

**WEST VIRGINIA  
SECRETARY OF STATE  
NATALIE E. TENNANT  
ADMINISTRATIVE LAW DIVISION**

Form #2

Do Not Mark In This Box

2013 JUN 21 PM 5:01

**NOTICE OF A COMMENT PERIOD ON A PROPOSED RULE**

AGENCY: West Virginia Real Estate Appraiser Licensing & Certification Board TITLE NUMBER: 190

RULE TYPE: Legislative CITE AUTHORITY: W.Va. Code §30-38-6;30-38-7;30-38-9;30-38-11,

AMENDMENT TO AN EXISTING RULE: YES  NO

IF YES, SERIES NUMBER OF RULE BEING AMENDED: 2

TITLE OF RULE BEING AMENDED: Requirements for Licensure and Certification

IF NO, SERIES NUMBER OF RULE BEING PROPOSED: \_\_\_\_\_

TITLE OF RULE BEING PROPOSED: \_\_\_\_\_

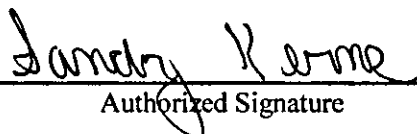
IN LIEU OF A PUBLIC HEARING, A COMMENT PERIOD HAS BEEN ESTABLISHED DURING WHICH ANY INTERESTED PERSON MAY SEND COMMENTS CONCERNING THESE PROPOSED RULES. THIS COMMENT PERIOD WILL END ON July 22, 2013 AT 9 am ONLY WRITTEN COMMENTS WILL BE ACCEPTED AND ARE TO BE MAILED TO THE FOLLOWING ADDRESS:

WV Appraiser Board

2110 Kanawha Boulevard, East, Suite 101

Charleston, WV 25311

THE ISSUES TO BE HEARD SHALL BE LIMITED TO THIS PROPOSED RULE.

  
Authorized Signature

ATTACH A **BRIEF** SUMMARY OF YOUR PROPOSAL

2013 JUN 21 PM 5: 01

STATE

**TITLE 190  
LEGISLATIVE RULE  
WEST VIRGINIA REAL ESTATE APPRAISER LICENSING & CERTIFICATION BOARD  
SERIES 2  
REQUIREMENTS FOR LICENSURE AND CERTIFICATION**

**§190-2-1. General.**

1.1. Scope. -- This rule establishes the requirements for an applicant to become a licensed or certified real estate appraiser in the state of West Virginia.

1.2. Authority. -- W. Va. Code §§~~30-38-5~~; 30-38-6; 30-38-7; 30-38-9; ~~30-38-11~~.

1.3. Filing Date. -- ~~April 26, 2010~~.

1.4. Effective Date. -- ~~July 1, 2010~~.

**§190-2-2. Definitions.**

2.1. "Accredited colleges, universities and junior and community colleges" means those institutions of higher learning under the Higher Education Policy Commission or listed in the Transfer of Credit Practices of Designated Educational Institutions, published by the American Association of Collegiate Registrars and Admissions Officers.

2.2. "Adult distributive or marketing education programs" means those programs offered at schools approved by the Higher Education Policy Commission or any other local, state or federal government agency, board or commission to teach adult education or marketing courses.

2.3. "Appraisal foundation" means the appraisal foundation established on the thirtieth day of November, one thousand nine hundred eighty-seven, as a not-for-profit corporation under the laws of Illinois.

2.4. "Appraiser qualifications board" means the board created by the Appraisal Foundation to establish appropriate criteria for the licensure and certification of qualified appraisers by defining, issuing and promoting the qualification criteria; to disseminate the qualification criteria to states, governmental entities and others; and to develop or assist in the development of appropriate examinations for qualified appraisers.

2.5. "Classroom hour" means 50 minutes out of each 60 minutes actual classroom instruction in courses approved by the board.

~~2.6.~~ 2.6. "Classroom hour of distance education" means the allotted course time approved by the International Distance Education Certification Center (IDECC) delivery certification, the Appraiser Qualifications Board (AOB) and the board.

~~2.6.~~ 2.7. "Direct supervision" means the supervisor shall personally accompany and view the exterior and interior of all properties with his or her respective apprentice or appraiser; personally review each appraisal report; assign work to the apprentice or appraiser only if he or she is competent to perform the work; accept full responsibility for the report; and approve and sign the report as being independently and impartially prepared in compliance with the Uniform Standards of Professional Appraisal Practice (USPAP) and applicable statutory requirements.

~~2.7.~~ 2.8. "Experience" as used in this rule includes, but is not limited to experience gained in the performance of traditional appraisal assignments, or in the performance of the following: fee and staff appraisals; ad valorem tax appraisal; condemnation appraisal; technical review appraisal; appraisal analysis; real estate consulting; highest and best use analysis; and, feasibility analysis or study.

~~2.8.~~ 2.9. "Licensee" means a person who holds a current valid license as a state licensed residential real estate appraiser, a certification as a state certified residential real estate appraiser or a certification as a state certified general real estate appraiser issued under the provisions of the W. Va. Code §§30-38 et seq.

~~2.9.~~ 2.10. "Local, state or federal government agency, board or commission" means any entity established by any local, federal or state government to protect or promote the health, safety and welfare for the citizens of its domain.

2.11. "National Registry of the Appraisal Subcommittee" means the database consisting of State Licensed, State Certified Residential and State Certified General Appraisers who are eligible to perform appraisals in connection with federally related transactions and that is maintained by the Appraisal Subcommittee, a subcommittee of the Federal Financial Institutions Examination Council (FFIEC).

~~2.10.~~ 2.12. "Non-residential" property is defined as all properties other than residential.

~~2.11.~~ 2.13. "Proprietary school" means a privately owned school, under the authority of a local, state or federal government agency, board or commission, offering appraisal or appraisal related courses.

~~2.12.~~ 2.14. "Residential" property is defined as one to four single family residential units and lots where the highest and best use is for one to four single family residential units.

~~2.13.~~ 2.15. "Uniform Standards of Professional Appraisal Practice" means the Uniform Standards of Professional Appraisal Practice (USPAP) published by the appraisal foundation.

2.16. "Written exam" means a written, proctored examination is required for all qualifying education distance course offerings. The term written refers to an examination that might be written on paper or administered on a computer workstation or other device.

### **§190-2-3. Exceptions to License Requirement.**

3.1. In addition to the exceptions of the W. Va. Code §30-38-1(c), this rule does not apply to a person licensed to practice public accountancy as defined in W. Va. Code §30-9-3, including the performance of a business evaluation; Provided, that the exception does not apply to federally related transactions as defined in the "Financial Institutions Reform, Recovery and Enforcement Act of 1989", 12 U.S.C. §33331 et seq.

**§190-2-4. General Qualifications for Licensure or Certification.**

4.1. Every person who applies to be classified as a licensed or certified real estate appraiser shall:

4.1.a. Have a good reputation for honesty, truthfulness, and fair dealing, and be competent to transact the business of a licensed or certified real estate appraiser in a manner that safeguards the interests of the public;

4.1.b. Except as provided for in subsection 2-11 of this rule, meet the current education and experience requirements and submit an application to the Board or its agent prior to the time the applicant is approved to sit for the licensing or certification examination. An applicant shall complete an application for license or certification within twelve months of the date of the receipt of the application and fee by the board;

4.1.c. Be in good standing as a real estate appraiser in every jurisdiction where he or she is licensed or certified. An applicant's occupational or professional license or certification shall not be suspended, revoked or surrendered in connection with a disciplinary action or an applicant may not be the subject of disciplinary action in any jurisdiction prior to applying for licensure or certification in West Virginia;

4.1.d. Not have been found guilty or pled guilty, regardless of adjudication, in any jurisdiction, of a misdemeanor involving moral turpitude or of any felony. Any plea of nolo contendere is considered a conviction for purposes of this subdivision. The record of a conviction authenticated in a form that is admissible in evidence under the laws of the jurisdiction where convicted is admissible as prima facie evidence of the conviction; and

4.1.e. Be at least 18 years of age.

4.2. The Board may consider and approve for license or certification, applicants who do not meet the requirements set forth in subdivisions 4.1.c. and 4.1.d. of this section.

4.3. At the time of filing an application for original or renewal of a license or certification, each applicant shall sign a pledge to comply with the standards of professional appraisal practice and the ethical rules that are established by the board. Each applicant shall also certify that he or she understands the types of misconduct as described in W. Va. Code §§30-38-1 et seq. and that disciplinary proceedings may be initiated against him or her for that misconduct.

4.4. Any applicant who applies to be classified as a licensed or certified real estate appraiser after January 1, ~~2008~~ 2015 shall comply with all requirements in effect at that time. ~~In the event that an applicant who applies to be classified as a licensed or certified real estate appraiser after January 1, 2008, completes the education, experience, or examination component requirements, or any combination of such components required herein, prior to January 1, 2008, any such component, completed by January 1, 2008, shall satisfy the respective requirement or requirements as currently in effect. In the event that an applicant who applies to be classified as a licensed or certified real estate appraiser after January 1, 2008, completes the education, experience, or examination components, or any combination of such components required herein, after January 1, 2008, any such component completed after January 1, 2008, shall satisfy the respective requirement or requirements as in effect after January 1, 2008.~~

4.5. ~~The board shall conduct criminal background investigations~~ applicant shall submit to a state and national criminal history record check, as set forth in this subsection, ~~for the purpose of determining whether an the applicant has been charged with, indicted for, or convicted of a crime that may have bearing upon the applicant's fitness to hold a license. The applicant shall complete and submit to the~~

~~board, on a form provided by the board, a form that relates to the release of information and waiver of confidentiality of records. The applicant will also submit a full set of fingerprints to facilitate a criminal background check and the board will request the state police to submit the fingerprints and identifying information to the Federal Bureau of Investigation for a national criminal history record check. The results of the fingerprint check will be returned to the board.~~

~~4.5.a. The applicant will reimburse the board for all fees or charges that are incurred by the board for the background investigation.~~

4.5.a. The criminal history record check shall be based on fingerprints submitted to the West Virginia State Police or its assigned agent for forwarding to the Federal Bureau of Investigation.

4.5.b. The applicant shall meet all requirements necessary to accomplish the state and national criminal history record check, including:

4.5.b.1. Submitting fingerprints for the purposes set forth in this subsection; and

4.5.b.2. Authorizing the board, the West Virginia State Police and the Federal Bureau of Investigation to use all records submitted and produced for the purpose of screening the applicant for a license.

4.5.c. The results of the state and national criminal history record check may not be released to or by a private entity except:

4.5.c.1. To the individual who is the subject of the criminal history record check;

4.5.c.2. With the written authorization of the individual who is the subject of the criminal history record check; or

4.5.c.3. Pursuant to a court order.

4.5.d. The criminal history record check and related records are not public records for the purposes of chapter twenty-nine-b of this code.

4.5.e. The applicant shall ensure that the criminal history record check is completed as soon as possible after the date of the original application for registration.

4.5.f. The applicant shall pay the actual costs of the fingerprinting and criminal history record check.

4.5.b. g. If the applicant for licensure actively holds a real estate appraiser apprentice permit, licensed residential real estate appraiser license, or certified residential real estate appraiser license, issued by the board, and has previously completed a criminal background check conducted by the board, the results of the prior criminal background check shall satisfy the board's current criminal background investigation requirement.

## **§190-2-5. Additional Qualifications for Licensed Residential Real Estate Appraisers.**

### **5.1. Education.**

5.1.a. ~~An applicant shall have successfully completed ninety (90) classroom hours of courses in subjects related to real estate appraisal that are required under this subdivision. Effective January 1, 2003, fifteen (15) of the ninety (90) hours shall include the successful completion of the National Uniform~~

~~Standards of Professional Appraisal Practice Course, or its equivalent.~~—Effective January 1, 2008, an applicant shall have successfully completed one-hundred and fifty (150) classroom hours of courses in subjects related to real estate appraisal that are required under this subdivision, of which fifteen (15) of the one hundred and fifty (150) hours shall include the successful completion of the National Uniform Standards of Professional Appraisal Practice Course, or its equivalent. Equivalency shall be determined through the appraisal qualifications board course approval program or by an alternate method established by the appraisal qualifications board.

