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- 01/08/2019 Received by Lt. Gov & Speaker 05/08/2019

H 01/08/2019 Referred to Committee

S 01/08/2019 Referred to Committee

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- 01/17/2019 Resubmitted 05/08/2019

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Document No. 4857

**DEPARTMENT OF LABOR, LICENSING AND REGULATION**

**REAL ESTATE APPRAISERS BOARD**

Chapter 137

Statutory Authority: 1976 Code Sections 40‑60‑10(I)(3) and 40‑60‑360

137‑100.02. Qualifications.

137‑200.02. Residential Mass Appraisals.

137‑500.01. Continuing Education.

137‑800.05. Expired Permit, License or Certificate.

**Synopsis:**

The South Carolina Real Estate Appraisers Board proposes to amend Chapter 137 to amend the education and experience requirements for licensure in R.137‑100.02 and make minor corrections in R.137‑200.02, R.137‑500.01 and R.137‑800.05.

A Notice of Drafting was published in the *State Register* on August 24, 2018.

**Instructions:**

Replace regulation as shown below. All other items and sections remain unchanged.

**Text:**

137‑100.02. Qualifications.

(A) In order to qualify as a state apprentice, licensed or certified appraiser, an applicant must meet the requirements set forth below, as well as any requirements established by the Appraiser Qualifications Board (AQB) and the Appraisal Standards Board (ASB) of the Appraisal Foundation, as subsequently endorsed by the Appraisal Subcommittee pursuant to Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989.

(B) In order to qualify as an apprentice appraiser, an applicant:

(1) must have received 75 hours of Core Curriculum prescribed by the AQB in qualifying education covering thirty (30) hours in Basic Appraisal Principles, thirty (30) hours in Basic Appraisal Procedures, and fifteen (15) hours in National Uniform Standards of Professional Appraisal Practice or its equivalent as determined by the AQB;

(2) must attend a trainee/supervisor orientation conducted in compliance with AQB requirements.

(C) In order to qualify to become a state licensed real estate appraiser, an applicant:

(1) must have received one hundred fifty (150) hours of Core Curriculum prescribed by the AQB in qualifying education covering thirty (30) hours in Basic Appraisal Principles, thirty (30) hours in Basic Appraisal Procedures, fifteen (15) hour National Uniform Standards of Professional Appraisal Practice or its equivalent as determined by the AQB, fifteen (15) hours in Residential Market Analysis and Highest and Best Use, fifteen (15) hours in Residential Appraiser Site Valuation and Cost Approach, thirty (30) hours in Residential Sales Comparison and Income Approaches, and fifteen (15) hours in Residential Report Writing and Case Studies.

(2) Applicants for the Licensed appraiser classification must hold a high school diploma or certificate of equivalency.

(3) must have earned a minimum of two thousand hours of appraisal experience in appraising either residential or nonresidential properties. However, the maximum number of hours which an applicant can earn in review (field, documentary, or desk) appraisal experience is limited to one thousand (1,000) hours. Qualifying experience must be obtained after January 1, 1992, be in appraisal work conforming to USPAP Standards where the appraiser demonstrates proficiency in appraisal principles, methodology, procedures (development), reporting conclusions, and be of a variety sufficient to demonstrate competency in all USPAP recognized approaches to value; and

(4) must have at least twelve (12) months of real estate appraisal experience commencing as of the date that the first assignment is completed; and

(5) must stand for and pass an exam administered or approved by the Board. An applicant who does not become licensed within two years after passing the examination must retake the examination.

(D) In order to qualify to become a state certified residential real estate appraiser, an applicant:

(1) must have received two hundred (200) hours of Core Curriculum prescribed by the AQB in qualifying education covering thirty hours in Basic Appraisal Principles, thirty (30) hours in Basic Appraisal Procedures, fifteen (15) hour National Uniform Standards of Professional Appraisal Practice or its equivalent as determined by the AQB, fifteen (15) hours in Residential Market Analysis and Highest and Best Use, fifteen (15) hours in Residential Appraiser Site Valuation and Cost Approach, thirty (30) hours in Residential Sales Comparison and Income Approaches, fifteen (15) hours in Residential Report Writing and Case Studies, fifteen (15) hours in Statistics, Modeling, and Finance, fifteen (15) hours in Advanced Residential Applications and Case Studies, and twenty (20) hours in appraisal subject matter electives;

