Legislative Regulation Review Committee

2010-050

Department of Consumer Protection

REAL ESTATE APPRAISAL

STATE OF CONNECTICUT
REGULATION
of the
DEPARTMENT OF CONSUMER PROTECTION
Concerning
REAL ESTATE APPRAISAL

Section 1. Section 20-504-3 of the Regulations of Connecticut State Agencies is amended to read as follows:

Sec. 20-504-3. Licensure or certification categories and scope of practice

(a) The following categories of appraiser licensure or certification are established:

(1) State certified general appraiser;

(2) State certified residential appraiser; and

[(3) Limited general appraiser until September 30, 2006;]

[(4) Limited residential appraiser until September 30, 2006; and]

[(5)] (3) State provisional [licensed] appraiser.

(b) No person shall act as a state certified general appraiser, state certified residential appraiser, [another type of appraiser for the duration of that appraisal category's authorized time period] or as a state provisional [licensed] appraiser unless the person meets the requirements for that category of licensure or certification as established in chapter 400g of the Connecticut General Statutes and sections 20-504-1 to 20-504-12, inclusive, of the Regulations of Connecticut State Agencies.

(c) No certified[, limited,] or provisional [licensed] appraiser shall perform appraisal work that is beyond the scope of practice for such appraiser's category of licensure or certification except as provided under subsection (d) of this section. The scope of practice for each category is as follows:

(1) The state certified general appraiser scope of appraisal practice includes the appraisal of all types of real estate, without regard to transaction value, for all types of transactions including federally related transactions.

(2) The state certified residential appraiser scope of appraisal practice includes the appraisal of all residential real estate, without regard to transaction value, for all types of transactions including federally related transactions.

[(3) Until September 30, 2006, a limited general appraiser is a person holding a valid general appraiser license as of April 30, 1994, which is a renewal of such original license issued on or before December 31, 1990 and which license was issued without the appraiser having passed an examination requirement, who properly applies and qualifies for May 1, 1994 renewal. The limited general appraiser scope of appraisal practice includes the appraisal of all types of real estate, without regard to transaction value, for transactions other than federally related transactions.]

[(4) Until September 30, 2006, a limited residential appraiser is a person holding a valid residential appraiser license as of April 30, 1994, which is a renewal of such original license issued on or before December 31, 1990 and which license was issued without the appraiser having passed an examination requirement, who properly applies and qualifies for May 1, 1994 renewal. The limited residential appraiser scope of appraisal practice includes the appraisal of residential real estate, without regard to transaction value, for transactions other than federally related transactions.]

[(5)] (3) The state provisional [licensed] appraiser scope of appraisal practice includes the appraisal of real estate while under the direct supervision of a certified appraiser for the types of property and in

the types of transactions the supervising appraiser is permitted to appraise. The purpose for this category is to provide an entry level that will allow appraisers to develop the appraisal experience needed to qualify for a category of certified appraiser.

(d) When two or more appraisers work together, each taking responsibility for the appraisal services provided, including the signing of any resulting appraisal, appraisal review or appraisal consulting reports, the scope of appraisal practice includes all types of real estate and transactions available under the collective categories of licensure <u>or certification</u> held[, except that the scope of practice for limited appraisers until September 30, 2006, shall not be expanded to include federally related transactions, even if the reports are co-signed by a certified appraiser].

(e) Any person licensed under Chapter 392 of the Connecticut General Statutes as a real estate broker or a real estate salesman may estimate the value of real estate as part of a market analysis performed for the purpose of a prospective listing or sale of such real estate or any other purpose permitted under section 20-526 of the Connecticut General Statutes, without being a certified [, limited,] or provisional licensed appraiser, provided the estimate shall not be referred to or construed as an appraisal. Any real estate broker or salesman charging a fee or other valuable consideration, separate from any fees or sales commissions or potential sales commissions to be earned in connection with the listing or sale of real estate, for providing an estimate of value of such real estate, except as permitted under section 20-526 of the Connecticut General Statutes, shall be construed as engaging in the real estate appraisal business.

Sec. 2. Section 20-504-4 of the Regulations of Connecticut State Agencies is amended to read as follows:

Sec. 20-504-4. Provisional [licensed] appraisers

(a) No person shall be a state provisional [licensed] appraiser for <u>less than two (2) years or</u> more than a total of [four (4) years,] <u>six (6) years</u> except that under circumstances of bona fide personal or physical hardship or other good cause, the commission may allow additional time on a case by case basis. Such [four (4)] <u>six (6)</u> year total shall not include any period for which the proposed appraiser has given the commission earliest reasonable written notice of complete suspension of appraisal activity in Connecticut.

(b) While performing appraisal work, all state provisional [licensed] appraisers shall be subject to direct supervision by a supervising appraiser who shall be a certified appraiser. The supervising appraiser shall be responsible for the direct supervision of the provisional [licensed] appraiser by:

(1) Accepting responsibility for the appraisal work performed. The supervising appraiser shall indicate the acceptance of responsibility in any resulting written appraisal reports, appraisal review reports or appraisal consulting reports by signing and certifying the report is in compliance with the current Uniform Standards of Professional Appraisal Practice (USPAP);

(2) Reviewing the provisional [licensed] appraiser's appraisal reports, appraisal review reports, appraisal consulting reports or work product; and

(3) Personally inspecting each appraised property with the provisional [licensed] appraiser until a reasonable appraiser would judge the provisional [licensed] appraiser to be competent in accordance with the competency provision of the Uniform Standards of Professional Appraisal Practice (USPAP) for the property type.