5.1.b. The board shall grant credit towards classroom hours or classroom hours of distance education only where the length of the educational course is at least fifteen (15) hours and applicant successfully completed an examination concerning that course.

5.1.c. An applicant may obtain credit towards classroom hours or classroom hours of distance education from the following entities provided that the courses have been registered with and approved by the board:

5.1.c.1. Accredited colleges or universities;

5.1.c.2. Community or junior colleges;

5.1.c.3. Real estate appraisal or real estate related organizations;

5.1.c.4. Local, state or federal agencies, boards or commissions;

5.1.c.5. Proprietary schools;

5.1.c.6. Adult distributive or marketing educational programs;

~~5.1.c.7. Any other entity which has received prior approval by the board.~~

5.1.c.7. 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; or

5.1.c.8. Any other entity which has received prior approval by the board.

~~5.1.d. The board may award credit towards classroom hours to teachers of appraisal courses. Up to seven (7) hours of a licensee's continuing education requirement may be granted to teachers of appraisal courses each licensing cycle~~

~~5.1.e. There is no time limit for when an applicant must obtain qualifying education credit. All qualifying education must be completed within the five (5) year period prior to the date of submission of application for an apprentice permit.~~

~~5.1.f. The board may grant credit for courses where an applicant obtained credit from the course provider by challenge examination without attending the courses, provided, that the credit was granted by the course provider prior to July 1, 1990 and that the board is satisfied with the quality of the challenge examination that was administered by the course provider.~~

~~5.1.g. Prior to January 1, 2008, the board may credit various appraisal courses toward the classroom hours required by subdivision 5.1.a. of this section, if the applicant can show that his or her education involved coverage of all of the following topics, with particular emphasis on the appraisal of~~

one to four unit residential properties:

- ~~5.1.g.1. Influences on real estate value;~~
- ~~5.1.g.2. Legal considerations in appraisal;~~
- ~~5.1.g.3. Types of value;~~
- ~~5.1.g.4. Economic principles;~~
- ~~5.1.g.5. Real estate markets and analysis;~~
- ~~5.1.g.6. Valuation process;~~
- ~~5.1.g.7. Property description;~~
- ~~5.1.g.8. Highest and best use analysis;~~
- ~~5.1.g.9. Appraisal statistical concepts;~~
- ~~5.1.g.10. Sales comparison approach;~~
- ~~5.1.g.11. Site value;~~
- ~~5.1.g.12. Cost approach;~~
- ~~5.1.g.13. Income approach, which includes, but is not limited to:~~
  - ~~5.1.g.13.A. Gross rent multiplier analysis;~~
  - ~~5.1.g.13.B. Estimation of income and expenses; and~~
  - ~~5.1.g.13.C. Operating expense ratios;~~
- ~~5.1.g.14. Valuation of partial interests; and~~
- ~~5.1.g.15. Appraisal standards and ethics.~~

5.1.h.f. Effective January 1, 2008, the Board shall only credit appraisal courses completed by an applicant for Licensed Residential real estate appraiser, and required by subdivision 5.1.a. of this section, if the applicant can show that his or her education involved coverage of all of the following topics and all minimum corresponding hour attendant with each topic thereof:

5.1.h.f.1. Thirty (30) hours of basic appraisal principles, of which course hours may be evidenced by the following educational subtopics:

5.1.h.f.1.A. Real Property Concepts and Characteristics, including, but not limited to:

5.1.h.f.1.A.1. Basic Real Property Concepts;

5.1.h.f.1.A.2. Real Property Characteristics; and

5.1.h.f.1.A.3. Legal Description;

5.1.h-f.1.B. Legal Consideration, including, but not limited to:

- 5.1.h-f.1.B.1. Forms of Ownership;
- 5.1.h-f.1.B.2. Public and Private Controls;
- 5.1.h-f.1.B.3. Real Estate Contracts; and
- 5.1.h-f.1.B.4. Leases;

5.1.h-f.1.C. Influences on Real Estate Values, including, but not limited to:

- 5.1.h-f.1.C.1. Governmental;
- 5.1.h-f.1.C.2. Economic;
- 5.1.h-f.1.C.3. Social; and
- 5.1.h-f.1.C.4. Environmental, Geographic and Physical;

5.1.h-f.1.D. Types of Value, including, but not limited to:

- 5.1.h-f.1.D.1. Market Value;
- 5.1.h-f.1.D.2. Other Value Types; and

5.1.h-f.1.E. Economic Principles, including, but not limited to:

- 5.1.h-f.1.E.1. Classical Economic Principles; and
- 5.1.h-f.1.E.2. Application and Illustrations of the Economic Principles;

5.1.h-f.1.F. Overview of Real Estate Markets and Analysis, including, but not limited to:

- 5.1.h-f.1.F.1. Market Fundamentals, Characteristics, and Definitions;
- 5.1.h-f.1.F.2. Supply Analysis;
- 5.1.h-f.1.F.3. Demand Analysis; and
- 5.1.h-f.1.F.4. Use of Market Analysis;

5.1.h-f.1.G. Ethics and How They Apply in Appraisal Theory and Practice;

5.1.h-f.2. Thirty (30) hours of basic appraisal procedures, of which course hours may be evidenced by the following educational subtopics:

- 5.1.h-f.2.A. Overview of Approaches to Value;
- 5.1.h-f.2.B. Valuation Procedures, including, but not limited to:
  - 5.1.h-f.2.B.1 Defining the Problem;

5.1.h-f.2.B.2. Collecting and Selecting Data;

5.1.h-f.2.B.3. Analyzing;

5.1.h-f.2.B.4. Reconciling and Final Value Opinion; and

5.1.h-f.2.B.5. Communicating the Appraisal;

5.1.h-f.2.C. Property Description, including, but not limited to:

5.1.h-f.2.C.1. Geographic Characteristics of the Land/Site;

5.1.h-f.2.C.2. Geologic Characteristics of the Land/Site;

5.1.h-f.2.C.3. Location and Neighborhood Characteristics;

5.1.h-f.2.C.4. Land/Site Considerations for Highest and Best Use; and

5.1.h-f.2.C.5. Improvements -- Architectural Styles and Types of Construction;

5.1.h-f.2.D. Residential Applications;

5.1.h-f.3. Successful completion of the fifteen (15) hour National Uniform Standards of Professional Appraisal Practice Course, or its equivalent;

5.1.h-f.4. Fifteen (15) hours of residential market analysis and highest and best use, of which course hours may be evidenced by the following educational subtopics:

5.1.h-f.4.A. Residential Markets and Analysis, including, but not limited to:

5.1.h-f.4.A.1. Market Fundamentals, Characteristics and Definitions;

5.1.h-f.4.A.2. Supply Analysis;

5.1.h-f.4.A.3. Demand Analysis; and

5.1.h-f.4.A.4. Use of Market Analysis;

5.1.h-f.4.B. Highest and Best Use, including, but not limited to:

5.1.h-f.4.B.1. Test Constraints;

5.1.h-f.4.B.2. Application of Highest and Best Use;

5.1.h-f.4.B.3. Special Considerations;

5.1.h-f.4.B.4. Market Analysis; and

5.1.h-f.4.B.5. Case Studies;

5.1.h-f.5. Fifteen (15) hours of residential appraiser site valuation and cost approach, of which course hours may be evidenced by the following educational subtopics:

5.1.h.f.5.A. Site Valuation, including, but not limited to:

5.1.h.f.5.A.1. Methods; and

5.1.h.f.5.A.2. Case Studies;

5.1.h.f.5.B. Cost Approach, including, but not limited to:

5.1.h.f.5.B.1. Concepts and Definitions;

5.1.h.f.5.B.2. Replacement/ Reproduction Cost New;

5.1.h.f.5.B.3. Accrued Depreciation;

5.1.h.f.5.B.4. Methods of Estimating Accrued Depreciation; and

5.1.h.f.5.B.5. Case Studies;

5.1.h.f.6. Thirty (30) hours of residential sales comparison and income approaches, of which course hours may be evidenced by the following educational subtopics:

5.1.h.f.6.A. Valuation Principles & Procedures -- Sales Comparison Approach;

5.1.h.f.6.B. Valuation Principles & Procedures -- Income Approach;

5.1.h.f.6.C. Finance and Cash Equivalency;

5.1.h.f.6.D. Financial Calculator Introduction;

5.1.h.f.6.E. Identification, Derivation and Measurement of Adjustments;

5.1.h.6.F. Gross Rent Multipliers;

5.1.h.f.6.G. Partial Interests;

5.1.h.f.6.H. Reconciliation; and

5.1.h.f.6.I. Case Studies and Applications;

5.1.h.f.6.7. Fifteen (15) hours of residential report writing and case studies, of which course hours may be evidenced by the following educational subtopics:

5.1.h.f.6.7.A. Writing and Reasoning Skills;

5.1.h.f.7.B. Common Writing Problems;

5.1.h.7.C. Form Reports;

5.1.h.f.7.D. Report Options and USPAP Compliance; and

5.1.h.f.7.E. Case Studies.

5.1.g. An applicant shall submit to the board a listing of courses, which he or she claims meet the education credit requirement, on a form approved by the board. An applicant shall submit proof of the completion of a course claimed for credit.

5.1.h. Effective January 1, 2015 an applicant for the Licensed Residential real estate appraiser certification shall have an associate's degree, or higher from an accredited college, junior college, community college or university. In lieu of an associate's degree or higher from an accredited college, junior college, community college or university, an applicant for the Licensed Residential real estate appraiser certification shall pass and complete a minimum number of thirty (30) semester hours of college-level education from an accredited college, junior college, community college or university.

## 5.2. Experience.

5.2.a. An applicant shall have a minimum of two thousand (2000) hours of appraisal experience. The board or an applicant may treat hours as cumulative in order to achieve the required two thousand (2000) hours. Effective January 1, 2008, an applicant must obtain all qualifying experience hours in no fewer than a twelve month period.

5.2.b. As a part of the application for licensure, an applicant shall execute an affidavit attesting to his or her experience in the field of real estate appraisal. This affidavit shall be on forms provided by the board with the application. In addition, an applicant shall provide, on forms provided by the board, a detailed list of the real estate appraisal reports or file memoranda for each year for which experience is claimed. Upon request, an applicant shall provide the board a sample of appraisal reports which the applicant has prepared. Experience obtained after January 1, 1991, shall comply with the Uniform Standards of Professional Appraisal Practice (USPAP).

## 5.3. Examination.

5.3.a. Before the board issues an initial license, an applicant shall successfully complete a written national examination administered by the board or by a testing service acting on behalf of the board. The passing score shall be determined by the board based upon the recommendation of the testing service. Effective January 1, 2015, education and experience must be completed prior to taking the national examination.

5.3.b. Before the board issues an initial license, an applicant shall successfully complete a 3-hour ~~West Virginia law course, with exam~~ written state examination covering the sections of the West Virginia Code that regulate the practice of real estate appraising. The passing score shall be determined by the board.

## **§190-2-6. Additional Qualifications for Certified General and Certified Residential Real Estate Appraisers.**

### 6.1. Education.

6.1.a. ~~An applicant for the Certified General real estate appraiser certification shall have successfully completed one hundred eighty (180) classroom hours in subjects related to real estate appraisal that are required under this subdivision of which a minimum of fifteen (15) of the one hundred eighty (180) hours shall include the successful completion of the National Uniform Standards of Professional Appraisal Practice Course, or its equivalent.~~ Effective January 1, 2008, an applicant for the Certified General real estate appraiser certification shall have successfully completed three hundred (300) classroom hours of courses in subjects related to real estate appraisal that are required under this subdivision, of which fifteen (15) of the three hundred (300) hours shall include the successful completion of the National Uniform Standards of Professional Appraisal Practice Course, or its equivalent.

Equivalency shall be determined through the appraisal qualifications board course approval program or by an alternate method established by the appraisal qualifications board.

~~6.1.b.—An applicant for the Certified Residential real estate appraiser certification shall have successfully completed one hundred thirty five (135) classroom hours of courses in subjects related to real estate appraisal that are required under this subdivision of which a minimum of fifteen (15) of the one hundred thirty five (135) hours shall include the successful completion of the National Uniform Standards of Professional Appraisal Practice Course, or its equivalent. Effective January 1, 2008, an applicant for the Certified Residential real estate appraiser certification shall have successfully completed two hundred (200) classroom hours of courses in subjects related to real estate appraisal that are required under this subdivision, of which fifteen (15) of the two hundred (200) hours shall include the successful completion of the National Uniform Standards of Professional Appraisal Practice Course, or its equivalent. Equivalency shall be determined through the appraisal qualifications board course approval program or by an alternate method established by the appraisal qualifications board.~~

6.1.c. The board shall grant credit towards classroom hours or classroom hours of distance education only where the length of the educational course was at least fifteen (15) hours and an applicant successfully completed an examination concerning the course.

