for transactions occurring after a final agency action determining that a violation of this part 6 has occurred, a fine of not less than one thousand dollars but not more than two thousand dollars.
- (8) A person participating in good faith in making a complaint or report or participating in an investigative or administrative proceeding before the board pursuant to this article 10 is immune from any liability, civil or criminal, that otherwise might result by reason of the action.
- (9) A licensee or certified person who has direct knowledge that a person has violated this part 6 shall report his or her knowledge to the board.
- (10) The board, on its own motion or upon application at any time after the imposition of discipline as provided in this section, may reconsider its prior action and reinstate or restore a license or certificate, terminate probation, or reduce the severity of its prior disciplinary action. The decision of whether to take any further action or hold a hearing with respect to a prior disciplinary action rests in the sole discretion of the board.

* **§ 12-10-614, C.R.S. Appraisal management companies – prohibited activities – grounds for disciplinary actions – procedures – rules.**

* ***Editor's note:*** This section is similar to former §12-61-714 as it existed prior to 2019.

- (1) The board, upon its own motion, may, and upon a complaint submitted to the board in writing by any person, shall, investigate the activities of a licensed appraisal management company; an appraiser designated as a controlling appraiser by a partnership, limited liability company, or corporation acting as an appraisal management company; or a person or an entity that assumes to act in that capacity within the state. The board, upon finding a violation, may impose an administrative fine not to exceed two thousand five hundred dollars for each separate offense; censure a licensee; place the licensee on probation and set the terms of probation; or temporarily suspend or permanently revoke a license, when the licensee has performed, is performing, or is attempting to perform any of the following acts:
 - (a) Failing to:
 - (I) Exercise due diligence when hiring or engaging a real estate appraiser to ensure that the real estate appraiser is appropriately credentialed by the board and competent to perform the assignment; and
 - (II) In the case of an AMC, establish and comply with processes and controls reasonably designed to ensure that the AMC conducts its appraisal management services in accordance with the requirements of the federal "Truth in Lending Act", 15 U.S.C. sec. 1639e (a) to (i), and regulations adopted pursuant to that act;
 - (b) Requiring an appraiser to indemnify the appraisal management company against liability, damages, losses, or claims other than those arising out of the services performed by the appraiser, including performance or nonperformance of the appraiser's duties and obligations, whether as a result of negligence or willful misconduct;

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- (c) Influencing or attempting to influence the development, reporting, result, or review of a real estate appraisal or the engagement of an appraiser through coercion, extortion, collusion, compensation, inducement, intimidation, bribery, or in any other manner. This prohibition does not prohibit an appraisal management company from requesting an appraiser to:
 - (I) Consider additional, appropriate property information;
 - (II) Provide further detail, substantiation, or explanation for the appraiser's value conclusion; or
 - (III) Correct errors in the appraisal report.
- (d) Prohibiting an appraiser, in the completion of an appraisal service, from communicating with the client, any intended users, real estate brokers, tenants, property owners, management companies, or any other entity that the appraiser reasonably believes has information pertinent to the completion of an appraisal assignment; except that this subsection (1)(d) does not apply to communications between an appraiser and an appraisal management company's client if the client has adopted an explicit policy prohibiting the communication. If the client has adopted an explicit policy prohibiting communication by the appraiser with the client, communication by an appraiser to the client must be made in writing and submitted to the appraisal management company.
- (e) Altering or modifying a completed appraisal report without the authoring appraiser's knowledge and written consent, and the consent of the intended user, except to modify the format of the report solely for transmission to the client and in a manner acceptable to the client;
- (f) Requiring an appraiser to provide to the appraisal management company access to the appraiser's electronic signature;
- (g) Failing to validate or verify that the work completed by an appraiser who is hired or engaged by the appraisal management company complies with state and federal regulations, including the uniform standards of professional appraisal practice, by conducting an annual audit of a random sample of the appraisals received within the previous year by the appraisal management company. The board shall establish annual appraisal review requirements by rule and shall solicit and consider information and comments from interested persons.
- (h) Failing to make payment to an appraiser within sixty days after completion of the appraisal, unless otherwise agreed or unless the appraiser has been notified in writing that a bona fide dispute exists regarding the performance or quality of the appraisal;
- (i) Failing to perform the terms of a written agreement with an appraiser hired or engaged to complete an appraisal assignment;
- (j) Failing to disclose to an appraiser, at the time of engagement, the identity of the client;
- (k) Using an appraisal report for a client other than the one originally contracted with, without the original client's written consent;
- (l) Failing to maintain possession of, for future use or inspection by the board, for a period of at least five years or at least two years after 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, the documents or records prescribed by the rules of the board or to produce the documents or records upon reasonable request by the board;
- (m) Having been convicted of, or entering a plea of guilty, an Alford plea, or a plea of nolo contendere 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 states. A certified copy of the judgment of

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- a court of competent jurisdiction of the conviction or other official record indicating that a plea was entered is conclusive evidence of the conviction or plea in any hearing under this part 6.
- (n) Having been the subject of an adverse or disciplinary action in another state, territory, or country relating to a license, registration, certification, or other authorization to practice as an appraisal management company. A disciplinary action relating to a registration, license, or certificate as an appraisal management company under this part 6 or any related occupation in any other state, territory, or country for disciplinary reasons is *prima facie* evidence of grounds for disciplinary action or denial of a license by the board. This subsection (1)(n) applies only to violations based upon acts or omissions in the other state, territory, or country that would violate this part 6 if committed in Colorado.
 - (o) Violating the “Colorado Consumer Protection Act”, article 1 of title 6;
 - (p) Procuring, or attempting to procure, an appraisal management company license or renewing, reinstating, or reactivating, or attempting to renew, reinstate, or reactivate, an appraisal management company license by fraud, misrepresentation, or deceit or by making a material misstatement of fact in an application for a license;
 - (q) Knowingly misrepresenting or making false promises through agents, advertising, or otherwise;
 - (r) Failing to disclose to a client the fee amount paid to the appraiser hired or engaged to complete the appraisal upon completion of the assignment; or
 - (s) Disregarding, violating, or abetting, directly or indirectly, a violation of this part 6, a rule promulgated by the board pursuant to this part 6, or an order of the board entered pursuant to this part 6.
- (2) When a complaint or an investigation discloses an instance of misconduct that, in the opinion of the board, does not warrant formal action by the board but should not be dismissed as being without merit, the board may send a letter of admonition by certified mail, return receipt requested, to the licensee against whom the complaint was made. The letter shall advise the licensee of the right to make a written request, within twenty days after receipt of the letter of admonition, to the board to begin formal disciplinary proceedings as provided in this section to adjudicate the conduct or acts on which the letter was based.
 - (3) Disciplinary proceedings must be conducted in the manner prescribed by the “State Administrative Procedure Act”, article 4 of title 24.
 - (4) If a partnership, limited liability company, or corporation operating under the license of an appraiser designated and licensed as a controlling appraiser by the partnership, limited liability company, or corporation is guilty of any act listed in subsection (1) of this section, the board may suspend or revoke the right of the partnership, limited liability company, or corporation to conduct its business under the license of the controlling appraiser, whether or not the controlling appraiser had personal knowledge of the violation and whether or not the board suspends or revokes the individual license of the controlling appraiser.
 - (5) This part 6 does not relieve any person from civil liability or criminal prosecution under the laws of this state.
 - (6) A licensee or certified person having direct knowledge that a person or licensed partnership, limited liability company, or corporation has violated this part 6 shall report his or her knowledge to the board.
 - (7) The board, on its own motion or upon application, at any time after the imposition of discipline as provided in this section, may reconsider its prior action and reinstate or restore a license, terminate probation, or reduce the severity of its prior disciplinary action. The decision of

whether to take any further action or hold a hearing with respect to the action rests in the sole discretion of the board.

* **§ 12-10-615, C.R.S. Judicial review of final board actions and orders.**

* *Editor's note:* This section is similar to former §12-61-715 as it existed prior to 2019.

Final actions and orders of the board under sections 12-10-612, 12-10-613, and 12-10-614 appropriate for judicial review are subject to judicial review in the court of appeals in accordance with section 24-4-106 (11).

* **§ 12-10-616, C.R.S. Unlawful acts – penalties.**

* *Editor's note:* This section is similar to former §12-61-716 as it existed prior to 2019.

(1) It is unlawful for a person to:

- (a) Violate section 12-10-613 (1)(c), (1)(e), or (1)(f) or perform a real estate appraisal without first having obtained a license or certificate from the board pursuant to this part 6;
- (b) Accept a fee for an independent appraisal assignment that is contingent upon:
 - (I) Reporting a predetermined analysis, opinion, or conclusion; or
 - (II) The analysis, opinion, or conclusion reached; or
 - (III) The consequences resulting from the analysis, opinion, or conclusion;
- (c) Misrepresent a consulting service as an independent appraisal; or
- (d) Fail to disclose, in connection with a consulting service for which a contingent fee is or will be paid, the fact that a contingent fee is or will be paid.

(2) Any person who violates any provision of subsection (1) of this section commits a class 1 misdemeanor and shall be punished as provided in section 18-1.3-501. Any person who subsequently violates any provision of subsection (1) of this section within five years after the date of a conviction for a violation of subsection (1) of this section commits a class 5 felony and shall be punished as provided in section 18-1.3-401.

* **§ 12-10-617, C.R.S. Appraisal management company license required – violations – injunction.**

* *Editor's note:* This section is similar to former §12-61-717 as it existed prior to 2019.

(1) Except as provided in section 12-10-607 (9), it is unlawful for any person, partnership, limited liability company, or corporation to engage in the business of appraisal management in this state without first having obtained a license from the board. The board shall not grant a license to a person, partnership, limited liability company, or corporation until the person, partnership, limited liability company, or corporation demonstrates compliance with this part 6.

(2) The board may apply to a court of competent jurisdiction for an order enjoining an act or practice that constitutes a violation of this part 6, and, upon a showing that a person, partnership, limited liability company, or corporation is engaging or intends to engage in an act or practice that violates this part 6, the court shall grant an injunction, restraining order, or other appropriate order, regardless of the existence of another remedy for the violation. Any notice, hearing, or duration of an injunction or restraining order shall be made in accordance with the Colorado rules of civil procedure.

(3) Any person, partnership, limited liability company, or corporation violating this part 6 by acting as an appraisal management company without having obtained a license or acting as an appraisal management company after the appraisal management company's license has been

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revoked or during any period for which the license was suspended is guilty of a misdemeanor and, upon conviction thereof:

- (a) If a natural person, shall be punished by a fine of not more than five hundred dollars, or by imprisonment in the county jail for not more than six months, or by both such fine and imprisonment, for the first violation and, for a second or subsequent violation, shall be punished by a fine of not more than one thousand dollars, or by imprisonment in the county jail for not more than six months, or by both such fine and imprisonment; and
- (b) If an entity, shall be punished by a fine of not more than five thousand dollars.

* **§ 12-10-618, C.R.S. Injunctive proceedings.**

* *Editor's note: This section is similar to former §12-61-718 as it existed prior to 2019.*

- (1) The board may, in the name of the people of the state of Colorado, through the attorney general of the state of Colorado, apply for an injunction in any court of competent jurisdiction to perpetually enjoin a person or appraisal management company from committing an act prohibited by this part 6.
- (2) Injunctive proceedings under this section are in addition to and not in lieu of penalties and other remedies provided in this part 6.
- (3) When seeking an injunction under this section, the board is not required to allege or prove either that an adequate remedy at law does not exist or that substantial or irreparable damage would result from a continued violation.

* **§ 12-10-619, C.R.S. Special provision for appraiser employees of county assessors.**

* *Editor's note: This section is similar to former §12-61-719 as it existed prior to 2019.*

- (1) Except as provided in subsection (2) of this section, unless a federal waiver is applied for and granted pursuant to section 12-10-604 (1)(i), a person acting as a real estate appraiser in this state shall be licensed or certified as provided in this part 6. No person shall practice without a license or certificate or hold himself or herself out to the public as a licensed or certified real estate appraiser unless licensed or certified pursuant to this part 6.
- (2) An appraiser employee of a county assessor who is employed to appraise real property shall be licensed or certified as provided in this part 6 and shall have two years from the date of taking office or the beginning of employment to comply with this part 6.

* **§ 12-10-620, C.R.S. Duties of board under federal law.**

* *Editor's note: This section is similar to former §12-61-720 as it existed prior to 2019.*

- (1) The board shall:
 - (a) Transmit to the appraisal subcommittee of the federal financial institutions examination council or its successor entity, no less than annually, a roster listing individuals and appraisal management companies that have received a certificate or license as provided in this part 6;
 - (b) Collect and transmit, on an annual basis, to the federal financial institutions examination council an annual registry fee, as prescribed by the appraisal subcommittee of the federal financial institutions examination council or its successor entity, from the following individuals and entities:
 - (I) Individuals and appraisal management companies that are licensed or certified pursuant to this part 6; and
 - (II) Appraisal management companies that operate as subsidiaries of federally regulated financial institutions; and

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- (c) Conduct its business and promulgate rules in a manner consistent with Title XI of the federal “Financial Institutions Reform, Recovery, and Enforcement Act of 1989”, as amended, Pub.L. 101-73.
 - (2) The board shall not collect or transmit the information required by this section for licensed ad valorem appraisers.
- * **§ 12-10-621, C.R.S. Business entities.**
- * *Editor’s note:* This section is similar to former §12-61-721 as it existed prior to 2019.
- (1) A corporation, partnership, bank, savings and loan association, savings bank, credit union, or other business entity may provide appraisal services if the appraisal is prepared by a certified general appraiser, a certified residential appraiser, or a licensed appraiser. An individual who is not a certified general appraiser, a certified residential appraiser, or a licensed appraiser may assist in the preparation of an appraisal if:
 - (a) The assistant is under the direct supervision of a certified or licensed appraiser; and
 - (b) The final appraisal document is approved and signed by an individual who is a certified or licensed appraiser.
- * **§ 12-10-622, C.R.S. Provisions found not to comply with federal law null and void – severability.**
- * *Editor’s note:* (1) This section is similar to former §12-61-722 as it existed prior to 2019.
- * (2) As of publication date, the revisor of statutes has not received the notice referred to in subsection (2).
- (1) If any provision of this part 6 is found by a court of competent jurisdiction or by the appropriate federal agency not to comply with the federal “Financial Institutions Reform, Recovery, and Enforcement Act of 1989”, as amended, Pub.L. 101-73, the provision is null and void, but the remaining provisions of this part 6 are valid unless the remaining provisions alone are incomplete and are incapable of being executed in accordance with the legislative intent of this part 6.
 - (2) If the regulation of appraisal management companies is repealed from Title XI of the federal “Financial Institutions Reform, Recovery, and Enforcement Act of 1989”, as amended, Pub.L. 101-73, the board’s jurisdiction over these entities is also repealed. Before the repeal, the division shall review the regulation of appraisal management companies as provided in section 24-34-104. If the board’s jurisdiction is repealed, the director shall notify the revisor of statutes of the date of the repeal.
- * **§ 12-10-623, C.R.S. Scope of article – regulated financial institutions – de minimis exemption.**
- * *Editor’s note:* This section is similar to former §12-61-723 as it existed prior to 2019.
- (1) (a) This article 10 does not apply to an appraisal relating to any real-estate-related transaction or loan made or to be made by a financial institution or its affiliate if the real-estate-related transaction or loan is excepted from appraisal regulations established by the primary federal regulator of the financial institution and the appraisal is performed by:
 - (I) An officer, director, or regularly salaried employee of the financial institution or its affiliate; or
 - (II) A real estate broker licensed under this article 10 with whom the institution or affiliate has contracted for performance of the appraisal.
 - (b) The appraisal must not be represented or deemed to be an appraisal except to the financial institution, the agencies regulating the financial institution, and any secondary

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markets that purchase real estate secured loans. The appraisal must contain a written notice that the preparer is not licensed or certified as an appraiser under this part 6. Nothing in this subsection (1) exempts a person licensed or certified as an appraiser under this part 6 from regulation as provided in this part 6.

- (2) Nothing in this article 10 limits the ability of any federal or state regulator of a financial institution to require the financial institution to obtain appraisals as specified by the regulator.

DEPARTMENT OF REGULATORY AGENCIES

Division of Real Estate

RULES OF THE COLORADO 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 Appraisal 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 Appraiser 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 \$250,000, 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.

- 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: Educational methodologies and presentation techniques other than traditional classroom formats, including and without limitation, live teleconferencing, written or electronic correspondence courses, internet on-line learning, video, and audio tapes.
- 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.

- 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: 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 2018 Real Property Appraiser Qualification Criteria adopted by the AQB of TAF on February 1, 2018, 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, and supervisory appraiser/trainee appraiser course objectives and outline. A certified copy of the 2018 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 2018 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 2018 Real Property Appraiser Qualification Criteria is effective as of May 1, 2018.
- 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

- 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.

- 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.

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.
- 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;
 - 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
 - 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.
- 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
 - 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 instruction and testing. An hour of education is defined as at least fifty (50) minutes of instruction out of each 60-minute segment. For distance education, the number of hours credited must be that number of hours allowed by the CAP as defined in Board Rule 1.39.
- 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 \times 15.00 = Hours
 - B. Quarter Credits \times 10.00 = Hours
- 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, 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. 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, 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. 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 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 distance education modalities must be approved through the CAP as defined in Board Rule 1.39. The Board will not accept 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.
- 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 (i.e. a client hiring an appraiser for a business purpose) in order for an appraisal to qualify for experience, but experience gained for work without a traditional client cannot exceed fifty percent (50%) of the total experience requirement. A client may include a government entity or a court of competent jurisdiction.

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. 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.

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.
- 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.
 - 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;
 - 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, plead 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;
- 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. Land use planning, zoning;
 - G. Management, leasing, timesharing;
 - H. Property development, partial interests;
 - I. Real estate law, easements, and legal interests;
 - J. Real estate litigation, damages, condemnation;
 - K. Real estate financing and investment;
 - L. Real estate appraisal related computer applications;
 - M. Real estate securities and syndication;
 - N. Developing opinions of real property value in appraisals that also include personal property and/or business value;
 - O. Seller concessions and impact on value;
 - P. Energy efficient items and “green building” appraisals; and/or
 - Q. 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 attendance at the offering and participation in class activities. Successful completion of courses undertaken through distance education requires compliance with the provisions of Board Rule 7.14. 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 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 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.
- 7.14 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. 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.
- 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 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 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).

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 when 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.

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
 - 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 a change in ownership of the appraisal management company that results in a new owner who owns more than ten (10) percent of the entity, or 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 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.

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Rule 12.8 emer. rule eff. 08/19/2010.

Rule 16.4 eff. 08/30/2010.

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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.

(iv) Where an immediate threat of physical violence against a readily identifiable victim is disclosed to the person licensed or otherwise authorized to practice under this act;

(v) In the context of civil commitment proceedings, where an immediate threat of self-inflicted damage is disclosed to the person licensed or otherwise authorized to practice under this act;

(vi) Where the patient or client alleges mental or emotional damages in civil litigation or otherwise places his mental or emotional state in issue in any judicial or administrative proceeding concerning child custody or visitation;

(vii) Where the patient or client is examined pursuant to court order; or

(viii) In the context of investigations and hearings brought by the patient or client and conducted by the board where violations of this act are at issue. Information that is deemed to be of sensitive nature shall be inspected by the board in camera and the board shall determine whether or not the information shall become a part of the record and subject to public disclosure.

CHAPTER 39
REAL ESTATE APPRAISERS

ARTICLE 1
CERTIFIED REAL ESTATE APPRAISER ACT

33-39-101. Short title; license required.

(a) This act shall be known as the "Certified Real Estate Appraiser Act."

(b) Beginning July 1, 1991, it is unlawful for any person to directly or indirectly engage in, advertise, conduct the business of or act in any capacity as a certified real estate appraiser for compensation within this state without first obtaining certification as provided in this act.

33-39-102. Definitions.

(a) As used in this act:

(i) "Appraisal" or "real estate appraisal" means a supportable opinion or conclusion relating to the nature, quality, value or utility of specified interests in, or aspects of, identified real estate;

(ii) "Appraisal assignment" means an engagement for which an appraiser is employed or retained to act, or would be perceived by third parties or the public as acting, as a disinterested third party in rendering an unbiased supportable opinion or conclusion relating to the nature, quality, value or utility of specified interests in, or aspects of, identified real estate;

(iii) "Appraisal foundation" means the appraisal foundation incorporated as an Illinois corporation on November 30, 1987;

(iv) "Appraisal report" means any communication, written or oral, of an appraisal;

(v) "Board" means the certified real estate appraiser board;

(vi) "Commission" means the Wyoming real estate commission;

(vii) "Inactive permittee" means a permittee who has temporarily surrendered his license to the board, who can no longer function as a certified real estate appraiser, but who may reactivate his permit without having to take an examination. An inactive status permittee may be subject to disciplinary action and activation of an inactive permit may be subject to a denial action;

(viii) "Permit" means the document issued by the board certifying that the person named thereon has fulfilled all requirements for obtaining a permit to practice as a certified real estate appraiser or temporary certified appraiser under this act;

(ix) "Permittee" means any individual who has been issued a permit under this act to practice as a certified general or residential appraiser, a temporary certified appraiser or a certified appraiser trainee;

(x) "Market analysis" means a price opinion prepared by a real estate licensee for marketing purposes;

(xi) "Real estate" means leaseholds, as well as any other interest or estate in land, whether corporeal, incorporeal, freehold or nonfreehold, and whether the real estate is situated in this state or elsewhere;

(xii) "Certified real estate appraiser" means a person who develops and communicates real estate appraisals and who holds a valid permit issued to him for either general or residential real estate under the provisions of this act;

(xiii) Repealed by Laws 2019, ch. 63, § 2.

(xiv) "Salaried employee" means any person employed on a salaried basis or paid wages and the employee is subject to income tax and federal insurance contributions (FICA) withholding;

(xv) "Specialized services" means any activity that falls outside of the definition of appraisal or appraisal assignment;

(xvi) "Uniform standards of professional appraisal practices" (USPAP) means that edition of the standards of appraisal practice promulgated by the appraisal foundation as adopted by the board;

(xvii) "Certified appraiser trainee" means a person who drafts and communicates real estate appraisals and who holds a valid permit for either general or residential real estate training under this act;

(xviii) "Temporary permit" means written permission from the board to an actively certified appraiser in good standing in at least one (1) recognized permitting jurisdiction to conduct the number of appraisal assignments the board allows in the time frame set by the board. A temporary permit shall not require completion of a criminal history record background check and may be abbreviated in other respects as prescribed in board rule;

(xix) "Temporary certified appraiser" means a certified appraiser who has been granted a temporary permit by the board;

(xx) "This act" means W.S. 33-39-101 through 33-39-130.

33-39-103. Exemptions.

(a) Except as provided in subsection (b) of this section, this act does not apply to any person who does not hold himself out as, or offer to perform services as, a certified real estate appraiser.

(b) Any licensed real estate licensee shall only provide an opinion as to the price of real estate as provided in W.S. 33-28-125.

33-39-104. Board of certified real estate appraisers.

(a) There is hereby established as an adjunct to the Wyoming real estate commission the certified real estate appraiser board which shall consist of six (6) members, one (1) of whom shall be a public member, one (1) of whom shall be a member of the banking industry, one (1) of whom shall be an owner or representative of an appraisal management company and three (3) of whom shall be certified real estate appraisers. The director of the real estate commission will serve as an ex officio member.

(b) The governor shall appoint the members of the certified real estate appraiser board. The governor may remove any board member as provided in W.S. 9-1-202. No more than one (1) board member shall be appointed from the same county. The members first appointed to the board shall be members in good standing of a nationally recognized real estate appraisal organization or have five (5) years of documented experience as a real estate appraiser in Wyoming. Thereafter, each real estate appraiser member of the board shall be a certified real estate appraiser. At least two (2) of the appraiser members shall hold a general certified appraiser permit. The term of each member shall be three (3) years, except that, of the members first appointed, two (2) shall serve for three (3) years, two (2) shall serve for two (2) years and one (1) shall serve for one (1) year. Upon expiration of their terms, members of the board shall continue to hold office until the appointment and qualification of their successors. No person shall serve as a member of the board for more than two (2) consecutive terms. The public member of the board shall not be engaged in the practice of certified real estate appraising. The members of the board shall annually elect a chairperson from among the members to preside at board meetings. A quorum of the board shall be three (3) members.

(c) Each member of the board shall receive from the certified real estate appraisal board account for each day actually spent on his official duties, per diem and mileage as provided in W.S. 33-1-302(a)(vii) for the performance of official duties.

(d) The Wyoming attorney general shall render to the board opinions on all questions of law and shall act as attorney for the board in all actions and proceedings brought by or against it under or pursuant to any of the provisions of this act. Fees and expenses of the attorney general arising out of such duties shall be paid out of the certified real estate appraisal board account.

(e) The board through the attorney general may compel the attendance of witnesses and the production of books, documents, records and other papers, to administer oaths and to take testimony and receive evidence concerning all matters within its jurisdiction.

33-39-105. Powers of the board; rulemaking authority.

(a) The board shall:

(i) Define by regulation each category of certified real estate appraiser, the type of educational experience, appraisal experience and equivalent experience that will meet the statutory requirements of this act;

(ii) Establish examination specifications for each category of certified real estate appraiser and provide or procure appropriate examinations;

(iii) Approve or disapprove applications for certification and issue permits to practice;

(iv) Define by regulation continuing education requirements for the renewal of permits;

(v) Impose an administrative fine not to exceed two thousand five hundred dollars (\$2,500.00) for each separate offense, censure the permittee, place the permittee on probation and set the terms of probation, suspend or revoke any permit as provided in this act and the Wyoming Administrative Procedure Act;

(vi) Hold meetings, hearings and examinations in places and at times as it shall designate;

(vii) Promote research and conduct studies relative to the profession of certified real estate appraising and sponsor educational activities;

(viii) Contract for services necessary to carry out the provisions of this act;

(ix) Promulgate reasonable rules and regulations necessary to carry out the requirements imposed under Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA);

(x) Implement, administer and enforce, and promulgate rules and regulations that are necessary to implement, administer and enforce the provisions of the Wyoming Appraisal Management Company Registration and Regulation Act, W.S. 33-39-201 through 33-39-224.

33-39-106. Additional powers and duties of the board; disposition of fees.

(a) The board shall:

(i) Receive applications for permits and certification;

(ii) Establish the administrative procedures for processing applications;

(iii) Maintain a registry of the names and addresses of people certified and issued a permit to practice under this act;

(iv) Retain records and all application materials;

(v) Repealed By Laws 2007, Ch. 184, § 3.

(vi) Issue to each permittee a permit in the size and form as it may approve. The permit shall remain the property of the state, and, upon suspension or revocation of the permit to practice pursuant to this act, shall be returned immediately to the board;

(vii) Require criminal history record background checks on applicants for permits under this act, excluding those who apply for temporary permits.