(c) A provisional [licensed] appraiser may have more than one supervising appraiser.

(d) Each provisional [licensed] appraiser and supervising appraiser shall file with the commission a notification prior to beginning and at the termination of their employment by each supervising appraiser.

(e) [An] <u>For verification of experience credit, an</u> appraisal log shall be maintained by the provisional [licensed] appraiser and supervising appraiser and shall, at a minimum, include the following for each appraisal:

(1) Type of property;

(2) Date of [valuation;] <u>Report;</u>

(3) Type of Report (Self-Contained, Summary, Restricted Use, other);

[(3) Client name and address;] (4) Address of Appraised Property;

[(4) Subject property address;] (5) Description of work performed by the trainee/applicant and scope of the review and supervision of the supervising appraiser;

[(5)Type of report; and] (6) Number of actual work hours performed by the trainee or applicant on the assignment; and

[(6)Work performed.] (7) The signature and state certification number of the supervising appraiser. Separate appraisal logs shall be maintained for each supervising appraiser if applicable.

(f) The supervising appraiser and the provisional [licensed] appraiser shall review and each sign the appraisal log on a quarterly basis, in accordance with a log format provided by the commission.

(g) Separate appraisal logs shall be maintained for each supervising appraiser.

(h) The provisional [licensed] appraiser shall be entitled to obtain copies of appraisals such provisional [licensed] appraiser prepared, or to which such provisional [licensed] appraiser made a significant professional contribution, from supervising appraisers when such copies are necessary to document appraisal experience for licensure, certification or regulatory compliance purposes. The supervising appraiser shall not, however, be required to maintain copies beyond the record keeping requirements of the current Uniform Standards of Professional Appraisal Practice (USPAP).

(i) The supervising appraiser, by signing the notification to the commission of the sponsorship of the provisional [licensed] appraiser, agrees to assume the responsibilities and duties of a supervising appraiser as provided herein and in chapter 400g of the Connecticut General Statutes [, sections 20-504-1 to 20-504-12, inclusive, of the Regulations of Connecticut State Agencies,] and the Uniform Standards of Professional Appraisal Practice (USPAP), and shall cooperate with the commission regarding matters related to the provisional [licensed] appraiser.

(j) A supervising appraiser shall have no more than three (3) provisional [licensed] appraisers at any one time unless the supervisor has first obtained a waiver of this subsection from the commission. Any waiver of this subsection shall:

(1) Be for a specific maximum number of provisional [licensed] appraisers;

(2) State the minimum number of supervising appraisers that will be maintained in order to retain the waiver;

(3) Lapse at the end of the licensure or certification period during which the waiver is granted or upon a failure to maintain the approved minimum number of supervising appraisers, whichever occurs first; and

(4) Require a new waiver whenever provisional [licensed] appraisers' licenses are renewed.

Sec. 3. Section 20-504-5 of the Regulations of Connecticut State Agencies is amended to read as follows:

Sec. 20-504-5. Application for licensure or certification

(a) State certified general appraiser. Each applicant for a general certification shall prove to the satisfaction of the commission that the applicant has met the following examination, education, and experience requirements:

(1) Successful completion of the required examination;

(2) [As a prerequisite to sit for the examination prior to January 1, 2008, either successful completion of courses approved by the commission totaling at least one hundred and eighty (180) classroom hours of study or proof of education deemed by the commission to be equivalent to such classroom courses.] As a prerequisite to sit for the examination [on or after January 1, 2008], successful completion of

courses approved by the commission totaling at least three hundred (300) classroom hours of study in accordance with the Required Core Curriculum. The Required Core Curriculum topic areas and required number of hours are:

(A) Basic Appraisal Principles (30 hours);

(B) Basic Appraisal Procedures (30 hours);

(C) The 15 hour National USPAP Course or its equivalent (15 hours);

(D) General Appraisal Market Analysis and Highest and Best Use (30 hours);

(E) Statistics, Modeling and Finance (15 hours);

(F) General Appraiser Sales Comparison Approach (30 hours);

(G) General Appraiser Site Valuation and Cost Approach (30 hours);

(H) General Appraiser Income Approach (60 hours);

(I) General Appraiser Report Writing and Case Studies (30 hours); and

(J) Appraisal Subject Matter Electives (30 hours).

(3) Applicants completing the required [one hundred and eighty (180)] three hundred (300) classroom hours of study shall be able to demonstrate that their education involved coverage of all topics listed below, with particular emphasis on the appraisal of non-residential properties:

(A) Influences on real estate value;

(B) Legal consideration in appraisal;

(C) Types of value;

(D) Economic principles;

(E) Real estate markets and analysis;

(F) Valuation process;

(G) Property description;

(H) Highest and best use analysis;

(I) Appraisal math and statistics;

(J) Sales comparison approach;

(K) Site value;

(L) Cost approach;

(M) Income approach:

(i) estimation of income and expenses;

(ii) operating statement ratios;

(iii) direct capitalization;

(iv) cash flow estimates;

(v) measures of cash flow; and

(vi) discounted cash flow analysis;

(N) Valuation of partial interests;

(O) Narrative report writing; and

(P) Successful completion of the 15-hour [National] Uniform Standards of Professional Appraisal Practice (USPAP) course within the six (6) year period preceding the date of the application. Said course shall consist of at least fifteen (15) classroom hours, including a cumulative examination, and shall be taught by an AQB certified USPAP instructor who is a state certified residential or state certified general appraiser. The hours of instruction completed as part of the USPAP course shall be applied as a credit toward the total number of hours listed as a prerequisite to sit for the examination in subsection (a)(2) of this section[; and] .