6.1.d. An applicant may obtain credit towards classroom hours or classroom hours of distance education from the following entities, provided that the courses have been registered with and approved by the board:

- 6.1.d.1. Accredited colleges or universities;
- 6.1.d.2. Community or junior colleges;
- 6.1.d.3. Real estate appraisal or real estate related organizations;
- 6.1.d.4. Local, state or federal agencies, boards or commissions;
- 6.1.d.5. Proprietary schools;
- 6.1.d.6. Adult distributive or marketing educational programs; or
- ~~6.1.d.7. Any other entity which has received prior approval by the board.~~

6.1.d.7. 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; or

6.1.d.8. Any other entity which has received prior approval by the board.

~~6.1.e. The board may award credit towards classroom hours to teachers of appraisal courses. Up to seven (7) hours of a licensee's continuing education requirement may be granted to teachers of appraisal courses.~~

~~6.1.f.—There is no time limit for when an applicant must obtain qualifying education credit. All qualifying education must be within the five (5) year period prior to the date of submission of application for an apprentice permit.~~

~~6.1.g. The board may grant credit for courses where an applicant obtained credit from the course~~

~~provider by challenge without attending the courses, provided that the credit was granted by the course provider prior to July 1, 1990, and that the board is satisfied with the quality of the challenge examination that was administered by the course provider.~~

~~6.1.h. Prior to January 1, 2008, for the state certified general classification, the board may credit various appraisal courses toward the classroom hours required by subdivision 6.1.a. of this section if an applicant can show that his or her education involved coverage of all of the following topics, with particular emphasis on the appraisal of non-residential properties:~~

- ~~6.1.h.1. Influences on real estate value, including but not limited to:~~
  - ~~6.1.h.1.A. Physical and environmental;~~
  - ~~6.1.h.1.B. Economic;~~
  - ~~6.1.h.1.C. Governmental and legal; and~~
  - ~~6.1.h.1.D. Social;~~
- ~~6.1.h.2. Legal considerations in appraisal, including but not limited to:~~
  - ~~6.1.h.2.A. Real estate vs. real property;~~
  - ~~6.1.h.2.B. Real property vs. personal property;~~
  - ~~6.1.h.2.C. Limitations on real estate ownership;~~
  - ~~6.1.h.2.D. Legal rights and interests;~~
  - ~~6.1.h.2.E. Forms of property ownership;~~
  - ~~6.1.h.2.F. Legal descriptions; and~~
  - ~~6.1.h.2.G. Transfer of title;~~
- ~~6.1.h.3. Types of value, including but not limited to:~~
  - ~~6.1.h.3.A. Market Value or Value in Exchange;~~
  - ~~6.1.h.3.B. Price;~~
  - ~~6.1.h.3.C. Cost;~~
  - ~~6.1.h.3.D. Investment Value;~~
  - ~~6.1.h.3.E. Value in Use;~~
  - ~~6.1.h.3.F. Assessed Value;~~
  - ~~6.1.h.3.G. Insurable Value; and~~
  - ~~6.1.h.3.H. Going Concern Value;~~

~~6.1.h.4. Economic principles, including but not limited to:~~

~~6.1.h.4.A. Anticipation;~~

~~6.1.h.4.B. Balance;~~

~~6.1.h.4.C. Change;~~

~~6.1.h.4.D. Competition;~~

~~6.1.h.4.E. Conformity;~~

~~6.1.h.4.F. Contribution;~~

~~6.1.h.4.G. Increasing and decreasing returns;~~

~~6.1.h.4.H. Opportunity Cost;~~

~~6.1.h.4.I. Substitution;~~

~~6.1.h.4.J. Supply and demand; and~~

~~6.1.h.4.K. Surplus productivity;~~

~~6.1.h.5. Real estate markets and analysis, including but not limited to:~~

~~6.1.h.5.A. Characteristics of real estate markets;~~

~~6.1.h.5.B. Absorption analysis;~~

~~6.1.h.5.C. Role of money and capital markets; and~~

~~6.1.h.5.D. Real estate financing;~~

~~6.1.h.6. Valuation process, including but not limited to:~~

~~6.1.h.6.A. Definition of the problem;~~

~~6.1.h.6.B. Collection and analysis of data;~~

~~6.1.h.6.C. Analysis of highest and best use;~~

~~6.1.h.6.D. Anticipation and limitations of each approach to value;~~

~~6.1.h.6.E. Reconciliation and final value estimate; and~~

~~6.1.h.6.F. The appraisal report;~~

~~6.1.h.7. Property description, including but not limited to:~~

~~6.1.h.7.A. Site description;~~

~~6.1.h.7.B. Improvement description; and~~

- ~~6.1.h.7.C. Basic construction and design;~~
- ~~6.1.h.8. Highest and best use analysis, including but not limited to:~~
  - ~~6.1.h.8.A. Four tests;~~
  - ~~6.1.h.8.B. Vacant site or as if vacant;~~
  - ~~6.1.h.8.C. As improved; and~~
  - ~~6.1.h.8.D. Interim use;~~
- ~~6.1.h.9. Appraisal math and statistics, including but not limited to:~~
  - ~~6.1.h.9.A. Compound interest concepts; and~~
  - ~~6.1.h.9.B. Statistical concepts used in appraisal;~~
- ~~6.1.h.10. Sales comparison approach, including but not limited to:~~
  - ~~6.1.h.10.A. Research and selection of comparables;~~
  - ~~6.1.h.10.B. Elements of comparison;~~
  - ~~6.1.h.10.C. Adjustment process; and~~
  - ~~6.1.h.10.D. Application of sales comparison approach;~~
- ~~6.1.h.11. Site value, including but not limited to:~~
  - ~~6.1.h.11.A. Sales comparison;~~
  - ~~6.1.h.11.B. Land residual;~~
  - ~~6.1.h.11.C. Allocation;~~
  - ~~6.1.h.11.D. Extraction;~~
  - ~~6.1.h.11.E. Ground rent capitalization;~~
  - ~~6.1.h.11.F. Subdivision analysis; and~~
  - ~~6.1.h.11.G. Plottage and assemblage;~~
- ~~6.1.h.12. Cost approach, including but not limited to:~~
  - ~~6.1.h.12.A. Steps in Cost Approach; and~~
  - ~~6.1.h.12.B. Application of the Cost Approach;~~
- ~~6.1.h.13. Income approach, including but not limited to:~~

- ~~6.1.h.13.A. Estimation of income and expenses;~~
- ~~6.1.h.13.B. Operating statement ratios;~~
- ~~6.1.h.13.C. Direct capitalization;~~
- ~~6.1.h.13.D. Cash flow estimates;~~
- ~~6.1.h.13.E. Measures of cash flow; and~~
- ~~6.1.h.13.F. Discounted cash flow analysis (DCF);~~
- ~~6.1.h.14. Valuation of partial interests, including but not limited to:~~
  - ~~6.1.h.14.A. Interests created by a lease;~~
  - ~~6.1.h.14.B. Lease provisions;~~
  - ~~6.1.h.14.C. Valuation considerations; and~~
  - ~~6.1.h.14.D. Other partial interests;~~
- ~~6.1.h.15. Appraisal standards and ethics; and~~
- ~~6.1.h.16. Narrative report writing.~~

6.1.i.g. Effective January 1, 2008, the Board shall only credit appraisal courses completed by an applicant for state certified general classification, and required by subdivision 6.1.a. of this section, if the applicant can show that his or her education involved coverage of all of the following topics and all minimum corresponding hours attendant with each topic thereof, with particular emphasis on the appraisal of non-residential properties:

6.1.i.g.1. Thirty (30) hours of basic appraisal principles, of which course hours may be evidenced by the following educational subtopics:

6.1.i.g.1.A. Real Property Concepts and Characteristics, including, but not limited to:

- 6.1.i.g.1.A.1. Basic Real Property Concepts;
- 6.1.i.g.1.A.2. Real Property Characteristics; and
- 6.1.i.g.1.A.3. Legal Description;

6.1.i.g.1.B. Legal Consideration, including, but not limited to:

- 6.1.i.g.1.B.1. Forms of Ownership;
- 6.1.i.g.1.B.2. Public and Private Controls;
- 6.1.i.g.1.B.3. Real Estate Contracts; and
- 6.1.i.g.1.B.4. Leases;

6.1.i.g.1.C. Influences on Real Estate Values, including, but not limited to:

6.1.i.g.1.C.1. Governmental;

6.1.i.g.1.C.2. Economic;

6.1.i.g.1.C.3. Social; and

6.1.i.g.1.C.4. Environmental, Geographic and Physical;

6.1.i.g.1.D. Types of Value, including, but not limited to:

6.1.i.g.1.D.1. Market Value;

6.1.i.g.1.D.2. Other Value Types; and

6.1.i.g.1.E. Economic Principles, including, but not limited to:

6.1.i.g.1.E.1. Classical Economic Principles; and

6.1.i.g.1.E.2. Application and Illustrations of the Economic Principles;

6.1.i.g.1.F. Overview of Real Estate Markets and Analysis, including, but not limited to:

6.1.i.g.1.F.1. Market Fundamentals, Characteristics, and Definitions;

6.1.i.g.1.F.2. Supply Analysis;

6.1.i.g.1.F.3. Demand Analysis; and

6.1.i.g.1.F.4. Use of Market Analysis;

6.1.i.g.1.G. Ethics and How They Apply in Appraisal Theory and Practice;

6.1.i.g.2. Thirty (30) hours of basic appraisal procedures, of which course hours may be evidenced by the following educational subtopics:

6.1.i.g.2.A. Overview of Approaches to Value;

6.1.i.g.2.B. Valuation Procedures, including, but not limited to:

6.1.i.g.2.B.1. Defining the Problem;

6.1.i.g.2.B.2. Collecting and Selecting Data;

6.1.i.g.2.B.3. Analyzing;

6.1.i.g.2.B.4. Reconciling and Final Value Opinion; and

6.1.i.g.2.B.5. Communicating the Appraisal;

6.1.i.g.2.C. Property Description, including, but not limited to:

- 6.1.i-g.2.C.1. Geographic Characteristics of the Land/Site;
- 6.1.i-g.2.C.2. Geologic Characteristics of the Land/Site;
- 6.1.i-g.2.C.3. Location and Neighborhood Characteristics;
- 6.1.i-g.2.C.4. Land/Site Considerations for Highest and Best Use; and
- 6.1.i-g.2.C.5. Improvements - Architectural Styles and Types of Construction;
- 6.1.i-g.2.D. Residential Applications;

6.1.i-g.3. Successful completion of the fifteen (15) hour National Uniform Standards of Professional Appraisal Practice Course, or its equivalent;

6.1.i-g.4. Thirty (30) hours of general appraiser market analysis and highest and best use, of which course hours may be evidenced by the following educational subtopics:

6.1.i-g.4.A. Real Estate Markets and Analysis, including, but not limited to:

- 6.1.i-g.4.A.1. Market Fundamentals, Characteristics and Definitions;
- 6.1.i-g.4.A.2. Supply Analysis;
- 6.1.i-g.4.A.3. Demand Analysis; and
- 6.1.i-g.4.A.4. Use of Market Analysis;

6.1.i-g.4.B. Highest and Best Use, including, but not limited to:

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

6.1.i-g.5. Fifteen (15) hours of statistics, modeling and finance, of which course hours may be evidenced by the following educational subtopics:

- 6.1.i-g.5.A. Statistics;
- 6.1.i-g.5.B. Valuation Models (AVM's and Mass Appraisal); and
- 6.1.i-g.5.C. Real Estate Finance;

6.1.i-g.6. Thirty (30) hours of general appraiser sales comparison approach, of which course hours may be evidenced by the following educational subtopics:

- 6.1.i-g.6.A. Value Principles;

6.1.i.g.6.B. Procedures;