(2) must have maintained a Licensed Appraiser credential for a minimum of five (5) years and have no record of any disciplinary action affecting the Licensed Appraiser’s legal eligibility to engage in appraisal practice within the previous five (5) years, or must hold a Bachelor’s degree or higher, or an Associate’s degree in a field of study related to Business Administration, Accounting, Finance, Economics or Real Estate from an accredited college, community college, or university. In lieu of the degree requirement, an applicant for the certified residential appraiser credential shall successfully complete thirty (30) semester hours of college‑level education from an accredited college, junior college, community college or university in the following topic areas:

English Composition (3 hours)

Microeconomics (3 hours)

Macroeconomics (3 hours)

Finance (3 hours)

Algebra, Geometry or Higher Math (3 hours)

Statistics (3 hours)

Computer Science (3 hours)

Business or Real Estate Law (3 hours)

Two elective courses in any of the above topics, or in Accounting, Geography, Agricultural Economics, Business Management or Real Estate (3 hours each)

The college or university must be a degree‑granting institution accredited by the Commission on Colleges, a regional or national accreditation association, or by an accrediting agency that is recognized by the U.S. Secretary of Education. If an accredited college or university accepts the College‑Level Examination Program (CLEP) examination(s) and issues a transcript for the exam, showing its approval, it will be considered as credit for the college course.

(3) must have earned a minimum of two thousand five hundred hours of appraisal experience in appraising either residential or nonresidential properties. However, the maximum number of hours which an applicant can earn in review (field, documentary, or desk) appraisal experience is limited to one thousand two hundred fifty (1,250) hours. Qualifying experience must be obtained after January 1, 1992, be in appraisal work conforming to USPAP Standards where the appraiser demonstrates proficiency in appraisal principles, methodology, procedures (development), reporting conclusions, and be of a variety sufficient to demonstrate competency in all USPAP recognized approaches to value;

(4) must have at least twelve (12) months of real estate appraisal experience commencing as of the date that the first assignment is completed; and

(5) must stand for and pass an exam administered or approved by the Board. An applicant who does not become certified within two years after passing the examination must retake the examination to qualify for residential certification.

(E) In order to qualify to become a state certified general real estate appraiser, an applicant:

(1) must have received three hundred (300) hours of Core Curriculum prescribed by the AQB in qualifying education covering thirty (30) hours in Basic Appraisal Principles, thirty (30) hours in Basic Appraisal Procedures, fifteen (15) hour National Uniform Standards of Professional Appraisal Practice or its equivalent as determined by the AQB, thirty (30) hours in General Appraiser Market Analysis and Highest and Best Use, fifteen (15) hours in Statistics, Modeling, and Finance, thirty (30) hours in General Appraiser Sales Comparison Approach, at least thirty (30) hours in General Appraiser Site Valuation and Cost Approach, sixty (60) hours in General Appraiser Income Approach, thirty (30) hours in General Appraiser Report Writing and Case Studies, and thirty (30) hours in appraisal subject matter electives;

(2) must hold a Bachelors degree or higher from an accredited college or university;

(3) must have earned a minimum of three thousand hours of appraisal experience, fifty (50%) percent of which must come from appraising nonresidential properties. The maximum number of hours which an applicant can earn in review (field, documentary, or desk) appraisal experience is limited to one thousand five hundred (1,500) hours. Qualifying experience must be obtained after January 1, 1992, be in appraisal work conforming to USPAP Standards where the appraiser demonstrates proficiency in appraisal principles, methodology, procedures (development), reporting conclusions, and be of a variety sufficient to demonstrate competency in all USPAP recognized approaches to value;

(4) must have at least eighteen (18) months of real estate appraisal experience commencing as of the date that the first assignment is completed; and

(5) must stand for and pass an exam administered or approved by the Board. An applicant who does not become certified within two years after passing the examination must retake the examination to qualify for general certification.

(F) Courses taken in satisfying the qualifying education requirements should not be repetitive in nature. Each course credited toward the required number of qualifying education hours should represent a progression in which the appraiser’s knowledge is increased.

(G) The Board may waive the examination requirements for those applicants who are currently licensed or certified in another state upon proof that the applicant has successfully passed an Appraisal Qualifications Board approved exam which served as a requirement for licensure or certification in the state where he is currently licensed or certified.

137‑200.02. Residential Mass Appraisals.