[(3)] 4 As a prerequisite to obtain certification [sit for the examination], either three thousand (3,000) hours of appraisal experience, as defined in subparagraphs (A) and (B) of this subdivision, or equivalent experience as determined by the commission.

(A) Three thousand (3,000) hours of appraisal experience obtained during no fewer than thirty (30) months is required. Experience documentation in the form of an appraisal log shall be submitted to support the experience claimed.

If requested, reports or file memoranda shall be available to support the experience claimed. Hours may be treated as cumulative in order to achieve the necessary 3,000 hours of appraisal experience.

(B) For credit, the applicant shall have accumulated a total of three thousand (3,000) hours of appraisal experience of which at least one thousand five hundred (1,500) hours shall be in non-residential appraisal work.

[(4)] 5 As a prerequisite to obtain certification [sit for the examination], on or after January 1, 2008, the applicant shall have obtained the minimum educational requirement of a bachelor's degree from an accredited college, university, or institute of higher education. In lieu of the bachelor's degree, the applicant shall have successfully completed thirty (30) semester hours or its equivalent in the following collegiate level subject matter courses from an accredited college, university, or institute of higher education:

Each course must be a minimum of three (3) semester credit hours:

(1) English Composition;

(2) Macro Economics;

(3) Micro Economics;

(4) Finance;

(5) Algebra, Geometry or higher level mathematics;

(6) Statistics;

(7) Computers (Introductory level course), including word processing and spreadsheets;

(8) Business Law or Real Estate Law; and

(9) Two (2) elective courses in any of the following subject matters: Accounting, Geography, Ag-Economics, Business Management, or Real Estate.

(b) **State certified residential appraiser.** Each applicant for a residential certification shall prove to the satisfaction of the commission that the applicant has met the following examination, education, and

experience requirements:

(1) Successful completion of the required examination;

(2) As a prerequisite to sit for the examination prior to January 1, 2008, either successful completion of courses approved by the commission totaling at least one hundred and twenty (120) hours of study or proof of education deemed by the commission to be equivalent to such classroom courses. As a prerequisite to sit for the examination on or after January 1, 2008, successful completion of courses approved by the commission totaling at least two hundred (200) classroom hours of study in accordance with the Required Core Curriculum. The Required Core Curriculum topic areas and required number of hours are:

(A) Basic Appraisal Principles (30 hours)

(B) Basic Appraisal Procedures (30 hours)

(C) The 15 hour [National] USPAP Course or its equivalent (15 hours)

(D) Residential Market Analysis and Highest and Best Use (15 hours)

(E) Residential Appraiser Site Valuation and Cost Approach (15 hours)

(F) Residential Sales Comparison and Income Approaches (30 hours)

(G) Residential Report Writing and Case Studies (15 hours)

(H) Statistics, Modeling and Finance (15 hours)

(I) Advanced Residential Applications and Case Studies (15 hours)

(J) Appraisal Subject Matter Electives (20 hours).

(3) Applicants completing the required [one hundred and twenty (120)] two hundred (200) classroom hours of study shall be able to demonstrate that their education involved coverage of all topics listed below, with particular emphasis on the appraisal of residential properties:

(A) Influences on real estate value;

(B) Legal consideration in appraisal;

(C) Types of value;

(D) Economic principles;

(E) Real estate markets and analysis;

(F) Valuation process;

(G) Property description;

(H) Highest and best use analysis;

(I) Appraisal math and statistics;

(J) Sales comparison approach;

(K) Site value;

(L) Cost approach;

(M) Income approach:

(i) gross rent multiplier analysis;

(ii) estimation of income and expenses;

(iii) operating expense ratios; and

(iv) direct capitalization;

(N) Valuation of partial interests;

(O) Narrative report writing; and

(P) Successful completion of the 15-hour [National] Uniform Standards of Professional Appraisal Practice (USPAP) course within the six (6) year period preceding the date of the application. Said course shall consist of at least fifteen (15) classroom hours, including a cumulative examination, and shall be taught by an AQB certified USPAP instructor who is a state certified residential or state certified general appraiser. The hours of instruction completed as part of the USPAP course shall be applied as a credit toward the total number of hours listed as a prerequisite to sit for the examination in subsection (b)(2) of this section; and

[(3)] 4 As a prerequisite to obtain certification, [sit for the examination, either] two thousand five hundred (2,500) hours of appraisal experience, as defined [in this subdivision, or equivalent experience as determined by the commission. Two thousand five hundred (2,500) hours of appraisal experience] herein, and obtained during no fewer than twenty-four (24) months is required. Experience documentation in the form of an appraisal log shall be submitted to support the experience claimed. If requested, reports or file memoranda shall be available to support the experience claimed. Hours may be treated as cumulative in order to achieve the necessary two thousand five hundred (2,500) hours of appraisal experience.

[(4)] (5) As a prerequisite to obtain certification [sit for the examination on or after January 1, 2008], the applicant shall have obtained the minimum educational requirement of a associate's degree from an accredited college, university, or institute of higher education. In lieu of the associate's degree, the applicant shall have successfully completed twenty one (21) semester hours or its equivalent in the following collegiate level subject matter courses from an accredited college, university, or institute of higher education:

Each course must be a minimum of three (3) semester credit hours:

(1) English Composition;

(2) Principals of Economics, either Macro Economics or Micro Economics;

(3) Finance;

(4) Algebra, Geometry or higher level mathematics;

(5) Statistics;

(6) Computers (Introductory level course), including word processing and spreadsheets; and

(7) Business Law or Real Estate Law.