(b) All fees collected by the board shall be deposited in the state treasury. The state treasurer shall deposit the fees to the credit of the certified real estate appraiser board account. Disbursements from the account shall not exceed the monies credited to it. The real estate commission director shall appropriately authorize payments for all costs and expenses related to the administration and enforcement of this act with approval from the board. All payments shall be made using fees collected pursuant to this act.

(c) The commission may employ employees to assist in the discharge of the duties imposed upon it by this act subject to the rules and regulations of the human resources division of the department of administration and information. All files, records and property of the commission shall at all times remain in the office. No employee of the commission shall be a paid employee of any real estate association or group of real estate dealers, brokers or appraisers.

33-39-107. Standards of professional certified appraisal practice.

Each certified real estate appraiser issued a permit to practice under this act shall comply with the standards of professional appraisal practice and ethical rules specified by the Uniform Standards of Professional Appraisal Practice.

33-39-108. Fees.

Pursuant to W.S. 33-1-201, the board shall establish fees for examinations, original permits, temporary permits, renewals, change of place of business, certifications and change of contractual association. The fees shall be used to pay the expense of maintaining and operating the office of the board and the enforcement of this act.

33-39-109. Permit and temporary permit process.

(a) Any person who desires to engage in the practice of certified real estate appraisal in this state or to practice as a certified appraiser trainee shall make application, in writing, on forms prescribed by the board.

(b) Fees, as fixed by the board, shall accompany all applications for original permits, renewal permits, examinations and other applications authorized under this act.

(c) Each applicant for a certified appraiser trainee, certified residential or general permit shall have reached the age of majority.

(d) An application for a permit under this act shall be accompanied by fingerprints and other information necessary for a criminal history record background check as provided under W.S. 7-19-201, excluding applications for temporary permits.

33-39-110. Classes of permits.

(a) There shall be the following classes of permits for certified real estate appraisers and temporary certified appraisers:

(i) Certified residential real estate appraiser classification shall consist of those persons meeting the requirements for a permit relating to the appraisal of residential real property of one (1) to four (4) units;

(ii) Certified general real estate appraiser classification shall consist of those persons meeting the requirements for a permit relating to the appraisal of all types of real property;

(iii) A certified appraiser trainee is authorized only to assist a certified general or residential appraiser in the performance of an appraisal assignment;

(iv) A temporary certified appraiser is authorized only to act in accordance with the terms of the temporary permit, shall have a predetermined permit expiration and is not required to submit to a background check.

(b) A certified real estate appraiser is authorized to perform only those real estate appraisal assignments that are within the scope of his permit classification.

(c) The appraisal report shall include the signature of the permittee.

(d) The application for the original permit, renewal permit and examination shall specify the classification of the permit being applied for.

33-39-111. Examination requirement.

(a) An original permit as a certified real estate appraiser shall be issued to any person who has demonstrated through a written examination process that he possesses the following:

(i) Knowledge of technical terms used in or related to real estate appraising, appraisal report writing and economic concepts applicable to real estate;

(ii) Understanding of the principles of land economics, real estate appraisal processes and of problems likely to be encountered in gathering, interpreting and processing of data in carrying out appraisal disciplines;

(iii) Understanding the Uniform Standards of Professional Appraisal Practices as adopted by the board;

(iv) Knowledge of theories of depreciation, cost estimating, methods of capitalization and the mathematics of real estate appraisal that are appropriate for the classification of the permit applied for;

(v) Knowledge of other principles and procedures as may be appropriate for the respective classifications;

(vi) Basic understanding of real estate law; and

(vii) Understanding of the types of misconduct for which disciplinary proceedings may be initiated against certified real estate appraisers, as set forth in this act and regulations promulgated by the board.

33-39-112. Examination prerequisites.

(a) Certified general classification. As a prerequisite to taking the examination for a permit to practice as a certified general real estate appraiser, an applicant shall have successfully completed a minimum number of classroom hours of courses in subjects related to real estate appraisal from a nationally recognized appraisal organization or a college or

university as prescribed by the appraisal foundation in rule and approved by the board.

(b) Certified residential classification. As a prerequisite to taking the examination for a permit to practice as a certified residential real estate appraiser, an applicant shall have successfully completed a minimum number of classroom hours of courses in subjects related to real estate appraisal from a nationally recognized appraisal organization or a college or university as prescribed by the appraisal foundation in rule and approved by the board.

(c) Certified appraiser trainee classification. To receive a permit to practice as a certified appraisal trainee, an applicant shall successfully complete a minimum number of classroom hours of education in subjects related to real estate appraisal as prescribed by the appraisal foundation in rule and approved by the board.

(d) Temporary certified appraiser classification. A temporary certified appraiser is only eligible for a temporary permit. To receive a temporary permit to practice as a temporary certified appraiser, an applicant shall be actively certified in a recognized permitting jurisdiction and satisfy all additional requirements prescribed by the appraisal foundation in rule and approved by the board.

33-39-113. Experience requirement.

(a) Certified general classification. An original permit to practice as a certified general real estate appraiser shall not be issued to any person who does not possess the minimum experience criteria as prescribed by the appraisal foundation in rule and approved by the board.

(b) Certified residential classification. An original permit to practice as a certified residential real estate appraiser shall not be issued to any person who does not possess the minimum experience criteria as prescribed by the appraisal foundation in rule and approved by the board.

(c) Each applicant for a permit shall furnish, under oath, a detailed listing of the real estate appraisal reports or file memoranda for each year for which experience is claimed by the applicant. Upon request, the applicant shall make available to the board copies of appraisal reports which the applicant has assisted in preparing.

33-39-114. Term of permit.

The term of a permit issued under the authority of this act shall be two (2) years from the date of issuance. The expiration date of the permit shall appear on the permit and no other notice of its expiration need be given to its holder.

33-39-115. Nonresident permit.

(a) Prior to being issued a permit, every nonresident permittee shall file with the board a designation in writing which appoints the director of the board to act as his licensed agent upon whom all judicial and other process or legal notices directed to the permittee may be served. Service upon the agent so designated shall be equivalent to personal service upon the permittee. Copies of the appointment, certified by the director of the board, shall be received in evidence in any proceeding and shall be given the same force and effect as the original. In the written designation the permittee shall agree that any lawful process against the permittee which is served upon his appointed agent shall be of the same legal force and validity as if served upon the permittee, and that the authority of the agent shall continue in force so long as any liability of the permittee remains outstanding in this state. Upon the receipt of any process or notice, the director shall mail a copy of the same by certified mail, return receipt requested, to the last known business address of the permittee.

(b) No permit shall be issued to a nonresident until he has agreed in writing to abide by all the provisions of this act with respect to his certified real estate appraisal activities within this state and to submit to the jurisdiction of the board and this state as provided in subsection (a) of this section. The agreement shall be filed with the board and shall remain in force for so long as the nonresident holds a permit issued by this state and thereafter with respect to acts or omissions committed while holding a permit in this state as a nonresident permittee.

(c) A nonresident of this state who has complied with the provisions of subsections (a) and (b) of this section may obtain a permit to practice as a certified real estate appraiser by conforming to all of the provisions of this act relating to certified real estate appraisers.

33-39-116. Nonresident permit by reciprocity.

If the board determines that another jurisdiction has substantially equivalent requirements and reciprocity exists between the jurisdictions, an applicant from such other jurisdiction may obtain a permit to practice as a certified real estate appraiser in this state.

33-39-117. Renewal permit.

To obtain a renewal permit to practice as a certified real estate appraiser or certified appraiser trainee, the holder of a current permit shall make application and pay the prescribed fee to the board. With the application for renewal, the certified real estate appraiser or certified appraiser trainee shall present evidence in the form prescribed by the board of having completed the continuing education requirements for renewal as specified in this act.

33-39-118. Basis for denial.

The board may deny a permit as a certified real estate appraiser or certified appraiser trainee to an applicant on any of the grounds enumerated in this act.

33-39-119. Principal place of business; address.

Each certified real estate appraiser or certified appraiser trainee holding a permit to practice under this act shall advise the board of the address of his principal place of business. Whenever a certified real estate appraiser or certified appraiser trainee changes a place of business, he shall within thirty (30) days give written notification of the change to the board, and pay the required change of address fee.

33-39-120. Repealed By Laws 2007, Ch. 184, § 3.

33-39-121. Use of designation.

(a) The term "certified real estate appraiser" shall only be used to refer to individuals who hold permits under this act and may not be used following or immediately in connection with the name or signature of a firm, partnership, corporation, or group, or in such manner that it might be interpreted as referring to a firm, partnership, corporation, group, or anyone other than an individual holder of the permit.

(b) No permit shall be issued under the provisions of this act to a corporation, partnership, firm or group. This subsection shall not be construed to prevent a certified real estate appraiser from signing an appraisal report on behalf of a corporation, partnership, firm or group practice.

33-39-122. Continuing education.

(a) As a prerequisite to renewal of a permit, a certified real estate appraiser shall present evidence satisfactory to the board of having met the continuing education requirements of this act.

(b) The basic continuing education requirement for renewal of a permit shall be the completion by the applicant, during the immediately preceding term of the permit, of at least thirty (30) classroom hours of instruction in courses or seminars which have received the approval of the board, which shall include one (1) board approved seven (7) hour national USPAP update course.

(c) The board shall adopt regulations for implementation of the provisions of continuing education to assure that persons renewing their permits have current knowledge of real estate appraisal theories, practices and techniques which will provide a high degree of service and protection to the public. The regulations shall prescribe the following:

(i) Policies and procedures for obtaining board approval of courses of instruction;

(ii) Standards, policies and procedures to be applied by the board in evaluating an applicant's claims of equivalency; and

(iii) Standards, monitoring methods and systems for recording attendance to be employed by course sponsors.

33-39-123. Disciplinary proceedings.

(a) The board shall upon a written sworn complaint or may upon its own motion investigate the actions of any certified real estate appraiser or certified appraiser trainee and may impose an administrative fine not to exceed two thousand five hundred dollars (\$2,500.00) for each separate offense, censure the permittee, place the permittee on probation and set the terms of the probation, deny, suspend or revoke any permit issued under this act for any of the following:

(i) Procuring, or attempting to procure, a permit to practice pursuant to this act by knowingly making a false statement, submitting false information, refusing to provide complete information in response to a question in an application for a permit or through any form of fraud or misrepresentation;

(ii) Being convicted of a felony that relates to the practice of real estate appraisal or to the ability to practice real estate appraisal or any felony sexual offense or violent crime;

(iii) Making any substantial misrepresentation, false promises or false or fraudulent representation;

(iv) Violating any rules or regulations of the board or any provision of this chapter;

(v) Being negligent or incompetent, as defined in the Uniform Standards of Professional Appraisal Practices, in developing an appraisal, in preparing an appraisal report or in communicating an appraisal;

(vi) Accepting an appraisal assignment when the employment is contingent upon the certified appraiser reporting a predetermined estimate, analysis or opinion, or where the fee to be paid is contingent upon the opinion, conclusion, or valuation reached, or upon the consequences resulting from the appraisal assignment;

(vii) Violating the confidential nature of governmental records to which he or she gained access through employment or engagement as a certified appraiser by a governmental agency;

(viii) Entering into an agreement to perform specialized services for a contingent fee, and failing to clearly state this fact in each written and oral report;

(ix) Failing to report to the board any civil or criminal proceedings in which the permittee is a party, if the proceeding involves appraisal services provided by the permittee. The requirement to report to the board under this paragraph shall include providing the board with a copy of the complaint, information or other initial pleading upon receipt and immediately providing the board with a copy of the final judgment, judgment and sentence, settlement agreement or other

document reflecting the terms of the final disposition of the proceeding;

(x) Use of the services of an appraisal management company not registered with the board.

(b) Upon receipt from the department of family services of a certified copy of an order from a court to withhold, suspend or otherwise restrict a permit issued by the board, the board shall notify the party named in the court order of the withholding, suspension or restriction of the permit in accordance with the terms of the court order. No appeal under the Wyoming Administrative Procedure Act shall be allowed for a permit withheld, suspended or restricted under this subsection.

33-39-124. Hearing.

The hearing on any charge of violation of W.S. 33-39-123 shall be at a time and place prescribed by the board and in accordance with the provisions of the Wyoming Administrative Procedure Act.

33-39-125. Retention of records.

(a) A certified real estate appraiser shall retain, for at least seven (7) years, originals or true copies of all written contracts engaging his services for real estate appraisal work, and all reports and supporting data assembled and formulated by the appraiser in preparing the reports.

(b) The seven (7) year period for retention of records provided by subsection (a) of this section is applicable to each engagement of the services of the appraiser and shall commence upon the date of the submittal of the appraisal to the client unless, within the seven (7) year period, the appraiser is notified that the appraisal or report is involved in litigation, in which event the seven (7) year period for the retention of records shall commence upon the date of the final disposition of the litigation.

(c) All records required to be maintained under the provisions of this act shall be made available by the certified real estate appraiser for inspection and copying by the board on reasonable notice to the appraiser.

33-39-126. Certified real estate appraiser education account created; initial monies; fees.

(a) There is created a certified real estate appraiser education account which shall be under the direction of the board.

(b) Every person obtaining or renewing a certified appraiser trainee or certified real estate appraiser's permit shall pay an additional fee of twenty dollars (\$20.00) which shall be deposited in the certified appraiser education account.

(c) All civil penalties levied under this act shall be collected, paid to the state treasurer and credited as provided in W.S. 8-1-109.

(d) When the certified appraiser education account balance exceeds fifty thousand dollars (\$50,000.00) the board shall not collect annual fees under this section.

(e) The board may use the funds in the education account for the purposes of raising the standards of practice and the competency of permittees by:

(i) Promoting the advancement of education and research for the benefit of those issued permits under this act;

(ii) Underwriting educational seminars and all other similar forms of educational projects for the benefit of permittees; and

(iii) Contracting for particular education or research projects to further the purposes of this section.

33-39-127. Enjoining violations of chapter.

(a) Any person who violates or proposes to violate any provisions of this act, or any rules and regulations promulgated under this act, may be restrained or enjoined from the action at any time by an order issued by the district court. An action may be initiated by the attorney general or the district attorney for the county in which the violation has or is about to occur.

(b) Any defendant so enjoined who violates an injunction shall be punished for contempt of court by a fine of not more than one thousand dollars (\$1,000.00) or by imprisonment in the county jail for not more than six (6) months or both.

33-39-128. Contested cases; independent hearing officers; appeals.

(a) The board may contract with independent hearing officers to hear all contested cases arising under this act. The hearing officer shall not be an employee of the office of the attorney general, or an employee or member of the board.

(b) All hearings shall be conducted pursuant to the Wyoming Administrative Procedure Act. A hearing officer has the power specified in W.S. 16-3-112(b). The hearing officer shall make in each contested case and forward to the board written findings of fact and conclusions of law.

(c) Any judicial review of the administrative decision under the Wyoming Administrative Procedure Act may be in the district court in the county where the violation allegedly occurred.

33-39-129. Penalties.

(a) Any person acting or purporting to act as a certified real estate appraiser without first obtaining a permit to practice under this act is guilty of a misdemeanor and upon conviction shall be punished by a fine of not more than one thousand dollars (\$1,000.00) or by imprisonment in the county jail for a term not to exceed six (6) months or both. Upon conviction of a subsequent violation the person shall be punished by a fine of not more than one thousand dollars (\$1,000.00) or by imprisonment in the county jail for a term not to exceed one (1) year or both. Charges may be initiated by the office of the attorney general with the board as the complainant.

(b) If any person receives any money or the equivalent thereof as a fee, commission, compensation or profit by or in consequence of a violation of any provision of this act, he shall, in addition, be liable to a penalty of not less than the amount of the sum of money so received and not more than three (3) times the sum so received as may be determined by the court, which penalty may be recovered in a court of competent jurisdiction by any person aggrieved.

33-39-130. Noncertified person may not maintain action for fee.

No action or suit shall be instituted, nor recovery be had, in any court of this state by any person for compensation for any act done or service rendered as a certified real estate appraiser, unless the person held a permit to practice under this act at the time of offering to perform any act or service as a certified real estate appraiser or procuring any promise to contract for the payment of compensation for any contemplated act or service as a certified real estate appraiser.

ARTICLE 2

APPRAISAL MANAGEMENT COMPANY REGISTRATION AND REGULATION ACT

33-39-201. Short title.

This article shall be known as the "Wyoming Appraisal Management Company Registration and Regulation Act."

33-39-202. Definitions.

(a) As used in this article:

(i) "Appraisal" or "real estate appraisal" means as defined in W.S. 33-39-102(a)(i);

(ii) "Appraisal firm" means a corporation, limited liability company, sole proprietorship or other entity that performs appraisal services and is one hundred percent (100%) owned and controlled by a person or persons certified as an appraiser in this state;

(iii) "Appraisal management company" means, in connection with valuing properties collateralizing loans or mortgages incorporated in a securitization, an external third party authorized either by a creditor of a consumer credit transaction secured by real estate or by an underwriter of or other principal in the secondary mortgage markets that directly or indirectly performs appraisal management services;

(iv) "Appraisal management service" means to directly or indirectly perform any of the following acts:

(A) Administering an appraisal panel;

(B) Recruiting, retaining or selecting an appraiser to perform an appraisal for a third party client;

(C) Contracting with an appraiser to perform an appraisal assignment for a third party client;

(D) Providing a completed appraisal performed by an appraiser to one (1) or more third party clients; or

(E) Managing the process of having an appraisal performed, including:

(I) Receiving and assigning appraisal orders and reports;

(II) Tracking and determining the status of orders for appraisals;

(III) Conducting quality control of a completed appraisal before delivery of the appraisal to the person who ordered the appraisal;

(IV) Collecting fees from creditors and underwriters for services provided; or

(V) Compensating appraisers for services performed.

(v) "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. "Appraisal review" does not include:

(A) A general examination for grammatical, typographical or other similar errors; or

(B) A general examination for completeness including regulatory or client requirements as specified in the agreement process that do not communicate an opinion.

(vi) "Appraiser" means a person who holds a certification as an appraiser in this state in compliance with W.S. 33-39-101 through 33-39-130;

(vii) "Appraiser panel" means a group of independent appraisers selected by an appraisal management company to

perform real estate appraisal services for the appraisal management company;

(viii) "Board" means the Wyoming certified real estate appraiser board;

(ix) "Client" means any person or entity that contracts with, or otherwise enters into an agreement with, an appraisal management company for the performance of appraisal management services and real estate appraisal services;

(x) "Contact person" means:

(A) The owner of more than a ten percent (10%) interest of, or an officer or director of a corporation, partnership or other business entity seeking to offer appraisal management services in this state;

(B) An individual employed, appointed or authorized by an appraisal management company that has the authority to enter into a contractual relationship with clients for the performance of appraisal management services and has the authority to enter into agreements with independent appraisers for the performance of real estate appraisal services; or

(C) 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.

(xi) "In good standing" means maintaining an active certification in this state pursuant to the Certified Real Estate Appraiser Act, which certification is not subject to any disciplinary or probationary restrictions;

(xii) "Real estate appraisal services" means the practice of developing a supportable opinion or conclusion relating to the nature, quality, value or utility of specified interests in, or aspects of, identified real estate;

(xiii) "Uniform standards for professional appraisal practice" means as defined in W.S. 33-39-102(a)(xvi);

(xiv) "Adverse action" means the refusal, denial, cancellation, suspension, revocation or surrender in lieu of revocation of a license or certificate to practice as an appraiser.

33-39-203. Registration required.

(a) No person shall engage in the business or act in the capacity of an appraisal management company regarding property located in this state without an active Wyoming registration unless exempted from this article. Any person who engages in the business or acts in the capacity of an appraisal management company regarding property located in this state has thereby submitted to the jurisdiction of the state of Wyoming and to the administrative jurisdiction of the board, and shall be subject to all penalties and remedies available under Wyoming law for any violation of this chapter.

(b) It is unlawful for a person to directly or indirectly engage or attempt to engage in business as an appraisal management company, to directly or indirectly engage or attempt to perform appraisal management services, or to advertise or hold itself out as engaging in or conducting business as an appraisal management company regarding property located in this state without first obtaining a registration issued by the board under the provisions of this article, regardless of the entity's use of the term "appraisal management company", "mortgage technology company" or any other name.

(c) The registration application required by subsection (a) of this section shall, at a minimum, include the following information:

(i) The name, business address and phone contact information of the person seeking registration;

(ii) If the person is not domiciled in this state, the name and contact information for the person's agent for service of process in this state;

(iii) The name, address and contact information for any individual or any corporation, partnership or other business entity that owns ten percent (10%) or more of the appraisal management company;

(iv) The name, address and contact information for the designated contact person;

(v) A certification that the appraisal management company complies with this article;

(vi) Any other information reasonably required by the board for the registration required by subsection (a) of this section; and

(vii) Evidence of a surety bond with one (1) or more corporate sureties authorized to do business in this state or an irrevocable letter of credit issued by an insured institution in the amount of twenty-five thousand dollars (\$25,000.00), subject to the following:

(A) The surety bond or letter of credit required under this paragraph shall be conditioned that the applicant pays:

(I) All amounts owing to persons who perform real estate appraisal services for the appraisal management company; and

(II) All amounts adjudged against the appraisal management company by reason of negligent or improper real estate appraisal services or appraisal management services or breach of contract in performing real estate appraisal services or appraisal management services.

(B) The surety bond or letter of credit shall require the surety company to provide written notice to the board by registered or certified mail at least thirty (30) days before the surety company cancels or revokes the bond, and within thirty (30) days after the surety company pays for a loss under the bond;

(C) The surety bond or letter of credit required by this section shall be continuously on file with the board in the amount of twenty-five thousand dollars (\$25,000.00) and is for the exclusive purpose of payment of the obligations listed in subparagraph (A) of this section. Upon termination or cancellation of the bond or reduction of the bond or letter of credit to less than twenty-five thousand dollars (\$25,000.00), a registered appraisal management company shall:

(I) File a replacement bond or letter of credit within the time period established by the board by rule; or

(II) Surrender the company's registration to the board and cease operating as an appraisal management company.

(D) Any person damaged by an appraisal management company's failure to pay an obligation listed in subparagraph (A) of this section has a right of action against the bond. An action against the bond shall be commenced in a court of competent jurisdiction within one (1) year after the appraisal management company fails to pay the amount owing or the amount adjudged against the appraisal management company;

(E) Termination or cancellation of the surety bond or letter of credit required by this section shall not terminate, cancel or limit the liability of the issuer of the surety bond or letter of credit for any and all claims against the surety bond or letter of credit to satisfy a final order of a court of competent jurisdiction in an action that was commenced prior to the cancellation of the surety bond or letter of credit.

33-39-204. Exemptions.

(a) This article shall not apply to:

(i) Any person that exclusively employs persons on an employer and employee basis for the performance of real estate appraisal services in the normal course of its business and the employer is responsible for ensuring that the real estate appraisal services being performed by its employees are being performed in accordance with Uniform Standards of Professional Appraisal Practices;

(ii) A department or unit within a financial institution that is regulated by a federal financial institution regulatory agency, or is regulated by an agency of this state, that receives a request for the performance of an appraisal from one (1) employee of the financial institution, and another employee of the same financial institution assigns the request for the appraisal to an appraiser who is an independent contractor to the institution;

(iii) An appraisal management company that is a subsidiary owned and controlled by a financial institution regulated by a federal financial institution regulatory agency;

(iv) Any independent contractor appraiser who in the normal course of business enters into an agreement, whether written or otherwise, with another independent contractor appraiser for the performance of real estate appraisal services

that the hiring or contracting appraiser cannot complete for any reason, including but not limited to competency, work load, schedule or geographic location;

(v) An appraisal firm as defined in this article;

(vi) Attorneys, certified public accountants, financial advisors, insurance agents, real estate brokers and agents or other professionals who request an appraisal of the client's property on behalf of the client.

33-39-205. Forms.

An applicant for registration as an appraisal management company in this state shall submit to the board an application on a form as prescribed by the board.

33-39-206. Expiration of registration.

A registration granted by the board pursuant to this article shall be valid for one (1) year from the date on which it is issued.

33-39-207. Consent to service of process.

Each entity applying for registration as an appraisal management company in this state shall complete an irrevocable "uniform consent to service of process" as prescribed by the board.

33-39-208. Fees.

Pursuant to W.S. 33-1-201, the board shall establish fees for original registrations, renewals and certifications. The fees shall be used to pay the expense of maintaining and operating the office of the board and the enforcement of this article.

33-39-209. Owner requirements.

(a) No appraisal management company shall be eligible for registration in this state if the company, in whole or in part, directly or indirectly, is owned by any person who has had an adverse action in any jurisdiction for a substantive cause as determined by the board. If a person has had an adverse action, but the person certifies to the board that the adverse action was for other than a substantive cause and that the person's license or certificate has been issued or reinstated, as applicable, this subsection shall not apply.

(b) Each person who owns more than ten percent (10%) of an appraisal management company performing appraisal management services regarding real estate located in this state shall:

(i) Have not been convicted of or pleaded guilty or nolo contendere to any felony involving theft, dishonesty or breach of trust;

(ii) Submit fingerprints and other information necessary for a criminal history record background check as provided under W.S. 7-19-201; and

(iii) Certify to the board that:

(A) The person has never had an adverse action in this state or in any other jurisdiction; or

(B) The adverse action was for other than a substantive cause and the person's license or certificate has been issued or reinstated, as applicable, by the state or states in which the appraiser was licensed or certified.

33-39-210. Designated contact person.

Each appraisal management company applying to the board for registration in this state shall designate one (1) contact person who will be the main contact for all communication between the board and the appraisal management company.

33-39-211. Designated contact person; requirements.

(a) In order to serve as a contact person of an appraisal management company, a person shall:

(i) Certify to the board that:

(A) The person has never had an adverse action in this state or in any other jurisdiction; or

(B) The adverse action was for other than a substantive cause and the person's license or certificate has been issued or reinstated, as applicable, by the state or states in which the appraiser was licensed or certified.

(ii) Have not been convicted of or pleaded guilty or nolo contendere to any felony involving theft, dishonesty or breach of trust; and

(iii) Submit fingerprints and other information necessary for a criminal history record background check as provided under W.S. 7-19-201.

33-39-212. Employee requirements.

(a) Any employee of the appraisal management company, or any person working on behalf of the appraisal management company, who has the responsibility of selecting independent appraisers for the performance of real estate appraisal services for the appraisal management company shall receive appropriate training concerning the application of the Uniform Standards of Professional Appraisal Practice.

(b) Any employee of or any person working on behalf of the appraisal management company that performs an appraisal review of an appraisal of a parcel of real property in this state shall hold a valid appraiser certificate in this state.

33-39-213. Limitations.

An appraisal management company registered in this state pursuant to this article shall not enter into any contract or agreement with an independent appraiser for the performance of real estate appraisal services unless the appraiser holds an appraiser certificate in good standing.

