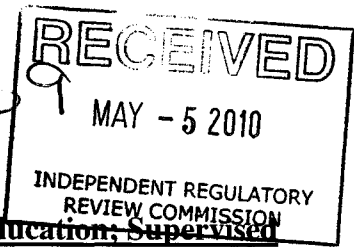


2789



State Board of Certified Real Estate Appraisers
Regulation 16A-7015: Appraiser Trainees; Initial and Continuing Education; Supervised
Experience; Practice Standards
Final Regulation

PROPOSAL: Regulation 16A-7015 is Final Regulation which was delivered on April 19, 2010. The House Professional Licensure Committee has until **May 10, 2010** to either approve or disapprove the Final Regulation. Regulation 16A-7015 amends 49 Pa. Code, Chapter 36, Certified Real Estate Appraisers by (1) establishing a regulatory scheme for the appraiser trainee licensee, which was added to the Real Estate Appraisers Certification Act (REACA) by Act 59 of 2008 and Act 103 of 2008; (2) revising and clarifying initial education, continuing education and supervised experience requirements for certified appraisers, consistent with federal criteria which binds the Board under the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA); (3) clarifying appraiser practice standards relating to supervision and use of titles; and (4) harmonizing requirements for certified Pennsylvania evaluators with those for certified appraisers. The Final Regulation was amended.

The Committee considered the proposed regulation on October 21, 2009 and submitted four (4) comments. A brief summary of the Committee's comments and the responses provided by the Board are included in this analysis.

Regulation 16A-7015 amends 49 Pa. Code, Chapter 36.

FINAL RULEMAKING ANALYSIS: Section 36.1, Definitions, is amended by adding a term and definition for "Licensed appraiser trainee" as a person who holds a license issued under section 6 (a.1) of the act and §36.12a (relating to qualifications for licensure as appraiser trainee) and who is authorized to assist a certified residential real estate appraiser or certified general real estate appraiser in the performance of an appraisal.

Section 36.2 (a) and (b), Application process, are amended to add licensed appraiser trainee to the application form and the application fee subsections.

Subsection (c) is amended to clarify that subject to provisions of subsection (e), an approved application for certification as a residential real estate appraiser or general real estate appraiser will be valid for one (1) year from the date of approval.

Subsection (d), Disapproved applications, is amended to clarify and add that subject to provisions of subsection (e), an applicant for licensure as an appraiser trainee, certification as a residential real estate appraiser, or as a general real estate appraiser whose application has been disapproved by the Board will be notified in writing of the reasons for the disapproval and will have one (1) year from the date of disapproval to correct the deficiencies or to file a request for reconsideration.

Subsection (e), Compliance with new requirements, is amended by adding that an applicant for licensure as an appraiser trainee shall comply with any increased educational requirement that

takes effect between the applicant's filing of an application that is disapproved and the applicant's filing of a new application.

Section 36.3, Examinations, is amended by adding that no examination is required for licensure as an appraiser trainee.

Section 36.6, Fees, is amended by adding the category of Licensed Appraiser Trainee application and setting forth a fee of \$75.00.

The caption, Qualifications for Certification, is re-titled "Qualification for Certification or Licensure".

Section 36.11(b), Appraisal classroom hours, which apply to certification as a residential real estate appraiser is amended by deleting language which has become obsolete. The remaining language requires an applicant to submit evidence to the Board of having completed 200 classroom hours in the appraisal curriculum outlined in subsection (c)(2). This requirement does not apply to an applicant who submits an otherwise qualifying application before January 1, 2012, that shows evidence of the applicant's having completed 120 classroom hours of courses related to real estate appraisal, including the 15-hour National USPAP Course or equivalent course approved by the AQB, together with coverage of the topics listed in subsection (c) (1), before January 1, 2008.

Section 36.11(c)(2), Teaching credit, and Section 36.11(c)(5), Credit for challenge examination, are deleted. New numbering retains subsections relating to Providers of appraisal courses and Distance education.

Subsection 36.11(d)(1)(ii)(F), Postsecondary education, is amended by changing Introduction to computers-word processing/spreadsheets to "Computer science".

Section 36.11(d)(2) is amended by deleting language which has become obsolete. The new language states that this requirement regarding Postsecondary education does not apply to an applicant who submits an otherwise qualifying application before January 1, 2012, that shows evidence of the applicant's having completed 120 classroom hours of courses related to real estate appraisal, including the 15-hour National USPAP Course or equivalent course approved by the AQB, together with coverage of the topics listed in subsection (c) (1), before January 1, 2008

Section 36.12(b), Appraisal classroom hours, under Qualifications for certification as general real estate appraiser, is amended by deleting language which has become obsolete. The remaining language requires that effective January 1, 2008, an applicant shall submit evidence to the Board of having completed 300 classroom hours in the appraisal curriculum outlined in subsection (c)(2). The new language does not apply this requirement to an applicant who submits an otherwise qualifying application before January 1, 2012, that shows evidence of the applicant's having completed 180 classroom hours of courses related to real estate appraisal, including the 15-hour National USPAP Course or equivalent course approved by the AQB, together with coverage of the topics listed in subsection (c)(1), before January 1, 2008.

Subsection 36.12a(c), Noneligibility for licensure, prohibits a certified real estate appraiser from being licensed as an appraisal trainee.