(c) State provisional [licensed] appraiser. Each applicant for a provisional license shall, before being granted such provisional license, prove to the satisfaction of the commission that the applicant has met [one of] the following education requirements:

(1) [Prior to January 1, 2008, successful] Successful completion of courses approved by the commission totaling at least seventy-five (75) classroom hours of study, including:

(A) A minimum of thirty (30) classroom hours in real estate appraisal principles;

(B) Thirty (30) hours of Basic Appraisal Procedures; and

[(B)] (C) Successful completion of the 15-hour [National] Uniform Standards of Professional Appraisal Practice (USPAP) course within the six (6) year period preceding the date of the application. Said course shall consist of at least fifteen (15) classroom hours, including a cumulative examination, and shall be taught by an AQB certified USPAP instructor who is a state certified residential or state certified general appraiser.

[(2) Each applicant for a provisional license on or after January 1, 2008, shall, before being granted such provisional license, prove to the satisfaction of the commission that the applicant has met the following educational requirements: 30 Hours of Basic Appraisal Principles, 30 Hours of Basic Appraisal Procedures, and the 15 Hour National USPAP Course or its equivalent.]

(d) Documentation of experience and education. Applicants for licensure or certification shall comply with the following when documenting experience and training:

(1) Allowable appraisal experience shall be the applicant's own work, which may include experience obtained while completing entire appraisals, technical review appraisals or consulting assignments. Appraisal experience may also be allowed for experience the applicant obtained while providing significant professional assistance, as determined by the commission, [to a licensed appraiser prior to September 30, 2003, or] to a certified appraiser in the preparation of real estate appraisals, technical review appraisals or consulting assignments, where the applicant is not the primary appraiser. Allowable appraisal experience shall not include appraisals performed as a classroom exercise;

(2) Experience documentation for applicants in the form of logs, reports, and file memoranda shall be available to support the experience claimed. If requested by the commission, applicants will provide the commission with such additional documentation as is needed to prove to the satisfaction of the commission that the experience requirement has been met; and

(3) Education documentation shall be provided with the application in the form of original affidavits or original certificates provided for commission approved courses or other documentation acceptable to the commission. Documentation will also be provided for other courses or teaching experience claimed. If requested by the commission, applicants will provide the commission with such additional documentation as is needed to prove to the satisfaction of the commission that the education requirement has been met.

Sec. 4. Section 20-504-6 of the Regulations of Connecticut State Agencies is amended to read as follows:

Sec. 20-504-6. Examination

(a) In order to determine the competency of any applicant for [an appraiser's] certification, each [such] applicant is required to successfully complete a written examination as to the applicant's competency to act as an appraiser in the category for which the applicant is applying.

(b) Such examination shall be:

(1) Prepared by the Department of Consumer Protection or by a national testing service designated by the Commissioner of Consumer Protection;

(2) Administered to applicants by the Department of Consumer Protection or by such testing service at such times and places as said commissioner may deem necessary; and

(3) Consistent with guidelines established by the Appraiser Qualifications Board of The Appraisal Foundation.

(c) A passing score of at least seventy-five (75) per cent of the maximum possible score on the examination shall be attained by an applicant in order to pass the personal written examination for the appraiser's certification given by the Department of Consumer Protection or national testing service. Successful completion of [a state certified] said examination is valid for a period not to exceed twenty four (24) months from the date of said examination.

[(d) An applicant holding a current Connecticut appraiser's license or certification who applies for a

different category of licensure or certification may be judged by the commission to have met the requirements of subsection (a) of this section, if the applicant successfully completed the same examination required for the current application within the twenty four (24) month period immediately preceding the date of such application.]

Sec. 5. Section 20-504-7 of the Regulations of Connecticut State Agencies is amended to read as follows:

Sec. 20-504-7. Licensure or certification renewal

(a) Persons certified[, limited] or provisionally licensed in accordance with chapter 400g of the Connecticut General Statutes shall fulfill a continuing education requirement and such other requirements that may be specified in this section. Applicants [for such annual renewal certification, or provisional license, or until September 30, 2006, limited license,] seeking annual renewal of a license or certification shall, in addition to the other requirements imposed by section 20-517 of the Connecticut General Statutes, submit proof of compliance with the requirements of this section to the commission.

(b) The continuing education requirement shall be satisfied by:

(1) Successful completion by certified or provisional [licensed] appraisers of twenty-eight (28) classroom hours in courses approved by the commission, [or, until September 30, 2006, the successful completion by limited appraisers of fifteen (15) such classroom hours,] during the two (2) year period preceding such renewal except that provisional [licensed] appraisers shall have no continuing education requirement at the first renewal of their provisional license. The classroom education shall include, one (1) course consisting of at least three (3) classroom hours in current real estate appraisal legislation, [licensing] laws and regulations, professional standards, and real estate equal opportunity laws and regulations; and

(2) Successful completion of the seven (7) hour [National] USPAP update course beginning with the May 1, 2004 two-year continuing education cycle and taught by an AQE certified USPAP instructor.