33-39-214. Pre-engagement certification.

Each appraisal management company seeking to be registered or renew a registration in this state shall certify to the board on an annual basis on a form prescribed by the board that the appraisal management company has a system and process in place to verify that a person being added to the appraiser panel of the appraisal management company holds an appraiser certificate in good standing.

33-39-215. Adherence to standards.

(a) Each appraisal management company shall certify to the board on an annual basis that:

(i) It has a system in place to review the work of all independent appraisers who are performing real estate appraisal services for the appraisal management company on a periodic basis to verify that the real estate appraisal services are being conducted in accordance with Uniform Standards of Professional Appraisal Practice; and

(ii) It requires all appraisers to have required competency to perform real estate appraisal services as provided in the applicable edition of the Uniform Standards of Professional Appraisal Practice for the appraisal being assigned.

33-39-216. Recordkeeping.

Each appraisal management company shall certify to the board on an annual basis that it maintains a detailed record of each service request it receives and the name of the independent appraiser who performs the real estate appraisal services for the appraisal management company for a period of five (5) years from the final appraisal submission to the client, or two (2) years after final disposition of a judicial proceeding related to the assignment, whichever period expires later.

33-39-217. Registration number.

(a) The board shall issue a unique registration number to each appraisal management company registered in this state pursuant to this article.

(b) The board shall maintain and publish a list of the appraisal management companies registered in this state and the registration numbers assigned to each company.

(c) An appraisal management company registered in this state shall disclose the registration number provided to it by the board on the engagement documents presented to an appraiser.

33-39-218. Appraiser independence; prohibitions.

(a) It shall be unlawful for any employee, director, officer or agent of an appraisal management company registered in this state to influence or attempt to influence the development, reporting or review of an appraisal through coercion, extortion, collusion, compensation, instruction, inducement, intimidation, bribery or in any other manner, including but not limited to:

(i) Withholding or threatening to withhold timely payment for an appraisal, except in cases of breach of contract or substandard performance of services;

(ii) Withholding or threatening to withhold future business for an independent appraiser or demoting or terminating or threatening to demote or terminate an independent appraiser;

(iii) Expressly or impliedly promising future business, promotions or increased compensation for an independent appraiser;

(iv) Conditioning the request for an appraisal service or the payment of an appraisal fee or salary or bonus on the opinion, conclusion or valuation to be reached, or on a preliminary estimate or opinion requested from an independent appraiser;

(v) Requesting that an independent appraiser provide an estimated, predetermined or desired valuation in an appraisal report, or provide estimated values or comparable sales at any time prior to the independent appraiser's completion of an appraisal service;

(vi) Providing to an independent appraiser an anticipated, estimated, encouraged or desired value for a subject property or a proposed or target amount to be loaned to the borrower, except that a copy of the sales contract for purchase transactions may be provided;

(vii) Providing to an independent appraiser, or any entity or person related to the appraiser, stock or other financial or nonfinancial benefits.

(b) It shall be unlawful for an appraisal management company to:

(i) Allow the removal of an independent appraiser from an appraiser panel, without prior written notice to the appraiser;

(ii) Obtain, use or pay for a second or subsequent appraisal or order an automated valuation model in connection with a mortgage financing transaction unless:

(A) The action is required by law;

(B) There is a reasonable basis to believe that the initial appraisal was flawed or tainted and the basis is clearly and appropriately noted in the loan file; or

(C) The appraisal or automated valuation model is done pursuant to a bona fide prefunding or post-funding appraisal review or quality control process.

(iii) Require an appraiser to prepare an appraisal if the appraiser, in the judgment of the appraiser, does not have the necessary expertise for the specific geographic area and the appraiser has notified the company of this belief and declined the assignment;

(iv) Require an appraiser to prepare an appraisal under a schedule that the appraiser, in the judgment of the appraiser, believes does not afford the appraiser the ability to meet all the relevant legal and professional obligations if the appraiser has notified the company of this belief and declined the assignment;

(v) Use, obtain or request the digital signature or seal of the appraiser;

(vi) Alter, modify or otherwise change any aspect of an appraisal report without the agreement of the appraiser that the modification is appropriate unless required by applicable law;

(vii) Engage in any act or practice that does not comply with the Uniform Standards of Professional Appraisal Practice or any assignment conditions and certifications required by the client;

(viii) Engage in any other act or practice that impairs or attempts to impair the independence, objectivity or impartiality of an appraiser;

(ix) Require an appraiser to enter into an agreement to not serve on the panel of another appraisal management company;

(x) Require an appraiser to indemnify or hold harmless the appraisal management company against liability other than those liabilities, damages, losses or claims arising out of the services performed by the appraiser, including

performance or nonperformance of the appraiser's duties and obligations, whether as a result of negligence or willful conduct.

(c) Nothing in subsection (a) or (b) of this section shall be construed as prohibiting the appraisal management company from requesting that an independent appraiser:

(i) Provide additional information about the basis for a valuation;

(ii) Correct objective factual errors in an appraisal report; or

(iii) Consider additional appropriate property information.

33-39-219. Compensation of appraisers.

An appraisal management company shall have 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 129E of the Truth In Lending Act, 16 U.S.C. 1601 et seq., or subsequent similar federal enactment, including the requirement that fee appraisers be compensated at a customary and reasonable rate, consistent with presumptions of compliance under federal law, when the appraisal management company is providing services for a consumer credit transaction secured by real estate.

33-39-220. Statement of fees.

(a) In reporting to a client, an appraisal management company shall separately state the fees:

(i) Paid to an appraiser for the completion of an appraisal service; and

(ii) Charged by the appraisal management company for appraisal management services.

(b) An appraisal management company shall not:

(i) Prohibit an appraiser from recording the fee that the appraiser was paid by the appraisal management company for completing the appraisal service in the body of the report that

is submitted by the appraiser to the appraisal management company; or

(ii) Include any fees for appraisal management services performed by the appraisal management company in the amount the company reports as charges for the actual completion of an appraisal service by an appraiser.

33-39-221. Mandatory reporting.

An appraisal management company that has a reasonable basis to believe an appraiser is failing to comply with the Uniform Standards of Professional Appraisal Practice, is violating applicable laws, or is otherwise engaging in unethical or unprofessional conduct, in a manner that materially affects the value conclusion contained in an appraisal report, shall file a complaint with the board pursuant to W.S. 33-39-123.

33-39-222. Requirement for payment.

An appraisal management company shall, except in cases of breach of contract or substandard performance of services, make payment to an independent appraiser for the completion of an appraisal or valuation assignment within sixty (60) days of the date on which the independent appraiser transmits or otherwise provides the appraisal or valuation study to the appraisal management company or its assignee unless a mutually agreed upon alternate arrangement has been previously established.

33-39-223. Notification of dismissal.

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 independent appraiser without notifying the appraiser in writing of the reasons for the action.

33-39-224. Disciplinary proceedings.

(a) The board shall upon a written sworn complaint or may upon its own motion investigate the actions of any appraisal management company and may impose an administrative fine not to exceed two thousand five hundred dollars (\$2,500.00) for each separate violation, censure the company, place the company on probation and set the terms of the probation, deny, suspend or revoke any registration issued under this article for any of the following:

(i) Procuring, or attempting to procure, a registration pursuant to this chapter by knowingly making a false statement, submitting false information, refusing to provide complete information in response to a question in an application for a registration or through any form of fraud or misrepresentation;

(ii) Being convicted of a felony, but this discipline shall be limited to probation, suspension or revocation of a registration;

(iii) Making any substantial misrepresentation, false promises or false or fraudulent representation;

(iv) Violating any provision of this chapter or rule or regulation of the board;

(v) Being negligent or incompetent, as defined in the Uniform Standards of Professional Appraisal Practice, in reviewing an appraisal, in preparing an appraisal report or in communicating an appraisal report.

(b) Upon receipt from the department of family services of a certified copy of an order from a court to withhold, suspend or otherwise restrict a registration issued by the board, the board shall notify the party named in the court order of the withholding, suspension or restriction of the registration in accordance with the terms of the court order. No appeal under the Wyoming Administrative Procedure Act shall be allowed for a registration withheld, suspended or restricted under this subsection.

(c) The board may assess to a registered appraisal management company, an applicant for registration as an appraisal management company, or an unregistered appraisal management company performing appraisal management services in this state all or part of the actual expenses of a contested case proceeding resulting in the discipline or censure of the registrant, suspension or revocation of the registrant's certificate of registration, the denial of a certificate of registration to the applicant or the discipline or censure of an unregistered appraisal management company performing appraisal management services in this state.

The hearing on any charge of violation of W.S. 33-39-224 shall be at a time and place prescribed by the board and in accordance with the provisions of the Wyoming Administrative Procedure Act.

CHAPTER 40
OCCUPATIONAL THERAPY PRACTICE

33-40-101. Short title.

This act is the "Occupational Therapy Practice Act".

33-40-102. Definitions.

(a) As used in this act:

(i) "Board" means the board of occupational therapy within the department of administration and information established by W.S. 33-40-114;

(ii) "Occupational therapy assistant" or "OTA" means a person licensed under this act to assist in the practice of occupational therapy and who works under the supervision of an occupational therapist to perform tasks requiring occupational therapy professional knowledge or judgment;

(iii) "Occupational therapy" means:

(A) Repealed by Laws 2016, ch. 104, § 2.

(B) Repealed by Laws 2016, ch. 104, § 2.

(C) Repealed by Laws 2016, ch. 104, § 2.

(D) Repealed by Laws 2016, ch. 104, § 2.

(E) Repealed by Laws 2016, ch. 104, § 2.

(F) Repealed by Laws 2016, ch. 104, § 2.

(G) Repealed by Laws 2016, ch. 104, § 2.

(H) Repealed by Laws 2016, ch. 104, § 2.

(J) The therapeutic use of occupations including everyday life activities with individuals, groups, populations or organizations to support participation, performance and

CHAPTER 1 **GENERAL PROVISIONS**

Section 1. Authority and Board Meetings.

(a) Pursuant to the authority vested in the Certified Real Estate Appraiser Board by virtue of Wyoming Statutes § 16-3-101 through 16-3-115 and W. S. § 33-39-101 through 33-39-225 (the Act), the following rules and regulations are hereby promulgated. All rules and regulations for the Board can be found at:
<https://sites.google.com/a/wyo.gov/rec/appraisers-and-amcs/rules-and-regulations>.

(b) The Board shall hold its annual meeting the second Thursday in July at the Board Office located at 2617 E Lincolnway, Suite H, Cheyenne, WY 82002 at 9:00 am.

Section 2. Definitions. Terms defined in the act shall have the same meanings when used in these rules unless the context or subject matter clearly requires a different interpretation.

(a) “Applicant” means a person or Appraisal management company (AMC) that submits an application for a permit or registration to the Board. This definition does not include temporary permit;

(b) “Appraiser Qualifications Board” “AQB” is the independent board of the Appraisal Foundation which sets the qualification standards for appraisers;

(c) “Appraisal Subcommittee “ASC” is the Appraisal Subcommittee of the Federal Financial Institutions Examination Council;

(d) “Board” means the Wyoming Certified Real Estate Appraiser Board;

(e) “Certified general real estate appraiser” means a person certified by the Board to develop and communicate real estate appraisals of all types of property;

(f) “Certified residential real estate appraiser” means a person certified by the Board to develop and communicate real estate appraisals of all types of residential property of one-to-four units and vacant or unimproved land that is utilized for one-to-four residential unit purposes or for which the highest and best use is for one-to-four residential units, not to include the appraisal of subdivisions for which a development analysis/appraisal is necessary;

(g) “Director of the Board” means the executive director of the Wyoming Real Estate Commission who serves on the Board as a non-voting ex-officio member;

(h) “In good standing” means maintaining an active certification in this state pursuant to the Certified Real Estate Appraiser Act, which certification is not subject to any disciplinary or probationary restrictions;

(j) "Jurisdiction" includes all fifty states and the commonwealth of the Northern Mariana Islands, Guam, Puerto Rico, the District of Columbia and the Virgin Islands as recognized by the United States of America.

(k) "Proof of completion" is a certified transcript or certificate from the entity offering the course/seminar which states the name of the appraiser, certified appraiser trainee, the title of the course/seminar, and the date of completion.

(l) "Registration number" means the specific number issued to each individual AMC.

(m) "USPAP" means the Uniform Standards of Professional Appraisal Practice.

Section 3. Exemptions. These Rules and Regulations shall not apply to a real estate broker, associate broker or salesperson who, in the ordinary course of business, gives an opinion of the price of real estate for the purpose of a prospective listing or sale, provided, this opinion of the price shall not be referred to as or construed to be an appraisal.

Section 4. Fees.

(a) The following non-refundable fees shall be charged by the Board:

(i)	Examination Fee	\$100
(ii)	Certified General or Residential permit.....	\$400
(iii)	AMC registration	\$1,800
(iv)	Certified General or Residential renewal.....	\$400
(v)	AMC renewal – (annual)	\$1,800
(vi)	Change of address or Change of business name	\$20
(vii)	Duplicate permit	\$20
(viii)	Education account.....	\$20
(ix)	Temporary permit	\$250
(x)	Course or Instructor Approval	\$50
(xi)	Appraiser Federal Registry Fee (annual)	\$40
(xii)	Work Product Report Review Fee	\$275
(xiii)	Late Renewal Fee.....	\$100

(xiv) Certified Documents	\$10
(xv) Paper Processing Fee	\$25
(xvi) Public Information Requests.....	Current Rate
(xvii) AMC Federal Registry Fee (annual).....	\$25/Appraiser

(b) The AMC's registration and renewal fees cover any changes made during the year such as, change of address and change of contact person. Forms for required changes must be submitted to the Board. All changes shall be submitted to the Board within thirty (30) days. All AMC Federal Registry Fees must be paid at the time of AMC Application or Renewal in the rate and manner prescribed by the ASC.

(c) There will be no fee for certified appraiser trainee permits or certified appraiser trainee renewals.

Section 5. Public Records Authority and Adoption of Uniform Rules. The Commission is required under W.S. 16-3-103(j)(ii) to adopt the Department of Administration and Information's uniform rules pertaining to procedures, fees, costs, and charges for inspecting, copying, and producing public records. The Commission hereby incorporates by reference the following uniform rules:

(a) Chapter 2 – Uniform Procedures, Fees, Costs, and Charges for Inspecting, Copying, and Producing Public Records adopted by the Department of Administration and Information and effective on September 6, 2016, found at: <http://realestate.wyo.gov/real-estate-professionals/rules-and-regulations>.

(b) For these rules incorporated by reference:

(i) The Commission has determined that incorporation of the full text in these rules would be cumbersome or inefficient given the length and nature of the rules;

(ii) The incorporation by reference does not include any later amendments or editions of the incorporated matter beyond the applicable date identified in subsection (a) of this section, and;

(iii) The incorporated rules are maintained at the Commission's office and are available for public inspection and copying at that same location.

Section 6. Education requirements.

(a) All applicants shall attend a fifteen (15) hour national USPAP course covering the most recent edition of USPAP or its equivalent, approved by the AQB of the Appraisal Foundation, taught by an AQB-certified USPAP instructor, and pass the associated fifteen (15) hour national

USPAP course examination. The USPAP Instructor shall also be an active certified residential or certified general real estate appraiser.

(b) To qualify for a permit to practice as a certified general real estate appraiser, an applicant shall furnish proof of successfully completing three-hundred (300) creditable classroom hours of courses, finished no more than sixty (60) months immediately preceding the filing of the application, in subjects related to real estate appraisal that meet the required core curriculum established and published by the AQB. In addition, the applicant shall hold a Bachelor's, Masters or Doctorate degree from an accredited college/university acceptable to the Board.

(c) To qualify for a permit to practice as a certified residential real estate appraiser, an applicant shall furnish proof that they have successfully completed one-hundred and twenty-five (125) creditable classroom hours of courses, finished no more than sixty (60) months immediately preceding the filing of the application, in subjects related to real estate appraisal which meet the required core curriculum established and published by the AQB. In addition, the applicant must:

(i) Hold and provide proof of successful completion, via official transcript, of a Bachelor's, Masters or Doctorate degree from an accredited college/university acceptable to the Board; or,

(ii) Hold and provide proof of successful completion, via official transcript, of an Associate's Degree from an accredited college/university acceptable to the Board in a focused field of study; or,

(iii) Provide proof of successful completion, via official transcript, of thirty (30) semester credit hours in specified topics within an accredited college/university acceptable to the Board; or,

(iv) Provide proof of successful completion, via official transcript, of College-Level Examination Program (CLEP) examinations equivalent to a minimum of thirty (30) credit hours in a specified subject matter area attained at an accredited college/university acceptable to the Board; or,

(v) Provide proof of successful completion, via official transcript, of any combination of completed semester credit hours and College-Level Examination Program (CLEP) examinations attained at an accredited college/university acceptable to the Board.

(d) Distance education may be used as qualifying education if the course is approved by the Board, meets AQB criteria and has a proctored final exam at the completion.

(e) To qualify for a permit to practice as a certified appraiser trainee, an applicant shall furnish proof of having successfully completed seventy-five (75) creditable classroom hours which meet the required core curriculum established and published by the AQB, as well as, a supervisor/trainee course. All qualifying education, except the supervisor/trainee course prescribed in Section 18 (l) of these rules, shall be completed within the five (5) year period prior to the date of submission of a certified appraiser trainee permit application

Section 7. Experience requirements.

(a) To be eligible to take the examination for certification as a certified residential real estate appraiser or a certified general real estate appraiser, an applicant shall present evidence to the Board that the experience requirement has been satisfied.

(b) To be certified as a residential real estate appraiser, the total experience shall consist of one-thousand five hundred (1,500) hours of experience obtained during no fewer twelve (12) months. While the number of hours may be cumulative, the required number of months must accrue before an individual may be certified.

(c) To be certified as a general real estate appraiser, the total experience shall consist of three-thousand (3,000) hours of experience obtained during no fewer than eighteen (18) months. While the number of hours may be cumulative, the required number of months shall accrue before an individual may be certified. At least fifty (50) percent of the appraisal experience shall be in non-residential appraisal work.

Section 8. Examination requirements.

(a) Prior to taking the exam for a permit to practice as a certified real estate appraiser, the applicant shall furnish proof to the Board that the applicable education required by Section 5 and experience required by Section 6 have been completed.

(b) The applicant shall pass the examination and furnish proof of work experience prior to a person submitting an application for certification. Examination fees will not be refunded if the Board does not approve the applicant for certification.

(c) Every applicant seeking certification as an appraiser shall register for the examination with a testing service approved by the AQB.

(i) Failure to complete the examination on the scheduled date will result in forfeiture of the examination fee.

(ii) To re-write the examination, any applicant who does not attain a passing score shall register with a testing service approved by the AQB and submit the examination fee.

(d) A notice to an applicant that they have received a passing score for the approved examination does not constitute a permit to practice.

(e) Examination scores more than twenty-four (24) months old will not be accepted.

Section 9. Making application.

(a) The applicable requirements of Sections 6, 7, and 8 shall be completed prior to submitting an application for certified residential real estate appraiser or certified general real estate appraiser to the Board. All those who are not certified in Wyoming or another jurisdiction

and who intend to become a certified residential real estate appraiser or a certified general real estate appraiser in Wyoming shall first be certified by the Board as a certified appraiser trainee after the completion of the applicable requirements of Section 6 and before any required experience will accrue toward the experience requirements as set forth in Section 7.

(b) Each person desiring to become certified as a real estate appraiser shall complete an application.

(i) Applications which are not complete and which are not accompanied by the correct fee will not be accepted and will be returned to the applicant.

(ii) Applicants must be at least eighteen (18) years of age.

(iii) All permits currently held by the applicant are in good standing and all permits previously held by the applicant were in good standing at the time of expiration and there is no discipline currently pending against the applicant in any jurisdiction; and

(iv) The applicant has not been subject to discipline in any jurisdiction in the past five (5) years.

(c) At the time of application for general or residential certification, an applicant who is not currently certified in Wyoming or another jurisdiction at the level of certification applied for shall submit the appraisal log referred to in (f) below. An Application Review Committee (ARC) of not more than two (2) board members, including one (1) board member certified in the level of certification applied for, selected by board staff will select two (2) appraisals from the appraisal log and conduct or arrange for a review of the selected appraisals to insure all requirements of the appropriate version of USPAP are met. Should the ARC determine either of the selected appraisals does not meet the requirements of the appropriate version of USPAP, it may require of the applicant any or all of the following:

(i) A third appraisal selected from the appraisal log;

(ii) A demonstration report;

(iii) Any other further information it deems appropriate; or

(iv) Completion of appraisal course(s) covering subject matter relative to the deficiencies in the selected appraisal(s).

(d) If, after reviewing all submissions from the applicant, the ARC determines the submissions do not meet the requirements of the appropriate version of USPAP, it shall recommend the Board deny the application.

(e) All applicants shall submit complete and legible fingerprint cards, if applicable, a Certificate of License History.

(f) All applicants not currently certified in Wyoming or another jurisdiction at the level of certification applied for shall submit an appraisal log signed by both the applicant and the supervising appraiser on a form developed by the Board and posted on the Board web site in order to verify the applicant's experience. All appraisals included on the log shall be done under the direct supervision of the supervising appraiser who signs the log. The appraisal reports shall disclose the participation of both the supervising appraiser and the applicant.

(g) No permit will be issued prior to the Board receiving a criminal record background check required by W.S. § 33-39-106(a)(vii).

(h) Applicants who are not residents of Wyoming shall submit:

(i) The written designation required by W.S. § 33-39-115(a) appointing the director of the Board as his/her licensed agent upon whom all judicial and other process or legal notices directed to the applicant may be served; and

(ii) The written agreement to abide by all provisions of the Certified Real Estate Appraiser Act required by W.S. § 33-39-115(b).

(j) A permittee whose permit is held by the Board on inactive status shall apply for activation of such inactive permit and shall submit proof of having successfully completed all required continuing education hours that would have been required if the credential holder was in an active status. The required hours must also include the most recent edition of a 7-Hour National USPAP Update Course.

Section 10. Permit renewals; continuing education.

(a) A renewal application shall include proof that the permittee, including a certified appraiser trainee, has completed at least twenty-eight (28) hours of continuing education, which meets the curriculum established and published by the Board. Repetitious course work will not be accepted in the same renewal cycle. An inactive permittee will not be required to furnish proof of continuing education until such time as they request activation of the permit.

(b) All permittees shall submit proof of completion of the most current AQB-approved seven (7) hour National USPAP update course at the time of renewal. USPAP update courses may be included in the required continuing education hours.

(c) Distance education may be used as continuing education if the course/seminar meets the AQB criteria and is approved by the Board. A proctored exam is not required but an applicant shall successfully complete all prescribed course requirements.

(d) Up to fifty percent (50%) of a permittee's continuing education requirement may be granted for participation, other than as a student, in appraisal educational processes and programs.

(i) Examples of activities for which credit may be granted are teaching, program development, authorship of textbooks, or similar activities that are determined to be equivalent to obtaining continuing education.

(ii) Credit for instructing any course or seminar can only be awarded once during a continuing education cycle.

(e) Failure to remit renewal fees when due will cause an active or inactive permit to lapse.

(i) A lapsed permit may be reinstated within sixty (60) days upon payment of the renewal fee and late renewal fee.

(ii) Any permittee whose permit, active or inactive, has not been renewed within the sixty (60) day grace period must comply with all requirements of a new applicant.

Section 11. Appraisal courses/seminars.

(a) Any entity or individual requesting approval of a course/seminar or an instructor requesting approval by the Board shall submit an application on forms prescribed by the Board which require information concerning the course/seminar being offered, course/seminar outline, examination, grading system and instructor qualifications.

(b) The Board may accept the following courses/seminars as meeting standards for appraiser education:

(i) Any appraisal course/seminar approved by the AQB and the Board.

(ii) Any appraisal course/seminar approved by the Board or by an appraiser regulatory body in any jurisdiction or province with approval standards equal to those established by the Board.

(c) The Board may approve courses/seminars by other schools, professional societies or organizations if they meet the Board standards.

(d) The Board will automatically approve Appraisal Qualifications Board (AQB) Course Approval Program (CAP) approved courses.

(e) Pre-certification education courses shall be at least fifteen (15) classroom hours in duration.

(f) Seminars for continuing education shall be at least three (3) classroom hours in duration.

(g) An approved course/seminar may be monitored by a representative of the Board.

(h) Each course/seminar approval is good for three (3) years, after which the provider shall request approval for another three (3) year period and submit the prescribed fee.

Section 12. Instructor qualifications. Course/seminar instructors shall have forty (40) hours of teaching appraisal course/seminar experience within the past two (2) years and shall meet at least one of the following qualifications, unless granted an exemption by the Board:

- (a) A Bachelor's degree in the field in which the person is instructing; or
- (b) Five (5) years of current experience in the subject instructed.

Section 13. Withdrawal of approval. If the Board determines that an instructor, or course previously approved, no longer meets the prescribed standards, a written notice of withdrawal of approval shall be given stating the reasons for the withdrawal. The withdrawal becomes effective twenty (20) days from the date of the notice unless the person or entity giving the course/seminar files a written request for a hearing prior to the effective date. If a request for a hearing is timely filed, the withdrawal of approval will not become effective except upon order of the Board issued within ninety (90) days after the hearing.

Section 14. Disputes between permittees. The Board shall not entertain complaints between permittees concerning matters of fees or the earning, splitting or nonpayment thereof.

Section 15. Regulatory enforcement grounds.

(a) Certified Real Estate Appraisers and Certified Appraiser Trainees. In addition to the statutory grounds for disciplinary action against an appraiser (W.S. § 33-39-123), the Board may deny a permit or impose any disciplinary action authorized by W.S. § 33-39-123(a) or combination thereof for any of the following:

- (i) An act or omission involving dishonesty, fraud or misrepresentation;
- (ii) After accepting an appraisal assignment, failure or refusal, without good cause, to exercise reasonable diligence in developing an appraisal, preparing an appraisal report, communicating an appraisal, or completing an appraisal;
- (iii) Failure to notify the Board of a change of address within thirty (30) days.
- (iv) Appraising a property type that is outside the scope of a Certified Residential Permit. However, appraisers holding a Certified Residential Permit may obtain the experience necessary to upgrade to a Certified General Permit by appraising properties outside the allowed scope of a Certified Residential Permit by associating with an appraiser holding a Wyoming Certified General Permit, provided that:

(A) The appraiser holding the Certified General Permit shall review, sign, and accept responsibility for the appraisal and report, and

(B) The report shall fully disclose each appraiser's or trainee's role in the appraisal and reporting process, and

(C) The Certified Residential Permit holder shall not make any representations regarding the value analysis to a third party.

(v) Failure to produce documents and records concerning an appraisal under investigation by the Board.

(vi) Failure to appear and to testify under oath at a hearing held by the Board.