6.1.i.g.6.C. Identification and Measurement of Adjustments;

6.1.i.g.6.D. Reconciliation; and

6.1.i.g.6.E. Case Studies;

6.1.i.g.7. Thirty (30) hours of general appraiser site valuation and cost approach, of which course hours may be evidenced by the following educational subtopics:

6.1.i.g.7.A. Site Valuation, including, but not limited to:

6.1.i.g.7.A.1. Methods; and

6.1.i.g.7.A.2. Case Studies;

6.1.i.g.7.B. Cost Approach, including, but not limited to:

6.1.i.g.7.B.1. Concepts and Definitions;

6.1.i.g.7.B.2. Replacement/Reproduction Cost New;

6.1.i.g.7.B.3. Accrued Depreciation;

6.1.i.g.7.B.4. Methods of Estimating Accrued Depreciation; and

6.1.i.g.7.B.5. Case Studies;

6.1.i.g.8. Sixty (60) hours of general appraiser income approach, of which course hours may be evidenced by the following educational subtopics:

6.1.i.g.8.A. Overview;

6.1.i.g.8.B. Compound Interest;

6.1.i.g.8.C. Lease Analysis;

6.1.i.g.8.D. Income Analysis;

6.1.i.g.8.E. Vacancy and Collection Loss;

6.1.i.g.8.F. Estimating Operating Expenses and Reserves;

6.1.i.g.8.G. Reconstructed Income and Expense Statement;

6.1.i.g.8.H. Stabilized Net Operating Income Estimate;

6.1.i.g.8.I. Direct Capitalization;

6.1.i.g.8.J. Discounted Cash Flow;

6.1.i.g.8.K. Yield Capitalization;

6.1.i.g.8.L. Partial Interests; and

6.1.i.g.8.M. Case Studies;

6.1.i.g.9. Thirty (30) hours of general appraiser report writing and case studies, of which course hours may be evidenced by the following educational subtopics:

6.1.i.g.9.A. Writing and Reasoning Skills;

6.1.i.g.9.B. Common Writing Problems;

6.1.i.g.9.C. Report Options and USPAP Compliance; and

6.1.i.g.9.D. Case Studies;

6.1.i.g.10. Thirty (30) hours of appraisal subject matter electives.

~~6.1.j. Prior to January 1, 2008, for the state certified residential classification, the board may credit various appraisal courses toward the classroom hours required by subdivision 6.1.b. of this section if an applicant can show that his or her education involved coverage of all topics listed below with particular emphasis on the appraisal of one to four unit residential properties:~~

~~6.1.j.1. Influences on real estate value, including but not limited to:~~

~~6.1.j.1.A. Physical and environmental;~~

~~6.1.j.1.B. Economic;~~

~~6.1.j.1.C. Governmental and legal; and~~

~~6.1.j.1.D. Social;~~

~~6.1.j.2. Legal considerations in appraisal, including but not limited to:~~

~~6.1.j.2.A. Real estate vs. real property;~~

~~6.1.j.2.B. Real estate vs. personal property;~~

~~6.1.j.2.C. Limitations on real estate ownership;~~

~~6.1.j.2.D. Legal rights and interests;~~

~~6.1.j.2.E. Forms of property ownership;~~

~~6.1.j.2.F. Legal descriptions; and~~

~~6.1.j.2.G. Transfer of title;~~

~~6.1.j.3. Types of value, including but not limited to:~~

~~6.1.j.3.A. Market Value or Value in Exchange;~~

- ~~6.1.j.3.B. Price;~~
- ~~6.1.j.3.C. Cost;~~
- ~~6.1.j.3.D. Investment Value;~~
- ~~6.1.j.3.E. Value in Use;~~
- ~~6.1.j.3.F. Assessed Value; and~~
- ~~6.1.j.3.G. Insurable Value;~~
- ~~6.1.j.4. Economic principles, including but not limited to:~~
  - ~~6.1.j.4.A. Anticipation;~~
  - ~~6.1.j.4.B. Balance;~~
  - ~~6.1.j.4.C. Change;~~
  - ~~6.1.j.4.D. Competition;~~
  - ~~6.1.j.4.E. Conformity;~~
  - ~~6.1.j.4.F. Contribution;~~
  - ~~6.1.j.4.G. Increasing and decreasing returns;~~
  - ~~6.1.j.4.H. Opportunity Cost;~~
  - ~~6.1.j.4.I. Substitution;~~
  - ~~6.1.j.4.J. Supply and demand; and~~
  - ~~6.1.j.4.K. Surplus productivity;~~
- ~~6.1.j.5. Real estate markets and analysis, including but not limited to:~~
  - ~~6.1.j.5.A. Characteristics of real estate markets;~~
  - ~~6.1.j.5.B. Absorption analysis;~~
  - ~~6.1.j.5.C. Role of money and capital markets; and~~
  - ~~6.1.j.5.D. Real estate financing;~~
- ~~6.1.j.6. Valuation process, including but not limited to:~~
  - ~~6.1.j.6.A. Definition of the problem;~~
  - ~~6.1.j.6.B. Collection and analysis of data;~~

- ~~6.1.j.6.C. Analysis of highest and best use;~~
- ~~6.1.j.6.D. Application and limitations of each approach to value;~~
- ~~6.1.j.6.E. Reconciliation and final value estimate; and~~
- ~~6.1.j.6.F. The appraisal report;~~
- ~~6.1.j.7. Property description, including but not limited to:~~
  - ~~6.1.j.7.A. Site description;~~
  - ~~6.1.j.7.B. Improvement description; and~~
  - ~~6.1.j.7.C. Basic construction and design;~~
- ~~6.1.j.8. Highest and best use analysis, including but not limited to:~~
  - ~~6.1.j.8.A. Four tests;~~
  - ~~6.1.j.8.B. Vacant site or as if vacant;~~
  - ~~6.1.j.8.C. As improved; and~~
  - ~~6.1.j.8.D. Interim use;~~
- ~~6.1.j.9. Appraisal math and statistics, including but not limited to:~~
  - ~~6.1.j.9.A. Compound interest concepts; and~~
  - ~~6.1.j.9.B. Statistical concepts used in appraisal;~~
- ~~6.1.j.10. Sales comparison approach, including but not limited to:~~
  - ~~6.1.j.10.A. Research and selection of comparables;~~
  - ~~6.1.j.10.B. Elements of comparison;~~
  - ~~6.1.j.10.C. Adjustment process; and~~
  - ~~6.1.j.10.D. Application of sales comparison approach;~~
- ~~6.1.j.11. Site Value, including but not limited to:~~
  - ~~6.1.j.11.A. Sales comparison;~~
  - ~~6.1.j.11.B. Land residual;~~
  - ~~6.1.j.11.C. Allocation;~~
  - ~~6.1.j.11.D. Extraction; and~~
  - ~~6.1.j.11.E. Plottage and assemblage;~~

- ~~6.1.j.12. Cost approach, including but not limited to:~~
- ~~6.1.j.12.A. Steps in Cost Approach; and~~
- ~~6.1.j.12.B. Application of the Cost Approach;~~
- ~~6.1.j.13. Income approach, including but not limited to:~~
- ~~6.1.j.13.A. Gross rent multiplier analysis;~~
- ~~6.1.j.13.B. Estimation of income and expenses;~~
- ~~6.1.j.13.C. Operating expense ratios; and~~
- ~~6.1.j.13.D. Direct capitalization;~~
- ~~6.1.j.14. Valuation of partial interests, including but not limited to:~~
- ~~6.1.j.14.A. Life estates;~~
- ~~6.1.j.14.B. Undivided interest in commonly held property;~~
- ~~6.1.j.14.C. Easements;~~
- ~~6.1.j.14.D. Timeshares;~~
- ~~6.1.j.14.E. Cooperatives;~~
- ~~6.1.j.14.F. Leased fee estate; and~~
- ~~6.1.j.14.G. Leasehold estate;~~
- ~~6.1.j.15. Appraisal standards and ethics; and~~
- ~~6.1.j.16. Narrative Report writing.~~

~~6.1.k.h.~~ Effective January 1, 2008, the Board shall only credit appraisal courses completed by an applicant for state certified residential classification, and required by subdivision 6.1.b. of this section, if the applicant can show that his or her education involved coverage of all of the following topics and all minimum corresponding hours attendant with each topic thereof, with particular emphasis on the appraisal of one to four unit residential properties:

~~6.1.k.h.1.~~ Thirty (30) hours of basic appraisal principles, of which course hours may be evidenced by the following educational subtopics:

- ~~6.1.k.h.1.A. Real Property Concepts and Characteristics, including, but not limited to:~~
  - ~~6.1.k.h.1.A.1. Basic Real Property Concepts;~~
  - ~~6.1.k.h.1.A.2. Real Property Characteristics; and~~
  - ~~6.1.k.h.1.A.3. Legal Description;~~

6.1.~~k~~.~~h~~.1.B. Legal Consideration, including, but not limited to:

- 6.1.~~k~~.~~h~~.1.B.1. Forms of Ownership;
- 6.1.~~k~~.~~h~~.1.B.2. Public and Private Controls;
- 6.1.~~k~~.~~h~~.1.B.3. Real Estate Contracts; and
- 6.1.~~k~~.~~h~~.1.B.4. Leases;

6.1.~~k~~.~~h~~.1.C. Influences on Real Estate Values, including, but not limited to:

- 6.1.~~k~~.~~h~~.1.C.1. Governmental;
- 6.1.~~k~~.~~h~~.1.C.2. Economic;
- 6.1.~~k~~.~~h~~.1.C.3. Social; and
- 6.1.~~k~~.~~h~~.1.C.4. Environmental, Geographic and Physical;

6.1.~~k~~.~~h~~.1.D. Types of Value, including, but not limited to:

- 6.1.~~k~~.~~h~~.1.D.1. Market Value;
- 6.1.~~k~~.~~h~~.1.D.2. Other Value Types; and

6.1.~~k~~.~~h~~.1.E. Economic Principles, including, but not limited to:

- 6.1.~~k~~.~~h~~.1.E.1. Classical Economic Principles; and
- 6.1.~~k~~.~~h~~.1.E.2. Application and Illustrations of the Economic Principles;

6.1.~~k~~.~~h~~.1.F. Overview of Real Estate Markets and Analysis, including, but not limited to:

- 6.1.~~k~~.~~h~~.1.F.1. Market Fundamentals, Characteristics, and Definitions;
- 6.1.~~k~~.~~h~~.1.F.2. Supply Analysis;
- 6.1.~~k~~.1.F.3. Demand Analysis; and
- 6.1.~~k~~.~~h~~.1.F.4. Use of Market Analysis;

6.1.~~k~~.~~h~~.1.G. Ethics and How They Apply in Appraisal Theory and Practice

6.1.~~k~~.~~h~~.2. Thirty (30) hours of basic appraisal procedures, of which course hours may be evidenced by the following educational subtopics:

- 6.1.~~k~~.~~h~~.2.A. Overview of Approaches to Value;
- 6.1.~~k~~.~~h~~.2.B. Valuation Procedures, including, but not limited to:
  - 6.1.~~k~~.~~h~~.2.B.1. Defining the Problem;

6.1.k.h.2.B.2. Collecting and Selecting Data;

6.1.k.h.2.B.3. Analyzing;

6.1.k.h.2.B.4. Reconciling and Final Value Opinion; and

6.1.k.h.2.B.5. Communicating the Appraisal;

6.1.k.h.2.C. Property Description, including, but not limited to:

6.1.k.h.2.C.1. Geographic Characteristics of the Land/Site;

6.1.k.h.2.C.2. Geologic Characteristics of the Land/Site;

6.1.k.h.2.C.3. Location and Neighborhood Characteristics;

6.1.k.h.2.C.4. Land/Site Considerations for Highest and Best Use; and

6.1.k.h.2.C.5. Improvements -- Architectural Styles and Types of Construction;

6.1.k.h.2.D. Residential Applications;

6.1.k.h.3. Successful completion of the fifteen (15) hour National Uniform Standards of Professional Appraisal Practice Course, or its equivalent;

6.1.k.h.4. Fifteen (15) hours of residential market analysis and highest and best use, of which course hours may be evidenced by the following educational subtopics:

6.1.k.h.4.A. Residential Markets and Analysis, including, but not limited to:

6.1.k.h.4.A.1. Market Fundamentals, Characteristics and Definitions;

6.1.k.h.4.A.2. Supply Analysis;

6.1.k.h.4.A.3. Demand Analysis; and

6.1.k.h.4.A.4. Use of Market Analysis;

6.1.k.h.4.B. Highest and Best Use, including, but not limited to:

6.1.k.h.4.B.1. Test Constraints;

6.1.k.h.4.B.2. Application of Highest and Best Use;

6.1.k.h.4.B.3. Special Considerations;

6.1.k.h.4.B.4. Market Analysis; and

6.1.k.h.4.B.5. Case Studies;

6.1.k.h.5. Fifteen (15) hours of residential appraiser site valuation and cost approach, of which course hours may be evidenced by the following educational subtopics:

6.1.~~k~~.~~h~~.5.A. Site Valuation, including, but not limited to:

6.1.~~k~~.~~h~~.5.A.1. Methods; and

6.1.~~k~~.~~h~~.5.A.2. Case Studies;

6.1.~~k~~.~~h~~.5.B. Cost Approach, including, but not limited to:

6.1.~~k~~.~~h~~.5.B.1. Concepts and Definitions;

6.1.~~k~~.~~h~~.5.B.2. Replacement/ Reproduction Cost New;

6.1.~~k~~.~~h~~.5.B.3. Accrued Depreciation;

6.1.~~k~~.~~h~~.5.B.4. Methods of Estimating Accrued Depreciation; and

6.1.~~k~~.~~h~~.5.B.5. Case Studies;

6.1.~~k~~.~~h~~.6. Thirty (30) hours of residential sales comparison and income approaches, of which course hours may be evidenced by the following educational subtopics:

6.1.~~k~~.~~h~~.6.A. Valuation Principles & Procedures -- Sales Comparison Approach;

6.1.~~k~~.6.B. Valuation Principles & Procedures -- Income Approach;

6.1.~~k~~.~~h~~.6.C. Finance and Cash Equivalency;

6.1.~~k~~.~~h~~.6.D. Financial Calculator Introduction;

6.1.~~k~~.~~h~~.6.E. Identification, Derivation and Measurement of Adjustments;

6.1.~~k~~.~~h~~.6.F. Gross Rent Multipliers;

6.1.~~k~~.6.G. Partial Interests;

6.1.~~k~~.6.H. Reconciliation; and

6.1.~~k~~.~~h~~.6.I. Case Studies and Applications;

6.1.~~k~~.~~h~~.7. Fifteen (15) hours of residential report writing and case studies, of which course hours may be evidenced by the following educational subtopics:

6.1.~~k~~.~~h~~.7.A. Writing and Reasoning Skills;

6.1.~~k~~.~~h~~.7.B. Common Writing Problems;

6.1.~~k~~.~~h~~.7.C. Form Reports;

6.1.~~k~~.~~h~~.7.D. Report Options and USPAP Compliance; and

6.1.~~k~~.~~h~~.7.E. Case Studies;

6.1.k.h.8. Fifteen (15) hours in statistics, modeling and finance, of which course hours may be evidenced by the following educational subtopics:

8.A. Statistics;

6.1.k.h.8.B. Valuation Models (AVM's and Mass Appraisal); and

6.1.k.h.8.C. Real Estate Finance;

6.1.k.h.9. Fifteen (15) hours in advanced residential applications and case studies, of which course hours may be evidenced by the following educational subtopics:

6.1.k.h.9.A. Complex Property, Ownership and Market Conditions;

6.1.k.h.9.B. Deriving and Supporting Adjustments;

6.1.k.h.9.C. Residential Market Analysis; and

6.1.k.h.9.D. Advanced Case Studies;

6.1.k.h.-10. Twenty (20) hours in appraisal subject matter electives.

6.1.l. An applicant shall submit to the board a listing of courses, which he or she claims meet the education credit requirement, on a form approved by the board. An applicant shall submit proof of the completion of a course claimed for credit.

6.1.m. Effective January 1, ~~2008~~ 2015, an applicant for the Certified Residential real estate appraiser certification shall have a bachelor's degree, or higher, from an accredited college or university. ~~an associates degree, or higher, from an accredited college, junior college, community college or university. In lieu of an associates degree, or higher, from an accredited college, junior college, community college or university, an applicant for the Certified Residential real estate appraiser certification shall successfully pass and complete a minimum number of twenty one (21) semester hours, of which the following courses taken from an accredited college, junior college, community college or university are required:~~

~~6.1.m.1. English composition;~~

~~6.1.m.2. Principles of economics (micro or macro);~~

~~6.1.m.3. Finance;~~

~~6.1.m.4. Algebra, geometry, or higher mathematics;~~

~~6.1.m.5. Statistics;~~

~~6.1.m.6. Introduction to computers, such as word processing or spreadsheets; and~~

~~6.1.m.7. Business or real estate law.~~

6.1.n. Effective January 1, ~~2008~~ 2015, an applicant for the Certified General real estate appraiser certification shall have a bachelor's degree, or higher, from an accredited college or university. ~~In lieu of a bachelors degree, or higher, from an accredited college or university, an applicant for the Certified General real estate appraiser certification shall successfully pass and complete a minimum number of thirty (30) semester hours, of which the following courses taken from an accredited college, junior~~

~~college, community college or university are required:~~

~~6.1.n.1. English composition;~~

~~6.1.n.2. Micro-economies;~~

~~6.1.n.3. Macro-economies;~~

~~6.1.n.4. Finance;~~

~~6.1.n.5. Algebra, geometry, or higher mathematics;~~

~~6.1.n.6. Statistics;~~

~~6.1.n.7. Introduction to computers, such as word processing or spreadsheets;~~

~~6.1.n.8. Business or real estate law; and~~

~~6.1.n.9. Two (2) elective courses in accounting, geography, ageconomies, business management, or real estate.~~

## 6.2. Experience.

6.2.a. An applicant for the state certified residential classification shall have two thousand five hundred (2,500) hours of appraisal experience over a period of not less than 24 months. Not less than one hundred (100) hours of the required experience hours shall be in non-residential assignments. While the number of experience hours may be cumulative, a period of no less than 24 months wherein such experience is acquired must accrue before an applicant may be certified. Applicants must be able to demonstrate the ability to develop all three (3) approaches to value.

6.2.b. An applicant for the state certified general classification shall have a minimum of three thousand (3,000) hours of appraisal experience over a period of not less than 30 months. Not less than one hundred (100) hours of the required experience hours shall be in residential assignments. At least one-half (1,500) of the hours of the required experience shall be in non-residential assignments. While the number of experience hours may be cumulative, a period of no less than 30 months wherein such experience is acquired must accrue before an applicant may be certified. Applicants must be able to demonstrate the ability to develop all three (3) approaches to value.

6.2.c. As a part of the application for license or certification, an applicant shall execute an affidavit attesting to his or her experience in the field of real estate appraisal. In addition, an applicant shall provide, on forms provided by the board, a detailed list of the real estate appraisal reports or file memoranda for each year for which experience is claimed. Upon request, an applicant shall provide the board a sample of appraisal reports which the applicant has prepared. Experience obtained after January 1, 1991, shall comply with the Uniform Standards of Professional Appraisal Practice (USPAP).

6.2.d. A licensed or certified residential real estate appraiser may assist a certified general real estate appraiser in the appraisal of non-residential property valued over one hundred thousand dollars (\$100,000) and accumulate the experience hours required in subdivision 6.2.b. of this rule. He or she shall work under the direct supervision of a state certified general real estate appraiser and view the property on site and participate in the appraisal process in order to sign the report and receive credit for the experience hours.

## 6.3. Examination.

6.3.a. Before the board issues an initial certification, license, an applicant shall successfully complete a written national examination administered by the board or by a testing service acting on behalf of the board. The passing score shall be determined by the board based upon the recommendation of the testing service. Effective January 1, 2015, education and experience must be completed prior to taking the national examination.

6.3.b. Before the board issues an initial license, an applicant shall successfully complete ~~written state examination covering the sections of the West Virginia Code that regulate the practice of real estate appraising~~ a three (3) hour West Virginia law course, with exam. The passing score shall be determined by the board.

**§190-2-7. Procedure for Calculation of Experience by the Board.**

7.1. As provided for in Sections 5 and 6 of this rule, an applicant for residential real estate appraiser licensing or certification shall provide evidence satisfactory to the board that the applicant possesses the required amount of appraisal experience. The board may award maximum experience hours for residential real estate appraisals as follows:

7.1.a. A maximum of twelve hours of credit for a complex residential appraisal; and

7.1.b. A maximum of six hours of credit for a non-complex residential appraisal.

7.2. As provided for in subdivision 6.2.b. of this rule, an applicant for general real estate appraiser certification shall provide evidence satisfactory to the board that the applicant possesses the required amount of appraisal experience. At least one-half of the hours of the required experience shall be in non-residential appraisal assignments. The board may award maximum experience credits for non-residential real estate appraisals as follows:

7.2.a. A maximum of thirty-two (32) hours of credit for a complex non-residential appraisal; and

7.2.b. A maximum of eight (8) hours of credit for a non-complex non-residential appraisal.

7.3. If an applicant for licensure or certification feels that he or she has performed any real estate appraisals under unique circumstances, or that he or she has expended a greater amount of hours in the performance of an appraisal than the provisions of this section allow, the applicant may provide the board with a log detailing the amount of actual hours spent on the appraisals, with sufficient details of the hours of experience for which he or she is requesting experience credit.

7.4. For the purpose of this section only: a non-complex appraisal is one having the following characteristics:

7.4.a. There is an active market of essentially identical properties;

7.4.b. Adequate data is available to the appraiser;

7.4.c. Adjustments to comparable sales are not large in the aggregate, specifically not exceeding the trading range found in the market of essentially identical properties; and

7.4.d. For residential property, the contract price falls within the market norm (median sales price) of homes in the neighborhood.

7.5. For the purpose of this section only, a complex appraisal:

7.5.a. For non-residential property is one that relies to any significant degree on all three approaches to value (cost, sales comparison and income) or does not have the characteristics of a non-complex appraisal; and

7.5.b. For residential property is one that relies to any significant degree on at least two of the three approaches to value, with one approach being the sales comparison approach, or does not have the characteristics of a non-complex appraisal.

7.6. All appraisals submitted or claimed for experience credit are subject to verification by the board. An applicant may not claim experience hours for appraisals which are not supported by written reports or file memoranda. On request, an applicant shall furnish the board copies of appraisal reports and file memoranda supporting the experience hours sought by the applicant. The board shall treat all appraisal reports and file memoranda submitted to the board as confidential to the extent permitted by law.

#### **§190-2-8. Qualifications for Licensure or Certification by Reciprocity.**

8.1. An applicant who is currently licensed or certified as a real estate appraiser in another jurisdiction may ~~obtain~~ apply for a West Virginia real estate appraiser license or certification that is the same as the out-of-state license or certification provided that:

8.1.a. The appraiser licensing program of the other state is in compliance with the provisions of Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 {12U.S.C.3331-3351} as amended by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010;

~~8.1.b. The other state has credentialing requirements that meet or exceed those of West Virginia by providing documentation that he or she has met educational, experience and examination requirements that are substantially equivalent to those required in West Virginia for the appropriate level of license or certification. Provided, that the other jurisdiction extends the same reciprocal consideration to all West Virginia licensed or certified real estate appraisers in good standing in this state. All reciprocal applicants shall pass the West Virginia appraiser law section of the licensing examination prior to license or certification and pay the appropriate fees provided for in Section 10 of this Rule.~~

8.2. Each applicant for a license or certification by reciprocity shall:

~~8.1.a.~~ 8.2.a. Be at least 18 years of age;

~~8.2.b. Sign, as part of the application, an affidavit certifying that the applicant has read and understands the West Virginia real estate appraiser license laws and the rules of the board;~~

~~8.2.c. Be in good standing as a real estate appraiser in every jurisdiction where he or she is licensed or certified. The applicant's license or certification may not be suspended, revoked or surrendered in connection with a disciplinary action. The applicant may not have been or currently be the subject of disciplinary action in any jurisdiction;~~

~~8.2.d.~~ 8.2.b. Have a good reputation for honesty, truthfulness, and fair dealing, and be competent to transact the business of a real estate appraiser in a manner that safeguards the interest of the public; and,

~~8.2.e.~~ 8.2.c. Not have been convicted or pled guilty, regardless of adjudication, in any jurisdiction, of a misdemeanor involving moral turpitude or of any felony. Any plea of nolo contendere is considered a conviction for purposes of this subdivision. The record of a conviction authenticated in a form that is admissible in evidence under the laws of the jurisdiction where convicted is admissible as

prima facie evidence of the conviction.