(c) Equivalent continuing education may be granted for:

(1) Any course approved by the commission as a prerequisite course. This includes prerequisite education previously used to qualify as a certified appraiser, [licensed appraiser] or provisional [licensed] appraiser, if successfully completed within the two (2) year period prior to renewal. Any approved prerequisite course used for continuing education credit by a certified[, limited] or provisional [licensed] appraiser will also continue to be eligible for consideration toward prerequisite education requirements such appraiser may need in the future to qualify for a different category of certified appraiser;

(2) Any other real estate appraisal related educational courses taken by [the licensee] an appraiser and judged acceptable by the commission. Such courses shall be considered by the commission on an individual basis. Evidence of such courses shall be submitted at least ninety (90) days prior to the end of each two (2) year continuing education period. Submissions made after the ninety (90) day period will not be considered, except at the discretion of the commission; or

(3) Participation, other than as a student, in appraisal education processes and programs. Examples of activities for which credit may be granted are teaching, program development, authorship of textbooks, or similar activities which are determined by the commission to be equivalent to obtaining continuing education. Evidence of such activities shall be submitted no later than ninety (90) days prior to the end of each two (2) year continuing education period. Submissions made after the ninety (90) day period will not be considered, except at the discretion of the commission. No more than fifty percent (50%) or fourteen hours (14) of continuing education may be obtained.

(d) Courses or activities considered for continuing education, or equivalent continuing education credit, shall not be accepted by the commission if the course or activity is for less than two (2) hours.

(e) Continuing education hours, or equivalent continuing education hours, shall not be approved more than once within each two (2) year continuing education period for completing or instructing the same course, or participating in the same activity. For purposes of this section, each annual edition of the seven (7) hour [National] USPAP update course shall be considered a separate course.

Sec. 6. Section 20-504-9 of the Regulations of Connecticut State Agencies is amended to read as follows:

Sec. 20-504-9. Temporary practice; licensure or certification [or, provisional licensure] in another state.

(a) **Temporary practice.**

(1) An appraiser who is certified, state licensed, or provisionally licensed by the appraiser licensing agency or certifying agency in another state may register to receive temporary certification or temporary provisional [licensing or certification privileges] licensure in this state by paying the appropriate fee and filing with the board a registration form approved by and obtained from the commission. The commission shall provide written notification of acceptance of the registration to the appraiser via mail, facsimile, electronic mail or other appropriate means not later than five days after receipt of the fee and a properly completed registration form.

(2) The temporary certification or temporary provisional license, as the case may be, shall be effective for six months from issuance and will apply to one appraisal assignment which will be specified in the application. The commission may grant one extension upon request of the appraiser if the appraiser is unable to complete the appraisal assignment within six months. One appraisal assignment means one or more real estate appraisals which have been contracted for in a single contract. Temporary certification and temporary provisional [licensing] licensure are available to appraisers from all states unless a state's appraiser certifications or licenses are not recognized under FIRREA.

(b) **[Certification] Licensure or certification [or provisional licensure] from states with reciprocity.**

(1) Currently practicing, competent real estate appraisers [holding a valid certification or provisional license equivalent, as the case may be,] from a state that has a formal reciprocity agreement with the commission, may make application, along with the appropriate fees, to the commission for [a] an equivalent certification or provisional license in Connecticut.

(2) Upon verification of the appraiser's valid certification or license by the [licensing] issuing authority of the [issuing] reciprocal state, a Connecticut certification may be issued without examination or further documentation of education or experience.

(3) Upon verification of the appraiser's valid provisional license equivalent, by the [licensing] issuing authority of the [issuing] reciprocal state, a Connecticut provisional license may be issued if such appraiser proves to the satisfaction of the commission that the appraiser has qualifications similar to those required for a Connecticut provisional [licensed] appraiser. Such provisional [licensed] appraisers shall work under the direct supervision of an appraiser holding a valid Connecticut certification or temporary certification.

(c) **[Certification] Licensure or certification [or provisional licensure] from states without reciprocity.**

(1) Currently practicing, competent real estate appraisers [holding a valid certification or provisional license equivalent, as the case may be,] from a state that does not have a formal reciprocity agreement with the commission, may make application, along with the appropriate fees, to the commission for an equivalent certification or provisional license in Connecticut.

(2) Such out-of-state appraiser applicants may qualify for a Connecticut certification if the applicant proves to the satisfaction of the commission that the applicant has met the appropriate examination, education and experience requirements, or the equivalent.

(3) Upon verification of the appraiser's valid certification or license by the [licensing] issuing authority [of the issuing state], the examination requirement may be waived if the applicant proves to the satisfaction of the commission that the applicant has successfully passed an examination, appropriate for the category of licensure or certification applied for, that is consistent with the guidelines established by the Appraisal Qualifications Board of The Appraisal Foundation. Such waivers may be made by the commission to appraisers from all states unless a state's appraiser certifications are not recognized under FIRREA.

(4) Upon verification of the appraiser's valid provisional license equivalent, by the [licensing] issuing authority of the issuing state, a Connecticut provisional license may be issued if such appraiser proves to the satisfaction of the commission that the appraiser has qualifications similar to those required for a Connecticut provisional [licensed] appraiser. Such provisional [licensed] appraisers shall work under the direct supervision of an appraiser holding a valid Connecticut certification or temporary certification.

(d) **[Renewal for persons certified or provisionally licensed in] Credit for continuing education approved by another state.**

[Appraisers licensed in] Currently practicing , competent real estate appraisers in another state applying for renewal [certification, or provisional licensing in the state of Connecticut shall satisfy the provisions of chapter 400g of the Connecticut General Statutes and sections 20-504-1 to 20-504-12, inclusive, of the Regulations of Connecticut State Agencies, except that such appraisers may submit continuing education courses or seminars that have been approved by the [state of primary licensure] issuing authority for consideration by the commission as equivalent continuing education, provided that the total number of classroom hours submitted shall be consistent with the continuing education requirements [for the category of certification or provisional licensing]. Appraisers are also required to complete the three (3) hour mandatory appraisal law course.