(vii) Failure to pay a fine imposed pursuant to W.S. 33-39-123 within thirty (30) days of the date of the Order.

(viii) In addition to noncompliance with standards prescribed by USPAP, as adopted by the Board, any failure to conform to the conduct prescribed by or requirements contained in the Ethics Rule, the Competency Rule, the Scope of Work Rule and the Jurisdictional Exception Rule of USPAP shall constitute a separate ground for discipline under these rules.

(ix) Violation of any provision of W.S. 33-39-101 through 33-39-130, Board Rules and Regulations, or USPAP.

(x) Failure to complete one seven (7) hour national USPAP update course-during the period of time when that USPAP course was adopted and in effect.

(b) A summary of all final discipline, whether imposed by settlement or following a contested case hearing, will be published in the Real Estate Commission newsletter, posted on the Board website, and such information as is mandated by federal law for various purposes, including such information that may be subject to a national clearinghouse maintained by the Appraisal Subcommittee of the Federal Financial Institutions Examination Council, and in furtherance of Title XI of the Federal Financial Institutions Examination Act ("FIRREA") Real Estate Appraisal Reform [12 U.S.C. §§3331-3351], as amended by the Dodd-Frank Reform Act will be reported.

(c) The Board retains jurisdiction over persons issued a permit pursuant to the Act and these rules, regardless of whether the permit expired, lapsed or was relinquished during or after the alleged occurrence of conduct proscribed by the Act or these rules.

(i) The applicant has had an appraiser license or certification revoked in any governmental jurisdiction within the five (5) year period immediately preceding the date of application;

(ii) The applicant has been convicted of, or pled guilty or *nolo contendere* to, a felony in a domestic or foreign court:

(A) During the five (5) year period immediately preceding the date of the application for licensing or certification; or

(B) At any time preceding the date of application, if such felony involved an act of fraud, dishonesty, or a breach of trust, or money laundering;

(iii) The applicant has failed to demonstrate character and general fitness such as to command the confidence of the community and to warrant a determination that the appraiser will operate honestly, fairly, and efficiently within the purposes of these criteria.

(d) AMCs. The Board may impose any disciplinary action authorized by W.S. § 33-39-224 for any violation of W.S. §§ 33-39-202 through 33-39-225 by an AMC, its representatives or employees.

Section 16. Temporary permits. An appraiser certified or licensed in another jurisdiction and in good standing in all jurisdictions in which he/she currently holds a permit, certificate, or license may apply for a temporary permit in Wyoming for temporary work for one (1) appraisal assignment to be completed within six (6) months from date of issuance of a temporary permit.

(a) The appraiser shall submit to the Board a copy of the engagement agreement for the assignment and pay the fee for the temporary permit.

(b) A single appraisal assignment may include one (1) or more properties under one (1) contract for a single client.

(c) One six (6) month extension of the temporary permit may be granted.

Section 17. Responsibilities of a Certified Real Estate Appraiser acting as a supervisory appraiser.

(a) A supervising appraiser shall be responsible for and provide direct supervision of the work performed by a certified appraiser trainee under his/her supervision. The supervising appraiser shall:

(i) Notify the Board of the name(s) and other Board required information for each certified appraiser trainee under his/her supervision.

(ii) Sign and review the appraisal and assume full responsibility for it; and

(iii) Not allow the certified appraiser trainee to make any representations regarding the appraisal to a third party; and

(iv) Disclose in the appraisal report the name of the certified appraiser trainee and the scope of the certified appraiser trainee's contribution to the report.

(v) Maintain an appraisal log jointly with the certified appraiser trainee using the form available on the Board website.

(b) Upon request, the supervising appraiser shall provide the Board with a copy of any appraisal report that a certified appraiser trainee signed under his/her supervision.

(c) The certified appraiser trainee is entitled to copies of appraisal reports he/she prepares.

(d) The supervising appraiser shall physically inspect each property that the certified appraiser trainee is appraising until such time as he/she deems the certified appraiser trainee satisfies the competency provision of USPAP.

(e) Supervisory appraisers shall be state-certified and “in good standing” in all jurisdictions where certified, and certified for a period of at least three (3) years. Supervisory appraisers shall not have been subject to any disciplinary action within any jurisdiction within the last three (3) years that affects the supervisory appraiser’s legal eligibility to engage in appraisal practice. A supervisory appraiser subject to a disciplinary action would be considered “in good standing” three (3) years after the successful completion/termination of the sanction imposed against the appraiser. Supervisory appraisers shall have been state-certified for a minimum of three (3) years prior to being eligible to become a Supervisory Appraiser.

(f) The certified appraiser trainee shall be permitted to work under more than one (1) supervising appraiser; however, no supervising appraiser may supervise more than three (3) certified appraiser trainees at any one time.

(g) The supervising appraiser shall be within reasonable geographic proximity to the certified appraiser trainee.

(h) Supervisory appraisers shall be required to complete a course that, at a minimum, complies with the specifications for course content established by the AQB, which is specifically oriented to the requirements and responsibilities of supervisory appraisers and trainee appraisers. The course is to be completed by the supervisory appraiser prior to supervising a trainee appraiser.

Section 18. Responsibilities of a certified appraiser trainee. Certified appraiser trainees shall:

(a) Register their name, address and phone number with the Board office.

(b) Work under the direct supervision of a certified real estate appraiser. A certified appraiser trainee is permitted to work under more than one (1) supervising appraiser.

(c) Notify the Board of each supervising appraiser’s name.

(d) Maintain an experience log on a form provided by and approved by the Board which shall be reviewed and signed by the supervising certified real estate appraiser.

(e) Maintain separate appraisal logs for each supervising appraiser using the form available on the Board web site.

- (f) Participate in the appraisal process in order to receive credit for hours spent and appraisals completed.
- (g) Comply with the USPAP competency rule.
- (h) Not make representations regarding an appraisal they are involved with to any third party.
- (j) Ensure that the supervising appraiser has notified the Board of all pertinent Board required information relative to their status as an appraiser trainee.
- (k) Indicate the word “certified appraiser trainee” prominently after their signature on all appraisal reports, reviews or correspondence signed by the certified appraiser trainee.
- (l) Trainee appraisers shall be required to complete a course that, at a minimum, complies with the specifications for course content established by the AQB, which is specifically oriented to the requirements and responsibilities of supervisory appraisers and trainee appraisers. The course shall be completed by the trainee appraiser prior to obtaining a certified appraiser trainee permit. Further, the trainee appraiser course is not eligible towards the seventy-five (75) hours of qualifying education required.

CHAPTER 2 **APPRAISAL MANAGEMENT COMPANY**

Section 1. Registration process.

(a) AMC applicants shall submit to the Board on forms which shall be prescribed by the Board and shall include:

- (i) Completed application form with appropriate fee;
- (ii) Fingerprint cards for the designated contact person and any person owning more than ten percent (10%) of the AMC;
- (iii) Recent snapshot or photograph of the designated contact person;
- (iv) Current appraisal panel list. Changes to the appraisal panel shall be submitted via email to the Board within thirty (30) calendar days;
- (v) Engagement Document;
- (vi) Wyoming Secretary of State Certificate of Good Standing;
- (vii) Certificate of Incorporation, Partnership Agreement or Articles of Organization from your domestic state; and
- (viii) Copy of a surety bond in an amount not less than Twenty-Five Thousand Dollars (\$25,000.00).

(b) Every Registration shall be valid for a period of one (1) year.

Section 2. Renewal process.

- (a) Registrations shall be renewed for a period of one (1) year.
- (b) Applications for renewal of Registrations shall be submitted to the Board on forms which shall be prescribed by the Board and shall include:
 - (i) Copy of the Renewal form and the appropriate fee(s);
 - (ii) A copy of the Continuation Certificate showing the surety bond in the amount not less than twenty five thousand dollars (\$25,000.00) was renewed; and
 - (iii) A current snapshot or photograph of the Designated Contact person.

(c) AMC's may renew expired Registrations up to sixty (60) calendar days following expiration of the Registration by submitting a Renewal Form, remitting all required fees plus a late fee as described in Chapter 1 Section 4.

(d) After a Registration has been expired for a period of time in excess of sixty (60) calendar days, the Registration may not be renewed. In order to acquire a Registration, an AMC shall reapply as set forth in Section 1.

CHAPTER 3

APPLICATION REVIEW, COMPLAINTS, AND HEARING PROCEDURES

Section 1. Application Review Process.

- (a) Upon receipt of a complete application submitted by an applicant holding a current permit to practice at the level of certification applied for issued by another jurisdiction, the Board office shall review the application and if it is complete and there are no known grounds for denial of the requested permit, the Board office may issue the permit. If there are grounds for denial reasonably apparent on the face of the completed application, the Board office shall forward the application to the Application Review Committee (ARC).
- (b) Upon receipt of a complete application submitted by an applicant who does not hold a current permit at the level of certification applied for (new applicant), the Board office shall forward the application to the ARC.
- (c) The ARC shall review the applications it receives and for new applicants conduct or arrange for a USPAP Standard 3 review of appraisal reports selected from the submitted appraisal log.
- (d) Following the review the ARC may:
 - (i) Approve the application if the applicant meets all requirements; or
 - (ii) If either the application or the Standard 3 review raises questions as to whether denial is appropriate, forward the application and the ARC report to the Assistant Attorney General assigned to the Board for prosecution for review.
- (e) If after review the ARC, following consultation with the Assistant Attorney General, concludes that grounds exist to recommend denial of an application:
 - (i) A preliminary denial letter shall be sent to applicant. The letter shall:
 - (A) State the basis for the denial including relevant statutes and rules; and
 - (B) Advise the applicant of the right to request reconsideration.
 - (ii) If the applicant fails to request reconsideration in writing within thirty (30) days of the date of the preliminary denial letter, the preliminary denial becomes final.

(iii) If the applicant requests reconsideration within thirty (30) days, a reconsideration conference shall be held with the ARC, the Assistant Attorney General, and the applicant.

(iv) Following a reconsideration conference, the ARC shall either approve or deny the application and notify the applicant.

(v) If denied, the applicant shall submit a written request for a hearing before the Board within thirty (30) days of the date of the denial letter or the denial is final.

(f) Application denial hearings

(i) An application denial hearing is a formal contested case hearing conducted pursuant to the Wyoming Administrative Procedure Act.

(ii) The applicant has the burden of proving that he/she meets all requirements for the permit requested.

(g) The ARC may attend hearings, but shall not take part in the consideration of any contested case.

Section 2. Complaints.

(a) A disciplinary action is initiated against a permit holder by submitting a sworn written complaint to the Board office. A complaint concerning an alleged violation of the Act or Board Rules may be submitted by any person or entity, a Board member or member of the Board staff. The sworn written complaint should provide as much of the following information as may be available and applicable:

(i) The name and address of the complainant;

(ii) The name, address, place of employment, and telephone number of the permit holder against whom the charges are made;

(iii) The specific conduct alleged to constitute the violation;

(iv) The name and address of any other witnesses; and

(v) The signature of the complainant.

Section 3. Review of Written Complaint. Sworn written complaints shall be sent to the permit holder complained against and be referred to the investigator for the Board, the Assistant Attorney General, and a liaison selected by Board staff. The liaison, following consultation with the investigator and Assistant Attorney General, shall determine whether the complaint merits

further investigation. If the complaint does not evidence conduct which violates the Act or Board Rules, it does not merit further investigation and the liaison shall dismiss it. If the complaint merits further investigation, the permit holder against whom the complaint was filed will be advised of the investigation, the names of the investigator and the liaison, the nature of the complaint, and given an opportunity to respond to the complaint.

- (a) The liaison shall not take part in the consideration of any contested case.
- (b) The liaison shall not, by this rule, be barred from attending any disciplinary hearing.

Section 4. Investigations and Board Action. The investigator for the Board shall investigate those sworn written complaints received which the liaison has determined merit further investigation.

(a) Upon completion of the investigation, the investigator for the Board shall prepare an investigative report and submit it to the liaison. The report shall include:

- (i) The findings;
- (ii) A list of statutes and/or Board rules believed to have been violated; and
- (iii) Any relevant additional information.

(b) The liaison shall review the investigative report, forward the report and his/her recommendations to the Assistant Attorney General assigned to the Board for prosecution, and consult with the Assistant Attorney General.

(c) Following consultation with the Assistant Attorney General, the liaison may:

- (i) Send the notice required by Section 6;
- (ii) Prepare and file a formal petition and notice of hearing setting the matter for a contested case hearing before the Board;
- (iii) Recommend the Board accept an offer of conditional terms for settlement, which may include educational courses;
- (iv) Dismiss the complaint.

(d) The Board may resolve a complaint at any time by:

- (i) Accepting a voluntary surrender of a permit;
- (ii) Accepting conditional terms for settlement;

(iii) Dismissal.

Section 5. Service of Notice and Opportunity to Show Compliance. Prior to commencement of a formal hearing, the liaison shall give notice by mail to the permit holder of the facts or conduct which warrant his/her intended action. The notice shall give the permit holder an opportunity to show compliance with all lawful requirements for retention of the permit within twenty (20) days of the mailing of the notice. Such notice shall be sent to the permit holder's last known address both by certified mail with return receipt requested and by first class mail. Service shall be deemed complete when mailed.

Section 6. Default. The Board may enter an order based on the allegations in a notice of hearing or petition and notice of hearing in any case where the applicant or permit holder has not answered or appeared in writing ten (10) working days before the hearing, or in any case in which the applicant or permit holder or his/her representative has not appeared at a scheduled hearing for which they had notice.

Section 7. Formal Contested Case Hearing Incorporation by Reference.

(a) When required, Formal Contested Case Hearings shall be held in accordance with rules administered by the Office of Administrative Hearings. The Board hereby incorporates by reference the following uniform rules:

(i) Chapter 2 – Uniform Rules for Contested Case Practice and Procedure, adopted by the Office of Administrative Hearings and effective on July 20, 2017, found at <https://sites.google.com/a/wyo.gov/rec/appraisers-and-amcs/rules-and-regulations>.

(b) For these rules incorporated by reference:

(i) The Board has determined that incorporation of the full text in these rules would be cumbersome or inefficient given the length and nature of the rules; and

(ii) The incorporation by reference does not include any later amendments or editions of the incorporated matter beyond the applicable date identified in subsection (a) of this section.

CHAPTER 4

USPAP

Section 1. Adoption of USPAP.

(a) The Uniform Standards of Professional Appraisal Practice (USPAP) 2020-2021 Edition promulgated by the Appraisal Foundation is adopted without modification, including related Appraisal Standards Board (ASB) Statements and Comments. This adoption does not include any later amendments or editions of USPAP.

(b) Copies of USPAP are available at the Board office, 2617 E. Lincolnway, Cheyenne, WY 82002, (307) 777-7141 for inspection. Copies of USPAP may also be purchased from the Appraisal Foundation (202) 289-2735, info@appraisalfoundation.org or the website www.uspap.org.

Section 2. Effective date. This Chapter is effective January 1, 2020.

CHAPTER 36-21B
REAL ESTATE APPRAISERS

36-21B-1 Appraisers to be certified, licensed, or registered--Injunction for violation.

36-21B-2 Definitions.

36-21B-2.1 Repealed.

36-21B-2.2 Criminal background checks.

36-21B-2.3 Grounds for denying issuance of certificate.

36-21B-3 Promulgation of rules.

36-21B-4 Promulgation of rules to establish fees for certification of appraisers.

36-21B-5 Fees credited to Real Estate Appraisers Fund.

36-21B-6 Legislative appropriations of Real Estate Appraiser Fund.

36-21B-7 Penalty for violation of statute or rule.

36-21B-8 Application of chapter.

36-21B-9 **36-21B-9.** Repealed by SL 2001, ch 210, § 2.

36-21B-10 Contested cases--Assessment of expenses.

36-21B-11 Improper influence on real estate appraisals prohibited--Grounds for discipline.

36-21B-12 Conduct not constituting improper influence on real estate appraisals.

36-21B-13 Evaluation for federally insured depository institution.

36-21B-1. Appraisers to be certified, licensed, or registered--Injunction for violation.

Any person who performs a real estate appraisal or advertises or holds himself or herself out to the general public as a real estate appraiser in this state shall be certified, licensed, or registered by the Department of Labor and Regulation unless exempt under another provision of this chapter or another provision of statute. Any person who violates this section may be restrained by permanent injunction in any court of competent jurisdiction, at the suit of the attorney general or any citizen of the state.

Source: SL 1995, ch 223, § 1; SL 2004, ch 17, § 236; SL 2011, ch 1 (Ex. Ord. [11-1](#)), § 162, eff. Apr. 12, 2011; SL 2011, ch 182, § 1.

36-21B-2. Definitions.

Terms used in this chapter mean:

- (1) "Appraisal," the act or process of developing an opinion of value of real estate for another and for compensation;
- (2) "Appraisal practice," any valuation service, including appraisal, appraisal review, or appraisal consulting, performed by a person acting as an appraiser;
- (3) "Evaluation," a valuation of real estate prepared for a federally insured depository institution for a transaction that, pursuant to regulations promulgated by one or more federal financial institution regulatory agency, qualifies for the appraisal threshold exemption, business loan exemption, or subsequent transaction exemption; and
- (4) "Federal financial institution regulatory agency," the Federal Deposit Insurance Corporation, National Credit Union Administration, Office of the Comptroller of the Currency, or Board of Governors of the Federal Reserve System.

Source: SL 1995, ch 223, § 2; SL 2013, ch 180, § 2; SL 2020, ch 164, § 1.

36-21B-2.1. Repealed.

Source: SL 2013, ch 180, § 1; SL 2020, ch 164, § 2.

36-21B-2.2. Criminal background checks.

Each applicant for initial certification, licensure, or registration under this chapter in this state shall submit to a state and federal criminal background investigation by means of fingerprint checks by the Division of Criminal Investigation and the Federal Bureau of Investigation. Upon application, the department shall submit completed fingerprint cards to the Division of Criminal Investigation. Upon completion of the criminal background check, the Division of Criminal Investigation shall forward to the department all information obtained as a result of the criminal background check. This information must be obtained prior to certification of the applicant. The department may require a state and federal criminal background check for any licensee who is the subject of a disciplinary investigation by the department. Failure to submit or cooperate with the criminal background investigation is grounds for denial of an application or may result in revocation of a license. The applicant shall pay for any fees charged for the cost of fingerprinting and the criminal background investigation.

Source: SL 2014, ch 182, § 1.

36-21B-2.3. Grounds for denying issuance of certificate.

The department shall deny issuance of a certificate to any applicant who:

- (1) Has had the ability to perform appraisals revoked in any governmental jurisdiction within the five year period immediately preceding the date of application;
- (2) Has been convicted of, or pled guilty or nolo contendere to, a felony in a domestic or foreign court either during the five-year period immediately preceding the date of the application for certification, licensure, or registration or at any time preceding the date of application, if such felony involved an act of fraud, dishonesty, a breach of trust, or money laundering; or
- (3) Has failed to demonstrate character and general fitness which commands the confidence of the community and warrants a determination that the applicant will operate honestly, fairly, and efficiently with the purposes of this chapter.

Source: SL 2014, ch 182, § 2.

36-21B-3. Promulgation of rules.

The secretary of the Department of Labor and Regulation may promulgate rules pursuant to chapter [1-26](#) relating to appraisers and appraisals in the following areas:

- (1) Certification, licensing, and registration of appraisers;
- (2) Definition of terms;
- (3) Uniform standards of professional appraisal practice;
- (4) Application for and issuance of certificates;
- (5) Examinations and examination procedures;
- (6) Pre-certification education criteria and continuing education;
- (7) Qualifications for and upgrading of a certificate;
- (8) Transactions requiring certified, licensed, or registered appraisers;
- (9) Renewal and late renewal procedures;
- (10) Certificate by reciprocity;
- (11) Temporary practice and permits;
- (12) Complaints and grounds for disciplinary actions including denial, revocation, suspension, censure, and reprimand;
- (13) Conflict of interest and investigation;

- (14) Advertising by certified, licensed, or registered appraisers;
- (15) Retention and inspection of records, and rosters of appraisers;
- (16) Appraiser membership, competency, and independence;
- (17) Review of appraisals and contracting for investigations;
- (18) Inspection, examination, and photocopy of appraisal records for audit purposes;
- (19) Inactive status; and
- (20) Exemptions and standards allowing appraisers to perform an evaluation for a federally insured depository institution.

Source: SL 1993, ch 293, § 2; SL 1995, ch 223, § 3; § 36-21A-117; SL 2004, ch 17, § 237; SL 2011, ch 1 (Ex. Ord. 11-1), § 162, eff. Apr. 12, 2011; SL 2020, ch 164, § 3.

36-21B-4. Promulgation of rules to establish fees for certification of appraisers.

The secretary of the Department of Labor and Regulation may promulgate rules pursuant to chapter [1-26](#) to establish fees for the certification, licensing, and registration of real estate appraisers as follows:

- (1) Application fees not to exceed five hundred dollars;
- (2) Renewal fees not to exceed five hundred dollars;
- (3) Examination fee not to exceed three hundred dollars;
- (4) Late renewal fee not to exceed two hundred dollars;
- (5) Upgrade fee not to exceed five hundred dollars;
- (6) Reciprocity fee not to exceed five hundred dollars;
- (7) National registry fee not to exceed eighty dollars;
- (8) Education course approval fee not to exceed fifty dollars;
- (9) Temporary permit fee not to exceed five hundred dollars.

The Department of Labor and Regulation may recover the costs of photocopying and postage when providing appraiser rosters and the uniform standards of professional practice.

Source: SL 1995, ch 223, § 4; SL 2009, ch 191, § 2; SL 2011, ch 1 (Ex. Ord. [11-1](#)), § 162, eff. Apr. 12, 2011; SL 2011, ch 183, § 1.

36-21B-5. Fees credited to Real Estate Appraisers Fund.

All moneys coming into the custody of the Department of Labor and Regulation including certificate fees, renewal fees, reciprocity fees, penalty fees, and any other payments, shall be deposited by the department to the state treasurer weekly, or as prescribed by the state treasurer. The state treasurer shall credit the moneys to the South Dakota Real Estate Appraiser Fund. Expenditures from this fund shall only be paid on warrants drawn by the state auditor and approved by the department.

Source: SL 1995, ch 223, § 7; SL 2004, ch 17, § 238; SL 2011, ch 1 (Ex. Ord. [11-1](#)), § 162, eff. Apr. 12, 2011.

36-21B-6. Legislative appropriations of Real Estate Appraiser Fund.

Any expenditure of money out of the South Dakota Real Estate Appraiser Fund shall be made only upon appropriation by the Legislature through either the general appropriations act or a special appropriations bill.

Source: SL 1995, ch 223, § 7A.

36-21B-7. Penalty for violation of statute or rule.

The secretary of the Department of Labor and Regulation may impose a monetary penalty not to exceed one thousand dollars or require additional educational course requirements, or both, of a person licensed pursuant to this chapter upon proof of a violation of the rules relating to appraisers and appraisals as adopted by the department pursuant to chapter [1-26](#) or a violation of this chapter.

Source: SL 1993, ch 293, § 5; SL 1995, ch 223, § 8; SL 2004, ch 17, § 239; SL 2009, ch 191, § 1; SL 2011, ch 1 (Ex. Ord. [11-1](#)), § 162, eff. Apr. 12, 2011.

36-21B-8. Application of chapter.

Unless required by the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, Pub.L. No. 101-73, 103 Stat. 183 (1989), 12 U.S.C. § 3310, et seq., this chapter does not apply to the following:

- (1) Any public officer while performing public duties;
- (2) Any bank, trust company, savings and loan association, public utility, or any land mortgage or farm loan association organized under the laws of this state or the United States or their employees, if engaged in the transaction of business within the scope of its corporate powers as provided by law;
- (3) Any person licensed as a real estate broker under chapter [36-21A](#) when appraising within the scope of the broker's license; or
- (4) Any employee of any person or entity enumerated in this section.

Source: SL 1995, ch 223, § 10.

36-21B-9. Repealed by SL 2001, ch 210, § 2.

36-21B-10. Contested cases--Assessment of expenses.

The secretary may assess to a licensee or applicant all or part of the actual expenses of a contested case proceeding resulting in the discipline or censure of the licensee, suspension or revocation of the licensee's license, or the denial of a license to the applicant.

Source: SL 2001, ch 210, § 1.

36-21B-11. Improper influence on real estate appraisals prohibited--Grounds for discipline.

No real estate appraiser with an interest in a real estate transaction or the financing of any loan secured by real estate involving an appraisal assignment may improperly influence or attempt to improperly influence the development, reporting, result, or review of a real estate appraisal by:

- (1) Coercion, extortion, or bribery;
- (2) Withholding or threatened withholding of payment for an appraisal fee;
- (3) Conditioning of the payment of an appraisal fee upon the opinion, conclusion, or valuation to be reached;
- (4) Requesting that the appraiser report a predetermined opinion, conclusion, or valuation or the desired valuation of any person; or
- (5) Any other act or practice that impairs or attempts to impair an appraiser's independence, objectivity, and impartiality.

A violation of this section may constitute grounds for discipline against a real estate appraiser who is registered, licensed, or certified pursuant to the laws of the State of South Dakota.

Source: SL 2009, ch 192, § 1.

36-21B-12. Conduct not constituting improper influence on real estate appraisals.

No person violates § [36-21B-11](#) solely by asking a real estate appraiser to consider additional, appropriate property information, or to provide further detail, substantiation, or explanation for the appraiser's value conclusion, or to correct errors in the appraisal report, or by withholding payment of an appraisal fee based on a bona fide dispute regarding the appraiser's compliance with the appraisal standards adopted by the Department of Labor and Regulation pursuant to this chapter. A person does not violate § [36-21B-11](#) solely by retaining a real estate appraiser from panels or lists on a rotating basis, or by supplying an appraiser with information the appraiser is required to analyze under the appraisal standards adopted by the department, such as agreements of sale, options, or listings of the property to be valued.

Source: SL 2009, ch 192, § 2; SL 2011, ch 1 (Ex. Ord. [11-1](#)), § 162, eff. Apr. 12, 2011.

36-21B-13. Evaluation for federally insured depository institution.

A certified, licensed, or registered appraiser may provide an evaluation of real estate for a federally insured depository institution if the evaluation is permitted by law, regulation, or regulatory guidance. Any evaluation by an appraiser must be conducted in accordance with federal and state laws and rules, regulatory guidelines, and the most current appraisal and evaluation guidelines established for federally insured depository institutions by one or more federal financial institution regulatory agency.

Source: SL 2020, ch 164, § 4.

ADMINISTRATIVE RULES

of

SOUTH DAKOTA

Cite as ARSD _____

DEPARTMENT OF HEALTH

ARTICLE 20:14
APPRAISERS

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ARTICLE 20:14**APPRAISERS**

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CHAPTER 20:14:01**GENERAL PROVISIONS**

Section	
20:14:01:01	Definitions.

