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INDEPENDENT REGULATORY REVIEW COMMISSION

333 MARKET STREET, 14TH FLOOR, HARRISBURG, PA 17101

November 18, 2009

Robert F. McRae, Chair
State Board of Certified Real Estate Appraisers
2601 North 3rd Street
Harrisburg, PA 17110

Re: Regulation #16A-7015 (IRRC #2789)
State Board of Certified Real Estate Appraisers
Appraiser Trainees; Initial and Continuing Education; Supervised Experience; Practice Standards

Dear Mr. McRae:

Enclosed are the Commission's comments for consideration when you prepare the final version of this regulation. These comments are not a formal approval or disapproval of the regulation. However, they specify the regulatory review criteria that have not been met.

The comments will be available on our website at www.irrc.state.pa.us. If you would like to discuss them, please contact me.

Sincerely,

Kim Kaufman
Executive Director
wbg
Enclosure

cc: Honorable Robert M. Tomlinson, Majority Chairman, Senate Consumer Protection and Professional Licensure Committee
Honorable Lisa M. Boscola, Minority Chairman, Senate Consumer Protection and Professional Licensure Committee
Honorable Michael P. McGeehan, Majority Chairman, House Professional Licensure Committee
Honorable William F. Adolph, Jr., Minority Chairman, House Professional Licensure Committee
Honorable Pedro A. Cortes, Secretary, Department of State
Robert A. Mulle, Esq., Office of Attorney General
Andrew Clark, Esq., Office of General Counsel

Comments of the Independent Regulatory Review Commission



State Board of Certified Real Estate Appraisers Regulation #16A-7015 (IRRC #2789)

Appraiser Trainees; Initial and Continuing Education; Supervised Experience; Practice Standards

November 18, 2009

We submit for your consideration the following comments on the proposed rulemaking published in the September 19, 2009 *Pennsylvania Bulletin*. Our comments are based on criteria in Section 5.2 of the Regulatory Review Act (71 P.S. § 745.5b). Section 5.1(a) of the Regulatory Review Act (71 P.S. § 745.5a(a)) directs the State Board of Certified Real Estate Appraisers (Board) to respond to all comments received from us or any other source.

1. Section 36.2. Application process. – Implementation procedures.

The proposed regulation adds the following new sentence to Subsection (e):

An applicant for licensure as an appraiser trainee shall comply with any increased education requirement that takes effect between the applicant's filing of an application that is disapproved and the applicant's filing of a new application.

The intent of this statement is not clear. How or when will “any increased education requirement” take effect? Will the Board notify applicants of these additional requirements? Is this statement referring to future rulemakings that amend the education standards? The final-form regulation should clarify these issues.

2. Sections 36.11 and 36.12. Qualifications for certification as residential real estate appraiser and general real estate appraiser. – Clarity.

Existing language in each of these two sections establishes two tiers of educational requirements. For those who complete their education before January 1, 2008, the total “appraisal classroom hours” required are 120 hours and 180 hours for certified residential and general real estate appraisers, respectively. As of January 1, 2008, the required total hours increase to 200

and 300 for certified residential and general real estate appraisers, respectively. These increases are consistent with the requirements of the Appraisal Foundation's Appraiser Qualifications Board, which federal law establishes as the national standard. The proposed regulation uses what the Preamble describes as a "segmented approach" to set January 1, 2012, as the deadline for applicants who can demonstrate completion of the 120 or 180 total hour requirement before January 1, 2008. In other words, all applicants will need to comply with the increase to 200 or 300 hours when they file their applications after 2011. We have three questions.

First, the segmented approach gives applicants up to four years from when they complete their educational requirements to when they apply for certification. The Preamble indicates that the qualified experience requirements can be completed in 24 and 30 months. In addition, these applicants could accumulate qualified experience after completing 75 classroom hours. How did the Board determine that four years was a reasonable amount of time? Why is it appropriate to give these applicants an additional 18 months to obtain experience and apply?

Second, the final-form regulation should clarify what the Board will consider to be appropriate "evidence" of the applicant's completion of certain courses in Subsections (b) and (d)(2).

Finally, how will the Board determine that a course is "equivalent" to the 15-hour National USPAP course in Subsections (b) and (d)(2)? The final-form regulation should clarify this provision.

3. Section 36.12a. Qualifications for licensure as appraiser trainee. – Implementation procedures; Clarity.

Subsection (b)(2)

What would the Board consider an "examination pertinent to the course?" The final-form regulation should clarify this issue.

Subsection (d)

Subsection (d) explains the limitations on the biennial renewal of an appraiser trainee license. The license can be renewed no more than four times, unless one or more additional renewals are warranted. When would the Board consider additional renewals appropriate? Will there be a limit on the number of additional renewals permitted? What procedures or process would a trainee use to apply to request an additional renewal? What would be considered "good cause" for allowing an additional renewal?

4. Section 36.52. Use of certificate number and title. – Need; Clarity.

This section lists several titles a certified real estate appraiser is permitted to use. The proposed regulation states that a “substantially similar title” may be substituted. What would the Board consider a “substantially similar title?” Given the list of titles the proposed regulation already provides, under what circumstances would it be necessary to use a “substantially similar” title?

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INDEPENDENT REGULATORY REVIEW COMMISSION
333 MARKET STREET, 14TH FLOOR, HARRISBURG, PA 17101

To: Tom Blackburn
Cynthia Montgomery
Agency: Department of State
Licensing Boards and Commissions
Phone: 3-7200
3-3394 (Cynthia Montgomery)
Fax: 7-0251
Date: November 18, 2009
Pages: 5

Comments: We are submitting the Independent Regulatory Review Commission's comments on the State Board of Certified Real Estate Appraisers' regulation #16A-7015 (IRRC #2789). Upon receipt, please sign below and return to me immediately at our fax number 783-2664. We have sent the original through interdepartmental mail. You should expect delivery in a few days. Thank you.

Accepted by:

Date:

11/18/09