(e) **Real estate appraisal reviewers certified in another state.**

(1) Real estate appraisal reviewers certified in another state and operating outside the state of Connecticut who are performing appraisal reviews regarding real estate located in Connecticut are not required to hold a Connecticut certification or temporary certification if such appraisal review does not entail field work within the [State] state of Connecticut.

(2) Real estate appraisers licensed or certified in another state and performing appraisal reviews that do involve field work within the state of Connecticut are required to hold a valid Connecticut certification or [temporary certification] provisional license that is appropriate for the work performed.

Sec. 7. Section 20-504-10 of the Regulations of Connecticut State Agencies is amended to read as follows:

Sec. 20-504-10. National registry

The commission shall require an annual registry fee for all certified appraisers [and licensed appraisers] in an amount established by the Appraisal Subcommittee of the Federal Financial Institutions Examination Council pursuant to Title XI of FIRREA. The Commissioner of Consumer Protection shall compile and transmit a roster of such appraisers, along with the registry fees paid, to the appropriate federal regulatory entity.

Sec. 8. Section 20-504-11 of the Regulations of Connecticut State Agencies is amended to read as follows:

Sec. 20-504-11. Duty to cooperate

A certified[, limited,] or provisional [licensed] appraiser or applicant shall cooperate with department staff if such appraiser or applicant is contacted in connection with an inquiry or investigation performed by the Department of Consumer Protection concerning possible violations of real estate appraiser [licensure] statutes or regulations. A certified[, limited,] or provisional [licensed] appraiser or applicant shall not make any untruthful or misleading statements in connection with any Department of Consumer Protection or commission inquiry, investigation or hearing.

Sec. 9. Section 20-512-2 of the Regulations of Connecticut State Agencies is amended to read as follows:

Sec. 20-512-2. School approval and requirements

(a) Each college, university, community college, junior college, real estate appraisal organization, real estate organization, state agency, federal agency, proprietary school or other provider of education shall obtain approval as a real estate appraisal school from the commission before offering approved courses in real estate appraisal prerequisite education or continuing education. School approval shall be obtained from the commission before any courses will be considered for approval for the purpose of becoming a state certified general appraiser, state certified residential appraiser or state provisional appraiser in the state of Connecticut, or for the purpose of renewing or maintaining any such license or certification. Application for such school approval shall be made on forms prescribed by the Commissioner of Consumer Protection[.], and located on the Department of Consumer Protection website, www.ct.gov/DCP. Course and school approvals shall be reviewed on a periodic basis at the discretion of the commission.

(b) All approved schools shall:

(1) Be responsible for keeping course material current and accurate;

(2) Permit the commission, without prior notice, to visit the school and observe the instruction given to insure proper standards as to method and content of any approved courses;

(3) Conduct each course of study in a classroom or other facility which is adequate to implement the offering. No course shall be conducted in a classroom location that is not approved by the local fire marshal for such use. Courses shall not be held on the premises of a real estate appraisal office, real estate brokerage office or real estate franchise; and

(4) Abide by the regulations established under the authority of section 20- 512 of the Connecticut General Statutes, including sections 20-512-1 to 20-512-11, inclusive, of the Regulations of Connecticut State Agencies.

(c) School approval or course approval may be withdrawn by the commission for failure by a school or its representatives to comply with the provisions of sections 20-512-1 to 20-512-11, inclusive, of the Regulations of Connecticut State Agencies.

(d) All approved schools or applicant schools shall cooperate with department staff if such school is contacted in connection with an inquiry or investigation performed by the Department of Consumer Protection concerning possible violations of real estate appraiser [licensure] statutes or regulations. No representative of such school shall make any untruthful or misleading statements in connection with any Department of Consumer Protection or commission inquiry, investigation or hearing.

Sec. 10. Section 20-512-3 of the Regulations of Connecticut State Agencies is amended to read as follows:

Sec. 20-512-3. Prerequisite course approval

(a) [Prerequisite course approval shall be obtained from the commission before the course is conducted.] All prerequisite courses, prior to submission to the commission, shall have received a Course Approval Program (CAP) certification by the Appraisal Qualifications Board. No courses shall commence, or be advertised as approved, without prior written approval of the commission.

(b) A separate application for commission approval shall be required for each course in real estate appraisal prerequisite education.

(c) The application for each prerequisite course shall include, but not be limited to, the following:

(1) A detailed course outline or course syllabus;

(2) A copy of the text or related teaching materials;

(3) A copy of the affidavits or certificates to be issued by the school to each student upon successful completion of the course;

(4) A copy of all proposed advertising;

(5) The names, addresses, and qualifications of all instructors to be used;

(6) The tuition, other related costs, cancellation and refund policy;

(7) A copy of all tests, quizzes and exams with answer key;

(8) A description of the grading system to be used, and the policy regarding attendance; and

(9) On or after January 1, 2008, a certificate of approval for the course from the Course Approval Program (or "CAP") of the AQB.

(d) Applications for prerequisite courses which have been reviewed and approved by the Connecticut Real Estate Commission or the AQB may be accepted with proof of such approval in lieu of any or all of the items included in subdivisions (2) through (8) of subsection (c) of this section as deemed appropriate by the commission.

(e) Each school shall issue an affidavit or certificate to each student successfully completing an approved prerequisite course, in such form as may be adopted by the school, attesting to the student having met the required minimum attendance and achieved a minimum passing grade of at least [seventy (70)] seventy five (75) percent, the course start and finish dates, and the number of classroom hours for which the course has been approved. Said affidavit is to be signed by an authorized official of the school.