20:14:01:01. Definitions. As used in this article:

(1) "Appraisal" means the act or process of developing an opinion of value of real estate for another and for compensation;

(2) "Appraisal Foundation" means the Appraisal Foundation established on November 30, 1987, as a not-for-profit corporation under the laws of Illinois;

(3) "Appraiser Qualifications Board" means the independent board of the Appraisal Foundation which sets the qualification standards for appraisers;

(4) "Appraisal Standards Board" means the independent board of the Appraisal Foundation which sets the appraisal standards for appraisers;

(5) "Appraisal Subcommittee" means the Appraisal Subcommittee of the Federal Financial Institutions Examination Council;

(6) "Appraiser" means a person who has been issued by the Department of Labor and Regulation a state-certified general, state-certified residential, state-licensed, or state-registered appraiser credential to perform appraisals;

(7) "Credential" means the certificate, license, or registration issued to a successful applicant for state-certified general appraiser, state-certified residential appraiser, state-licensed appraiser, or state-registered appraiser, as applicable;

(8) "Class hour" means 50 minutes out of each 60-minute segment;

(9) "Complex one- to four-family residential property appraisal" means an appraisal in which the property to be appraised, the form of ownership, or market conditions are atypical;

(10) "Department" means the Department of Labor and Regulation;

(11) "Distance education" means any education process based on the geographical separation of student and instructor;

(12) "Fed" means the Board of Governors of the Federal Reserve System;

(13) "Federal financial institutions regulatory agencies" means any of the following, as applicable: the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency, or the National Credit Union Administration;

(14) "FDIC" means the Federal Deposit Insurance Corporation;

(15) "Financial institutions" means institutions regulated by the FDIC, OCC, Fed, and National Credit Union Administration;

(16) "FIRREA" means the Financial Institution Reform Recovery and Enforcement Act of 1989, Pub. L. No. 101-73, 103 Stat. 183 (1989), 12 U.S.C. § 3310, et seq;

(17) "OCC" means the Office of the Comptroller of the Currency, Treasury Department;

(18) "Real estate" means as defined in SDCL 36-21A-11;

(19) "Secretary" means the secretary of the Department of Labor and Regulation;

(20) "State-certified general appraiser," means an individual who has satisfied the requirements for the highest level of certification as a real estate appraiser as prescribed in this article;

(21) "State-certified residential appraiser" means an individual who has satisfied the requirements for the highest level of residential certification as a real estate appraiser as prescribed in this article;

(22) "State-licensed appraiser" means an individual who has satisfied the requirements for mid-level licensure as a real estate appraiser as prescribed in this article;

(23) "State-registered appraiser" means an individual who has satisfied the requirements for entry-level registration as a real estate appraiser as prescribed in this article;

(24) "Tract development" means a project of five units or more that is constructed or is to be constructed as a single development;

(25) "Uniform standards" means Uniform Standards of Professional Appraisal Practice, as incorporated in § 20:14:06:01; and

(26) "Written examination" means an exam written on paper, or administered electronically on a computer workstation or other device.

Source: 18 SDR 36, effective August 25, 1991; 19 SDR 12, effective August 3, 1992; 20 SDR 9, effective August 1, 1993; 21 SDR 49, effective September 18, 1994; 22 SDR 91, effective January 1, 1996; 23 SDR 113, effective January 12, 1997; 24 SDR 91, effective January 8, 1998; 25 SDR 123, effective April 8, 1999; 26 SDR 120, effective March 27, 2000; 27 SDR 99, effective April 8, 2001; 30 SDR 58, effective November 5, 2003; 32 SDR 109, effective December 27, 2005; 38 SDR 116, effective January 10, 2012; 38 SDR 214, effective June 21, 2012; 44 SDR 27, effective August 14, 2017; 46 SDR 75, effective December 4, 2019.

General Authority: SDCL 36-21B-3(2).

Law Implemented: SDCL 1-47-14, 36-21B-1, 36-21B-3(2).

CHAPTER 20:14:02

ADMINISTRATION

Section

20:14:02:01	Roster of appraisers.
20:14:02:02	Notice of change of email address and residential and business addresses.
20:14:02:03	Use of titles in advertising.

20:14:02:01. Roster of appraisers. The secretary shall prepare and issue at least once each calendar year a roster showing the name and place of business of each real estate appraiser currently holding a valid state-certified general appraiser, state-certified residential appraiser or state-licensed appraiser credential issued under the provisions of this article. The secretary shall transmit the roster to the Appraisal Subcommittee of the Federal Financial Institutions Examination Council annually.

Source: 18 SDR 36, effective August 25, 1991; 19 SDR 12, effective August 3, 1992; 22 SDR 91, effective January 1, 1996; 32 SDR 109, effective December 27, 2005; 38 SDR 116, effective January 10, 2012; 44 SDR 27, effective August 14, 2017.

General Authority: SDCL 36-21B-3.

Law Implemented: SDCL 36-21B-1, 36-21B-3(15).

Note: A copy of the roster is available to the public at no charge upon written request to the secretary.

20:14:02:02. Notice of change of email address and residential and business addresses. Each real estate appraiser shall immediately give written notice of any change of email address and residential or business address to the secretary.

APPRAISERS

20:14

Source: 18 SDR 36, effective August 25, 1991; 22 SDR 91, effective January 1, 1996; 23 SDR 113, effective January 12, 1997; 40 SDR 121, effective January 7, 2014; 46 SDR 29, effective September 9, 2019.

General Authority: SDCL 36-21B-3.

Law Implemented: SDCL 36-21B-1, 36-21B-3(15).

20:14:02:03. Use of titles in advertising. A credential holder advertising through any media may be identified as a state-certified general appraiser, state-certified residential appraiser, state-licensed appraiser, or state-registered appraiser by listing the appropriate classification title as displayed on the credential issued by the department. For purposes of this section, the term, media, includes newspapers, magazines, business cards, Internet, and directories, including any listing in a telephone directory. No advertising may be misleading in characterizing the credential possessed by the appraiser.

Source: 23 SDR 113, effective January 12, 1997; 30 SDR 115, effective February 2, 2004; 44 SDR 27, effective August 14, 2017.

General Authority: SDCL 36-21B-3.

Law Implemented: SDCL 36-21B-1, 36-21B-3(14).

CHAPTER 20:14:03

APPLICATION PROCEDURE

Section

20:14:03:01	Application for credential.
20:14:03:02	Term of credential.
20:14:03:03	Credential renewal.
20:14:03:04	Late renewal.
20:14:03:05	Inactive status.
20:14:03:06	Reinstatement of credential on inactive status.

20:14:03:01. Application for credential. An individual who desires to engage in real estate appraisals under this article shall apply in writing for a credential on a form provided by the secretary. An application is valid for 90 days. The secretary may extend the time for an application upon the written request of the applicant or to allow the applicant to comply with the department's request for information, records, or reports. The application fee prescribed in § 20:14:10:01 shall accompany the application form. The application form shall contain the following:

- (1) Name;
- (2) Driver's license number;
- (3) Social security number;
- (4) Home and business addresses;
- (5) Home and business telephone numbers;
- (6) Business name where employed;
- (7) Educational experience;
- (8) Appraisal experience;
- (9) A sworn declaration that must be signed by the applicant; and
- (10) Email address.

Source: 18 SDR 36, effective August 25, 1991; 24 SDR 91, effective January 8, 1998; 26 SDR 120, effective March 27, 2000; 40 SDR 121, effective January 7, 2014; 44 SDR 27, effective August 14, 2017; 46 SDR 29, effective September 9, 2019.

General Authority: SDCL 36-21B-3(4).

Law Implemented: SDCL 36-21B-1, 36-21B-3(1)(4).

Note: The secretary shall collect the registry fee pursuant to 12 U.S.C. § 3338(a) with the application for certification or licensure.

20:14:03:02. Term of credential. The secretary shall issue a credential to an applicant who qualifies in accordance with this article. Any credential issued under this article expires on September 30 each year, unless revoked or suspended.

Source: 18 SDR 36, effective August 25, 1991; 44 SDR 27, effective August 14, 2017.

General Authority: SDCL 36-21B-3.

Law Implemented: SDCL 36-21B-3.

20:14:03:03. Credential renewal. To renew any current valid credential the holder of the credential shall file an application on a form provided by the secretary and pay the renewal fee prescribed in § 20:14:10:02 to the secretary during the period extending from 90 days to 45 days before the expiration date of the credential. For each odd-numbered year the renewal application form shall be accompanied by documentation of completion of the continuing education requirements for renewal specified in § 20:14:13:01.

Source: 18 SDR 36, effective August 25, 1991; 19 SDR 12, effective August 3, 1992; 20 SDR 9, effective August 1, 1993; 25 SDR 123, effective April 8, 1999; 44 SDR 27, effective August 14, 2017.

General Authority: SDCL 36-21B-3.

Law Implemented: SDCL 36-21B-3.

20:14:03:04. Late renewal. If renewal of a credential is not accomplished within the period prescribed in § 20:14:03:03, the applicant may renew the credential within six months following its expiration by satisfying all of the requirements for renewal and paying the renewal fee prescribed in § 20:14:10:02 plus the applicable late renewal fee prescribed in § 20:14:10:04. The secretary may refuse to renew a credential if the applicant continues to perform real estate appraisal activities as defined in this article in this state following the expiration of the credential.

Source: 18 SDR 36, effective August 25, 1991; 20 SDR 9, effective August 1, 1993; 44 SDR 27, effective August 14, 2017.

General Authority: SDCL 36-21B-3.

Law Implemented: SDCL 36-21B-3.

20:14:03:05. Inactive status. An appraiser who does not wish to be actively engaged in real estate appraisal activity shall request in writing that the secretary place the appraiser's credential on inactive status. The credential and the identification card shall accompany the written request. Any appraiser whose credential has been placed on inactive status may not engage in real estate appraisal activity.

The appraiser shall renew the inactive credential as specified in § 20:14:03:03 and pay the renewal fees as specified in § 20:14:10:02. The continuing education requirement specified in § 20:14:13:01 is not required during the period of inactive status.

Source: 22 SDR 91, effective January 1, 1996; 23 SDR 113, effective January 12, 1997; 34 SDR 67, effective September 11, 2007; 44 SDR 27, effective August 14, 2017.

General Authority: SDCL 36-21B-3.

Law Implemented: SDCL 36-21B-1, 36-21B-3(19).

20:14:03:06. Reinstatement of credential on inactive status. An appraiser on inactive status who wishes to return to active status shall submit a written request along with evidence of successful completion of the continuing education class hours that would have been required by § 20:14:13:01 if the appraiser was on an active status to the secretary for reinstatement of the appraiser's credential to active status before resuming real estate appraisal activity. The continuing education class hours shall include the most recent update course that covers the uniform standards as adopted in § 20:14:06:01 or its equivalent. The class hours of instruction shall be completed subsequent to the appraiser's credential being placed on inactive status.

Source: 22 SDR 91, effective January 1, 1996; 23 SDR 113, effective January 12, 1997; 24 SDR 91, effective January 8, 1998; 30 SDR 115, effective February 2, 2004; 32 SDR 109, effective December 27, 2005; 34 SDR 67, effective September 11, 2007; 38 SDR 116, effective January 10, 2012; 44 SDR 27, effective August 14, 2017.

General Authority: SDCL 36-21B-3(19).

Law Implemented: SDCL 36-21B-1, 36-21B-3(19).

CHAPTER 20:14:04

TRANSACTIONS REQUIRING QUALIFIED APPRAISERS

Section

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20:14:04:01. Federally related transactions. For the purposes of this article, a federally related transaction is any real estate-related transaction, as defined in § 20:14:04:02, entered into after December 31, 1991, which federal regulatory agencies engage in, contracts for, or regulates, and which requires the services of an appraiser.

Source: 18 SDR 36, effective August 25, 1991; 26 SDR 120, effective March 27, 2000.

General Authority: SDCL 36-21B-3(8).

Law Implemented: SDCL 36-21B-1, 36-21B-3(8).

20:14:04:02. Real estate-related transactions. Real estate-related financial transactions include any transaction involving the following:

- (1) The sale, lease, purchase, investment in, or exchange of real estate, including interests in property or its financing;
- (2) The refinancing of real estate or interests in real estate; or
- (3) The use of real estate or interests in property as security for a loan or investment, including mortgage-backed securities.

Source: 18 SDR 36, effective August 25, 1991.

General Authority: SDCL 36-21B-3.

Law Implemented: SDCL 36-21B-3.

20:14:04:03. Transaction value. For the purposes of this article, the transaction value is defined as follows:

- (1) For loans or other extensions of credit, the amount of the loan or extension of credit;
- (2) For sales, leases, purchases, and investments in or exchanges of real estate, the market value of the real estate interest involved; and
- (3) For the pooling of loans or interests in real estate for resale or purchase, the amount of the loan or market value of the real estate calculated for each such loan or interest in real estate.

Source: 18 SDR 36, effective August 25, 1991.

General Authority: SDCL 36-21B-3.

Law Implemented: SDCL 36-21B-3.

20:14:04:04. Appraisal not required. To determine whether or not an appraisal is needed under this article in connection with a federally related transaction, a financial institution shall comply with the threshold levels set by the federal financial institutions regulatory agencies, as applicable. Threshold levels are specified in § 20:14:04:05.

An appraisal performed by a state-certified general, state-certified residential, or state-licensed appraiser is not required for any of the following real estate-related financial transactions:

(1) The transaction value threshold level is less than that required by the applicable regulatory agency;

(2) A lien on real estate has been taken as collateral solely through an abundance of caution, and the terms of the transaction as a consequence have not been made more favorable than they would have been in the absence of a lien;

(3) A lease of real estate is entered into, unless the lease is the economic equivalent of a purchase or sale of the lapsed real estate;

(4) There is a subsequent transaction resulting from a maturing extension of credit meeting the following conditions:

(a) The borrower has performed satisfactorily according to the original terms;

(b) No new moneys have been advanced other than as previously agreed;

(c) The credit standing of the borrower has not deteriorated; and

(d) There has been no obvious and material deterioration in market conditions or physical aspects of the property which would threaten the institution's collateral protection; or

(5) A regulated institution purchases a loan or interest in a loan, pooled loans, or interests in real estate, including mortgage-backed securities; however, the appraisal prepared for each pooled loan or real estate interest must meet the requirements of this section, if applicable.

Source: 18 SDR 36, effective August 25, 1991; 23 SDR 113, effective January 12, 1997.

General Authority: SDCL 36-21B-3.

Law Implemented: SDCL 36-21B-1, 36-21B-3(8).

20:14:04:05. Threshold levels. Each federal financial institution's regulatory agency may establish a threshold level at or below which a certified or licensed appraiser is not required to perform appraisals in connection with federally related transactions. Threshold levels are as follows:

(1) National Credit Union Administration, 66 Fed. Reg. 58656 (November 23, 2001);

(2) OCC, 12 C.F.R. § 34.43, as published on 59 Fed. Reg. 29499 (June 7, 1994);

(3) FDIC, 12 C.F.R. § 323.3, as published on 59 Fed. Reg. 29501 (June 7, 1994);

(4) Fed, 12 C.F.R. § 225.63, as published on 63F Fed. Reg. 65532 (November 27, 1998).

Source: 18 SDR 36, effective August 25, 1991; 21 SDR 49, effective September 18, 1994; 23 SDR 113, effective January 12, 1997; 26 SDR 120, effective March 27, 2000; 29 SDR 99, effective January 15, 2003; 36 SDR 112, effective January 11, 2010; 38 SDR 116, effective January 10, 2012; 41 SDR 217, effective June 29, 2015.

General Authority: SDCL 36-21B-3(8).

Law Implemented: SDCL 36-21B-1, 36-21B-3(8).

20:14:04:06. Appraisal by state-certified general appraiser. A state-certified general appraiser may appraise any type of property without regard to transaction value or complexity. A state-certified general appraiser is bound by the competency rule of the uniform standards and § 20:14:09:02.

Source: 18 SDR 36, effective August 25, 1991; 23 SDR 113, effective January 12, 1997; 28 SDR 109, effective February 7, 2002; 32 SDR 109, effective December 27, 2005.

General Authority: SDCL 36-21B-3(8).

Law Implemented: SDCL 36-21B-1, 36-21B-3(8).

20:14:04:06.01. Appraisal by state-certified residential appraiser. A state-certified residential appraiser may perform any noncomplex nonresidential property appraisal with a transaction value of less than \$250,000 and any one- to four-family residential property appraisal without regard to transaction value or complexity. This includes the appraisal of 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. This does not include the appraisal of subdivisions for which a development analysis/appraisal is necessary. A state-certified residential appraiser is bound by the competency rule of the uniform standards and § 20:14:09:02.

Source: 23 SDR 113, effective January 12, 1997; 28 SDR 109, effective February 7, 2002; 32 SDR 109, effective December 27, 2005; 38 SDR 116, effective January 10, 2012.

General Authority: SDCL 36-21B-3(8).

Law Implemented: SDCL 36-21B-1, 36-21B-3(8).

20:14:04:07. Appraisal by state-licensed appraiser. A state-licensed appraiser may perform any noncomplex nonresidential property appraisal or complex one- to four-family residential property appraisal with a transaction value of less than \$250,000 and any noncomplex one- to four-family residential property appraisal with a transaction value of less than \$1,000,000. This includes the appraisal of 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. This does not include the appraisal of subdivisions for which a development analysis/appraisal is necessary. A state-licensed appraiser is bound by the competency rule of the uniform standards and § 20:14:09:02.

Source: 18 SDR 36, effective August 25, 1991; 23 SDR 113, effective January 12, 1997; 24 SDR 91, effective January 8, 1998; 28 SDR 109, effective February 7, 2002; 32 SDR 109, effective December 27, 2005; 38 SDR 116, effective January 10, 2012.

General Authority: SDCL 36-21B-3(8).

Law Implemented: SDCL 36-21B-1, 36-21B-3(8).

20:14:04:08. Presumption that one- to four-family residential properties are not complex. A regulated institution shall presume that an appraisal of a one- to-four-family residential property is not complex unless the institution has readily available information that the appraisal will be complex.

Source: 18 SDR 36, effective August 25, 1991.

General Authority: SDCL 36-21B-3.

Law Implemented: SDCL 36-21B-3.

20:14:04:09. Final determination of complexity. The regulated institution shall make the final determination as to the complexity of the appraisal. If during the course of the appraisal a state-licensed appraiser identifies factors that would cause the property, form of ownership, the property characteristics or market conditions to be atypical, then either the regulated institution may ask the state-licensed appraiser to complete the appraisal and have a state-certified general appraiser or state-certified residential appraiser approve and cosign the appraisal or the institution may engage a state-certified general appraiser or state-certified residential appraiser to complete the appraisal.

Source: 18 SDR 36, effective August 25, 1991; 23 SDR 113, effective January 17, 1997; 38 SDR 116, effective January 10, 2012.

General Authority: SDCL 36-21B-3.

Law Implemented: SDCL 36-21B-1, 36-21B-3(8).

20:14:04:10. Appraisal by either a state-certified general, state-certified residential, or state-licensed appraiser. Appraisals for federally related transactions not requiring the services of a state-certified general appraiser may be performed by either a state-certified general, state-certified residential, or state-licensed appraiser.

Source: 18 SDR 36, effective August 25, 1991; 23 SDR 113, effective January 12, 1997.

General Authority: SDCL 36-21B-3.

Law Implemented: SDCL 36-21B-1, 36-21B-3(8).

Cross-References:

Appraisal by state-certified general appraiser, § 20:14:04:06.

Appraisal by state-certified residential appraiser, § 20:14:04:06.01.

Appraisal by state-licensed appraiser, § 20:14:04:07.

20:14:04:11. Appraisal by state-registered appraiser. A state-registered appraiser may perform noncomplex property appraisals as listed in § 20:14:04:04 and assist in the preparation of appraisals as prescribed in § 20:14:04:12. A state-registered appraiser is bound by the competency rule in the uniform standards and § 20:14:09:02.

Source: 20 SDR 9, effective August 1, 1993; 23 SDR 113, effective January 12, 1997; 28 SDR 109, effective February 7, 2002; 32 SDR 109, effective December 27, 2005.

General Authority: SDCL 36-21B-3(8).

Law Implemented: SDCL 36-21B-1, 36-21B-3(8).

20:14:04:12. Assistance by state-registered appraiser in preparation of appraisal reports. A state-registered appraiser may assist in the preparation of an appraisal report in connection with a federally related transaction which requires the use of a state-certified residential or state-certified general appraiser as prescribed in this chapter if the state-registered appraiser is directly supervised by a state-certified residential or state-certified general appraiser and the final appraisal document is approved and signed by a state-certified residential or state-certified general appraiser.

Source: 20 SDR 9, effective August 1, 1993; 23 SDR 113, effective January 12, 1997; 28 SDR 109, effective February 7, 2002; 32 SDR 109, effective December 27, 2005; 34 SDR 67, effective September 11, 2007; 38 SDR 214, adopted June 21, 2012, effective July 1, 2013.

General Authority: SDCL 36-21B-3(8).

Law Implemented: SDCL 36-21B-1, 36-21B-3(8).

20:14:04:12.01. Registration of supervisory appraiser by state-registered appraiser. A state-registered appraiser shall report the name of each supervisory appraiser to the secretary on registration forms provided by the secretary. A state-registered appraiser may have more than one supervisory appraiser. Registration of a supervisory appraiser is effective the day the registration form is received by the secretary. Appraisal experience credit for an assignment requiring a supervisory appraiser will be granted if the supervisory appraiser is registered with the secretary at

the time of the assignment. The state-registered appraiser shall report, in writing, to the secretary any change of supervisory appraiser. The change shall be effective upon receipt by the secretary.

Source: 34 SDR 67, effective September 11, 2007; 36 SDR 112, effective January 11, 2010; 38 SDR 214, effective June 21, 2012.

General Authority: SDCL 36-21B-3(8).

Law Implemented: SDCL 36-21B-1, 36-21B-3(8).

20:14:04:12.02. Responsibility of a state-registered appraiser. A state-registered appraiser is responsible for:

(1) Jointly maintaining an appraisal log with each supervisory appraiser on a form provided by the secretary that includes each appraisal performed by the state-registered appraiser to ensure it is accurate. Separate appraisal logs must be maintained for each supervisory appraiser; and

(2) Successfully completing an education program developed by the department regarding the role of the supervisory appraiser and the state-registered appraiser. Successful completion of the education program includes passing the course examination.

Source: 35 SDR 175, effective January 1, 2009; 36 SDR 112, effective January 11, 2010; 38 SDR 214, effective June 21, 2012; 40 SDR 121, effective January 7, 2014; 46 SDR 75, effective December 4, 2019.

General Authority: SDCL 36-21B-3.

Law Implemented: SDCL 36-21B-1, 36-21B-3(6)(7)(15).

20:14:04:13. Supervisory appraiser. A supervisory appraiser shall be a state-certified residential or state-certified general appraiser who has satisfied the requirements in § 20:14:04:14.

Source: 32 SDR 109, effective December 27, 2005; 34 SDR 67, effective September 11, 2007; 35 SDR 175, effective January 1, 2009; 36 SDR 112, effective January 11, 2010; 38 SDR 116, effective January 10, 2012; 38 SDR 214, adopted June 21, 2012, effective July 1, 2013.

General Authority: SDCL 36-21B-3(8).

Law Implemented: SDCL 36-21B-1, 36-21B-3(8).

20:14:04:14. Requirements of a supervisory appraiser. A state-certified residential or state-certified general appraiser desiring to supervise a state-registered appraiser shall meet the following supervisory appraiser requirements:

(1) Be certified by the department, in good standing in this state or any other jurisdiction in which the appraiser is certified. A supervisory appraiser is considered to be in good standing if the appraiser has not been subject to any disciplinary action within any jurisdiction that affects legal eligibility to engage in appraisal practice for three years after the successful completion or termination of any sanctions imposed;

(2) Have the knowledge and experience in the types of appraisal assignments that the supervisory appraiser is supervising pursuant to the competency rule of the uniform standards and § 20:14:09:02;

(3) Have a minimum of three years appraisal experience as a state-certified residential or state-certified general appraiser and hold a South Dakota state-certified residential or state-certified general appraiser credential; and

(4) Successfully complete an education program developed by the department regarding the role of the supervisory appraiser and the state-registered appraiser before supervision begins. Successful completion of the education program includes passing the course examination.

A supervisory appraiser who has not actively supervised a state-registered appraiser within the past three years or has not been an approved supervisory appraiser within three years of successfully completing the education program shall successfully complete the program again.

A supervisory appraiser may supervise no more than three state-registered appraisers at any one time.

Source: 35 SDR 175, effective January 1, 2009; 36 SDR 112, effective January 11, 2010; 38 SDR 214, adopted June 21, 2012, effective July 1, 2013; 40 SDR 121, effective January 7, 2014; 41 SDR 217, effective June 29, 2015; 44 SDR 27, effective August 14, 2017.

General Authority: SDCL 36-21B-3.

Law Implemented: SDCL 36-21B-1, 36-21B-3(6)(12)(16).

20:14:04:15. Application for supervisory appraiser approval. Any person who desires to supervise a state-registered appraiser under this article must apply in writing for approval as a supervisory appraiser on a form provided by the secretary. The nonrefundable application fee prescribed in § 20:14:10:01 must accompany the application form. The application, at a minimum, shall contain the following:

- (1) Name;
- (2) Driver's license number;
- (3) Social security number;
- (4) Home and business addresses;
- (5) Home and business telephone numbers;
- (6) Business name where employed;
- (7) Area of geographic competency;

(8) Certification of competency in one or more of the following specific appraisal assignments:

(a) Residential:

(i) One-to four family;

(b) Nonresidential:

(i) Commercial;
(ii) Industrial;
(iii) Agricultural; and
(iv) Multifamily;

(9) Email address.

Source: 35 SDR 175, effective January 1, 2009; 36 SDR 112, effective January 11, 2010; 38 SDR 116, effective January 10, 2012; 38 SDR 214, effective June 21, 2012; 42 SDR 98, effective January 5, 2016; 46 SDR 29, effective September 9, 2019.

General Authority: SDCL 36-21B-3.

Law Implemented: SDCL 36-21B-1, 36-21B-3(1)(4), 36-21B-4(1).

20:14:04:16. Supervisory appraiser approval renewal. To renew any current supervisory appraiser approval the holder of the approval shall file an application on a form provided by the secretary and pay the renewal fee prescribed in § 20:14:10:02. The fee shall be paid to the secretary not more than 90 days and not less than 45 days before the expiration date of the supervisory appraiser approval.

Source: 35 SDR 175, effective January 1, 2009; 36 SDR 112, effective January 11, 2010; 38 SDR 214, effective June 21, 2012; 44 SDR 27, effective August 14, 2017.

General Authority: SDCL 36-21B-3.

Law Implemented: SDCL 36-21B-1, 36-21B-3(4)(9), 36-21B-4(2).

