

VOLUME 46, ISSUE 15
ISSUE DATE: **AUGUST 4, 2014**
RULE ADOPTIONS

LAW AND PUBLIC SAFETY
DIVISION OF CONSUMER AFFAIRS
STATE BOARD OF REAL ESTATE APPRAISERS

Adopted Amendments: N.J.A.C. 13:40A-1.1, 1.2, 2.2, 2.3, 2.5, 2A.1, 2A.2, 2A.3, 3.1, 3.2, 3.3, 3.4, 4.3, 4.5, 4.6, 4.7, 4.8, 5.3, 5.6, 5.7, 5.10, and 8.1

January 1, 2015 Real Property Appraiser Qualification Criteria

Proposed: February 3, 2014, at 46 N.J.R. 274(a).

Adopted: April 22, 2014, by the State Board of Real Estate Appraisers, Cheryle A. Randolph-Sharpe, President.

Filed: July 10, 2014, as R.2014 d.122, **without change**.

Authority: N.J.S.A. 45:14F-8.

Effective Date: August 4, 2014.

Expiration Date: October 3, 2014.

[page=1748] **Summary** of Public Comments and Agency Responses:

The official comment period ended on April 4, 2014. **The Board of Real Estate Appraisers (Board) received no comments on the notice of proposal.**

Federal Standards Statement

A Federal standards analysis is not required because the adopted amendments do not exceed, and in some cases, incorporate by reference, standards and requirements set forth by the Appraiser Qualification Board of the Appraisal Foundation, which may be viewed as establishing and setting forth Federal standards and requirements.

Full text of the adoption follow:

SUBCHAPTER 1. PURPOSE AND SCOPE; DEFINITIONS

13:40A-1.1 Purpose and scope

(a)-(c) (No change.)

(d) Beginning on January 1, 2015, in order to implement the Real Property Appraiser Qualification Criteria that go into effect on that date (2015 Criteria), the segmented approach set forth in (c) above will no longer be in effect, and all persons applying for licensure or certification will be required to satisfy the education and experience requirements contained in the 2015 Criteria, which is incorporated herein by reference, as amended and supplemented, and available at

<http://netforum.avectra.com/eweb/StartPage.aspx?Site=taf&WebCode=HomePage>, prior to taking the AQB-approved National Uniform Licensing and Certification Examination.

13:40A-1.2 Definitions

The following words and terms, when used in this chapter, shall have the following meanings, unless the context clearly indicates otherwise:

...

"Appraisal Qualification Board (AQB)" means the independent board of the Appraisal Foundation, which under the provisions of Title XI of the Financial Institution Reform, Recovery and Enforcement Act of 1989 (FIRREA) establishes the minimum education, experience, and examination requirements for real property appraisers to obtain a state certification or license. The address and phone number of the AQB is 1155 15th Street, NW Suite 1111, Washington, DC 20005, (202) 347-7722. The website for the AQB is www.appraisalfoundation.org.

...

13:40A-2.1 Eligibility for certification as a general real estate appraiser

In order to be eligible for certification as a general real estate appraiser, an applicant shall be required to successfully complete the education and experience requirements set forth in N.J.A.C. 13:40A-2.2 and shall successfully complete the Board-approved examination for the certification of general real estate appraisers.

13:40A-2.2 Eligibility for admission to examination

(a)-(b) (No change.)

(c) Beginning on January 1, 2015, in order to implement the 2015 Criteria that go into effect on that date, the segmented approach described in (b) above will no longer be in effect, applicants for certification as a general real estate appraiser shall complete the experience requirement under N.J.A.C. 13:40A-2.4 prior to taking the examination for certification.

13:40A-2.3 Source of education for certification as a general real estate appraiser

(a) (No change in text.)

(b) Credit towards qualifying educational requirements may be obtained via the completion of a degree program in real estate from an accredited degree-granting college or university provided the college or university has had its curriculum reviewed and approved by the AQB.

13:40A-2.5 Temporary visiting certificate; certified general real estate appraiser

(a) (No change.)

(b) An appraiser certified by another jurisdiction may apply for no more than three temporary certificates, within one calendar year, except that the Board may waive the limitation based on a showing of good cause by the applicant.

(c)-(e) (No change.)

13:40A-2A.1 Eligibility for certification as a residential real estate appraiser

In order to be eligible for certification as a residential real estate appraiser, an applicant shall be required to successfully complete the education and experience requirements set forth in N.J.A.C. 13:40A-2A.2 and shall successfully complete the Board-approved examination for the certification of residential real estate appraisers.

13:40A-2A.2 Eligibility for admission to examination

(a)-(b) (No change.)

(c) Beginning on January 1, 2015, in order to implement the 2015 Criteria that go into effect on that date, the segmented approach described in (b) above will no longer be in effect, applicants for certification as a residential real estate appraiser shall complete the experience requirement under N.J.A.C. 13:40A-2A.4 prior to taking the examination for certification.

13:40A-2A.3 Source of education for certification as a residential real estate appraiser

(a) (No change in text.)

