[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 11: STANDARDS OF PROFESSIONAL APPRAISAL PRACTICE

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 professional appraisal practice standards.

Proposed New, Amended and Repealed Rules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 11: STANDARDS OF PROFESSIONAL APPRAISAL PRACTICE

11.1 Pursuant to Section 12-61-713(1)(g), C.R.S. (as amended), the Board adopts, and incorporates by reference in compliance with Section 24-4-103(12.5), C.R.S., as the generally accepted standards of professional appraisal practice the definitions, preamble, rules, standards and standards rules and statements of the Uniform Standards of Professional Appraisal Practice as promulgated by the Appraisal Standards Board of the Appraisal Foundation on January 30,1989 and amended through February 1, 2013 and known as the 2014-2015 edition. Amendments to the Uniform Standards of Professional Appraisal Practice subsequent to February 1, 2013 are not included in this Rule. A certified copy of the Uniform Standards of Professional Appraisal Practice is on file and available for public inspection at the offices of the Board of Real Estate Appraisers at

1560 Broadway, Suite 925, Denver, Colorado. Copies of the Uniform Standards of Professional Appraisal Practice adopted under this rule may be examined at any state publications depository library. The 2014-2015 edition of the Uniform Standards of Professional Appraisal Practice may be examined at the Internet website of The Appraisal Foundation at www.appraisalfoundation.org, and copies may be ordered through that mechanism. The Appraisal Foundation may also be contacted at 1155 15th Street, NW, Suite 1111, Washington, DC 20005, or by telephone at (202) 347-7722 or by telefax at (202) 347-7727. The 2012-2013 edition of the Uniform Standards of Professional Appraisal Practice, incorporating the amendments made through April 8, 2011 shall remain in effect through December 31, 2013. Beginning January 1, 2014, the 2014-2015 edition of the Uniform Standards of Professional Appraisal Practice shall be in effect.

11.2 A licensee appraiser using the services of an unlicensed assistant under the provisions of Section 12-61-721, C.R.S. (as amended), or the services of another licensee in the preparation of appraisals or other work products shall, consistent with the Uniform Standards of Professional Appraisal Practice, supervise each such assistant or licensee in an active, diligent and personal manner. When any portion of the work involves significant real property appraisal assistance, the licensee appraiser must describe and summarize the research, analysis and reporting contributions of each such assistant or other licensee within each such report or other work product in a manner specified in USPAP standard 2.

11.3 When disclosing a contingent fee arrangement pursuant to Section 12-61-702(6), Section 12-61-713(1)(g), and Section 12-61-716(1)(b), (c) and (d), C.R.S. (as amended), Board Rule 1.20, a licensee shall disclose the contingent compensation agreement in a clear and unequivocal manner in any oral report, and in the letter of transmittal, summary of salient facts and conclusions, statement of limiting conditions, and certifications of any written report. The licensee is not required to disclose the amount of the contingent fee, but is not prohibited from full disclosure of the amount of the contingent fee. A licensee must not have a compensation arrangement for an assignment that is based on his or her opinion of value.

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.