20:14:04:16.01. Supervisory appraiser late renewal. If renewal of the supervisory appraiser approval is not accomplished within the period prescribed in § 20:14:04:16, the applicant may renew within six months following its expiration by paying the renewal fee prescribed in § 20:14:10:02 plus the applicable late renewal fee prescribed in § 20:14:10:04. The secretary may refuse to renew the supervisory appraiser approval if the applicant continues supervisory appraiser activities, as defined in this article, in this state following the expiration of the approval.

Source: 38 SDR 214, effective June 21, 2012; 44 SDR 27, effective August 14, 2017.

General Authority: SDCL 36-21B-3(9).

Law Implemented: SDCL 36-21B-1, 36-21B-3(4)(9), 36-21B-4(4).

20:14:04:17. Responsibilities of the supervisory appraiser. The supervisory appraiser for a state-registered appraiser is responsible for:

- (1) Training, guidance, and direct supervision of the state-registered appraiser;
- (2) Mentoring of the state-registered appraiser;
- (3) Personally inspecting:

(a) A minimum of 25 residential subject properties with the state-registered appraiser if the state-registered appraiser is seeking the state-licensed or state-certified residential appraiser credential. If the state-registered appraiser seeking the state-licensed or state-certified residential appraiser credential includes the appraisal of nonresidential properties, the supervisory appraiser shall personally inspect all nonresidential subject properties up to 15 properties with the state-registered appraiser; or

(b) A minimum of 15 nonresidential subject properties with the state-registered appraiser if the state-registered appraiser is seeking the state-certified general appraiser credential. If the state-registered appraiser seeking the state-certified general appraiser credential includes the appraisal of residential properties the supervisory appraiser shall personally inspect all residential subject properties up to 25 properties with the state-registered appraiser.

If the minimum personal inspections by the supervisory appraiser have been met and the state-registered appraiser does not demonstrate competence in the appraisal work as required in
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§ 20:14:09:02, the supervisory appraiser shall continue the personal inspections until competence is demonstrated.

If a state-registered appraiser has more than one supervisory appraiser, all of the personal inspections of each of the supervisory appraisers may be totaled to meet the minimum personal inspections required by this subdivision;

(4) Reviewing the state-registered appraiser's appraisal report to ensure adequately conducted research of general and specific data, proper application of appraisal principles and methodologies, sound analysis, and adequately developed analysis, opinions, or conclusions so that the appraisal report is not misleading;

(5) Reviewing the state-registered appraiser's work product and discussing any edits, corrections, or modifications that need to be made to that work product for compliance with the uniform standards as incorporated in § 20:14:06:01;

(6) Accepting full responsibility for the appraisal report by signing the certification certifying that the appraisal report has been prepared in compliance with the uniform standards as incorporated in § 20:14:06:01;

(7) Signing the state-registered appraiser's appraisal log as applicable in § 20:14:05:05.01; and

(8) Jointly maintaining an appraisal log with each state-registered appraiser on a form provided by the secretary that includes each appraisal performed by the state-registered appraiser to ensure it is accurate. Separate appraisal logs must be maintained for each state-registered appraiser.

Source: 35 SDR 175, effective January 1, 2009; 36 SDR 112, effective January 11, 2010; 38 SDR 214, effective June 21, 2012; 41 SDR 217, effective June 29, 2015; 44 SDR 27, effective August 14, 2017; 46 SDR 75, effective December 4, 2019.

General Authority: SDCL 36-21B-3.

Law Implemented: SDCL 36-21B-1, 36-21B-3(3)(16)(17).

CHAPTER 20:14:05

QUALIFICATIONS FOR CERTIFICATION, LICENSURE, AND REGISTRATION

Section

20:14:05:01 Qualifications.

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20:14:05:02 Examination.

20:14:05:02.00 Examination approval -- Time limit.

20:14:05:02.01 Experience requirements for state-registered appraiser.

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20:14:05:03.01 Experience requirements for state-certified residential appraiser.

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- 20:14:05:06.01 Educational requirements for state-registered appraiser.
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- 20:14:05:07 Educational requirements for state-licensed appraiser -- Appraiser education.
- 20:14:05:07.01 Educational requirements for state-certified residential appraiser -- Appraiser education.
- 20:14:05:07.02 Educational requirements for state-certified residential appraiser -- General education.
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- 20:14:05:13 Transferred.
- 20:14:05:14 Transferred.
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- 20:14:05:17 Transferred.
- 20:14:05:18 Repealed.
- 20:14:05:19 Upgrade of credential.
- 20:14:05:20 Repealed.

20:14:05:01. Qualifications. To qualify as a state-registered, state-licensed, state-certified residential, or state-certified general appraiser, an applicant must meet the applicable examination, education, and experience requirements prescribed in this article. After being certified, licensed, or registered, an individual must meet the continuing education requirement in § 20:14:13:01.

Source: 18 SDR 36, effective August 25, 1991; 20 SDR 9, effective August 1, 1993; 22 SDR 91, effective January 1, 1996; 23 SDR 113, effective January 12, 1997.

General Authority: SDCL 36-21B-3.

Law Implemented: SDCL 36-21B-1, 36-21B-3(5)(6)(7).

20:14:05:01.01. Qualifications for certified or licensed appraisers that move to the state.

If a state-certified general, state-certified residential, or state-licensed appraiser moves to the state and holds a valid credential in good standing and issued by the appraiser's home state or any other jurisdiction, the secretary may issue an equivalent credential to the appraiser if the appraiser complies with the following requirements:

- (1) Submits an application on a form provided by the secretary;
- (2) Certifies that the applicant is licensed or certified to appraise real estate in the applicant's home state or any other jurisdiction;
- (3) Certifies that disciplinary proceedings are not pending against the applicant in the applicant's home state or any other jurisdiction;
- (4) Provides a signed sworn declaration; and
- (5) Pays the application fee prescribed in § 20:14:10:01.

Source: 34 SDR 67, effective September 11, 2007; 42 SDR 98, effective January 5, 2016; 44 SDR 27, effective August 14, 2017; 46 SDR 29, effective September 9, 2019.

General Authority: SDCL 36-21B-3(1)(4).

Law Implemented: SDCL 36-21B-1, 36-21B-3(1)(4).

20:14:05:01.02. Limited exemption for qualifications -- Military. An applicant for state-licensed, state-certified residential, or state-certified general appraiser in the Reserve components of the U.S. Armed Forces, who was pursuing appraiser licensure or certification prior to December 1, 2011, and who was called to active duty between December 1, 2011, and December 31, 2014, may satisfy the qualifications required prior to July 1, 2014, for an additional time period after January 1, 2015. The extension of time is equal to the applicant's time of active duty, plus an additional 12 months.

Source: 41 SDR 217, effective June 29, 2015.

General Authority: SDCL 36-21B-3(1)(6).

Law Implemented: SDCL 36-21B-1, 36-21B-3(1)(6).

20:14:05:02. Examination. An applicant for a state-licensed, state-certified residential, or state-certified general appraiser credential must have completed the education and experience requirements prescribed in this chapter prior to approval to sit for an Appraiser Qualifications Board Approved Appraiser National Uniform Examination. An applicant for a state-registered appraiser credential shall have successfully completed the education prescribed in § 20:14:05:06.01 prior to approval to sit for an examination prescribed by the secretary.

An applicant for a state-certified general, state-certified residential, or state-licensed appraiser credential approved to take the National Uniform Appraiser Examination may take the examination no more than four times. If an applicant does not pass the examination on the fourth attempt the application is no longer valid. The applicant may file a new application after a period of six months from the date of the fourth failed exam.

Source: 18 SDR 36, effective August 25, 1991; 23 SDR 113, effective January 12, 1997; 32 SDR 109, effective December 27, 2005; 38 SDR 116, effective January 10, 2012; 38 SDR 214, effective June 21, 2012; 44 SDR 27, effective August 14, 2017.

General Authority: SDCL 36-21B-3.

Law Implemented: SDCL 36-21B-3(5), 36-21B-4(3).

Cross-References:

State-certified general appraiser education, §§ 20:14:05:08 and 20:14:05:08.01.

State-certified general appraiser experience, § 20:14:05:04.

State-certified residential appraiser education, §§ 20:14:05:07.02 and 20:14:05:07.03.

State-certified residential appraiser experience, § 20:14:05:03.01.

State-licensed appraiser education, §§ 20:14:05:07 and 20:14:05:07.01.

State-licensed appraiser experience, § 20:14:05:03.
State-registered appraiser education, § 20:14:05:06.01.

20:14:05:02.00. Examination approval -- Time limit. An applicant for a state-certified general, state-certified residential, or state-licensed appraiser credential approved to take the National Uniform Appraiser Examination, or an applicant for a state-registered appraiser credential approved to complete the examination prescribed by the secretary, shall successfully complete the examination within 24 months from the date of approval. If the applicant does not successfully complete the examination within the time limit under this section, the applicant may apply pursuant to § 20:14:03:01 and pay the application fee prescribed in § 20:14:10:01. The examination is valid for a period of 24 months from the date of successful completion.

Source: 26 SDR 120, effective March 27, 2000; 32 SDR 109, effective December 27, 2005; 34 SDR 67, effective September 11, 2007; 44 SDR 27, effective August 14, 2017; 46 SDR 75, effective December 4, 2019.

General Authority: SDCL 36-21B-3(5).

Law Implemented: SDCL 36-21B-3(5).

20:14:05:02.01. Experience requirements for state-registered appraiser. An applicant for state-registered appraiser credential is not required to have any appraisal experience. After being issued a credential by the department a state-registered appraiser may accumulate experience when the appraiser begins work on any appraisal that includes experience hours that will qualify as acceptable appraisal experience in accordance with § 20:14:05:05.

Source: 20 SDR 9, effective August 1, 1993; 22 SDR 91, effective January 1, 1996; 26 SDR 120, effective March 27, 2000; 32 SDR 109, effective December 27, 2005; 33 SDR 2, effective July 19, 2006; 44 SDR 27, effective August 14, 2017.

General Authority: SDCL 36-21B-3.

Law Implemented: SDCL 36-21B-1, 36-21B-3(7).

20:14:05:03. Experience requirements for state-licensed appraiser. An applicant for state-licensed appraiser credential shall have a minimum of 6 months and 1,000 hours of appraisal experience.

Source: 18 SDR 36, effective August 25, 1991; 20 SDR 9, effective August 1, 1993; 22 SDR 91, effective January 1, 1996; 32 SDR 109, effective December 27, 2005; 33 SDR 2, effective July 19, 2006; 38 SDR 116, effective January 10, 2012; 44 SDR 27, effective August 14, 2017; 44 SDR 184, effective June 25, 2018.

General Authority: SDCL 36-21B-3.

Law Implemented: SDCL 36-21B-1, 36-21B-3(7).

20:14:05:03.01. Experience requirements for state-certified residential appraiser. An applicant for state-certified residential appraiser credential shall have a minimum of 12 months and 1,500 hours of appraisal experience of which at least 750 hours are in residential appraisal work. The applicant shall submit for review at least two small income-producing property appraisal reports. Each report shall include all three approaches to value. "Residential" is defined as one- to four-family residential units.

Source: 23 SDR 113, effective January 12, 1997; 24 SDR 91, effective January 8, 1998; 27 SDR 99, effective April 8, 2001; 33 SDR 2, effective July 19, 2006; 34 SDR 67, effective September 17Revised through December 4, 2019

11, 2007; 42 SDR 98, effective January 5, 2016; 44 SDR 27, effective August 14, 2017; 44 SDR 184, effective June 25, 2018.

General Authority: SDCL 36-21B-3(7).

Law Implemented: SDCL 36-21B-1, 36-21B-3(7).

20:14:05:04. Experience requirements for state-certified general appraiser. An applicant for a state-certified general appraiser credential shall have a minimum of 18 months and 3,000 hours of appraisal experience of which at least 1,500 hours are in nonresidential appraisal work. The applicant shall submit for review a minimum of two nonresidential appraisal reports. Both of the reports shall include all three approaches to value. "Residential" is defined as one- to four-family residential units.

Source: 18 SDR 36, effective August 25, 1991; 20 SDR 9, effective August 1, 1993; 22 SDR 91, effective January 1, 1996; 23 SDR 113, effective January 12, 1997; 24 SDR 91, effective January 8, 1998; 33 SDR 2, effective July 19, 2006; 34 SDR 67, effective September 11, 2007; 42 SDR 98, effective January 5, 2016; 44 SDR 27, effective August 14, 2017; 44 SDR 184, effective June 25, 2018.

General Authority: SDCL 36-21B-3(7)(17).

Law Implemented: SDCL 36-21B-1, 36-21B-3(7).

20:14:05:05. Acceptable experience. Acceptable appraisal experience includes experience in performing:

- (1) Appraisal;
- (2) Appraisal review;
- (3) Appraisal consulting;
- (4) Mass appraisal.

For a real estate lending officer or a real estate broker acceptable appraisal experience includes the actual performance of a real estate appraisal or a professional review of a real estate appraisal, as determined by the secretary.

Case studies or practicum courses that are approved by the Appraiser Qualifications Board Course Approval Program or state appraiser regulatory agencies, and non-client appraisal experience, may be used to satisfy the appraisal experience requirement. Case studies, practicum courses, and non-client appraisal experience may not exceed 50 percent of the total experience requirement.

Source: 18 SDR 36, effective August 25, 1991; 24 SDR 91, effective January 8, 1998; 32 SDR 109, effective December 27, 2005; 32 SDR 109, adopted December 7, 2005, effective January 1, 2008; 35 SDR 175, effective January 1, 2009; 40 SDR 121, effective January 7, 2014; 44 SDR 27, effective August 14, 2017.

General Authority: SDCL 36-21B-3(7).

Law Implemented: SDCL 36-21B-3(7)(17).

20:14:05:05.01. Experience -- Review of appraisals by secretary. The secretary may review appraisals completed by an applicant. The secretary may select the appraisals from an appraisal log submitted by the applicant on forms provided by the department. Separate appraisal logs shall be maintained for each supervisory appraiser, if applicable. The secretary shall determine

if the completed appraisals conform to § 20:14:06:01 and the competence provision in § 20:14:09:02.

Source: 20 SDR 9, effective August 1, 1993; 21 SDR 49, effective September 18, 1994; 22 SDR 91, effective January 1, 1996; 23 SDR 113, effective January 12, 1997; 24 SDR 91, effective January 8, 1998; 32 SDR 109, effective December 27, 2005; 40 SDR 121, effective January 7, 2014.

General Authority: SDCL 36-21B-3(3)(7)(18).

Law Implemented: SDCL 36-21B-1, 36-21B-3(3)(17).

20:14:05:02. Experience -- Documentation requirements. Appraisal reports submitted as documentation of experience must comply with the generally accepted uniform standards of professional appraisal practice as incorporated in § 20:14:06:01 for the type of real estate as of the time the work was completed.

Source: 20 SDR 9, effective August 1, 1993; 22 SDR 91, effective January 1, 1996; 24 SDR 91, effective January 8, 1998; 44 SDR 184, effective June 25, 2018.

General Authority: SDCL 36-21B-3(3)(7)(17).

Law Implemented: SDCL 36-21B-1, 36-21B-3(3)(17).

20:14:05:03. Experience -- Time spent on the appraisal process. The experience requirements must be satisfied by the time spent on the appraisal process. The appraisal process consists of analyzing factors that affect value; defining the problem; gathering and analyzing data; applying the appropriate analysis and methodology; and arriving at an opinion and correctly reporting the opinion in compliance with the uniform standards.

Source: 32 SDR 109, effective December 27, 2005.

General Authority: SDCL 36-21B-3(3)(7).

Law Implemented: SDCL 36-21B-3(1)(3)(7).

20:14:05:04. Experience -- Time limit. No experience obtained before February 1, 1989, may be used to meet the experience requirements of this chapter.

Source: 32 SDR 109, effective December 27, 2005.

General Authority: SDCL 36-21B-3(7).

Law Implemented: SDCL 36-21B-3(1)(7).

20:14:05:05. Experience -- Review of appraisals by secretary midway to upgrade.

When a state-registered appraiser has achieved at least fifty percent of the experience hours required to upgrade to the state-licensed, state-certified residential, or state-certified general appraiser credential, the state-registered appraiser may request from the secretary an appraisal review of an appraisal completed by the state-registered appraiser. The state-registered appraiser may submit a maximum of two appraisals for review pursuant to this section.

The appraisal review shall be for compliance with:

- (1) The uniform standards, as adopted pursuant to § 20:14:06:01;
- (2) The additional assignment conditions, as required pursuant to § 20:14:06:01.01; and
- (3) The competency requirement pursuant to § 20:14:09:02.

The department shall provide a copy of the appraisal review report to the state-registered appraiser and the supervisory appraiser.

If the appraisal review reveals that the appraisal is not in compliance, the secretary may prescribe remedial education. The secretary may not take disciplinary action against the state-registered appraiser or the supervisory appraiser for non-compliant appraisal work found pursuant to this section.

If the appraisal review reveals that the appraisal is in compliance, the state-registered appraiser shall be granted credit for the compliant appraisal report when the state-registered appraiser applies to upgrade to a higher appraiser credential.

Source: 43 SDR 36, effective September 20, 2016; 44 SDR 27, effective August 14, 2017.

General Authority: SDCL 36-21B-3(3)(7)(17)(18).

Law Implemented: SDCL 36-21B-1, 36-21B-3(1)(3)(7)(17)(18).

Cross References:

State-certified general appraiser experience, § 20:14:05:04,

State-certified residential appraiser experience, § 20:14:05:03.01,

State-licensed appraiser experience, § 20:14:05:03.

20:14:05:06. Experience -- Verification. An applicant shall, upon request of the secretary, verify appraisal experience credit claimed by submitting documentation in the form of reports, certifications, or file memoranda, or, if such reports and memoranda are unavailable for good cause, other evidence, approved by the secretary, to support the applicant's experience claimed.

Source: 18 SDR 36, effective August 25, 1991; 32 SDR 109, effective December 27, 2005.

General Authority: SDCL 36-21B-3(7).

Law Implemented: SDCL 36-21B-3(7).

20:14:05:06.01. Educational requirements for state-registered appraiser. An applicant for a state-registered appraiser credential shall have completed 75 creditable class hours of approved qualifying education completed within the five-year period prior to the date of the application, which includes successful completion of each course examination. Acceptable education is the Appraiser Qualifications Board required core curriculum as follows:

(1) Basic appraisal principles -- 30 hours;

(2) Basic appraisal procedures -- 30 hours; and

(3) Fifteen hour qualifying course that covers the uniform standards as adopted in § 20:14:06:01.

Source: 24 SDR 91, effective January 8, 1998; 32 SDR 109, adopted December 7, 2005, effective January 1, 2008; 38 SDR 116, effective January 10, 2012; 38 SDR 214, adopted June 21, 2012, effective January 1, 2015; 44 SDR 27, effective August 14, 2017.

General Authority: SDCL 36-21B-3(3)(6).

Law Implemented: SDCL 36-21B-1, 36-21B-3(3)(6).

20:14:05:06.02. Education program for state-registered appraiser. An applicant for a state-registered appraiser credential shall complete an education program pursuant to

§ 20:14:04:12.02 prior to issuance of the credential. The education program classroom hours are not eligible towards the qualifying or continuing education requirements.

Source: 41 SDR 217, effective June 29, 2015; 44 SDR 27, effective August 14, 2017.

General Authority: SDCL 36-21B-3(1)(6).

Law Implemented: SDCL 36-21B-1, 36-21B-3(1)(6).

20:14:05:07. Educational requirements for state-licensed appraiser -- Appraiser education. An applicant for examination as a state-licensed appraiser credential must have completed 150 creditable class hours of approved qualifying education which includes successful completion of each course examination. Acceptable education is the Appraiser Qualifications Board required core curriculum as follows:

- (1) Basic appraisal principles -- 30 hours;
- (2) Basic appraisal procedures -- 30 hours;
- (3) Fifteen-hour qualifying course that covers the uniform standards as adopted in § 20:14:06:01;
- (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.

A state-registered appraiser may satisfy the educational requirements for the state-licensed appraiser classification by completing the following additional educational hours:

- (1) Residential market analysis and highest and best use -- 15 hours;
- (2) Residential appraiser site valuation and cost approach -- 15 hours;
- (3) Residential sales comparison and income approaches -- 30 hours; and
- (4) Residential report writing and case studies -- 15 hours.

Source: 18 SDR 36, effective August 25, 1991; 19 SDR 12, effective August 3, 1992; 20 SDR 9, effective August 1, 1993; 21 SDR 49, effective September 18, 1994; 22 SDR 91, effective January 1, 1996; 23 SDR 113, effective January 12, 1997; 24 SDR 91, effective January 8, 1998; 32 SDR 109, adopted December 7, 2005, effective January 1, 2008; 33 SDR 2, adopted June 29, 2006, effective January 1, 2008; 35 SDR 175, effective January 1, 2009; 38 SDR 116, effective January 10, 2012; 38 SDR 214, effective June 21, 2012; 44 SDR 27, effective August 14, 2017.

General Authority: SDCL 36-21B-3(3)(6).

Law Implemented: SDCL 36-21B-1, 36-21B-3(3)(6).

Cross-References:

Requirement for qualifying education credit, § 20:14:13:03.01.

Application for course approval, § 20:14:13:07.

20:14:05:07.01. Educational requirements for state-certified residential appraiser -- Appraiser education. An applicant for examination as a state-certified residential appraiser credential shall have completed 200 creditable class hours of approved qualifying education which includes successful completion of each course examination. Acceptable education is the Appraiser Qualifications Board-required core curriculum as follows:

- (1) Basic appraisal principles -- 30 hours;

- (2) Basic appraisal procedures -- 30 hours;
- (3) Fifteen-hour qualifying course that covers the uniform standards as adopted in § 20:14:06:01;
 - (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;
 - (10) Appraisal subject matter electives -- 20 hours.

A state-registered appraiser may satisfy the appraiser educational requirements for the state-certified residential appraiser credential by completing the following additional educational hours:

- (1) Residential market analysis and highest and best use -- 15 hours;
- (2) Residential appraiser site valuation and cost approach -- 15 hours;
- (3) Residential sales comparison and income approaches -- 30 hours;
- (4) Residential report writing and case studies -- 15 hours;
- (5) Statistics, modeling, and finance -- 15 hours;
- (6) Advanced residential applications and case studies -- 15 hours; and
- (7) Appraisal subject matter electives -- 20 hours.

A state-licensed appraiser may satisfy the appraiser educational requirements for the state-certified residential appraiser credential by completing the following additional educational hours:

- (1) Statistics, modeling, and finance -- 15 hours;
- (2) Advanced residential applications and case studies -- 15 hours; and
- (3) Appraisal subject matter electives -- 20 hours.

Source: 23 SDR 113, effective January 12, 1997; 24 SDR 91, effective January 8, 1998; 32 SDR 109, adopted December 7, 2005, effective January 1, 2008; 35 SDR 175, effective January 1, 2009; 38 SDR 116, effective January 10, 2012; 44 SDR 27, effective August 14, 2017.

General Authority: SDCL 36-21B-3(3)(6).

Law Implemented: SDCL 36-21B-1, 36-21B-3(3)(6).

Cross-References: Requirement for qualifying education credit, § 20:14:13:03.01; Application for course approval, § 20:14:13:07.

20:14:05:07.02. Educational requirements for state-certified residential appraiser --

General education. An applicant for the state-certified residential appraiser credential must satisfy one of the following general education options:

- (1) Hold a bachelor's degree, or higher from an accredited college or university;
- (2) Hold 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;

(3) Successful completion of 30 semester hours of college-level courses from an accredited college or university in the following specific topic areas:

- (a) English composition (3 semester hours);
- (b) Microeconomics (3 semester hours);
- (c) Macroeconomics (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 or real estate law (3 semester hours); and
- (i) Two elective courses in:
 - (i) Accounting (3 semester hours);
 - (ii) Geography (3 semester hours);
 - (iii) Agricultural economics (3 semester hours);
 - (iv) Business management (3 semester hours); or
 - (v) Real estate (3 semester hours); or

(4) Successful completion of at least 30 hours of College Level Examination Program® (CLEP®) examinations from the following subject matter areas:

- (a) College algebra;
- (b) College composition;
- (c) College composition modular;
- (d) College mathematics;
- (e) Principles of macroeconomics;
- (f) Principles of microeconomics;
- (g) Introductory business law; and
- (h) Information systems.

The applicant for state-certified residential appraiser may use any combination of the specific topic areas listed in (3) above and subject matter areas listed in (4) above to satisfy the 30 semester hours of college-level courses.

The college or university shall be a degree-granting institution accredited by the Commission on Colleges, a regional or national accreditation association, or by an accrediting agency that is recognized by the U.S. Secretary of Education.

Source: 32 SDR 109, adopted December 7, 2005, effective January 1, 2008; 34 SDR 67, adopted August 22, 2007, effective January 1, 2008; 36 SDR 112, effective January 11, 2010; 38 SDR 214, adopted June 21, 2012, effective July 1, 2014; 44 SDR 27, effective August 14, 2017; 44 SDR 184, effective June 25, 2018.

General Authority: 36-21B-3(3)(6).

Law Implemented: 36-21B-1, 36-21B-3(3)(6).

Cross-References:

Requirement for qualifying education credit, § 20:14:13:03.01.

Application for course approval, § 20:14:13:07.

20:14:05:07.03. Educational requirements for state-licensed appraiser -- General education. Repealed.

Source: 38 SDR 214, adopted June 21, 2012, effective July 1, 2014; 42 SDR 98, effective January 5, 2016; 44 SDR 27, effective August 14, 2017; 44 SDR 184, effective June 25, 2018.

20:14:05:07.04. Alternative to general educational requirements of the state-certified residential appraiser credential for state-licensed appraiser. A state-licensed appraiser may, as an alternative to the general education requirements as prescribed in § 20:14:05:07.02, qualify for upgrade to state-certified residential appraiser if all of the following requirements have been satisfied:

- (1) Has held a state-licensed appraiser credential for a minimum of five years;
- (2) Has not been subject to any disciplinary action within any jurisdiction that affects legal eligibility to engage in appraisal practice within the five years preceding an application for state-certified residential appraiser;
- (3) Has met all of the experience requirements for state-certified residential appraiser as prescribed in § 20:14:05:03.01; and
- (4) Has met all of the appraiser education requirements for state-certified residential appraiser as required in § 20:14:05:07.01.

Source: 44 SDR 184, effective June 25, 2018.

General Authority: SDCL 36-21B-3(7).

Law Implemented: SDCL 36-21B-1, 36-21B-3(1)(6)(7).