(b) Credit towards qualifying education requirements may be obtained via the completion of a degree program in real estate from an accredited degree-granting college or university provided the college or university has had its curriculum reviewed and approved by the AQB.

SUBCHAPTER 3. LICENSING OF RESIDENTIAL REAL ESTATE APPRAISERS

13:40A-3.1 Eligibility for licensure

In order to be eligible for licensure as a residential real estate appraiser, an applicant shall be required to successfully complete the education and experience requirements set forth in N.J.A.C. 13:40A-3.2 and shall successfully complete the Board-approved examination for the licensure of residential real estate appraisers.

13:40A-3.2 Eligibility for admission to examination

(a) An applicant for licensure as a residential real estate appraiser shall present the following:

1.-6. (No change.)

(b) During the time period in which the segmented approach is applicable, applicants for licensure as a licensed residential real estate appraiser may elect to complete the experience requirement subsequent to taking the examination for licensure.

(c) Beginning on January 1, 2015, in order to implement the 2015 Criteria that go into effect on that date, the segmented approach described in (b) above will no longer be in effect, applicants for licensure as a licensed residential real estate appraiser shall complete the experience requirements under N.J.A.C. 13:40A-3.4 prior to taking the examination for

licensure.

13:40A-3.3 Education requirements for licensure

(a) In order to be eligible to take the examination for licensure as a licensed residential real estate appraiser, an applicant shall complete, by the time the application is submitted to the Board, the education requirements for a licensed residential real estate appraiser as established by "The Real Property Appraiser Qualification Criteria and Interpretation of the Criteria" as promulgated by the AQB of the Appraisal Foundation as amended and supplemented, which are incorporated herein by reference as part of this rule.

(b) (No change.)

13:40A-3.4 Experience requirements for licensure

(a) Each applicant applying for licensure as a licensed residential real estate appraiser shall complete, by the time the application is submitted to the Board, the experience requirements for a licensed residential real estate appraiser as established by "The Real Property Appraiser Qualification Criteria and Interpretation of the Criteria" as promulgated by the AQB of the Appraisal Foundation as amended and supplemented, which are incorporated herein by reference as part of this rule.

[page=1749] (b) (No change.)

SUBCHAPTER 4. TRAINEE PERMITS

13:40A-4.3 Education requirements

(a) Each applicant applying for a trainee permit shall complete, within a five-year period prior to the time the application is submitted to the Board, the education requirements for a trainee as established by "The Real Property Appraiser Qualification Criteria and Interpretation of the Criteria" as promulgated by the AQB of the Appraisal Foundation, as amended and supplemented, which are incorporated herein by reference as part of this rule.

(b) Prior to obtaining a trainee appraiser credential, a trainee applicant shall complete a course that, at a minimum, is oriented to the expectations for trainee appraisers and complies with the specifications for the course content established by the AQB.

13:40A-4.5 Responsibilities of trainee

(a) The holder of a trainee permit issued by the Board shall work only under the "direct supervision," as that term is defined in N.J.A.C. 13:40A-4.6, of a "supervising appraiser," who shall be an individual certified in good standing by the Board, who has not been subject to any disciplinary action within the previous three years that affected the supervising appraiser's legal ability to engage in appraisal practice, and who has acknowledged in writing an agreement to perform the responsibilities of a supervising appraiser set forth in N.J.A.C. 13:40A-4.6. Prior to commencing any work as a trainee, the holder of a trainee permit shall inform the Board in writing of the identity of any individual(s) who have agreed to serve as a "supervising appraiser" for the trainee. The holder of a trainee permit shall inform the Board in writing, within seven days, in the event that any individual previously designated as a "supervising appraiser" ceases to agree to perform the responsibilities of a "supervising appraiser," or in the event that any individual not previously designated as a "supervising appraiser" agrees to supervise the work product of the trainee. A trainee may

have more than one approved "supervising appraiser."

(b) The holder of a trainee permit issued by the Board shall have the following duties and responsibilities:

1. The trainee shall maintain and submit to the Board upon application for permit renewal a log, which meets the requirements set forth in N.J.A.C. 13:40A-4.7. The trainee and his or her "supervising appraiser" shall have the shared responsibility to make sure that the log is accurate and current and meets the requirements set forth in N.J.A.C. 13:40A-4.7;

2.-6. (No change.)

(c)-(d) (No change.)

13:40A-4.6 Responsibilities of supervising appraiser

(a)-(b) (No change.)

(c) No appraiser shall serve as a supervising appraiser until he or she has held a certification from the Board for at least three years.

(d) Only those individuals who are certified by the Board as either a State-certified general real estate appraiser or a State-certified residential real estate appraiser shall be a supervising appraiser.

(e) A supervising appraiser shall have the following duties and responsibilities:

1. (No change.)

2. The supervising appraiser shall, at least once a month, sign the log required to be kept by the trainee pursuant to N.J.A.C. 13:40A-4.7 and shall set forth thereon his or her certification number. A "supervising appraiser" and any trainee that he or she is supervising shall have the shared responsibility to make sure that the log is accurate and current and meets the requirements set forth in N.J.A.C. 13:40A-4.7.