~~8.2.f. Submit to a criminal background investigation for the purpose of determining whether an applicant has been charged with, indicted for, or convicted of a crime that may have bearing upon the applicant's fitness to hold a license. The applicant shall complete and submit to the board, on a form provided by the board, a form that relates to the release of information and waiver of confidentiality of records. The applicant will also submit a full set of fingerprints to facilitate a criminal background check and the board will request the state police to submit the fingerprints and identifying information to the Federal Bureau of Investigation for a national criminal history record check. The results of the fingerprint check will be returned to the board.~~

~~8.2.f.1. The applicant will reimburse the board for all fees or charges that are incurred by the board for the background investigation.~~

~~8.2.g. Provide to the board, on forms provided by the board, a detailed list of the real estate appraisal reports performed by the applicant during the year preceding the date of the application. The board or upgrades committee will choose an appraisal from the list, of which the applicant shall submit to the board a copy of such appraisal and corresponding work file. The upgrades committee shall review the appraisal to determine compliance with the Uniform Standards of Professional Appraisal Practice and W. Va. Code §30-38-1, et seq. Based upon the appraiser's compliance with the Uniform Standards of Professional Appraisal Practice and W. Va. Code §30-38-1, et seq., as reflected from a review of the appraisal submitted by the appraiser, or failure of compliance thereof, the upgrades committee shall recommend and submit to the Board for final determination, whether to approve or disapprove the application of the applicant.~~

8.2.d. Be identified on The National Registry of The Appraisal Subcommittee as an active licensed or certified real property appraiser that currently conforms to the AQB criteria.

8.2.e. Complete an application approved by the board.

~~8.2.h. 8.2.f.~~ On forms provided by the board, sign a pledge to comply with the standards of professional appraisal practice and the ethical rules that are established by the board. Each applicant shall also certify that he or she understands the types of misconduct as described in W. Va. Code §30-38-1 et seq. and that disciplinary proceedings may be initiated against him or her for that misconduct.

8.3. The Board may consider applicants for license or certification who do not meet the requirements set forth in subdivision 8.2.c. or subdivision 8.2.e. of this section.

### **§190-2-9. Qualifications for Temporary Permit as a Licensed Residential Real Estate Appraiser, Certified Residential or Certified General Real Estate Appraiser**

9.1. An individual who is currently licensed or certified as a real estate appraiser in another jurisdiction may apply for a temporary permit as provided for in Title XI of the United States Code entitled "Financial Institutions Reform, Recovery and Enforcement Act of 1989". Each applicant shall sign an irrevocable consent to service form consenting to the service of process by means of delivery to the Secretary of State if, in the event of an action which results from his or her activities as a real estate appraiser in the State, a Plaintiff, in the exercise of due diligence, cannot effect personal service upon the temporary permit holder.

9.2. The board shall recognize the appraiser's certification or license issued by another state as equivalent to a West Virginia license or certification provided that:

9.2.a. The applicant's business is of a temporary nature, and is limited to one specific

assignment;

9.2.b. The board considers the education, experience and general examination requirements completed in the jurisdiction of original licensure or certification to be substantially equivalent to those required for the appropriate level of licensure or certification in West Virginia;

9.2.c. The applicant signs, as part of the application, an affidavit certifying that the appraiser shall read and comply with the law and the rules of the West Virginia Real Estate Appraiser Board;

9.2.d. The applicant is in good standing as a licensed or certified real estate appraiser in every jurisdiction where he or she is licensed or certified. The applicant's license or certification may not have been suspended, revoked, or surrendered in connection with a disciplinary action. The applicant may not have been or currently be the subject of disciplinary action in any jurisdiction;

9.2.e. The applicant has a good reputation for honesty, truthfulness, and fair dealing, and is competent to transact business of a real estate appraiser in a manner that safeguards the interest of the public;

9.2.f. The applicant has not been found guilty or pled guilty, regardless of adjudication, in any jurisdiction, of a misdemeanor involving moral turpitude or of any felony. Any plea of nolo contendere is considered a conviction for purposes of this subdivision. The record of a conviction authenticated in a form that is admissible in evidence under the laws of the jurisdiction where convicted is admissible as prima facie evidence of the conviction; and

9.2.g. The applicant is at least 18 years of age.

9.3. The board may consider and approve for a temporary permit an applicant who does not meet the requirements set forth in subdivisions 9.2.d. and 9.2.f. of this section.

9.4. The temporary permit issued under the provisions of this section is expressly limited to the authority of the permit holder to perform the specific contract of appraising which is the basis for the temporary permit.

9.5. Each temporary permit expires upon the completion of the appraisal work which is the basis of the permit or after a period of six (6) months, whichever occurs first.

**§190-2-10. Licensure, Certification and Other Fees.**

10.1. All licensure and certification fees for licenses and certifications are non-refundable.

10.2. The fees charged by the board are as follows:

10.2.a. A license application fee of ~~one hundred twenty five dollars (\$125);~~ one hundred fifty dollars (\$150);

10.2.b. An annual state licensed residential license fee of two hundred sixty-five dollars (\$265);

10.2.c. A delinquent license fee of an additional one hundred dollars (\$100);

10.2.d. A temporary permit fee of ~~one hundred fifty dollars (\$150)~~ two hundred fifty dollars (\$250) for a non-residential appraisal and ~~one hundred fifty dollars (\$150)~~ two hundred fifty dollars (\$250) for a residential appraisal;

10.2.e. A certification application fee of ~~one hundred twenty-five dollars (\$125);~~ one hundred fifty dollars (\$150);

10.2.f. An annual state certified general license fee of four hundred sixty-five dollars (\$465);

10.2.g. An annual state certified residential license fee of three hundred fifteen dollars (\$315);

10.2.h. A delinquent certification fee of an additional one hundred dollars (\$100);

10.2.i. A licensee on active duty with the Armed Forces of the United States, or his accompanying spouse, will be renewed without payment of renewal fees for the period the licensee is on active duty outside the State of West Virginia, plus six (6) months after discharge from active duty;

~~10.2.i.~~ 10.2.j. An annual inactive status fee of ~~one hundred dollars (\$100);~~ one hundred fifty dollars (\$150);

10.2.k. An apprentice application permit fee of one hundred fifty dollars (\$150);

~~10.2.j.~~ 10.2.l. An annual apprentice permit fee of one hundred ninety dollars (\$190);

~~10.2.k.~~ 10.2.m. A Certificate of Good Standing: ~~twenty dollars (\$20);~~ twenty-five dollars (\$25);

~~10.2.l.~~ 10.2.n. Copy fees: fifty cents (\$.50) per page;

~~10.2.m.~~ 10.2.o. An Upgrade application fee: ~~one hundred twenty-five dollars (\$125);~~ one hundred fifty dollars (\$150);

~~10.2.n.~~ 10.2.p. An Exemption from Supervisory Accompaniment Application fee: ~~one hundred twenty-five dollars (\$125);~~ one hundred fifty dollars (\$150)

~~10.2.o.~~ 10.2.p. One roster: ~~twenty-five dollars (\$25)~~ thirty-five dollars (\$35); Roster subscription fee: ~~forty dollars (\$40) per year;~~ previous issues of roster: ten dollars (\$10);

~~10.2.p.~~ A copy of current Uniform Standards of Professional Appraisal Practice (USPAP); ~~twenty dollars (\$20);~~

10.2.q. A duplicate wall certificate: ~~twenty-five dollars (\$25);~~ fifty dollars (\$50);

10.2.r. A duplicate pocket card: ~~twenty-five dollars (\$25);~~ fifty dollars (\$50);

10.2.s. A continuing education and qualifying education course approval fee: fifty dollars (\$50) ~~seventy-five dollars \$75,~~ per course, per educational course provider.;

10.2.t. A duplicate renewal application form: twenty-five dollars(\$25).

10.3. The board shall collect from licensed and certified real estate appraisers an annual registry fee which is established by the Appraisal Subcommittee of the Federal Financial Institutions Examination Council and shall submit the registry fees to the Federal Financial Institutions Examination Council on an annual basis.

10.4. The board shall deposit all fees and revenues collected pursuant to this rule in a special fund that the board shall use solely for the purposes of paying the expenses incurred in connection with the

administration of W. Va. Code §30-38-1 et seq.

**§190-2-11. Qualifications for Apprentices, Apprentice Supervisors, Apprentice Permits.**

11.1. This section establishes a real estate appraiser apprentice permit program for persons who desire to acquire the appraisal experience required by subdivisions 5.2.a., 6.2.a. and 6.2.b. of this rule in order to be licensed or certified.

11.2. Participation in the apprentice program is a prerequisite to licensure or certification except in cases of reciprocity or issuance of a temporary permit as required by §30-38-5.

11.3. Application for apprentice permit; requirements and qualifications. An applicant for an apprentice permit shall submit: a completed application form; the permit fee; and, the name and address of his or her supervising appraiser. An applicant shall:

11.3.a. Be at least eighteen (18) years of age;

11.3.b. Have a good reputation for honesty and truthfulness as required by subdivisions 4.1.a. and 4.1.d. of this rule;

11.3.c. Have a high school diploma or its equivalent;

11.3.d. Have successfully completed the classroom hours required by subdivision 5.1.a. of this rule in subjects related to real estate appraisal in accordance with subsection 5.1. of this rule within the five (5) year period prior to the date of submission of application for an apprentice permit; and

11.3.e. Cause his or her supervising appraiser to submit a copy of an appraisal completed by the supervisor to the upgrades committee of the board for review. Such appraisal completed by the supervisor and submitted to the Board shall have been performed within three (3) months preceding the submission of the apprentice application. Such appraisal must be a residential appraisal that at minimum includes the cost and sales comparison approach to value. The upgrades committee shall review the appraisal of the supervisor to determine compliance with the Uniform Standards of Professional Appraisal Practice and W. Va. Code §30-38-1, et seq. Based upon the supervisor's compliance with the Uniform Standards of Professional Practice and W. Va. Code §30-38-1, et seq., as reflected from a review of the appraisal submitted by the supervisor, or failure of compliance thereof, the upgrades committee shall recommend and submit to the Board for final determination, whether to approve or disapprove the supervisor from acting in the capacity of supervisor to the apprentice. In the event the Board disapproves a supervisor from acting in the capacity of supervisor to an apprentice, the application of the applicant for apprentice shall be denied.

11.3.f. ~~Submit to a criminal background investigation state and national criminal history record check, as set forth in this subdivision, for the purpose of determining whether an the applicant has been charged with, indicted for, or convicted of a crime that may have bearing upon the applicant's fitness to hold a license. The applicant shall complete and submit to the board, on a form provided by the board, a form that relates to the release of information and waiver of confidentiality of records. The applicant will also submit a full set of fingerprints to facilitate a criminal background check and the board will request the state police to submit the fingerprints and identifying information to the Federal Bureau of Investigation for a national criminal history record check. The results of the fingerprint check will be returned to the board.~~

~~11.3.f.1. The applicant will reimburse the board for all fees or charges that are incurred by the board for the background investigation.~~

11.3.f.1. The criminal history record check shall be based on fingerprints submitted to the West Virginia State Police or its assigned agent for forwarding to the Federal Bureau of Investigation.

11.3.f.2. The applicant shall meet all requirements necessary to accomplish the state and national criminal history record check, including:

11.3.f.2.A. Submitting fingerprints for the purposes set forth in this subsection; and

11.3.f.2.B. Authorizing the board, the West Virginia State Police and the Federal Bureau of Investigation to use all records submitted and produced for the purpose of screening the applicant for a license.

11.3.f.3. The results of the state and national criminal history record check may not be released to or by a private entity except:

11.3.f.3.A. To the individual who is the subject of the criminal history record check;

11.3.f.3.B. With the written authorization of the individual who is the subject of the criminal history record check; or

11.3.f.3.C. Pursuant to a court order.

11.3.f.4. The criminal history record check and related records are not public records for the purposes of chapter twenty-nine-b of this code.