20:14:05:08. Educational requirements for state-certified general appraiser -- Appraiser education. An applicant for examination as state-certified general appraiser credential must have completed 300 creditable class hours of approved qualifying education, which includes successful completion of each course examination. Acceptable education is the Appraiser Qualifications Board-required core curriculum as follows:

- (1) Basic appraisal principles -- 30 hours;
- (2) Basic appraisal procedures -- 30 hours;
- (3) Fifteen-hour qualifying course that covers the uniform standards as adopted in § 20:14:06:01;
- (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;
- (10) Appraisal subject matter electives -- 30 hours.

An applicant shall demonstrate that the applicant's education includes the core courses listed in these criteria, with particular emphasis on nonresidential properties, which are properties other than one- to four-family residential properties.

A state-registered appraiser may satisfy the appraiser educational requirements for the state-certified general appraiser credential by completing the following additional educational hours:

- (1) General appraiser market analysis and highest and best use -- 30 hours;
- (2) Statistics, modeling, and finance -- 15 hours;
- (3) General appraiser sales comparison approach -- 30 hours;
- (4) General appraiser site valuation and cost approach -- 30 hours;
- (5) General appraiser income approach -- 60 hours;
- (6) General appraiser report writing and case studies -- 30 hours; and
- (7) Appraisal subject matter electives -- 30 hours.

A state-licensed appraiser may satisfy the appraiser educational requirements for the state-certified general appraiser credential by completing the following additional educational hours:

- (1) General appraiser market analysis and highest and best use -- 15 hours;
- (2) Statistics, modeling, and finance -- 15 hours;
- (3) General appraiser sales comparison approach -- 15 hours;
- (4) General appraiser site valuation and cost approach -- 15 hours;
- (5) General appraiser income approach -- 45 hours;
- (6) General appraiser report writing and case studies -- 15 hours; and
- (7) Appraisal subject matter electives -- 30 hours.

A state-certified residential appraiser may satisfy the appraiser education requirements for the state-certified general appraiser credential by completing the following additional educational hours:

- (1) General appraiser market analysis and highest and best use -- 15 hours;
- (2) General appraiser sales comparison approach -- 15 hours;
- (3) General appraiser site valuation and cost approach -- 15 hours;
- (4) General appraiser income approach -- 45 hours; and
- (5) General appraiser report writing and case studies -- 10 hours.

Source: 18 SDR 36, effective August 25, 1991; 19 SDR 12, effective August 3, 1992; 21 SDR 49, effective September 18, 1994; 22 SDR 91, effective January 1, 1996; 23 SDR 113, effective January 12, 1997; 24 SDR 91, effective January 8, 1998; 32 SDR 109, adopted December 7, 2005, effective January 1, 2008; 33 SDR 2, adopted June 29, 2006, effective January 1, 2008; 35 SDR 175, effective January 1, 2009; 38 SDR 116, effective January 10, 2012; 44 SDR 27, effective August 14, 2017.

General Authority: SDCL 36-21B-3(3)(6).

Law Implemented: SDCL 36-21B-1, 36-21B-3(3)(6).

Cross-References:

Requirement for qualifying education credit, § 20:14:13:03.01.

Application for course approval, § 20:14:13:07.

20:14:05:08.01. Educational requirements for state-certified general appraiser --

General education. Applicants for the state-certified general appraiser credential shall hold a bachelor's degree or higher from an accredited college or university.

The college or university must be a degree-granting institution accredited by the Commission on Colleges, a regional or national accreditation association, or by an accredited agency that is recognized by the U.S. Secretary of Education.

Source: 32 SDR 109, adopted December 7, 2005, effective January 1, 2008; 34 SDR 67, adopted August 22, 2007, effective January 1, 2008; 36 SDR 112, effective January 11, 2010; 38 SDR 214, adopted June 21, 2012, effective July 1, 2014; 44 SDR 27, effective August 14, 2017.

General Authority: SDCL 36-21B-3(3)(6).

Law Implemented: SDCL 36-21B-1, 36-21B-3(3)(6).

Cross-References:

Requirement for qualifying education credit, § 20:14:13:03.01.

Application for course approval, § 20:14:13:07.

20:14:05:08.02. Education -- Real estate degree. Credit toward qualifying education requirements may also be obtained through the completion of a degree in real estate from an accredited degree-granting college or university approved by the Association to Advance Collegiate Schools of Business, or a regional or national accreditation agency recognized by the U.S. Secretary of Education, provided that the college or university has had its curriculum reviewed and approved by the Appraiser Qualifications Board.

The Appraiser Qualifications Board may maintain a list of approved college or university degree programs, including the required core curriculum and appraisal subject matter elective hours satisfied by the award of the degree. Candidates for an appraiser credential who are awarded degrees from institutions are required to complete all additional education required for the credential, in which the approved degree is judged to be deficient by the Appraiser Qualifications Board.

Source: 38 SDR 214, effective June 21, 2012; 44 SDR 27, effective August 14, 2017.

General Authority: SDCL 36-21B-3(6)(7).

Law Implemented: SDCL 36-21B-3(6)(7).

20:14:05:09. Education emphasis -- Courses. Repealed.

Source: 18 SDR 36, effective August 25, 1991; 22 SDR 91, effective January 1, 1996; repealed, 23 SDR 113, effective January 12, 1997.

20:14:05:10. Transferred to § 20:14:13:03.01.

20:14:05:11. Education -- Time limit. There is no time limit for obtaining qualifying education credit for state-certified general, state-certified residential, and state-licensed appraiser credentials.

Source: 18 SDR 36, effective August 25, 1991; 26 SDR 120, effective March 27, 2000; 35 SDR 175, effective January 1, 2009; 38 SDR 214, effective June 21, 2012; 44 SDR 27, effective August 14, 2017.

General Authority: SDCL 36-21B-3(6)

Law Implemented: SDCL 36-21B-1, 36-21B-3(6).

20:14:05:12. Education -- Credit granted by challenge exam. Repealed.

Source: 18 SDR 36, effective August 25, 1991; repealed, 32 SDR 109, effective December 27, 2005.

20:14:05:12.01. Substitution of education. Experience may not be substituted for education.

Source: 32 SDR 109, effective December 27, 2005.

General Authority: SDCL 36-21B-3(7).

Law Implemented: SDCL 36-21B-3(1)(7).

20:14:05:13. Transferred to § 20:14:13:01.

20:14:05:14. Transferred to § 20:14:13:02.

20:14:05:15. Transferred to § 20:14:13:03.

20:14:05:16. Transferred to § 20:14:13:04.

20:14:05:17. Transferred to § 20:14:13:05.

20:14:05:18. Transitional state license. Repealed.

Source: 18 SDR 36, effective August 25, 1991; 19 SDR 12, effective August 3, 1992; 20 SDR 9, effective August 1, 1993; repealed, 22 SDR 91, effective January 1, 1996.

20:14:05:19. Upgrade of credential. To qualify to upgrade a credential, a state-registered, state-certified residential, or state-licensed appraiser must do the following:

- (1) Submit an application as prescribed in § 20:14:03:01;
- (2) Submit an appraisal log for review as prescribed in § 20:14:05:05.01;
- (3) Meet the minimum qualifications for certification or licensure in this chapter; and
- (4) Pay the fees in §§ 20:14:10:01 and 20:14:10:05.

Source: 20 SDR 9, effective August 1, 1993; 21 SDR 49, effective September 18, 1994; 22 SDR 91, effective January 1, 1996; 23 SDR 113, effective January 12, 1997; 44 SDR 27, effective August 14, 2017.

General Authority: SDCL 36-21B-3.

Law Implemented: SDCL 36-21B-1, 36-21B-3(4)(7), 36-21B-4.

20:14:05:20. Upgrade from state-registered to state-licensed appraiser -- Challenge to experience requirements -- Denial of challenge. Repealed.

Source: 20 SDR 9, effective August 1, 1993; 22 SDR 91, effective January 1, 1996; repealed, 23 SDR 113, effective January 12, 1997.

CHAPTER 20:14:06

APPRAISAL STANDARDS

20:14:06:01	Compliance with uniform standards.
20:14:06:01.01	Assignment conditions.
20:14:06:01.02	Reporting of appraisal management company registration number.
20:14:06:02	Repealed.
20:14:06:03	Repealed.
20:14:06:04	Repealed.
20:14:06:05	Repealed.
20:14:06:06	Repealed.
20:14:06:07	Repealed.
20:14:06:08	Repealed.
20:14:06:09	Repealed.
20:14:06:10	Repealed.
20:14:06:11	Repealed.
20:14:06:12	Repealed.
20:14:06:13	Repealed.
20:14:06:14	Repealed.

20:14:06:01. Compliance with uniform standards. An appraiser performing any appraisal practice assignment shall complete the assignment in compliance with the **Uniform Standards of Professional Appraisal Practice**, 2020-2021 Edition. The appraiser shall also disclose in the appraisal practice assignment any steps taken that were necessary or appropriate to comply with the competency rule of the uniform standards.

Source: 18 SDR 36, effective August 25, 1991; 19 SDR 12, effective August 3, 1992; 20 SDR 9, effective August 1, 1993; 21 SDR 49, effective September 18, 1994; 22 SDR 91, effective January 1, 1996; 23 SDR 113, effective January 12, 1997; 24 SDR 91, effective January 8, 1998; 25 SDR 123, effective April 8, 1999; 26 SDR 120, effective March 27, 2000; 27 SDR 99, effective April 8, 2001; 28 SDR 109, effective February 7, 2002; 29 SDR 99, effective January 15, 2003; 30 SDR 115, effective February 2, 2004; 31 SDR 165, effective May 10, 2005; 33 SDR 2, effective July 19, 2006; 34 SDR 200, effective January 28, 2008; 36 SDR 112, effective January 11, 2010; 38 SDR 116, effective January 10, 2012; 40 SDR 121, effective January 7, 2014; 42 SDR 98, effective January 5, 2016; 44 SDR 99, effective December 11, 2017; 44 SDR 184, effective June 25, 2018; 46 SDR 75, effective December 4, 2019.

General Authority: SDCL 36-21B-3(3)(16).

Law Implemented: SDCL 36-21B-1, 36-21B-3(3).

Reference: **Uniform Standards of Professional Appraisal Practice**, 2020-2021 Edition, Appraisal Standards Board of the Appraisal Foundation. Copies may be obtained from the Appraisal Foundation website at www.appraisalfoundation.org or by calling 800-348-2831. Cost: \$75 plus shipping and handling.

20:14:06:01.01. Assignment conditions. An appraiser shall comply with assignment conditions applicable to assignments prepared for specific purposes or property types issued by government agencies, government sponsored enterprises, or other entities that establish public policy. An appraiser shall ascertain whether any such published assignment conditions in addition to the uniform standards apply to the assignment being considered.

Source: 34 SDR 200, effective January 28, 2008; 38 SDR 116, effective January 10, 2012.

General Authority: SDCL 36-21B-3(3).

Law Implemented: SDCL 36-21B-1, 36-21B-3(3).

Examples: An appraiser is required to comply with the assignment conditions issued by the federal financial institutions regulatory agencies of the United States known as appraisal guidelines and regulations when performing an assignment for the agencies.

An appraiser is required to comply with the assignment conditions issued by Fannie Mae known as the Fannie Mae Selling Guide when accepting an assignment requiring the use of Fannie Mae forms adopted March of 2005.

An appraiser is required to comply with the assignment conditions issued by Employee Relocation Council known as The Worldwide ERC® Relocation Appraisal Guide when accepting an assignment requiring the use of The Worldwide ERC® Summary Appraisal Report.

20:14:06:01.02. Reporting of appraisal management company registration number. An appraiser who performs an appraisal for an appraisal management company shall assure that the company is properly registered by the secretary pursuant to SDCL chapter 36-21D and include the company's registration number in the appraisal report.

Source: 38 SDR 116, effective January 10, 2012; 40 SDR 121, effective January 7, 2014.

General Authority: SDCL 36-21B-3(3).

Law Implemented: SDCL 36-21B-1, 36-21B-3(3).

20:14:06:02. Market value. Repealed.

Source: 18 SDR 36, effective August 25, 1991; repealed, 23 SDR 113, effective January 12, 1997.

20:14:06:03. Format and form requirements. Repealed.

Source: 18 SDR 36, effective August 25, 1991; 20 SDR 9, effective August 1, 1993; repealed, 23 SDR 113, effective January 12, 1997.

20:14:06:04. Prior sales -- Time periods. Repealed.

Source: 18 SDR 36, effective August 25, 1991; repealed, 23 SDR 113, effective January 12, 1997.

20:14:06:05. Revenues, expenses, and vacancies. Repealed.

Source: 18 SDR 36, effective August 25, 1991; repealed, 23 SDR 113, effective January 12, 1997.

20:14:06:06. Marketing period. Repealed.

Source: 18 SDR 36, effective August 25, 1991; repealed, 23 SDR 113, effective January 12, 1997.

20:14:06:07. Market conditions and trends. Repealed.

Source: 18 SDR 36, effective August 25, 1991; repealed, 23 SDR 113, effective January 12, 1997.

20:14:06:08. Proposed construction, leases, and unsold units. Repealed.

Source: 18 SDR 36, effective August 25, 1991; repealed, 23 SDR 113, effective January 12, 1997.

20:14:06:09. Additional statement in certification. Repealed.

Source: 18 SDR 36, effective August 25, 1991; 22 SDR 91, effective January 1, 1996; repealed, 23 SDR 113, effective January 12, 1997.

20:14:06:10. Supporting documentation. Repealed.

Source: 18 SDR 36, effective August 25, 1991; repealed, 23 SDR 113, effective January 12, 1997.

20:14:06:11. Legal description. Repealed.

Source: 18 SDR 36, effective August 25, 1991; 19 SDR 12, effective August 3, 1992; 22 SDR 91, effective January 1, 1996; repealed, 23 SDR 113, effective January 12, 1997.

20:14:06:12. Items which are not real estate. Repealed.

Source: 18 SDR 36, effective August 25, 1991; repealed, 23 SDR 113, effective January 12, 1997.

20:14:06:13. Valuation method. Repealed.

Source: 18 SDR 36, effective August 25, 1991; repealed, 23 SDR 113, effective January 12, 1997.

20:14:06:14. Required information unavailable. Repealed.

Source: 18 SDR 36, effective August 25, 1991; repealed, 23 SDR 113, effective January 12, 1997.

CHAPTER 20:14:07

RECORDS

Section

- 20:14:07:01 Retention of records.
- 20:14:07:02 Inspection and copying.

20:14:07:01. Retention of records. A real estate appraiser shall retain originals or true copies of all written contracts engaging the appraiser's services for real estate appraisal work and all written

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reports, all other data, information, documentation, and supporting data assembled and formulated by the appraiser in preparing the reports for five years. The five-year period for retention of the records is applicable to each engagement of the services of the appraiser and begins on the date of the submittal of the appraisal to the client. However, if, within the five-year period, the appraiser is notified that the appraisal or report is involved in an investigation, litigation, or state or federal review, the five-year period for the retention of the records begins on the date of the final disposition of that investigation, litigation, or state or federal review.

Source: 18 SDR 36, effective August 25, 1991; 21 SDR 49, effective September 18, 1994; 22 SDR 91, effective January 1, 1996; 23 SDR 113, effective January 12, 1997; 41 SDR 217, effective June 29, 2015; 42 SDR 98, effective January 5, 2016.

General Authority: SDCL 36-21B-3.

Law Implemented: SDCL 36-21B-1, 36-21B-3(15).

20:14:07:02. Inspection and copying. A real estate appraiser shall make all records required to be maintained under this chapter, including all referenced data, information, and documentation necessary to support the opinions and conclusions of the appraiser, available for inspection and copying upon request of the secretary.

Source: 18 SDR 36, effective August 25, 1991; 21 SDR 49, effective September 18, 1994; 22 SDR 91, effective January 1, 1996; 23 SDR 113, effective January 12, 1997; 41 SDR 217, effective June 29, 2015.

General Authority: SDCL 36-21B-3.

Law Implemented: SDCL 36-21B-1, 36-21B-3(15)(18).

CHAPTER 20:14:08

APPRAISER INDEPENDENCE

Section

- 20:14:08:01 Staff appraiser independence required.
- 20:14:08:02 Steps to ensure independent judgment.
- 20:14:08:03 Fee appraiser independence required.

20:14:08:01. Staff appraiser independence required. If an appraisal is prepared by a staff appraiser who is an employee of a financial institution, that appraiser must be independent of the lending, investment, and collection functions and not involved, except as an appraiser, in the transaction. The appraiser may have no direct or indirect interest, financial or otherwise, in the property.

Source: 18 SDR 36, effective August 25, 1991; 22 SDR 91, effective January 1, 1996.

General Authority: SDCL 36-21B-3.

Law Implemented: SDCL 36-21B-1, 36-21B-3(13)(16).

20:14:08:02. Steps to ensure independent judgment. If the only qualified persons available to perform an appraisal are involved in the lending, investment, or collection functions of the regulated institution, the regulated institution shall take steps to ensure that the appraisers exercise independent judgment and that the appraisal meets required standards. Such steps include

prohibiting an individual from performing appraisals in which the appraiser is otherwise involved and prohibiting directors and officers from participating in any vote or approval involving assets on which they performed an appraisal.

Source: 18 SDR 36, effective August 25, 1991; 22 SDR 91, effective January 1, 1996.

General Authority: SDCL 36-21B-3.

Law Implemented: SDCL 36-21B-1, 36-21B-3(13)(16).

20:14:08:03. Fee appraiser independence required. If an appraisal is prepared by a fee appraiser, an independent contractor performing services for a fee, that appraiser must be engaged directly by the regulated institution or its agent and may have no direct or indirect interest, financial or otherwise, in the property or transaction. A regulated institution may accept an appraisal that was prepared by an appraiser engaged directly by another institution subject to Title XI of FIRREA if the regulated institution that accepts the appraisal determines the following:

(1) The appraiser has no direct or indirect interest, financial or otherwise, in the property or the transaction; and

(2) The regulated institution determines that the appraisal conforms to the requirements of § 20:14:06:01 and is otherwise acceptable.

Source: 18 SDR 36, effective August 25, 1991; 23 SDR 113, effective January 12, 1997.

General Authority: SDCL 36-21B-3.

Law Implemented: SDCL 36-21B-1, 36-21B-3(16).

CHAPTER 20:14:09

PROFESSIONAL MEMBERSHIP AND COMPETENCE

Section

20:14:09:01 Professional association membership as basis for exclusion prohibited.

20:14:09:02 Competence.

20:14:09:01. Professional association membership as basis for exclusion prohibited. A state-certified general, state-certified residential, state-licensed, or state-registered appraiser may not be excluded from consideration for an assignment solely by virtue of membership or lack of membership in any particular appraisal organization. Consideration may include education achieved, experience, sample appraisals, and references from prior clients.

Source: 18 SDR 36, effective August 25, 1991; 20 SDR 9, effective August 1, 1993; 22 SDR 91, effective January 1, 1996; 23 SDR 113, effective January 12, 1997; 38 SDR 116, effective January 10, 2012.

General Authority: SDCL 36-21B-3.

Law Implemented: SDCL 36-21B-1, 36-21B-3(16).

20:14:09:02. Competence. All staff and fee appraisers performing real estate appraisals must be state-certified general, state-certified residential, state-licensed, or state-registered as applicable. However, a state-certified general, state-certified residential, state-licensed, or state-registered appraiser may not be considered competent solely by virtue of being certified, licensed, or registered.

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Any determination of competence must be based on the individual's experience and educational background as they relate to the particular appraisal assignment for which the appraiser is being considered.

Source: 18 SDR 36, effective August 25, 1991; 20 SDR 9, effective August 1, 1993; 22 SDR 91, effective January 1, 1996; 23 SDR 113, effective January 12, 1997; 24 SDR 91, effective January 8, 1998; 28 SDR 109, effective February 7, 2002.

General Authority: SDCL 36-21B-3(16).

Law Implemented: SDCL 36-21B-1, 36-21B-3(16).

CHAPTER 20:14:10

FEE SCHEDULE

Section

20:14:10:01	Application fees.
20:14:10:02	Renewal fees.
20:14:10:03	Repealed.
20:14:10:04	Late credential renewal fee.
20:14:10:04.01	Uniform standards update course late completion renewal fee.
20:14:10:05	Upgrade fee.
20:14:10:05.01	Upgrade fee -- midway upgrade.
20:14:10:06	Fee for approval of course.
20:14:10:07	Refund of fees.

20:14:10:01. Application fees. Application fees are as follows:

- (1) State-certified general appraiser: \$400;
- (2) State-certified residential appraiser: \$375;
- (3) State-licensed appraiser: \$350;
- (4) State-registered appraiser: \$210;
- (5) State-certified general appraiser reciprocity: \$400;
- (6) State-certified residential appraiser reciprocity: \$375;
- (7) State-licensed appraiser reciprocity: \$350;
- (8) Temporary practice: \$200;
- (9) Supervisory appraiser: \$150.

Source: 18 SDR 36, effective August 25, 1991; 19 SDR 12, effective August 3, 1992; 20 SDR 9, effective August 1, 1993; 21 SDR 49, effective September 18, 1994; 22 SDR 91, effective January 1, 1996; 23 SDR 113, effective January 12, 1997; 27 SDR 146, effective July 11, 2001; 35 SDR 175, effective January 1, 2009; 36 SDR 112, effective January 11, 2010; 38 SDR 214, effective June 21, 2012; 41 SDR 217, effective June 29, 2015.

General Authority: SDCL 36-21B-4.

Law Implemented: SDCL 36-21B-1, 36-21B-3(4), 36-21B-4(1)(6)(9).

20:14:10:02. Renewal fees. Credential renewal fees are as follows:

- (1) State-certified general appraiser: \$350;

- (2) State-certified residential appraiser: \$335;
- (3) State-licensed appraiser: \$325;
- (4) State-registered appraiser: \$175;
- (5) Supervisory appraiser: \$100.

Source: 18 SDR 36, effective August 25, 1991; 20 SDR 9, effective August 1, 1993; 21 SDR 49, effective September 18, 1994; 22 SDR 91, effective January 1, 1996; 23 SDR 113, effective January 12, 1997; 27 SDR 146, effective July 11, 2001; 28 SDR 109, effective February 7, 2002; 35 SDR 175, effective January 1, 2009; 36 SDR 112, effective January 11, 2010; 38 SDR 214, effective June 21, 2012; 41 SDR 217, effective June 29, 2015; 44 SDR 27, effective August 14, 2017.

General Authority: SDCL 36-21B-4.

Law Implemented: SDCL 36-21B-1, 36-21B-3(9), 36-21B-4(2).

20:14:10:03. National examination fee. Repealed.

Source: 18 SDR 36, effective August 25, 1991; 22 SDR 91, effective January 1, 1996; repealed, 23 SDR 113, effective January 12, 1997.

20:14:10:04. Late credential renewal fee. The late renewal fee for submitting the appraiser credential renewal application after the renewal deadline as prescribed in § 20:14:03:03 is \$25 for each month or fraction of a month that has passed since the first day of October, not to exceed \$200.

Source: 20 SDR 9, effective August 1, 1993; 23 SDR 113, effective January 12, 1997; 44 SDR 184, effective June 25, 2018.

General Authority: SDCL 36-21B-4.

Law Implemented: SDCL 36-21B-3(9), 36-21B-4(4).

20:14:10:04.01. Uniform standards update course late completion renewal fee. The late renewal fee for completing the seven-hour update course that covers the uniform standards after June 30 of each even-numbered year as prescribed in § 20:14:13:01 is \$100, not to exceed \$200.

Source: 44 SDR 184, effective June 25, 2018.

General Authority: SDCL 36-21B-4.

Law Implemented: SDCL 36-21B-3(3)(9), 36-21B-4(4).

20:14:10:05. Upgrade fee. The fee to upgrade any credential is \$200.

Source: 20 SDR 9, effective August 1, 1993; 23 SDR 113, effective January 12, 1997; 41 SDR 217, effective June 29, 2015; 44 SDR 27, effective August 14, 2017.

General Authority: SDCL 36-21B-4.

Law Implemented: SDCL 36-21B-3(7), 36-21B-4(5).

20:14:10:05.01. Upgrade fee -- midway upgrade. A state-registered appraiser shall pay the following applicable midway upgrade fee for each appraisal submitted pursuant to § 20:14:05:05:

- (1) \$200 -- Residential (Single Family Unit);
- (2) \$250 -- Residential -- Small Income Producing (2-4 units);
- (3) \$350 -- Non-Residential (Agricultural); or
- (4) \$400 -- Non-Residential (Commercial/Industrial/Multi-Family [more than 4 units]).

Source: 43 SDR 36, effective September 20, 2016; 44 SDR 27, effective August 14, 2017.

General Authority: SDCL 36-21B-4(5).

Law Implemented: SDCL 36-21B-1, 36-21B-3(1)(7)(17)(18), 36-21B-4(5).

20:14:10:06. Fee for approval of course. The application fee for approval of a course offering is \$50.

Source: 23 SDR 113, effective January 12, 1997; 27 SDR 146, effective July 11, 2001.

General Authority: SDCL 36-21B-4.

Law Implemented: SDCL 36-21B-3(6), 36-21B-4(8).

20:14:10:07. Refund of fees. Fees are nonrefundable.

Source: 26 SDR 120, effective March 27, 2000.

General Authority: SDCL 36-21B-4.

Law Implemented: SDCL 36-21B-4.

CHAPTER 20:14:11

COMPLAINTS, INVESTIGATIONS, AND DISCIPLINE

Section

20:14:11:01 Complaints and investigations.

20:14:11:01.01 Allegation of non-compliance.

20:14:11:02 Disciplinary actions.

20:14:11:03 Grounds for disciplinary action.

20:14:11:01. Complaints and investigations. Upon receipt of an allegation of non-compliance against any credential holder or applicant for a credential, as defined by § 20:14:11:01.01, or upon the secretary's own motion, the secretary shall initiate an investigation of the allegation. If the investigation provides evidence of non-compliance, the secretary may enter a formal complaint stating the charge against any credential holder or applicant for a credential.

Source: 18 SDR 36, effective August 25, 1991; 43 SDR 36, effective September 20, 2016; 44 SDR 27, effective August 14, 2017.

General Authority: SDCL 36-21B-3(12)(13)(17).

Law Implemented: SDCL 36-21B-1, 36-21B-3(12)(13)(17).

20:14:11:01.01. Allegation of non-compliance. An allegation of non-compliance must be in writing and meet the following criteria:

(1) The allegation of error or violation of any provision of this article is considered credible and based upon factual information which is independently verifiable; and

(2) The allegation is accompanied by a copy of the appraisal report or other credible documentation which contains a clearly identifiable error or violation of the provisions of this article, and provides sufficient evidence that it is probable the allegation has merit.

Source: 26 SDR 120, effective March 27, 2000; 43 SDR 36, effective September 20, 2016.

General Authority: SDCL 36-21B-3(12)(13)(17).

Law Implemented: SDCL 36-21B-1, 36-21B-3(12)(13)(17).