(f) Each prerequisite course approval shall be effective for a three (3) year period from the date of approval. The commission may grant approval for additional three (3) year periods upon the submission of an acceptable updated course filing containing any changes from the previous offering. USPAP course approvals shall be effective for a period of one year from the date of approval, and the commission may grant approval for the additional one (1) year periods upon the submission of an acceptable updated course filing containing any changes from the previous offering.

Sec. 11. Section 20-512-4 of the Regulations of Connecticut State Agencies is amended to read as follows:

Sec. 20-512-4. Prerequisite course content

(a) Various courses may be credited toward the classroom hour requirement for licensure or certification. The contents of such prerequisite course programs shall provide meaningful education in real estate appraisal, standards of professional practice, real estate appraisal [licensing] law, general real estate and related topics that are broad-based and essential to the role of a real estate appraiser as the appraiser acts in the best interests of the consumer.

(b) Prerequisite course content shall include, but not be limited to, the fundamentals expected to be obtained from such a course.

(c) For prerequisite courses, no course of less than fifteen (15) classroom hours, including examination, shall be approved. All prerequisite courses shall be CAP approved and require successful completion of an examination that is pertinent to that educational offering as a condition to granting prerequisite course credit.

(d) There shall be no change or alteration in any approved prerequisite course without prior written notice and approval of the commission.

(e) A distance education course as referred to in the Interpretations [(interpretations)] of the Appraiser [(appraiser)] Qualification [(qualification)] Criteria [(criteria)] of the AQB shall meet the classroom hour requirement specified in subsection (c) of this section or its equivalent, provided that the course is approved by the commission and that it meets at least one of the qualification criteria established by the AQB. Copies of [the Appraiser (appraiser) Qualification (qualification) Criteria (criteria) and (interpretations)] the Interpretations of the Appraiser Qualification Criteria of the AQB are available for inspection at the office of the Real Estate Appraisal Commission, Room 110, State Office Building, 165

Capitol Avenue, Hartford, Connecticut, during regular business hours. Alternatively, copies may be obtained from The Appraisal Foundation located in Washington, D.C. or from The Appraisal Foundation's website at www.appraisalfoundation.org.

(f) Open book exams are not acceptable in prerequisite courses.

(g) At least one of the course instructors of the 15 hour [National] USPAP Course or its equivalent must be an AQB Certified USPAP Instructor who is also a state certified appraiser.

Sec. 12. Section 20-512-5 of the Regulations of Connecticut State Agencies is amended to read as follows:

Sec. 20-512-5. Continuing education course approval

(a) [Continuing] Approval of continuing education [course approval] courses for the purpose of renewing or maintaining an appraiser license or certification in the state of Connecticut shall be obtained from the commission before a course is conducted. No courses shall commence, or be advertised as approved, without prior written approval of the commission.

(b) A separate application for commission approval shall be required for each course in real estate appraisal continuing education.

(c) The application for each continuing education course shall include, but not be limited to, the following:

(1) A detailed course outline;

(2) A copy of the inside cover of the text and related teaching materials;

(3) A copy of the affidavits or certificates to be issued by the school upon completion of the course [other than that prescribed by the commission];

(4) A copy of all proposed advertising, internet advertising, and publicity;

[(5) The names, addresses, and qualifications of all instructors to be used;]

[(6)] (5) The tuition, other related costs and the cancellation and refund policy; [and]

[(7)] (6) A description of the policy regarding minimum attendance [.] ;and

(7) Location of the classroom.

(d) Applications for continuing education courses which have been reviewed and approved by the Connecticut Real Estate Commission or the Appraisal Qualifications Board may be accepted with proof of such approval in lieu of any or all of the items included in subdivisions (2) through (7) of subsection (c) of this section as deemed appropriate by the commission.

(e) Each school shall issue an affidavit to the student completing an approved continuing education course, in such form as may be adopted by the school, attesting to the required minimum attendance, the course start and finish dates, and the number of classroom hours for which the course has been approved. Said affidavit is to be signed by an authorized official of the school.

(f) Each continuing education course approval shall be effective for a [two (2)] three (3) year period from the date of approval. The commission may grant approval for additional [two (2)] three (3) year periods upon the submission of an acceptable updated course filing containing any changes from the previous offering.

Sec. 13. Section 20-512-6 of the Regulations of Connecticut State Agencies is amended to read as follows:

Sec. 20-512-6. Continuing education course content

(a) The contents of continuing education programs shall consist of current real estate appraisal practices, real estate practices, [licensing] laws and standards of professional practice that are broad-based and essential to the role of a real estate appraiser as the appraiser acts in the best interests of the consumer. These contents shall directly relate to [real estate and] real estate appraisal principles and practices such as described in Connecticut's real estate appraisal statutes and regulations and any overview text on [real estate or] real estate appraisal principles and practices, or to new developments in the field for which [licensees] licensed or certified appraisers have a demonstrated need.

(b) Generally acceptable continuing education courses may include, but shall not be limited to:

(1) Ad valorem taxation;

(2) Arbitration;

(3) Business courses related to real estate appraisal;

(4) Construction estimating;

(5) Ethics and standards of professional practice;

(6) Land use planning, zoning and taxation;

(7) Property development;

(8) Real estate appraisal (valuation or evaluation, or both);

(9) Real estate appraisal [licensing law] laws and regulations [pertaining to appraisal];

(10) Real estate appraisal related computer applications;

(11) Real estate financing and investment;

(12) Real estate law;

(13) Real estate litigation;

(14) Real estate management, leasing, brokerage or time-sharing;

(15) Real estate securities and syndication;

(16) Real estate taxes and liens;

(17) Real estate principles and practices; and

(18) Real property exchange.

