[PERMANENT RULE ADOPTED July 10, 2014]

DEPARTMENT OF REGULATORY AGENCIES
DIVISION OF REAL ESTATE
BOARD OF REAL ESTATE APPRAISERS
4 CCR 725-2

NOTICE OF PROPOSED PERMANENT RULEMAKING HEARING
July 10, 2014

CHAPTER 17: LICENSING REQUIREMENTS FOR APPRAISAL MANAGEMENT COMPANIES

Pursuant to and in compliance with Title 12, Article 61 and Title 24, Article 4, C.R.S. as amended, notice of proposed rulemaking is hereby given, including notice to the Attorney General of the State of Colorado and to all persons who have requested to be advised of the intention of the Colorado Board of Real Estate Appraisers (the "Board") to promulgate rules, or to amend, repeal or repeal and re-enact the present rules of the Board.

STATEMENT OF BASIS

The statutory basis for the rules titled Rules of the Board of Real Estate Appraisers is Chapter 7 of Title 12, Article 61, Colorado Revised Statutes, as amended.

STATEMENT OF PURPOSE

The purpose of this rule is to effectuate the legislative directive to promulgate necessary and appropriate rules in conformity with the statute and the provisions of the federal Financial Institutions Reform, Recovery and Enforcement Act of 1989.

SPECIFIC PURPOSE OF THIS RULEMAKING

The specific purpose of this rule is to amend or repeal existing rules with respect to appraisal management company licensure.

Proposed New, Amended and Repealed Rules

[Deleted material shown ~~struck through~~, new material shown ALL CAPS. Rules, or portions of rules, which are unaffected are reproduced. Readers are advised to obtain a copy of the complete rules of the Board at www.dora.state.co.us/real-estate/rulemaking/BOREA/index.htm]

CHAPTER 17: LICENSING REQUIREMENTS FOR APPRAISAL MANAGEMENT COMPANIES

17.2 Pursuant to section 12-61-707, C.R.S. an applicant for an appraisal management company's or a controlling appraiser's license who has been convicted of, entered a plea of guilty to, or entered a plea of nolo contendere to a misdemeanor or a felony, or any other like municipal code violation, shall, with his or her application, include an addendum to the application in a form prescribed by the Board. Such addendum shall be supported and documented by, without limitation, the following:

A. Court documents, including original charges, disposition, pre-sentencing report and certification of completion of terms of sentence;

B. Police officer's report(s);

C. Probation or parole officer's report(s);

D. A written personal statement explaining the circumstances surrounding each violation, and including the statement "I have no other violations either past or pending";

E. Letters of recommendation; and

F. Employment history for the preceding five years.

17.11 When an application for licensure as an appraisal management company is submitted, the controlling appraiser must certify the following:

A. If the appraisal management company is a corporation, that the corporation complies with section 12-61-707(8)(c), C.R.S. and that the controlling appraiser has been authorized by the corporation as the controlling appraiser for the corporation.

B. If the appraisal management company is a partnership, that the partnership complies with section 12-61-707(8)(a), C.R.S. and that the controlling appraiser has been authorized by the partnership as the controlling appraiser for the partnership.

C. If the appraisal management company is a limited liability company, that the company complies with section 12-61-707(8)(b), C.R.S. and that the controlling appraiser has been authorized by the company as the controlling appraiser for the limited liability company.

17.14 Applicants for licensure, activation, renewal or reinstatement as an appraisal management company shall certify compliance with section 12-61-709, C.R.S. in a manner prescribed by the Board. The surety bond must:

A. Be for a minimum of $25,000.00;

B. Be in conformance with all relevant Colorado statutory requirements; and

C. Cover acts contemplated for appraisal management companies under part 7 of article 61 of title 12 during the period of licensure by the appraisal management company.

Any licensed appraisal management company that certifies compliance and fails to maintain a surety bond, or to provide proof of continuous coverage, shall be placed on inactive status:

A. Immediately if a current surety bond is not provided to the Board; or

B. Immediately upon the expiration of any current surety bond when certification of continued coverage is not provided.

17.15 An appraisal management company or controlling appraiser whose license has been placed on inactive status must:

A. Cease any activities requiring a license.

B. Cease all advertising of licensed services.

C. If an appraisal management company, inform all clients of the company's license status and inability to provide any services requiring a license.

D. If an appraisal management company, ensure that all appraisal fees collected from the client(s) have been accounted for and dispersed pursuant to section 12-61-714(1)(h), C.R.S.

E. If an appraisal management company, fees for services requiring a license can be collected for licensed services performed prior to inactivation of the license.

A hearing on the above subject matter will be held on Thursday, July 10, 2014, at the Colorado Division of Real Estate, 1560 Broadway, Suite 110D, Denver, Colorado 80202 beginning at 9:00 a.m.

Any interested person may participate in the rule making through submission of written data, views and arguments to the Division of Real Estate. Persons are requested to submit data, views and arguments to the Division of Real Estate in writing no less than ten (10) days prior to the hearing date and time set forth above. However, all data, views and arguments submitted prior to or at the rulemaking hearing or prior to the closure of the rulemaking record (if different from the date and time of hearing), shall be considered.

Please be advised that the rule being considered is subject to further changes and modifications after public comment and formal hearing.