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Document No. 4589

**DEPARTMENT OF LABOR, LICENSING AND REGULATION**

**REAL ESTATE APPRAISERS BOARD**

CHAPTER 137

Statutory Authority: 1976 Code Sections 40‑1‑70 and 40‑60‑10(I)(3)

137‑100.06. Nonresidential Appraisal Categories.

137‑100.07. Other Appraisal Experience.

137‑200.04. Mass Appraisal Experience Verification.

137‑300.01. Responsibilities of an Apprentice Appraiser.

137‑300.02. Responsibilities of a Supervising Appraiser.

137‑500.01. Continuing Education.

137‑800.01. Payment of Fees.

137‑800.03. Biennial Fee Schedule.

137‑800.05. Expired Permit, License or Certificate.

137‑900.05. Curriculum and Attendance.

**Synopsis:**

 The South Carolina Real Estate Appraisers Board proposes to amend its regulations regarding continuing education, payment of fees, appraisal experience, appraiser apprentice requirements, and to make editorial changes.

 The Notice of Drafting was published in the *State Register* on August 28, 2015. The Proposed regulation was published in the *State Register* on September 25, 2015.

**Instructions:**

 Regulations 137-100.6 through 137-900.05 are amended as shown below.

**Text:**

137-100.06 Nonresidential Appraisal Categories.

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

 Type of Appraisal Points Assigned

 A. Sole Appraiser‑‑refers to appraisal reports which were 1.0

completed and signed by only one person.

 B. Co‑Appraiser‑‑refers to appraisal reports in which more .75

than one appraiser worked on the report. To qualify for

this category, applicants must have performed more than

fifty percent (50%) of the work on an appraisal. Applicants

may receive experience credit for the appraisal even if this

work was reviewed by a supervising appraiser who signed

the appraisal report. However, in those instances where

an applicant has not signed an appraisal report and claims

experience credit, the applicant must submit with the

application a written statement from the supervising appraiser

which verifies that the applicant performed more than

fifty percent (50%) of the work on specified appraisal

assignments.

 C. Field Review‑‑refers to a review of an appraisal. In order .50

to qualify for field review experience credit, the applicant

must have conducted a physical inspection of the property,

as well as verified the data and checked the calculations

contained in the appraisal under review. In addition, in

order to qualify for experience credit in this category, an

applicant must have prepared a written report recommending

the acceptance, revision, or rejection of the appraisal under

review.

 D. Documentary or Desk Review ‑ refers to a review of an .25

appraisal performed by another person but does not require

a physical inspection of the subject property. In order to

qualify for experience credit in this category, an applicant

must have thoroughly and critically reviewed all portions

of the appraisal report and recommended the acceptance,

revision, or rejection of the appraisal under review.

 E. Condemnation Partial Acquisition ‑ refers to appraisals 1.25

performed on properties involved in condemnation pro‑

ceeding. In order to qualify for experience credit in this

category, a partial acquisition appraisal must be performed

and an evaluation of both the before and after value must

be given. A total acquisition under condemnation pro-

ceedings would not fall under this category.

137‑100.07. Other Appraisal Experience.

 (A) Applicants may receive credit for appraisals of other types of real property not listed in these Regulations. The Board may, on an individual basis, determine the amount of credit to be awarded for such appraisals based on information provided to the Board by the applicant.

 (B) Experience credit may be awarded for mass appraisal activity provided such activity is in compliance with the standards set forth in the Uniform Standards of Professional Appraisal Practice. However, the maximum number of experience points an applicant will be awarded for mass appraisal activity is forty percent (40%).

 (C) Mass appraisal experience will not be awarded for activity performed by individuals commonly referred to as "listers." The duties these individuals perform are typically limited to the location of real property, measurement of improvements relative to such things as number of bedrooms and bathrooms, siding, decks, or other miscellaneous information. Such activity does not, in and of itself, apply the methods and techniques utilized in the appraisal process and consequently will not be credited as appraisal experience.