(c) The commission shall not approve offerings in mechanical office and business skills such as typing, speed-reading, memory development, personal motivation, salesmanship, sales psychology, sales promotions, and shall not approve general business meetings.

(d) For continuing education courses, no course of less than two (2) classroom hours shall be approved. There is no examination requirement for continuing education courses.

(e) There shall be no change or alteration in any approved continuing education course without prior written notice and approval of the commission.

(f) A distance education course as referred to in the Interpretations of the Appraiser Qualification Criteria of the AQB shall meet the classroom hour requirement specified in subsection (d) of this section or its equivalent, provided that the course is approved by the commission and that it meets at least one of the qualification criteria established by the AQB. Copies of the Appraiser Qualification Criteria and

[(interpretations)] the Interpretations of the Appraiser Qualification Criteria of the AQB are available for inspection at the office of the Real Estate Appraisal Commission, Room 110, State Office Building, 165 Capitol Avenue, Hartford, Connecticut, during regular business hours. Alternatively, copies may be obtained from The Appraisal Foundation located in Washington, D.C. or from The Appraisal Foundation's website at www.appraisalfoundation.org.

(g) The purpose of continuing education is to ensure that the appraiser participates in a program that maintains and increases his or her skill, knowledge and competency in real estate appraising.

(h) At least one of the course instructors of the [15] 7 or 15 hour [National] USPAP [Course or its equivalent] course must be an AQB Certified USPAP Instructor who is also a state certified appraiser.

Sec. 14. Section 20-512-8 of the Regulations of Connecticut State Agencies is amended to read as follows:

Sec. 20-512-8. Notification of course offerings and locations

(a) Each school conducting an approved prerequisite or continuing education course shall, at least ten (10) days prior to the first scheduled session of each course, submit to the commission a schedule of the dates, hours, locations, tuition fees and instructors for each course to be offered.

(b) The name, address and qualifications for each instructor not previously submitted to the commission shall be included with the course notification.

(c) A local fire marshal certificate for each classroom location shall be included with the course notification, if not already on file with the commission.

(d) If the course is not held in a public building or place of public assembly, the facility must be adequate to hold such an offering and have been approved by the local Fire Marshall for such purpose.

Statement of Purpose:

(A) The proposed regulations update existing requirements for real estate appraisers. The qualifications for real property appraisers are set by the Appraiser Qualifications Board of The Appraisal Foundation. The qualifications cover education, experience, examination and continuing education. The prerequisites for each of the credentials are reviewed by the Connecticut Real Estate Appraisal Commission under the auspices of the Department of Consumer Protection.

(B) These amendments clarify the licensure categories and scope of practice, set the parameters for provisional appraisers, and articulate the prerequisites to obtain certification as a state certified general appraiser or state certified residential appraiser.

(C) These regulations make minor changes to existing regulations for real estate appraisers. There are no major legal effects.

CERTIFICATION
M-39.REV. 1/77

Be it known that the foregoing:

[X] Regulations [ ] Emergency Regulations

Are:

[ ] Adopted [X] Amended as hereinabove stated [ ] Repealed

By the aforesaid agency pursuant to:

[X] Section 4-168 and 20-504 of the General Statutes and
[ ] Sections _____ of the General Statutes, as amended by Public Act. No. __ of the __ Public Acts.
[ ] Public Act. No. _____ of the Public Acts.

After publication in the Connecticut Law Journal on April 29, 2008 of the notice of the proposal to:

[ ] Adopt [X] Amend [ ] Repeal such regulations

(If applicable): And the [X] holding of an advertised public hearing on 12th day of July 2010.

WHEREFORE, the foregoing regulations are hereby:

[ ] Adopted [X] Amended as hereinabove stated [ ] Repealed

Effective:

[X] When filed with the Secretary of the State.
(OR)

[ ] The _____ day of _____.

In Witness Whereof:	DATE 8/20/10	SIGNED (Head of Board, Agency or Commission) Jerry Farrell	OFFICIAL TITLE, DULY AUTHORIZED Commissioner

Approved by the Attorney General as to legal sufficiency in accordance with Sec. 4-169, as amended, C.G.S.:	SIGNED 9/24/10	OFFICIAL TITLE, DULY AUTHORIZED ASSOC. ATTY. GENERAL

[ ] Approved

[ ] Disapproved

[ ] Disapproved in part, (Indicate Section Numbers disapproved only)

[ ] Rejected without prejudice.

By the Legislative Regulation Review Committee in accordance with Sec. 4-170, as amended, of the General Statutes	DATE	SIGNED (Clerk of the Legislative Regulation Review Committee)

Two certified copies received and filed, and one such copy forwarded to the Commission on Official Legal Publications in accordance with Section 4-172, as amended, of the General Statutes.

DATE	SIGNED (Secretary of the State)	BY

INSTRUCTIONS

One copy of all regulations for adoption, amendment or repeal, except emergency regulations, must be presented to the Attorney General for his determination of legal sufficiency. Section 4-169 of the General Statutes.

Seventeen copies of all regulations for adoption, amendment or repeal, except emergency regulations, must be presented to the standing Legislative Regulation Review Committee for its approval. Section 4-170 of the General Statutes.

Each regulation must be in the form intended for publication and must include the appropriate regulation section number and section heading. Section 4-172 of the General Statutes.

Indicate by "(NEW)" in heading if new regulation. Amended regulations must contain new language in capital letters and deleted language in brackets. Section 4-170 of the General Statutes.