11.3.f.5. The applicant shall ensure that the criminal history record check is completed as soon as possible after the date of the original application for registration.

11.3.f.6. The applicant shall pay the actual costs of the fingerprinting and criminal history record check.

~~11.4. The apprentice shall attend, when offered by the board, an apprentice orientation program within sixty (60) days immediately following the issuance of the apprentice permit. The applicant shall complete a board approved supervisor-apprentice orientation course that, at a minimum, complies with the specifications for course content established by the Appraisal Qualifications Board prior to obtaining the apprentice permit.~~

11.5. The applicant shall successfully complete a three (3) hour West Virginia law course, with exam, prior to obtaining the apprentice permit.

~~11.5.~~ 11.6. Annual Apprentice Permit Renewal.

An apprentice may renew his or her annual permit upon submission to the board of a renewal application, the annual permit fee, proof of fourteen (14) hours continuing education as defined in the Rule of the board entitled "Renewal of Licensure for Certification", 190CSR3.

11.6.a. As a condition of renewal, an apprentice shall complete a three (3) hour West Virginia law course, with exam, every four (4) years, effective July 1, 2015.

~~11.6.~~ 11.7. Responsibilities of Apprentice.

~~11.6.~~ 7.a. The apprentice shall work under the direct supervision of a state certified real estate

appraiser.

11.6. ~~7~~.b. The apprentice and supervisor shall jointly maintain an experience log on a form provided by the Board. Experience hours shall be calculated in accordance with Section 7 of this rule. Separate experience logs shall be maintained for each supervising appraiser.

11.6. ~~7~~.c. An apprentice shall view the property and participate in the appraisal process in order to sign the report and to receive credit for the hours spent. The report shall be signed by the apprentice as follows:

Assisted by: \_\_\_\_\_

Apprentice Number: \_\_\_\_\_

11.6. ~~7~~.d. The apprentice shall ensure that the experience log is available at all times for inspection by the board;

11.6.~~7~~.e. When performing appraisal assignments, the apprentice shall carry on his or her person, the permit issued by the board;

#### 11.~~7~~. 8. Qualifications and Responsibilities of Supervisor.

A supervising appraiser shall be a state certified real estate appraiser, shall have held an active state certified real estate appraiser license in good standing, shall not have been the subject of any disciplinary action that affected the supervisor's legal eligibility to engage in appraisal practice for at least ~~two (2)~~ three (3) years immediately preceding the submission of an apprentice permit application to the board on behalf of any person, and shall not be the subject of any complaints or pending disciplinary action, and has the following duties and responsibilities:

11.7. ~~8~~.a. The supervisor is at all times responsible for and shall provide direct supervision of the work performed by the apprentice in accordance with the Uniform Standards of Professional Appraisal Practice, and shall complete a board approved supervisor-apprentice orientation course that, at a minimum, complies with the specifications for course content established by the Appraisal Qualifications Board prior to supervising an apprentice, as when offered by the board, attend the apprentice orientation program within sixty (60) days immediately following the issuance of the apprentice permit and supervisor approval, required by subsection 11.4. of this rule;

11.7. ~~8~~.b. The supervisor and apprentice shall jointly maintain an experience log on a form provided by the Board. Experience hours shall be calculated in accordance with Section 7 of this rule. Separate experience logs shall be maintained for each supervising appraiser and shall indicate his or her certification number. The supervisor and apprentice shall, at least once a month, sign the experience log required to be kept by the apprentice.

11.7. ~~8~~.c. The supervisor shall make available to the apprentice, a copy of any appraisal report that the apprentice signed that is requested for review by the board; and

11.7.~~8~~.d. After the apprentice successfully completes the licensing examinations required by subsection 5.3 of this rule and has obtained five hundred (500) hours of experience, the supervisor and the apprentice may jointly apply to the board for an exemption that would allow the supervisor to sign the appraisal report without viewing the property, provided the apprentice is competent to perform the inspection. In any application for exemption, the supervisor and the apprentice shall obtain from the board and complete an application for exemption from supervisory accompaniment, shall pay the appropriate fee as set forth in subsection 10.2 of this rule, and shall attach an experience log that reflects

the apprentice has completed at least five hundred (500) hours of experience. The experience log shall be in chronological order, complete and signed by the supervisor and apprentice.

~~11.8. 9.~~ ~~—An apprentice may take the licensing examination required by subsection 5.3. of this rule at any time during his or her apprenticeship.~~ An apprentice may take the licensing examination required by subsections 5.3 and 6.3 of this rule only after completing required education and experience components.

~~11.9. 10.~~ This section is not intended to prohibit a person who does not have an apprentice permit from assisting or helping a licensed or certified appraiser as long as that person does not sign the report. However, the licensed or certified appraiser who uses such an assistant or helper shall conform with the duties and responsibilities as required in subdivision 11.5.a. of this section.

### **§190-2-12. Inactive Status.**

12.1. ~~Any~~ A licensed or certified real estate appraiser, in good standing and without pending complaints or disciplinary action, may place his or her license or certification on inactive status by completing a signed and sworn affidavit approved by the board and submitting the annual inactive status fee.

12.2. An apprentice shall not be eligible for inactive status.

12.3. A licensed or certified real estate appraiser on inactive status may not engage in the practice of real estate appraisal, but may still consider himself or herself as an appraiser.

~~12.3. 12.4.~~ A licensed or certified real estate appraiser may remain on inactive status for ~~an unlimited number of years as long as he or she submits the annual fee for inactive status to the board~~ a period not to exceed five (5) years.

12.4.a. If the appraiser has been inactive after a period exceeding five (5) years, the credential expires and the individual shall be required to meet all the requirements for original issuance of a license or certificate at the time of application.

12.5. To reactivate a license or certification from inactive status:

12.5.a. If the appraiser has been inactive for five (5) years or less, a licensed or certified real estate appraiser shall pay the fee established by the board at that time for an active license or certificate in his or her classification and verify to the board that he or she completed the required amount of hours of continuing education as defined in the board's rule "Renewal of License or Certification" 190CSR3. This shall include the current seven (7) hour USPAP update course. Prior to reactivation of license, the licensee shall provide all proper documentation to the Board that the licensee completed all applicable continuing educational hours for every licensure year the licensee's license was on inactive status.

12.5.b. Submit to a state and national criminal history record check, as set forth in this subdivision, for the purpose of determining whether the applicant has been charged with, indicted for, or convicted of a crime that may have bearing upon the applicant's fitness to hold a license.

12.5.b.1. The criminal history record check shall be based on fingerprints submitted to the West Virginia State Police or its assigned agent for forwarding to the Federal Bureau of Investigation.

12.5.b.2. The applicant shall meet all requirements necessary to accomplish the state and national criminal history record check, including:

12.5.b.2.A. Submitting fingerprints for the purposes set forth in this subsection; and

12.5.b.2.B. Authorizing the board, the West Virginia State Police and the Federal Bureau of Investigation to use all records submitted and produced for the purpose of screening the applicant for a license.

12.5.b.3. The results of the state and national criminal history record check may not be released to or by a private entity except:

12.5.b.3.A. To the individual who is the subject of the criminal history record check;

12.5.b.3.B. With the written authorization of the individual who is the subject of the criminal history record check; or

12.5.b.3.C. Pursuant to a court order.

12.5.b.4. The criminal history record check and related records are not public records for the purposes of chapter twenty-nine-b of this code.

12.5.b.5. The applicant shall ensure that the criminal history record check is completed as soon as possible after the date of the original application for registration.

12.5.b.6. The applicant shall pay the actual costs of the fingerprinting and criminal history record check.

#### **§190-2-13. Licenses and Certifications.**

13.1. The board shall issue to each licensed or certified real estate appraiser a document stating that the license or certification has been issued pursuant to W. Va. Code §30-38-7(j) and specifying the expiration date. The board shall issue a pocket card with the name and license or certification number of the respective licensee on a size and form provided by the board. A licensee governed by this rule shall place his or her respective title and license or certification number on any and all statements of qualifications, contracts or other instruments, including advertising media. The pocket card remains the property of the board and the licensee shall surrender it at any time upon request by the board.

13.2. Initial licenses and certifications expire on September 30 following the date of issue. Subsequent licenses and certifications are renewed for the period of October 1 to September 30 of the following year.

#### **§190-2-14. Standards of Professional Appraisal Practice.**

14.1. Each licensed or certified real estate appraiser shall comply with generally accepted standards of professional appraisal practice and generally accepted ethical rules to be observed by a real estate appraiser. The national Uniform Standards of Professional Appraisal Practice, as promulgated by the Appraisal Foundation, and adopted and incorporated by reference, shall constitute the minimum requirements to be observed by a real estate appraiser. The minimum standard of practice governing real estate appraisal activities shall be the edition of the Uniform Standards of Professional Appraisal Practice in effect on the date of the appraisal report. A copy of the Uniform Standards of Professional Appraisal Practice is maintained with the board and the office of the secretary of state for use by all appraisers in the preparation of appraisal reports. A copy of the Uniform Standards of Professional Appraisal Practice may be obtained from the Appraisal Foundation.

## BRIEF SUMMARY OF THE RULE

### Title 190 Series 2 – Requirements for Licensure and Certification

Title 190 Series 2 in general establishes the requirements for an applicant to become a licensed or certified real estate appraiser in the state of West Virginia. All proposed rule changes would have an effective date of January 1, 2015.

§190-2-1. General. The proposed modification to this legislative rule cites additional statutory authority for fingerprinting of applicants in order to determine whether grounds exist to deny the issuance of an original license.

§190-2-2. Definitions. The proposed modification to this legislative rule establishes the definition for classroom hour of distance education and adds language to clarify the definition of classroom hour to differentiate between the two types of education. It similarly establishes the definition of written exam when used by providers of distance qualifying education.

The proposed rule also establishes the definition of the National Registry of the Appraisal Subcommittee.

§190-2-4. General Qualifications for Licensure or Certification. The modification of this legislative rule proposes two revisions:

- 1) The modification to Subsection 4.4 will bring West Virginia into federal standards/compliance for qualification to become a real estate appraiser that becomes effective January 1, 2015. The Appraiser Qualifications Board (AQB), of the Appraisal Foundation, sets the criteria (Real Property Appraiser Qualification Criteria) to become an appraiser. States are required to follow these Criteria when licensing or certifying appraisers. The requirements to become a real estate appraiser are broken down by three components: education, experience and examination.

The current rule meets AQB Real Property Appraiser Qualification Criteria that is effective January 1, 2008 through December 31, 2014.

- 2) Modifications to Subsection 4.5 revises the process for obtaining a criminal history record check to reflect the current methods utilized by the West Virginia State Police, for example the State Police now contract the process to an outside agent.

The current rule describes a process no longer utilized by the West Virginia State Police.

§190-2-5. Additional Qualifications for Licensed Residential Real Estate Appraisers. The modification of this legislative rule proposes modifications to two subsections:

- 1) Subsection 5.1. Education. Proposed modifications:
  - a. The modifications to Subsection 5.1 will bring West Virginia into federal standards/compliance for qualification to become a real estate appraiser that becomes effective January 1, 2015. The Appraiser Qualifications Board (AQB), of the Appraisal Foundation, sets the criteria (Real Property Appraiser

Qualification Criteria) to become an appraiser. States are required to follow these Criteria when licensing or certifying appraisers.

- b. The board also proposes to allow applicants to obtain credit towards classroom hours of distance education for qualifying education. Current rule allows credit to be obtained only in classroom settings.

2) Subsection 5.3. Examination. Proposed modifications:

- a. The requirement the education and experience must be completed prior to taking the national examination will bring West Virginia into federal standards/compliance for qualification to become a real estate appraiser that becomes effective January 1, 2015. The Appraiser Qualifications Board (AQB), of the Appraisal Foundation, sets the criteria (Real Property Appraiser Qualification Criteria) to become an appraiser. States are required to follow these Criteria when licensing or certifying appraisers.
- b. The board proposes that prior to issuing an initial license; an applicant shall successfully complete a 3-hour West Virginia law course, with exam. During the board's investigations of complaints and other communications with licensees, it became apparent licensees are unfamiliar with the laws and rules that regulate their profession. The board believes it invaluable for new licensees to be cognizant with their professional law and rules. Pennsylvania currently requires such a course every two years. Kentucky is the process of developing a course. The course will be developed as an on-line course. Currently, the examination consists of a 25 question true-false, open-book style examination.