 (D) Duties performed by listers are not considered regulated appraisal activity and therefore listers are not required to become licensed or certified under the South Carolina Real Estate Appraiser License and Certification Act.

137‑200.04. Mass Appraisal Experience Verification.

 Persons claiming mass appraisal experience must provide a statement of verification of the experience claimed. This verification should be completed by the applicant’s supervisor or employer where the mass appraisal experience was required. The experience claimed by the applicant must be reported on a log in compliance with 137‑300.01(A)(3).

137‑300.01. Responsibilities of an Apprentice Appraiser.

 (A) The holder of an apprentice appraiser permit issued by the Board must comply with the following:

 (1) The apprentice shall perform appraisal assignments only under the direct supervision of a state certified residential or state certified general real estate appraiser.

 (2) The apprentice and supervisor are required to complete a course that is oriented toward the requirements and responsibilities of supervisory appraisers and expectations for trainee appraisers prior to obtaining an apprentice credential.

 (3) The apprentice shall maintain a log which shall contain the following for each appraisal assignment:

 (a) Date of appraisal.

 (b) Address of appraised property.

 (c) Description of work performed by the apprentice and scope of the review and supervision of the supervising appraiser.

 (d) Type of property.

 (e) Number of points and actual hours by the apprentice on the assignment.

 (f) Name, signature and certification number of supervising appraiser.

 (4) The apprentice shall maintain copies or have access to all appraisals.

 (5) The apprentice shall make the log and all appraisals available at all times for inspection by the Board.

 (6) When performing appraisal assignments, the apprentice shall have in his or her possession the permit issued by the Board.

 (7) The apprentice is eligible to take the appraisal licensing or certification examinations after completing the requisite Board‑approved AQB Core Curriculum and experience required for the Licensed or Certified appraiser classification.

137‑300.02. Responsibilities of a Supervising Appraiser.

 (A) With respect to an apprentice appraiser employed or retained by or associated with a state certified appraiser:

 (1) For purposes of this section, “direct supervision” means to personally review an appraisal report prepared by an apprentice and to sign and certify the report as being independently and impartially prepared and in compliance with the Uniform Standards of Professional Appraisal Practice, these regulations, and applicable statutory requirements.

 (2) A state certified appraiser having direct supervisory authority over the apprentice appraiser shall make reasonable efforts to ensure that the apprentice’s conduct is compatible with the professional standards of the supervising appraiser.

 (3) A supervising appraiser shall be responsible for conduct of an apprentice appraiser that would be a violation of the Uniform Standards of Professional Appraisal Practice if:

 (a) the supervising appraiser orders or, with the knowledge of the specific conduct, ratifies the conduct involved; or

 (b) the supervising appraiser has direct supervisory authority over the apprentice, and knows of the conduct at a time when its consequences can be avoided or mitigated but fails to take reasonable remedial action.

 (B) A supervising appraiser of an apprentice appraiser shall also:

 (1) The supervisor and apprentice are required to complete a course that is oriented toward the requirements and responsibilities of supervisory appraisers and expectations for trainee appraisers prior to obtaining an apprentice credential.

 (2) Acknowledge in the appraisal certification the professional contribution of the apprentice in accordance with the Uniform Standards of Professional Appraisal Practice; and

 (3) Provide the apprentice with a copy or allow access of any final appraisal document in which the apprentice participated.

 (4) Jointly maintain with the apprentice appraiser an experience log as established in Section 137‑300.01(A)(3).

 (5) Must be certified for a minimum of three years prior to being eligible to become a supervisory appraiser.

 (6) Be in good standing with the Board and not subject to any disciplinary action within the last three years that affects the supervisor’s legal eligibility to engage in the practice of appraising.

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. Any continuing education reports submitted after August 31 will be subject to a late fee.

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

 (1) Qualifying courses taken after July 1, 1992, must be on the 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.

137‑800.01. Payment of Fees.

 Fees associated with an initial application (including the examination fee) to become a permitted, registered, licensed or certified real estate appraiser must be paid by check or money order.

137‑800.03. Biennial Fee Schedule.

