[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 5: STANDARDS FOR REAL ESTATE APPRAISAL EXPERIENCE

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 requirements for appraisal experience.

Proposed New, Amended and Repealed Rules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 5: STANDARDS FOR REAL ESTATE APPRAISAL EXPERIENCE

5.1 The quantitative experience requirements must be satisfied by time spent on the appraisal process. Acceptable experience includes appraisal, appraisal review, appraisal consulting, and mass appraisal experience where the appraiser demonstrates proficiency in the development and reporting of the assignment results utilizing recognized appraisal principles and methodology during the appraisal process as defined by Board Rule 1.29. The Board may consider other experience upon petition by the applicant. All experience must be obtained after January 30, 1989 and comply with USPAP.

5.8 There need not be a client in a traditional sense (i.e. a client hiring an appraiser for a business purpose) in order for an appraisal to qualify for experience, but experience gained for work without a traditional client cannot exceed 50% of the total experience requirement. A client may include a government entity or a court of competent jurisdiction.

Practicum courses that are approved by the AQB Course Approval Program or the Board can satisfy the nontraditional client experience requirement. A practicum course must include the generally applicable methods of appraisal practice for the credential category. Content includes, but is not limited to: requiring the student to produce credible appraisals that utilize an actual subject property; performing market research, containing sales analysis; and applying and reporting the applicable appraisal approaches in conformity with USPAP. Assignments must require problem solving skills for a variety of property types for the credential category. Experience credit shall be granted for the actual classroom hours of instruction, and hours of documented research and analysis as awarded from the practicum course approval process.

5.9 Each application for licensure pursuant to Board Rules 2.2, 2.3, or 2.4 shall be accompanied by a log of real estate appraisal experience on a form or in the manner specified by the Board. The experience log must include the following:

A. Type of property;
B. Date of report;
C. Address of appraised property;
D. Description of work performed by the applicant, and scope of review and supervision of the supervising appraiser, if applicable;
E. Number of actual work hours by the applicant on the assignment;
F. The signature and state certification number of the supervisor, if applicable. Separate experience logs shall be maintained for each supervising appraiser, if applicable;
G. An attestation certifying the accuracy and truthfulness of the information contained within the experience log; and
H. The applicant's original, handwritten signature and the original, handwritten signature of the supervisor, if applicable.

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.