20:14:11:02. Disciplinary actions. The secretary may: deny, suspend, or revoke a credential; censure or reprimand a credential holder; place a credential holder on probation; or limit a credential holder's scope of practice in accordance with SDCL chapter 1-26.

Source: 18 SDR 36, effective August 25, 1991; 22 SDR 91, effective January 1, 1996; 41 SDR 217, effective June 29, 2015; 44 SDR 27, effective August 14, 2017.

General Authority: SDCL 36-21B-3.

Law Implemented: SDCL 36-21B-1, 36-21B-3(12).

20:14:11:03. Grounds for disciplinary action. The following acts and omissions are grounds for disciplinary action:

(1) Failing to meet the minimum qualifications for certification, licensure, or registration established by or pursuant to this article;

(2) Procuring or attempting to procure certification, licensure, or registration under this article by knowingly making a false statement, submitting false information, or making a material misrepresentation in an application filed with the department or procuring or attempting to procure a credential through fraud or misrepresentation;

(3) Paying money or other valuable consideration other than the fees provided for by this article to any employee of the department to procure a credential;

(4) Committing an act that constitutes dishonesty, fraud, or misrepresentation;

(5) Entry of a final civil or criminal judgment against a credential holder on grounds of fraud, misrepresentation, or deceit in the making of an appraisal;

(6) Being convicted or pleading guilty or nolo contendere to a misdemeanor involving moral turpitude or to a felony before a court of competent jurisdiction in this or any other state;

(7) Engaging in the business of real estate appraising under an assumed or fictitious name;

(8) Paying a finder's fee or a referral fee to any person in connection with the appraisal of real estate, but an intracompany payment for business development is ethical;

(9) Making a false or misleading statement in that portion of a written appraisal report that deals with professional qualifications or in any testimony concerning professional qualifications;

(10) Violating any provision of this article;

(11) Violating the confidential nature of any information to which a credential holder gained access through employment for evaluation assignments or valuation assignments;

(12) Accepting a fee for performing a real estate appraisal valuation assignment or evaluation assignment if the fee is or was contingent upon the real estate appraiser reporting a predetermined analysis, opinion, or conclusion on the value of the property being appraised;

(13) Negligence, refusal, or incompetence in developing an appraisal, preparing an appraisal report, or communicating an appraisal, including failure to follow the standards and ethical rules adopted by the department;

(14) Being disciplined with suspension, denial, censure, reprimand, or revocation of a credential by another state or jurisdiction;

(15) Submitting fraudulent materials to another state or jurisdiction to become registered, licensed, or certified;

(16) Being disciplined with suspension, denial, censure, reprimand, or revocation of a credential by another regulated occupation, trade, or profession;

(17) Having an investigation or disciplinary action of a credential by the department, another state or jurisdiction, or another regulated occupation, trade, or profession pending in this state or another state or jurisdiction;

(18) Performing an appraisal or an appraisal review requiring the services of a certified, licensed, or registered appraiser while not certified, licensed, or registered by the department;

(19) Filing a complaint against another appraiser falsely alleging a violation of any provision of this article as a means of retribution;

(20) Failing to comply with a final order of the secretary;

(21) Failing to meet the responsibilities as a supervisory appraiser;

(22) Voluntary surrender of a credential in lieu of disciplinary action by another state or jurisdiction.

Source: 18 SDR 36, effective August 25, 1991; 20 SDR 9, effective August 1, 1993; 20 SDR 18, effective August 12, 1993; 21 SDR 49, effective September 18, 1994; 22 SDR 91, effective January 1, 1996; 23 SDR 113, effective January 12, 1997; 24 SDR 91, effective January 8, 1998; 26 SDR 120, effective March 27, 2000; 29 SDR 99, effective January 15, 2003; 34 SDR 200, effective January 28, 2008; 35 SDR 175, effective January 1, 2009; 36 SDR 112, effective January 11, 2010; 38 SDR 214, effective June 21, 2012; 41 SDR 217, effective June 29, 2015; 42 SDR 98, effective January 5, 2016; 44 SDR 27, effective August 14, 2017.

General Authority: SDCL 36-21B-3(12).

Law Implemented: SDCL 36-21B-1, 36-21B-3(12).

CHAPTER 20:14:12

NONRESIDENT CERTIFICATION, LICENSURE, AND TEMPORARY PRACTICE

- 20:14:12:01 Nonresident consent to service of process.
20:14:12:02 Reciprocity.
20:14:12:03 Reciprocity -- Term of credential.
20:14:12:04 Temporary practice.
20:14:12:05 Temporary permit limited -- Expiration.

20:14:12:01. Nonresident consent to service of process. Each applicant under this article who is not a resident of this state shall submit with the application an irrevocable consent that service of process upon the applicant may be made by delivery of the process to the secretary of the Department of Labor and Regulation. This method of process may be used in an action against the applicant in a court of this state arising out of the applicant's activities as a real estate appraiser in this state if the plaintiff cannot, in the exercise of due diligence, effect personal service upon the applicant.

Source: 19 SDR 12, effective August 3, 1992; 30 SDR 58, effective November 5, 2003; 38 SDR 116, effective January 10, 2012.

General Authority: SDCL 36-21B-3.

Law Implemented: SDCL 36-21B-3.

20:14:12:02. Reciprocity. If the secretary determines another state, territory, or the District of Columbia has substantially equivalent certification and licensure requirements, an applicant who is certified or licensed there may be issued a state-certified general, state-certified residential, or state-licensed appraiser credential under this article. To qualify, the applicant shall:

- (1) Submit an application on a form provided by the secretary;
- (2) Certify that the applicant is licensed or certified to appraise real estate in the applicant's home state or any other jurisdiction;
- (3) Certify that disciplinary proceedings are not pending against the applicant in the applicant's home state or any other jurisdiction;
- (4) Provide a signed sworn declaration; and
- (5) Pay the application fee prescribed in § 20:14:10:01.

Source: 19 SDR 12, effective August 3, 1992; 22 SDR 91, effective January 1, 1996; 41 SDR 217, effective June 29, 2015; 44 SDR 27, effective August 14, 2017; 46 SDR 29, effective September 9, 2019.

General Authority: SDCL 36-21B-3.

Law Implemented: SDCL 36-21B-1, 36-21B-3(10).

Note: The secretary shall collect the registry fee pursuant to 12 U.S.C. § 3338(a) with the application for certification or licensure.

20:14:12:03. Reciprocity -- Term of credential. The secretary shall issue a certificate or license to an applicant who qualifies in accordance with this article. Any certificate or license issued under this article expires on September 30 each year, unless revoked or suspended.

Source: 19 SDR 12, effective August 3, 1992; 44 SDR 27, effective August 14, 2017.

General Authority: SDCL 36-21B-3.

Law Implemented: SDCL 36-21B-3.

20:14:12:04. Temporary practice. A nonresident of this state who has submitted an irrevocable consent to service of process under § 20:14:12:01 may obtain a temporary permit to perform a contract relating to the appraisal of real estate in this state. To qualify, an applicant must do the following:

- (1) Submit an application on a form provided by the secretary;
- (2) Certify that the applicant is licensed or certified to appraise real estate in the applicant's home state or any other jurisdiction;
- (3) Submit a copy of the contract for appraisal services that requires the applicant to appraise real estate in this state and certify that the contract is in effect;
- (4) Certify that disciplinary proceedings are not pending against the applicant in the applicant's home state or any other jurisdiction; and
- (5) Pay the application fee prescribed in § 20:14:10:01.

Source: 19 SDR 12, effective August 3, 1992; 22 SDR 91, effective January 1, 1996; 26 SDR 120, effective March 27, 2000; 42 SDR 98, effective January 5, 2016.

General Authority: SDCL 36-21B-3(11).

Law Implemented: SDCL 36-21B-1, 36-21B-3(11).

20:14:12:05. Temporary permit limited -- Expiration. A temporary permit issued under this chapter is limited to the performance of the appraisal work required by the contract submitted with the application. Each temporary permit expires on the completion of the appraisal work required by the contract for appraisal service or six months from the date of issuance, whichever occurs first, unless an extension is granted by the secretary.

Source: 19 SDR 12, effective August 3, 1992; 26 SDR 120, effective March 27, 2000.

General Authority: SDCL 36-21B-3.

Law Implemented: SDCL 36-21B-3.

CHAPTER 20:14:13

QUALIFYING AND CONTINUING EDUCATION

Section

- 20:14:13:01 Continuing education requirements.
- 20:14:13:01.01 Continuing education not required.
- 20:14:13:01.02 Continuing education -- Partial requirement.
- 20:14:13:02 Acceptable continuing education course topics.
- 20:14:13:02.01 Acceptable continuing education credit for field trips.
- 20:14:13:03 Minimum length of continuing education course.
- 20:14:13:03.01 Requirement for qualifying education credit.
- 20:14:13:03.02 Maximum length of classroom hours of instruction.
- 20:14:13:04 Additional activities eligible for continuing education credit.
- 20:14:13:05 Sources of qualifying education credit.
- 20:14:13:05.01 Acceptable courses without state review.

- 20:14:13:05.02 Acceptable distance education courses.
- 20:14:13:05.03 Distance education -- Continuing education.
- 20:14:13:05.04 Distance education -- Qualifying education.
- 20:14:13:06 Term of approval.
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20:14:13:01. Continuing education requirements. In each odd-numbered year an applicant for renewal of a credential shall document completion of the equivalent of 28 class hours of instruction in approved courses or seminars during the preceding reporting period unless the continuing education is not required pursuant to § 20:14:13:01.01 or 20:14:03:05. Seven of the 28 class hours of instruction must be completed in the seven-hour update course that covers the uniform standards as adopted in § 20:14:06:01 or its equivalent as determined by the secretary or an alternative method as specified for continuing education in § 20:14:13:10.01. The applicant shall successfully complete the most current edition seven-hour uniform standards course on or before June 30 of each even-numbered year. An applicant who has not completed the seven-hour update course by June 30 of each even-numbered year the applicant shall be assessed a late completion renewal fee as prescribed in § 20:14:10:04.01. An applicant may not receive credit for completion of the same continuing education offering within an appraiser's continuing education reporting period.

Source: 18 SDR 36, effective August 25, 1991; transferred from § 20:14:05:13, 20 SDR 9, effective August 1, 1993; 21 SDR 49, effective September 18, 1994; 22 SDR 91, effective January 1, 1996; 24 SDR 91, effective January 8, 1998; 25 SDR 123, effective April 8, 1999; 29 SDR 99, effective January 15, 2003; 32 SDR 109, effective December 27, 2005; 34 SDR 67, effective September 11, 2007; 36 SDR 112, effective January 11, 2010; 38 SDR 116, effective January 10, 2012; 38 SDR 214, effective June 21, 2012; 44 SDR 27, effective August 14, 2017; 44 SDR 184, effective June 25, 2018; 46 SDR 75, effective December 4, 2019.

General Authority: SDCL 36-21B-3(6).

Law Implemented: SDCL 36-21B-1, 36-21B-3(3)(6).

20:14:13:01.01. Continuing education not required. The continuing education requirement as specified in § 20:14:13:01 is not required if:

(1) A credential was issued in the previous 185 days before September 30 of the current odd-numbered year. This subdivision applies to first-time applicants only and not to applicants who have been issued an upgrade of a credential; or

(2) An appraiser is certified or licensed by reciprocity. The appraiser shall demonstrate possession of a current appraiser credential and be in good standing in the appraiser's home state or any other jurisdiction. Continuing education is required pursuant to § 20:14:13:01 if the appraiser who is certified or licensed by reciprocity moves to South Dakota.

Source: 21 SDR 49, effective September 18, 1994; 23 SDR 113, effective January 12, 1997; 25 SDR 123, effective April 8, 1999; 30 SDR 115, effective February 2, 2004; 32 SDR 109, effective December 27, 2005; 34 SDR 67, effective September 11, 2007; 40 SDR 121, effective January 7, 2014; 41 SDR 217, effective June 29, 2015; 44 SDR 27, effective August 14, 2017.

General Authority: SDCL 36-21B-3(6)(9).

Law Implemented: SDCL 36-21B-3(6).

20:14:13:01.02. Continuing education -- Partial requirement. An appraiser is only required to complete fourteen hours of instruction in approved courses or seminars if the appraiser's credential is issued on or after October 1 of the previous even-numbered year and prior to 185 days before September 30 of the current odd-numbered year. This subdivision applies to first-time applicants only and not to applicants who have been issued an upgrade of a credential.

Source: 40 SDR 121, effective January 7, 2014; 44 SDR 27, effective August 14, 2017.

General Authority: SDCL 36-21B-3(6).

Law Implemented: SDCL 36-21B-3(6).

20:14:13:02. Acceptable continuing education course topics. Credit may be granted for courses that cover real estate topics related to appraisal and that maintain or increase the appraiser's skill, knowledge, and competency in real property appraising, such as those listed in this section or the equivalent as determined by the secretary:

- (1) Ad valorem taxation;
- (2) Arbitration, dispute resolution;
- (3) Courses related to practice of real estate appraisal or consulting;
- (4) Development cost estimating;
- (5) Ethics, standards of professional practice, and uniform standards;
- (6) Land use planning and zoning;
- (7) Real estate litigation, damages, and condemnation;
- (8) Management, leasing, and timesharing;
- (9) Property development and partial interest;
- (10) Real estate law, easements, and legal interest;
- (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; and
- (16) Energy efficient items and "green building" appraisals.

Source: 18 SDR 36, effective August 25, 1991; transferred from § 20:14:05:14, 20 SDR 6, effective August 1, 1993; 23 SDR 113, effective January 12, 1997; 24 SDR 91, effective January 8, 1998; 32 SDR 109, effective December 27, 2005; 38 SDR 214, effective June 21, 2012.

General Authority: SDCL 36-21B-3(6).

Law Implemented: SDCL 36-21B-3(6).

20:14:13:02.01. Acceptable continuing education credit for field trips. Real estate appraisal related field trips may be acceptable for credit toward the continuing education

requirements. Transit time to or from the field trip is not acceptable unless instruction occurs during transit.

Source: 32 SDR 109, effective December 27, 2005; 38 SDR 116, effective January 10, 2012.

General Authority: SDCL 36-21B-3(6).

Law Implemented: SDCL 36-21B-3(6)(9).

Example: A real estate related field trip may be an organized tour, which includes instruction to the students, of a dairy operation; a turkey, swine, or cattle handling facility; or a chemical and seed business.

20:14:13:03. Minimum length of continuing education course. Continuing education credit may only be granted if the length of the course is at least two class hours.

Source: 18 SDR 36, effective August 25, 1991; transferred from § 20:14:05:15, 20 SDR 9, effective August 1, 1993; 23 SDR 113, effective January 12, 1997; 38 SDR 116, effective January 10, 2012.

General Authority: SDCL 36-21B-3.

Law Implemented: SDCL 36-21B-3(6).

20:14:13:03.01. Requirement for qualifying education credit. An education credit may be granted if the length of the course is at least 15 class hours and the individual successfully completes an approved closed-book examination pertinent to that course. The prescribed number of class hours may include time for examinations. Any course taken to satisfy the qualifying education requirements may not be repetitive.

Source: 18 SDR 36, effective August 25, 1991; transferred from § 20:14:05:10, 24 SDR 91, effective January 8, 1998; 32 SDR 109, effective December 27, 2005; 34 SDR 67, effective September 11, 2007; 38 SDR 116, effective January 10, 2012.

General Authority: SDCL 36-21B-3(6).

Law Implemented: SDCL 36-21B-3.

20:14:13:03.02. Maximum length of classroom hours of instruction. No course may include more than eight classroom hours of instruction in a given day. Each course shall allow for adequate breaks during the course day. This rule does not preclude the giving of class assignments to be completed by the student after class.

Source: 24 SDR 91, effective January 8, 1998.

General Authority: SDCL 36-21B-3(6).

Law Implemented: SDCL 36-21B-3(6).

20:14:13:04. Additional activities eligible for continuing education credit. In addition to continuing education credit granted for continuing education courses covering appraisal topics listed in the respective appraiser criteria, up to one-half of an appraiser's continuing education credit may also be granted for participation, other than as a student, in appraisal educational processes and programs. Examples of activities for which credit may be granted are teaching, program development, authorship of textbooks, or similar activities which are determined by the secretary to be equivalent to obtaining continuing education. Credit for instructing any given course or seminar may only be awarded once during a continuing education cycle.

Source: 18 SDR 36, effective August 25, 1991; transferred from § 20:14:05:16, 20 SDR 9, effective August 1, 1993; 23 SDR 113, effective January 12, 1997; 32 SDR 109, effective December 27, 2005.

General Authority: SDCL 36-21B-3.

Law Implemented: SDCL 36-21B-3(6).

20:14:13:05. Sources of qualifying education credit. Credit for education may be obtained from the following:

- (1) Colleges or universities;
- (2) Community or junior college;
- (3) Real estate appraisal or real estate-related organizations;
- (4) State or federal agencies or commissions;
- (5) Proprietary schools;
- (6) Other providers approved by the secretary; and
- (7) The Appraisal Foundation or its boards.

Source: 18 SDR 36, effective August 25, 1991; transferred from § 20:14:05:17, 20 SDR 9, effective August 1, 1993; 23 SDR 113, effective January 12, 1997; 32 SDR 109, effective December 27, 2005.

General Authority: SDCL 36-21B-3.

Law Implemented: SDCL 36-21B-3(6).

20:14:13:05.01. Acceptable courses without state review. Education courses that have received approval by the Appraiser Qualifications Board of the Appraisal Foundation through the Appraiser Qualifications Course Approval Program or by the state appraiser regulatory agency may be accepted by the secretary without additional state review.

Source: 25 SDR 123, effective April 8, 1999; 26 SDR 120, effective March 27, 2000; 32 SDR 109, effective December 27, 2005; 34 SDR 67, effective September 11, 2007; 35 SDR 175, effective January 1, 2009.

General Authority: SDCL 36-21B-3(6).

Law Implemented: SDCL 36-21B-1, 36-21B-3(6)

20:14:13:05.02. Acceptable distance education courses. A distance education course is acceptable if:

- (1) The course provides interaction. Interaction is a reciprocal environment where the student has verbal or written communication with the instructor;
- (2) Content approval is obtained from the Appraiser Qualifications Board, a state licensing jurisdiction, or an accredited college, community college, or university that offers distance education programs 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 U.S. Secretary of Education. Nonacademic credit college courses provided by a college must be approved by the Appraiser Qualifications Board or the state licensing jurisdiction; and
- (3) Course delivery mechanism approval is obtained from one of the following sources:

(a) Appraiser Qualifications Board approved organizations providing approval of course design and delivery; or

(b) A college that qualifies for content approval in subdivision (2) that awards academic credit for the distance education course; or

(c) A qualifying college for content approval with a distance education delivery program that approves the course design and delivery that incorporate interactivity.

Source: 32 SDR 109, effective December 27, 2005.

General Authority: SDCL 36-21B-3(6).

Law Implemented: SDCL 36-21B-3(6).

20:14:13:05.03. Distance education -- Continuing education. Distance education courses intended for use as continuing education must include at least one of the following:

(1) A written examination proctored by an official approved by the college or university, or by the sponsoring organization; or

(2) Successful completion of prescribed course mechanisms required to demonstrate knowledge of the subject matter.

Source: 32 SDR 109, effective December 27, 2005.

General Authority: SDCL 36-21B-3(6).

Law Implemented: SDCL 36-21B-3(6).

20:14:13:05.04. Distance education -- Qualifying education. Distance education courses intended for use as qualifying education must include a written examination proctored by an official approved by the college or university, or by the sponsoring organization.

Source: 34 SDR 67, effective September 11, 2007.

General Authority: SDCL 36-21B-3(6).

Law Implemented: SDCL 36-21B-3(6).

20:14:13:06. Term of approval. A course approved by the secretary is valid for three years unless the secretary determines the course has changed and does not meet the criteria in § 20:14:13:07.

Source: 23 SDR 113, effective January 12, 1997.

General Authority: SDCL 36-21B-3.

Law Implemented: SDCL 36-21B-3(6).

20:14:13:07. Application for course approval. To obtain education course approval, the provider must apply in writing on a form provided by the secretary and submit the course to the department for approval by the secretary in accordance with this chapter. The provider must pay the application fee as prescribed in § 20:14:10:06 and provide information to the department regarding the course offering, including the following:

- (1) Course outline or syllabus;
- (2) All texts, workbooks, hand-outs, or other course material;

- (3) Instructor qualifications;
- (4) Course examinations;
- (5) Length of the course offering; and
- (6) Description of procedures for measuring and validating attendance.

Source: 23 SDR 113, effective January 12, 1997; 24 SDR 91, effective January 8, 1998; 32 SDR 109, effective December 27, 2005.

General Authority: SDCL 36-21B-3(6).

Law Implemented: SDCL 36-21B-3(6).

20:14:13:08. Approval of course changes. The course provider must immediately notify the department in writing of any changes to an approved course. The secretary shall determine in accordance with this chapter if the changes are acceptable.

Source: 23 SDR 113, effective January 12, 1997.

General Authority: SDCL 36-21B-3.

Law Implemented: SDCL 36-21B-3(6).

20:14:13:09. Guide for instructors of the uniform standards. Repealed.

Source: 24 SDR 91, effective January 8, 1998; 26 SDR 120, effective March 27, 2000; repealed, 29 SDR 99, effective January 15, 2003.

20:14:13:10. Uniform standards training for instructors. An instructor teaching an approved uniform standards course must be in good standing and a state-certified residential appraiser or a state-certified general appraiser certified by the Appraiser Qualifications Board as a USPAP Instructor.

Source: 24 SDR 91, effective January 8, 1998; 29 SDR 99, effective January 15, 2003; 38 SDR 116, effective January 10, 2012; 38 SDR 214, effective June 21, 2012.

General Authority: SDCL 36-21B-3(3)(6).

Law Implemented: SDCL 36-21B-3(6).

20:14:13:10.01. Courses on the appraisal standards and ethics. The 15-hour course that covers the uniform standards as adopted in § 20:14:06:01 or its Appraiser Qualifications Board approved equivalent is an acceptable qualifying course that may be offered by educational providers and approved by the secretary. The 7-hour update course that covers the uniform standards as adopted in § 20:14:06:01 or its Appraiser Qualifications Board approved equivalent is an acceptable continuing education course that may be offered by educational providers and approved by the secretary.

Source: 26 SDR 120, effective March 27, 2000; 29 SDR 99, effective January 15, 2003; 32 SDR 109, effective December 27, 2005; 38 SDR 214, effective June 21, 2012.

General Authority: SDCL 36-21B-3.

Law Implemented: SDCL 36-21B-3(3)(6).

20:14:13:11. Certificate of attendance issued by course provider. The course provider shall issue a certificate of attendance to each student that attends each class hour approved for the course offering and successfully completes all of the course requirements.

Source: 24 SDR 91, effective January 8, 1998; 38 SDR 116, effective January 10, 2012.

General Authority: SDCL 36-21B-3(6).

Law Implemented: SDCL 36-21B-3(6).

20:14:13:12. Disapproval or denial of a course. The secretary may disapprove an approved course or deny an application for course approval in accordance with SDCL chapter 1-26 if the course content or the course provider fails to meet the requirements of this chapter.

Source: 24 SDR 91, effective January 8, 1998.

General Authority: SDCL 36-21B-3(6).

Law Implemented: SDCL 36-21B-3(6).

20:14:13:13. Training course for supervisory appraisers and state-registered appraisers. The department shall develop the training course and provide it to providers of appraisal education as listed in § 20:14:13:05 desiring to offer the course. The provider shall ensure that each training course instructor has met the following minimum requirements:

(1) Holds a South Dakota state-certified general or state-certified residential credential;

(2) Is in good standing in this state or any other jurisdiction in which the appraiser holds a certified appraiser credential and has not been subject to any disciplinary action within any jurisdiction that affects legal eligibility to engage in appraisal practice for three years after the successful completion or termination of any sanctions imposed;

(3) Audited the training course a minimum of one time;

(4) Possesses institutional knowledge and understanding of Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989, as amended by the Dodd-Frank Wall Street Reform Act of 2010;

(5) Possesses knowledge and understanding of the statutes and administrative rules in this state regarding appraisers;

(6) Co-instructed the training course with an instructor a minimum of two times or until the instructor determines that the individual demonstrates the ability to instruct the course independently; and

(7) Holds the department's supervisory appraiser endorsement and has supervised a minimum of one state-registered appraiser to successful upgrade or is currently supervising a state-registered appraiser.

Source: 35 SDR 175, effective January 1, 2009; 44 SDR 27, effective August 14, 2017; 46 SDR 75, effective December 4, 2019.

General Authority: SDCL 36-21B-3.

Law Implemented: SDCL 36-21B-1, 36-21B-3(6).

20:14:13:14. Course evaluation. A course provider shall provide each student with a course evaluation form upon completion of the course and shall tally the results of the evaluation forms onto one form. The course provider shall send the completed course evaluation forms and the tally to the secretary within 15 days of course completion.

Source: 36 SDR 112, effective January 11, 2010.
General Authority: SDCL 36-21B-3(6).
Law Implemented: SDCL 36-21B-1, 36-21B-3(6)

20:14:06:01. Compliance with uniform standards. An appraiser performing any appraisal practice assignment shall complete the assignment in compliance with the **Uniform Standards of Professional Appraisal Practice**, 2020-2021 Edition. The appraiser shall also disclose in the appraisal practice assignment any steps taken that were necessary or appropriate to comply with the competency rule of the uniform standards.

Source: 18 SDR 36, effective August 25, 1991; 19 SDR 12, effective August 3, 1992; 20 SDR 9, effective August 1, 1993; 21 SDR 49, effective September 18, 1994; 22 SDR 91, effective January 1, 1996; 23 SDR 113, effective January 12, 1997; 24 SDR 91, effective January 8, 1998; 25 SDR 123, effective April 8, 1999; 26 SDR 120, effective March 27, 2000; 27 SDR 99, effective April 8, 2001; 28 SDR 109, effective February 7, 2002; 29 SDR 99, effective January 15, 2003; 30 SDR 115, effective February 2, 2004; 31 SDR 165, effective May 10, 2005; 33 SDR 2, effective July 19, 2006; 34 SDR 200, effective January 28, 2008; 36 SDR 112, effective January 11, 2010; 38 SDR 116, effective January 10, 2012; 40 SDR 121, effective January 7, 2014; 42 SDR 98, effective January 5, 2016; 44 SDR 99, effective December 11, 2017; 44 SDR 184, effective June 25, 2018; 46 SDR 75, effective December 4, 2019.

General Authority: SDCL 36-21B-3(3)(16).

Law Implemented: SDCL 36-21B-1, 36-21B-3(3).

Reference: **Uniform Standards of Professional Appraisal Practice**, 2020-2021 Edition, Appraisal Standards Board of the Appraisal Foundation. Copies may be obtained from the Appraisal Foundation website at www.appraisalfoundation.org or by calling 800-348-2831. Cost: \$75 plus shipping and handling.