 The following biennial fee schedule may be adjusted, but shall not exceed amounts specified:

 Type Fee

 (1) Apprentice appraiser permit 400.00

 (2) Apprentice appraiser permit renewal 400.00

 (3) Mass appraiser renewal 400.00

 (4) Appraiser license/certification examination fee (per application) 100.00

 (5) Appraiser license/certification 400.00

 (6) Appraiser license/certification renewal 400.00

 (7) Late penalty for renewal of license/certification/inactive status:

 (a) July 1 through July 31 75.00

 (b) August 1 through August 31 100.00

 (c) After August 31 and before next renewal period 150.00

 (8) Late penalty for submission of continuing education credit 50.00 after August 31

 (9) Permit/license/certification replacement fee (per application) 25.00

 (10) Personal name change (per application) 15.00

 (11) Inactive status 200.00

 (12) Reinstatement from inactive licensed or certified appraiser 400.00

 (13) Attestation of license/certification (per request) 20.00

 (14) Course approval (under 15 hours) (per application) 100.00

 (15) Course approval (15 hours or more) (per application) 200.00

 (16) Course approval renewal 100.00

 (17) Penalty for late course renewal 50.00

 (18) Instructor approval (per application) 200.00

 (19) Instructor approval renewal 150.00

 (20) Penalty for late instructor renewal 50.00

 (21) Appraisers roster (per request) 40.00

 (22) Appraiser mailing labels (per request) 50.00

 (23) Diskette of appraisers roster (per request) 50.00

 (24) Change in appraiser classification (per application) 75.00

 (25) Appraiser equivalent continuing education approval (per application) 50.00

 (26) Bad check charge (per occurrence) 30.00 (or amount specified by law; see Section 34‑11‑70)

 (27) Temporary practice permit (per application) 150.00

 (28) In addition to the fees listed above, an annual Federal Registry Transmittal fee of 80.00 established by Public Law 101‑73, Title XI, Real Estate Appraisal Reform Amendments will be charged for all licenses and certifications.

137‑800.05. Expired Permit, License or Certificate.

 (A) Expired real estate appraiser permits, licenses and certificates may be reinstated within 12 months after expiration upon proper application, payment to the Board of the renewal fee as established in Section 137‑800.03, plus a late fee as established in Section 137‑800.03, and proof of having obtained the continuing education that would have been required had the permit, license or certificate been continuously renewed.

 (B) 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 as established in Section 137‑800.03, payment of the late fee as established in Section 137‑800.03, and proof of having obtained continuing education equal to the total number of class 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.

137‑900.05. Curriculum and Attendance.

 (A) Topics for qualifying courses referenced in the South Carolina Real Estate Appraiser License and Certification Act must be broad in scope and must cover various principles, concepts, standards, practices and/or methods that are applicable to the performance of a wide range of appraisal assignments that will commonly be encountered by licenses or certified appraisers in connection with appraisals in federally‑related transactions. The courses must be at least fifteen (15) hours and must include an examination pertinent to that educational offering. Prelicense appraisal courses must be in modules which require a specified number of education hours at each credential level as established by the Appraiser Qualifications Board (AQB) of The Appraisal Foundation.

 (B) The seventy‑five (75) hours required for qualifying as a real estate apprentice appraiser must emphasize appraisal of one‑to four‑unit residential properties and must include content on the following course modules:

 1. Basic Appraisal Principles (30 hours);

 2. Basic Appraisal Procedures (30 hours);

 3. National USPAP Course or its equivalent as determined by the AQB (15 hours).

 (C) The one hundred fifty (150) hours required for a state licensed real estate appraiser must include content from the Basic Appraisal Principles (30 hours), Basic Appraisal Procedures (30 hours) and the National USPAP Course or its equivalent as determined by the AQB (15 hours) in addition to the following course modules:

 1. Residential Market Analysis And Highest And Best Use (15 hours);

 2. Residential Appraiser Site Valuation And Cost Approach (15 hours);

 3. Residential Sales Comparison And Income Approaches (30 hours);

 4. Residential Report Writing And Case Studies (15 hours).

 (D) The two hundred (200) hours required for a state certified residential real estate appraiser must include content from the Basic Appraisal Principles (30 hours), Basic Appraisal Procedures (30 hours), National USPAP Course or its equivalent as determined by the AQB (15 hours), Residential Market Analysis And Highest And Best Use (15 hours), Residential Appraiser Site Valuation And Cost Approach (15 hours), Residential Sales Comparison And Income Approaches (30 hours), and Residential Report Writing And Case Studies (15 hours) in addition to the following course modules:

 1. Statistics, Modeling And Finance (15 hours);

 2. Advanced Residential Applications And Case Studies (15 hours);

 3. Appraisal Subject Matter Electives (20 hours and may include hours over the minimum in other modules).

 (E) The three hundred (300) hours required for a state certified general real estate appraiser must include content from the Basic Appraisal Principles (30 hours), Basic Appraisal Procedures (30 hours), National USPAP Course or its equivalent as determined by the AQB (15 hours), Statistics, Modeling And Finance (15 hours) in addition to the following course modules:

 1. General Appraiser Market Analysis And Highest And Best Use (30 hours);

 2. General Appraiser Sales Comparison Approach (30 hours);

 3. General Appraiser Site Valuation And Cost Approach (30 hours);

 4. General Appraiser Income Approach (60 hours);

 5. General Appraiser Report Writing And Case Studies (30 hours);

 6. Appraisal Subject Matter Electives (30 hours and may include hours over the minimum in other modules).

 (F) Topics for continuing education courses must contribute to the goal of maintaining or increasing the knowledge, skill and competence of real estate appraisers with regard to the performance of real estate appraisals in a manner that best serves the public interest and must be a minimum of two (2) class hours in length.

 (G) Learning objectives and detailed lesson plans reflecting the course content with time allotments must be furnished to the Board at the time of application for approval, along with copies of all quizzes and examinations for qualifying courses. Examinations and the criteria for such examinations and final grade determination may be developed by each provider based on its individual concepts. The Board may, however, direct alterations in examinations procedures, criteria for passing, and administration whenever deemed necessary.

 (H) Providers must identify to the Board the texts to be used in any approved course of instruction. The Board may direct that the school withdraw texts and may require additional instructional materials.

 (I) For qualifying courses, providers must establish uniform testing and grading procedures for their quizzes and examinations and must use approved instructors for administering and monitoring all such tests. No proprietor, instructor or any other individual may arbitrarily alter a student’s grade or offer to students any re‑examination of the same test previously administered. Retake examinations must contain at least eighty percent (80%) new material.

 (J) Class meetings must be limited to a maximum of eight (8) hours in any given day. Students must be allowed one ten (10) minute break each hour and must be allowed at least one thirty minute break for classes that exceed four (4) hours. Providers must require strict attendance of all classroom hours required by law and must maintain records indicating all student absences.

 (K) Providers may offer students failing to meet the minimum‑hour requirement make‑up sessions as follows:

 1. a make‑up session offered by the provider consisting of the content covered in the session or hours missed; or

 2. a video tape of the class session missed, supervised by the instructor, if not more than twenty percent (20%) of the classroom hours are missed; or

 3. attendance of the same class session offered by the provider at a future date.

 (L) Each provider shall, upon request by the Board, provide the Board with a roster of students in attendance at an approved course. The roster shall list the course identification number assigned by the Board, provider’s name, instructor’s name, title, location and dates of course; full legal name, address, phone number, permit/license/certificate number, if applicable, of each student, along with the number of hours in attendance and final grade, if applicable. Rosters must be verified by an authorized official of the provider.

 (M) A Certificate of Completion prescribed by the Board shall be awarded to each course graduate, signed and dated by the authorized official of the provider, and must contain the course identification number assigned by the Board, provider’s name and address, title, location, dates and number of hours of the course, full legal name, and license number, if applicable, of the student.

**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 comply with recommendations of the Appraisal Subcommittee of the Federal Financial Institutions Examinations Council and make corrections and editorial changes.