Subsection 36.12a(d), Limitation on license renewal, prohibits an appraiser trainee from biennially renewing a license more than four times unless the Board, for good cause shown and on a case-by-case basis, determines that one or more additional renewals are warranted.

Section 36.13(a)(1), Experience options for preparation of appraisal reports, is amended to add an option that prior to September 3, 1998 an applicant for certification as a residential real estate appraiser or a general real estate appraiser may obtain experience as a certified residential real estate appraisal assisting a certified general real estate appraiser in an appraisal of nonresidential property or an appraisal of residential property of more than four dwelling units, provided the residential appraiser satisfies the requirements of subsection (d).

Section 36.13(a)(2) is amended that on or after September 3, 1998, experience can be acquired by: an applicant as an assistant to a certified real estate appraiser or certified general real estate appraiser, provided the experience is acquired before July 1, 2010 and the assistant satisfies the requirements of subsection (b); as a licensed appraiser trainee assisting a certified residential real estate appraiser or certified general real estate appraiser, provided the trainee satisfies the requirements of subsection (c); as a certified residential real estate appraiser assisting a general real estate appraiser in an appraisal of nonresidential property or an appraisal of residential property of more than four dwelling units, provided the residential appraiser satisfies the requirements of subsection (d).

Two (2) new requirements are added to Subsection (b). When preparing an appraisal report, an assistant to a certified general appraiser or a certified appraiser shall comply with USPAP and shall complete and co-sign a Board approved appraisal assistant checklist that relates to the assistant's work on the appraisal report.

Subsection (c) is added with language which sets forth the requirements for a licensed appraiser trainee to follow when preparing an appraisal report for a certified general real estate appraiser or certified real estate appraiser.

Subsection (d) is added with language which sets forth the requirements for a certified real estate appraiser to follow when preparing an appraisal report for a certified general real estate appraiser.

Section 36.42, Continuing education subject matter, is amended to allow continuing education credit up to a maximum of 50% of the biennial requirement for participation, other than as a student, in appraisal education processes and programs, i.e. teaching, program development, authorship of textbooks, etc.

Section 36.51, Compliance with USPAP, is amended to add licensed appraiser trainee.

Section 36.52, Use of certificate number and title, is amended to add that "a substantially similar title may be substituted" for Pennsylvania certified general real estate appraiser, Pennsylvania

certified residential real estate appraiser or Pennsylvania certified broker/appraiser on each written appraisal report and agreement, as appropriate.

Section 36.54, Supervision of appraisal assistant, is deleted and re-titled as “Duties of supervisory appraiser”. Subsection (a) is created and is amended to require a certified residential real estate appraiser or certified real estate appraiser who utilizes an appraisal assistant before July 1, 2010, accompany the assistant during the physical inspection of the property until the assistant has logged 300 hours of appraisal experience or the supervising appraiser determines the assistant is competent under USPAP to perform the physical inspection unaccompanied, whichever is the longer period; co-sign the appraisal report as a certified real estate appraiser and unless the appraisal assistant checklist is made part of the report submitted to the client, have the assistant properly identified; and co-sign a Board approved appraisal checklist that has been completed by the assistant and relates to the assistant’s work on the appraisal report.

Subsection (b) which is added specifies the qualifications and supervision requirements for a certified residential real estate appraiser or certified general real estate appraiser who utilizes a licensed appraiser trainee.

Subsection (c) which is added specifies the supervision responsibilities of a certified general real estate appraiser who utilizes a certified residential real estate appraiser as an assistant for an appraisal of either nonresidential property or residential property of more than four dwelling units.

Section 36.262, Continuing education subject matter for certified Pennsylvania evaluators is amended to allow continuing education credit up to 50% of the biennial requirement for participation, other than as a student, in appraisal or assessment educational processes and programs. Activities for which credit may be granted include teaching, program development, authorship of textbooks or similar examples which the applicant can demonstrate to the Board are equivalent to obtaining continuing education.

SUMMARY OF COMMENTS BY HOUSE PROFESSIONAL LICENSURE COMMITTEE TO THE PROPOSED REGULATION AND RESPONSES BY THE BOARD:

1. The Committee brought to the Board’s attention that in §36.11(b)(3) there are two consecutive ending brackets.
 - The Board responded that the Legislative Reference Bureau corrected the error.
2. The Committee brought to the Board’s attention that in §36.12(b)(3) there are two consecutive ending brackets.
 - The Board responded that the Legislative Reference Bureau corrected the error.
3. The Committee questioned whether there are any limitations on the amount of credit hours that can be earned by distance education.

- The Board responded that there is no limit on the amount of credit hours earned for either the appraiser trainee candidates or the residential and general appraiser candidates.
- 4 The Committee questioned how the requirement of a written examination as the result of distance education can be proctored by an official approved by the college, university or other course provider.
- The Board responded that the standard established by the Appraiser Quality Board (AQB) of the Appraiser Foundation requires the administration of a written examination be proctored by an official approved by the college or university or other course provider; therefore, a student enrolled in a distance learning course must present him/her self to a location where the examination is given to receive credit.

RECOMMENDATION: It is recommended the House Professional Licensure Committee approve Final Regulation 16A-7015.

House of Representatives
Professional Licensure Committee
May 5, 2010