3.-4. (No change.)

5. A supervising appraiser shall not supervise more than three trainees at one time.

6.-8. (No change.)

9. Prior to supervising trainee appraisers, a supervising appraiser shall complete a course that, at a minimum, is oriented to the requirements and responsibilities of supervising appraisers and complies with the specifications for the course content established by the AQB.

10. (No change in text.)

13:40A-4.7 Real estate appraiser trainee log

(a) A real estate appraiser trainee shall maintain a log on forms provided by the Board, which shall include the following information concerning each appraisal assignment in which the trainee participates:

1.-3. (No change.)

4. A description of the work performed and the scope of review and supervision;

5. The number of hours claimed for the assignment;

6. The type of property;

7. The date of report;

8. The number of actual work hours by the trainee on the assignment; and

9. The signature and certification number of the supervising appraiser. Separate logs shall be maintained for each supervising appraiser, if applicable.

(b)-(d) (No change.)

13:40A-4.8 Continuing education requirements

(a)-(c) (No change.)

(d) Beginning on July 1, 2013, an individual holding a trainee permit for more than two years may no longer be granted an extension of time to satisfy continuing education requirements as provided in N.J.A.C. 13:40A-5.10(a). As provided in N.J.A.C. 13:40A-5.10(b), an individual holding a trainee permit may request, due to extenuating circumstances, to be placed on inactive status to complete all continuing education requirements.

SUBCHAPTER 5. CONTINUING PROFESSIONAL EDUCATION

13:40A-5.3 Continuing education credit-hour requirements; carryover prohibited; repeat of same course prohibited

(a)-(b) (No change.)

(c) Aside from complying with the requirement to complete the 7-Hour National USPAP Update Course (or its AQB-approved equivalent) set forth in N.J.A.C. 13:40A-5.4, a certified or licensed appraiser shall not receive credit for completion of the same continuing education course more than once during a biennial period preceding application for renewal.

13:40A-5.6 Acceptable course topics

(a) The Board shall approve only those continuing education activities and course topics as are deemed by the Board to be consistent with the purpose of continuing education. Examples of such course topics may include, but are not limited to: changes in the Uniform Standards of Professional Appraisal Practice; ad valorem taxation; arbitration; business courses related to practice of real estate appraisal; construction estimating; land use planning; zoning and taxation; management, leasing, brokerage, timesharing; property development; real estate appraisal (valuation/evaluations), law, litigation, financing, and investment; real estate appraisal related computer applications; real estate securities and syndication; real property exchange; green building; seller concessions; and developing opinions on real estate value in appraisals that also include personal property and/or

business value.

(b)-(c) (No change.)

13:40A-5.7 Sources of continuing education

(a) The licensee or certificate holder may obtain continuing education credits for the following:

1.-5. (No change.)

6. Participation, other than as a student, in appraisal education processes and programs, as approved by the Board.

i. Examples of activities for which credit may be granted include teaching appraisal courses, developing appraisal programs, authoring appraisal textbooks or articles, or participating in other like activities deemed by the Board to be equivalent to obtaining continuing education.

ii. No more than one-half of the total hours of credit required per biennial renewal cycle may be awarded for activities qualifying under this paragraph;

7. Courses approved for initial certification and licensing; and

8. Distance learning courses on qualifying topics where a written, proctored examination is required. The term "written" refers to an [page=1750] examination that might be written on paper or administered electronically on a computer workstation or other device.

(b) (No change.)

13:40A-5.10 Extensions

(a) (No change.)

(b) If, upon application by a credential holder, the Board determines that an applicant for biennial renewal is not able to satisfy continuing education requirements for the preceding cycle due to extenuating circumstances, the credential holder shall be placed in inactive status for a period of up to 90 days pending completion of all continuing education requirements, as set forth in the Real Property Appraiser Qualification Criteria and Interpretations of the Criteria, as promulgated by the AQB of the Appraisal Foundation, as amended and supplemented and incorporated herein by reference as part of this rule.

SUBCHAPTER 8. CERTIFICATION OR LICENSURE BY ENDORSEMENT

13:40A-8.1 Certification or licensure by endorsement

(a) An individual possessing a certification to practice general real estate appraising or residential real estate appraising, or an individual possessing a license to practice residential real estate appraising in any state of the United States other than New Jersey, may apply for, and shall be granted, New Jersey certification by endorsement or licensure by endorsement provided that the individual's certification or license to practice is in good standing in all jurisdictions in which that individual holds a certification or licensure and:

1. The individual undergoes a criminal history background check; and

2. The requirements for securing certification or licensure in any one state in which the individual holds a certification or license meet or exceed all minimum standards for certification or licensure set forth by the Appraiser Qualifications Board (AOB) of the Appraisal Foundation and all minimum standards required for certification or licensure by the Board as set forth in this chapter.

(b) (No change.)