The following categories pertain to various forms of appraiser involvement and the hourly values which may be awarded by the Board when evaluating residential mass appraisal experience:

(A) Sole Appraiser

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  |  |  |  |
|  | Type of Appraisal | |  | Hours Assigned |
|  | 1. | Single‑Family | New | 2 |
|  |  | (one‑unit dwelling) | Update | 1 |
|  | 2. | Multi‑Family | New | 2 |
|  |  | (two‑four units) | Update | 1 |
|  | 3. | Residential Lots | New | 2 |
|  |  | (4 lots or less) | Update | 1 |
|  | 4. | Rural Residential Land | New | 2 |
|  |  | (50 acres or less) | Update | 1 |

(B) Co‑Appraiser

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  |  |  |  |
|  | Type of Appraisal | |  | Hours Assigned |
|  | 1. | Single‑Family | New | 1 |
|  |  | (one unit dwelling) | Update | .50 |
|  | 2. | Multi‑Family | New | 1 |
|  |  | (two‑four units) | Update | .50 |
|  | 3. | Residential Lots | New | 1 |
|  |  | (4 lots or less) | Update | .50 |
|  | 4. | Rural Residential Land | New | 1 |
|  |  | (50 acres or less) | Update | .50 |

137‑500.01. Continuing Education.

(A) All appraisers, including apprentice appraisers, prior to their first and all subsequent renewals of their authorization to engage in real estate appraisal activity, must complete the continuing education requirement of at least twenty‑eight (28) class hours of approved instruction biennially.

(B) Continuing education is to be reported on a form approved by the Board and must have all supporting documentation attached. To ensure that it is recorded prior to the renewal deadline of June 30 and does not delay an appraiser’s renewal, it should be received by the Board no later than June 1. The Board cannot guarantee that a renewal will be processed prior to the expiration date of June 30 if forms are received after June 1.

(C) Approved qualifying courses may be used to meet the continuing education requirement provided that the following conditions are met:

(1) Qualifying courses must be on the Board’s approved list.

(2) The level of the course must be above the appraiser’s current status [e.g. a licensed appraiser may receive continuing education credit for taking a Certified Residential or Certified General Level Course].

(3) Credit will not be given for the same category course taken within a two (2) year period.

(4) The current 7‑hour National Uniform Standards of Professional Appraiser Practice Update Course must be taken by all appraisers prior to each renewal.

(D) Appraisers may request that they receive credit for continuing education for a course taken that has not been approved by the Board. Appraisers may use qualifying courses for continuing education credit provided that the content is substantially different from their previously completed qualifying courses. Credit will be granted only if the appraiser provides satisfactory proof of course completion and the Board finds that the course meets the criteria set for continuing education courses with regard to subject matter, course length, instructor qualification and student attendance. Requests for continuing education credit for non‑approved courses must be made on a form approved by the Board and must be submitted along with a nonrefundable fee.

(E) Appraisers who received their authority to engage in real estate appraisal activity in South Carolina through either a reciprocal agreement with their state of residence or as a non‑resident South Carolina appraiser may meet the continuing education requirements by providing evidence that they have met the continuing education requirements of their state of residence. Such real estate appraisal requirements must meet South Carolina’s minimum hour requirements and be approved by the regulatory agency in their state.

(F) Submission of false or misleading information is grounds for immediate revocation of the appraiser’s authority to practice and other disciplinary actions.

(G) Approved instructors may receive up to one‑half of their continuing education credit for teaching continuing education courses, subject to Board approval. Credit will not be given for the same continuing education course more than once during a continuing education cycle.

137‑800.05. Expired Permit, License, Certificate, or Registration.

(A) Permits, licenses and certificates expired for more than twelve (12) months will be cancelled. Such cancelled permits, licenses and certificates may be considered for reinstatement upon proper application, payment of the original license or certificate fee, and proof of having obtained continuing education equal to the total number of hours that would have been required had the permit, license or certificate been continuously renewed including the most recent 7‑hour National Uniform Standards of Professional Appraisal Practice Update Course. Such applications will be reviewed by the Board to determine whether an examination and/or additional real estate appraisal education will be required.

(B) Registrations of an appraisal management company expired for more than twelve (12) months will be cancelled. Such cancelled registration may be considered for reinstatement upon proper application and payment of the original registration fee and any late fee. Such applications will be reviewed by the Board to determine reinstatement and any further required conditions of reinstatement.

**Fiscal Impact Statement:**

There will be no cost incurred by the State or any of its political subdivisions for these regulations.

**Statement of Rationale:**

The updated regulations will make necessary updates to comply with Federal requirements, delete sections already appearing in statute, add information pertinent to appraisal management companies, remove fees, clarify existing language, and make editorial changes.