§190-2-6. Additional Qualifications for Certified General and Certified Residential Real Estate Appraisers. The modification of this legislative rule proposes modifications to three subsections:

1) Subsection 6.1. Education. Proposed modifications:

- a. The modifications to Subsection 6.1 will bring West Virginia into federal standards/compliance for qualification to become a real estate appraiser that becomes effective January 1, 2015. The Appraiser Qualifications Board (AQB), of the Appraisal Foundation, sets the criteria (Real Property Appraiser Qualification Criteria) to become an appraiser. States are required to follow these Criteria when licensing or certifying appraisers.
- b. The board proposes to allow applicants to obtain credit towards classroom hours of distance education for qualifying education. Current rule allows credit to be obtained only in classroom settings.

2) Subsection 6.2. Experience. Proposed modifications:

- a. The modification to 6.2.a. proposes to require an applicant for the state certified residential classification to include not less than 100 hours of the required 2,500 experience hours in non-residential appraisals and to be able to demonstrate the ability to develop all three approaches to value. The rationale for this requirement is because the scope of license of the certified

residential classification includes non-residential real estate having a value of less than \$100,000. Current rules do not include this requirement.

- b. The modification to 6.2.b. proposes to require an applicant for the state certified general classification to include not less than 100 hours of the required 3,000 experience hours in residential appraisals and to be able to develop all three approaches to value. The rationale for this requirement is because the scope of license of the certified general classification includes residential real estate. Current rules do not include this requirement.

3) Subsection 6.3. Examination. Proposed modifications:

- a. The requirement the education and experience must be completed prior to taking the national examination will bring West Virginia into federal standards/compliance for qualification to become a real estate appraiser that becomes effective January 1, 2015. The Appraiser Qualifications Board (AQB), of the Appraisal Foundation, sets the criteria (Real Property Appraiser Qualification Criteria) to become an appraiser. States are required to follow these Criteria when licensing or certifying appraisers.
- b. The board proposes that prior to issuing an initial license; an applicant shall successfully complete a 3-hour West Virginia law course, with exam. During the board's investigations of complaints and other communications with licensees, it became apparent licensees are unfamiliar with the laws and rules that regulate their profession. The board believes it invaluable for new licensees to be cognizant with their professional law and rules. Pennsylvania currently requires such a course every two years. Kentucky is the process of developing a course. The course will be developed as an on-line course. Currently, the examination consists of a 25 question true-false, open-book style examination.

§190-2-8. Qualifications for Licensure or Certification by Reciprocity. The proposed modifications to this legislative rule will bring our rules into compliance with a statute change that went into effect on July 12, 2013. This statute change was mandated by Dodd-Frank Act. Essentially, states are required to have a more "open door" policy towards reciprocity. Our current rule requires submission of original qualifying education, work logs and work product. States will not be allowed to request such as of July 1, 2013.

§190-2-10. Licensure, Certification and Other Fees. The proposed modifications to this rule increases *non-licensing fees*, such as application fees, roster fees, course provider fees, exemption fees and fees for providing duplications of materials. The rule also specifies an apprentice application permit fee, whereas it had been previously included within the licensing application fee. The board has not proposed fee increases since 2005, despite revenues from a decrease in licensees and increasing costs to the processing of complaints and complexity of operations.

The proposed modification also will give legislative authority for the board to enact House Bill 4037, allowing consideration of veterans and their spouses.

Lastly, the proposed modification would increase the temporary permit fee for non-resident appraisers from \$150 to \$250. The maximum allowed for a temporary permit fee is set nationally by the Appraisal Subcommittee. Most states establish the amount set by the Appraisal Subcommittee as the amount of the temporary permit for their state.

§190-2-11. Qualifications for Apprentices, Apprentice Supervisors, Apprentice Permits. The proposed modifications for this rule include:

- 1) Modifications to 11.3.d., 11.4, 11.7, 11.8.a, 11.8.b. and 11.9 will bring West Virginia into federal standards/compliance for apprentice/supervisor requirements that become effective January 1, 2015. The Appraiser Qualifications Board (AQB), of the Appraisal Foundation, sets the criteria (Real Property Appraiser Qualification Criteria) for apprentices and supervisors, as well as appraisers. States are required to follow these Criteria when licensing or certifying appraisers.
- 2) Modification to 11.3. e. will establish that the supervising appraiser must submit a residential appraisal that a minimum includes the cost and sales comparison approach to value. This requirement would allow the board to establish the supervising appraiser was knowledgeable and USPAP compliant in the most basic forms of appraising prior to supervising an apprentice.
- 3) Modification to 11.3.f. revises the process for obtaining a criminal history record check to reflect the current methods utilized by the West Virginia State Police, for example the State Police now contract the process to an outside agent. The current rule describes a process no longer utilized by the West Virginia State Police.
  - c. Modification to 11.6 and 11.6.a. proposes that prior to issuing an apprentice permit an applicant shall successfully complete a 3-hour West Virginia law course, with exam. During the board's investigations of complaints and other communications with licensees, it became apparent licensees are unfamiliar with the laws and rules that regulate their profession. The board believes it invaluable for new licensees to be cognizant with their professional law and rules. Pennsylvania currently requires such a course every two years. Kentucky is the process of developing a course. The course will be developed as an on-line course. Currently, the examination consists of a 25 question true-false, open-book style examination. This would also be a condition of renewal every 4 years.
- 4) Modification to 11.8. would establish that a supervisor not be the subject of any complaints or pending disciplinary action. Once the board has found due cause for disciplinary action, the legal process can be lengthy. The board does not believe that an apprentice benefits from positive learning in such situations.

§190-2-12. Inactive Status. The proposed modifications to this legislative rule will allow:

- 1) The board to limit licensees seeking inactive status to those in good standing and without pending complaints or disciplinary action;

- 2) To limit a licensee to remain on an inactive status for a period not to exceed 5 years. Current rule allows appraisers to remain on inactive status for an unlimited number of years; and
- 3) To require a national criminal history record check for those reactivating a license or certification from inactive status.

**FACTS AND CIRCUMSTANCES OF THE RULE**  
**Title 190 Series 2 – Requirements for Licensure and Certification**

Statutory References for this rule includes the following:

- AQB Real Property Appraiser Qualification Criteria
- FIRREA Title § 1116 (e), 12 U.S.C. 3345, as amended by the Dodd-Frank Act
- W.Va. Code §§30-38-5; 30-38-6; 30-38-7; 30-38-9, 30-38-11

**AQB Real Property Appraiser Qualification Criteria:**

All real estate appraiser regulatory boards are federally mandated to comply with the Appraiser Qualification Criteria, which is set forth by the Appraiser Qualification Board (AQB). The AQB establishes minimum education experience requirements for appraisers, of which the Board must adhere to. In this regard, the states must adopt and/or implement all relevant Appraiser Qualifications Board's Appraiser Qualification Criteria. Title XI § 1116(a), 12 U.S.C. § 3345; Title XI § 1118(a), 12 U.S.C. § 3347; and AQB Real Property Appraiser Qualification Criteria.

**FIRREA Title § 1116 (e), 12 U.S.C. 3345, as amended by the Dodd-Frank Act**

In 1989, in response to the savings and loan crisis, the Federal Government adopted the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA). Among other things, Title XI of FIRREA created the Appraisal Subcommittee (ASC) and granted the ASC federal oversight of the states' regulatory agencies relating to the practice of real estate appraising. Several provisions affected state appraiser regulatory programs as of July 1, 2013, including that of reciprocity between the states.

**W.Va. Code §§30-38-5; 30-38-6; 30-38-7; 30-38-9, 30-38-11**

- §30-38-5 cites authority for licensure and certification of nonresidents; consent to service of process; temporary registration and license by reciprocity.
- §30-38-6 cites authority for board created: appointments, qualifications, terms, oath, removal of members; quorum; meetings; disqualification; compensation; records; and employing staff.
- §30-38-7 cites authority for general power and duties.
- §30-38-9 cites authority for rulemaking.
- §30-38-11 cites authority for applications for licenses or certifications; and renewals.

**Fiscal Note Worksheet for  
Title 190 Series 2 - Requirements for Licensure and Certification**

Fee	Current	Proposed	Difference	FY 2013	FY 2012	FY 2011	Average # per Year	Average \$ Increase per Fiscal Year
License Application Fee	\$ 125.00	\$ 150.00	\$ 25.00	2	2	4	3	\$ 75.00
Annual State License Residential Fee	\$ 365.00	None						
Delinquent License Fee	\$ 100.00	None						
Temporary Permit Fee for Non-Residents	\$ 150.00	\$ 250.00	\$ 100.00	208	182	177	189	\$ 8,900.00
Certification Application Fee	\$ 125.00	\$ 150.00	\$ 25.00	6	4	7	6	\$ 150.00
Annual State Certified General License Fee	\$ 465.00	None						
Annual State Certified Residential License Fee	\$ 315.00	None						
Delinquent Certification Fee	\$ 100.00	None						
Annual Inactive Status Fee	\$ 100.00	\$ 150.00	\$ 50.00	50	55	49	51	\$ 2,550.00
Apprentice Permit Fee	\$ 190.00	None						
Certificate of Good Standing	\$ 20.00	\$ 25.00	\$ 5.00	20	17	29	22	\$ 110.00
Copy Fees	\$ 0.50	None						
Upgrade Application Fee	\$ 125.00	\$ 150.00	\$ 25.00	12	9	12	11	\$ 275.00
Exemption from Supervisory Accomplishment	\$ 125.00	\$ 150.00	\$ 25.00	2	3	0	2	\$ 50.00
Roster	\$ 25.00	\$ 35.00	\$ 10.00	3	2	1	2	\$ 20.00
Roster Subscription	\$ 40.00	\$ 50.00	\$ 10.00	0	0	0	0	\$ -
Duplicate Wall Certificate	\$ 25.00	\$ 50.00	\$ 25.00	0	1	1	1	\$ 25.00
Duplicate Pocket Card	\$ 25.00	\$ 50.00	\$ 25.00	1	0	1	1	\$ 25.00
Education Course Approval Fee	\$ 50.00	\$ 75.00	\$ 25.00	67	94	23	84	\$ 2,100.00
Duplicate Renewal Application (new fee)	\$ -	\$ 25.00	\$ 25.00	0	0	0	0	\$ 125.00
Apprentice Application Permit Fee	\$ 125.00	\$ 150.00	\$ 25.00	12	7	9	9	\$ 225.00
West Virginia Law Course (new fee) - based on a two-step phase-in, where one-half of licensees would be required to take first year and second-half the next year.								\$ 14,062.00
<b>TOTAL</b>								<b>\$ 16,907.00</b>

*Barbara Kern*



**STATE OF WEST VIRGINIA**

**REAL ESTATE APPRAISER LICENSING AND CERTIFICATION BOARD**

**Sandra S. Kerns, Executive Director**  
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Charleston, West Virginia 25311  
304-558-3919 Fax 304-558-3983

Karen Hudson  
Executive Assistant

June 20, 2013

Office of the Honorable Natalie E. Tennant, Secretary of State  
Building 1, Suite 157-K  
1900 Kanawha Boulevard, East  
Charleston, WV 25305-0770  
Attn: Judy Cooper, Administrative Law Division

2013 JUN 21 PM 5:02  
OFFICE OF THE SECRETARY OF STATE

RE: Legislative Rule Title 190 Series 2

Dear Ms. Cooper:

The West Virginia Real Estate Appraiser Licensing and Certification Board is proposing rule changes to Legislative Rule Title 190 Series 2. Enclosed are the required documents to file the proposed rule changes with the Secretary of State for a public comment period.

Please accept this letter and the enclosed documents as Approval of Filing for the public comment period of proposed rule changes.

Thank you for your assistance in this matter.

Sincerely,

  
Sandy Kerns  
Executive Director

Enclosures

**BOARD MEMBERS**

**Mary Beth Allveto**, Fairmont **R. Scott Barber**, Huntington **Dale Dawson Clowser**, Charleston  
**The Honorable Anthony Julian**, Fairmont **Virginia Shaw**, New Haven **David Shields**, Bluefield  
**Glenn Summers**, Clendenin **Linda York**, Morgantown