

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

**NOTICE OF PROPOSED PERMANENT RULEMAKING HEARING
October 6, 2011**

CHAPTER 3: STANDARDS FOR REAL ESTATE APPRAISAL QUALIFYING EDUCATION PROGRAMS

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. The General Assembly passed Senate Bill 90-34, effective July 1, 1990, which created the Board and mandated the licensing of real estate appraisers under the statutory terms and conditions. The General Assembly has variously amended the statutes by passing House Bill 92-1177, House Bill 96-1080, Senate Bill 97-90, House Bill 97-1056, House Bill 00-1137 and House Bill 02-1130.

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 real estate appraiser qualifying education programs.

Proposed New, Amended and Repealed Rules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 3: STANDARDS FOR REAL ESTATE APPRAISAL QUALIFYING EDUCATION PROGRAMS

- 3.1 ~~All qualifying education requirements may be completed at any time prior to filing of the application for registration, licensure or certification. REPEALED.~~
- 3.2 QUALIFYING Appraisal education and training courses shall be taken from providers approved by the Board. In order to be approved, ~~the course~~ QUALIFYING EDUCATION COURSES AND THE PROVIDERS shall meet the following standards at the time it is offered:

- A. ~~The course was~~ COURSE CONTENT WAS developed by persons qualified in the subject matter and instructional design;
- B. ~~The program~~ COURSE Content is current AND CORRESPONDS WITH THE CURRENT BODY OF KNOWLEDGE;
- C. The instructor is qualified with respect to ~~course~~ content and teaching methods, AND THE BODY OF KNOWLEDGE;
- D. The number of participants and the physical facilities are consistent with the teaching method; ~~and~~
- E. ~~The course includes~~ An examination IS INCLUDED for measuring the information learned; AND
- F. THE EDUCATIONAL OFFERING SHALL BE DEVELOPED AND COMMUNICATED IN A MANNER AS TO PROMOTE AND MAINTAIN A HIGH LEVEL OF PUBLIC TRUST IN APPRAISAL PRACTICE.

3.3 The following may be approved as providers of ~~appraisal education and training~~ QUALIFYING APPRAISAL EDUCATION provided THAT the standards set forth in Rule 3.2 are maintained and ~~provided they~~ THE EDUCATION PROVIDERS have complied with all other requirements of the State of Colorado:

- A. Universities, colleges, junior colleges or community colleges accredited by a regional accrediting body accredited by the council on post secondary accreditation;
- B. Professional appraisal and real estate related organizations;
- C. State or federal government agencies;
- D. Proprietary schools holding valid certificates of approval from the Colorado Division of Private Occupational Schools, Department of Higher Education;
- E. ~~As to courses completed in other jurisdictions,~~ Providers approved by ~~such~~ other jurisdictionS, provided that the jurisdiction's appraiser regulation program has been determined to be in compliance with FIRREA;
- F. ~~As to courses~~ PROVIDERS approved under the ~~Course~~ aApproval pProgram of The Appraisal Foundation, ~~the providers of such courses;~~; and
- G. Such other providers as the Board may approve upon petition of the ~~course~~ provider or the applicant in a form acceptable to the Board.

3.4 ~~As to course work offered~~ On or after January 1, 1991, in order to be approved by the Board, each ~~course~~ EDUCATION provider shall maintain, and provide to the Board upon request, information regarding the QUALIFYING EDUCATION course offerings including, but not limited to the following:

- A. ~~Course~~ Outline or syllabus;
- B. All texts, workbooks, hand outs or other course materials;
- C. Instructors and their qualifications, including selection, training and evaluation criteria;
- D. Course examinations;
- E. Dates AND LOCATIONS of course offerings; and
- F. ~~Location of course offerings~~ STUDENT ATTENDANCE LOGS.

3.5 The number of hours credited shall be equivalent to the actual number of contact hours of in-class instruction and testing. An hour of ~~appraisal education and training~~ is defined as at least 50 minutes of instruction out of each 60-minute segment. For distance education ~~courses~~, the number of hours credited shall be that number of hours allowed by the Course Approval Program of The Appraisal Foundation.

3.6 ~~In order to be approved as~~ EACH qualifying education COURSE OFFERING ~~and training,~~ a ~~course~~ must be at least 15 hours in duration, ~~and must~~ include an examination pertinent to the material covered, AND ~~Courses may~~ be comprised of segments of not less than one classroom hour.

3.7 ~~Appraisal~~ QUALIFYING education ~~and training~~ courses AND CORRESPONDING EXAMINATIONS must be successfully completed by the applicant. ~~Except as otherwise provided in Rule 3.8,~~ Successful completion means the applicant has attended the ~~class~~ OFFERING, participated in ~~class~~ COURSE activities and achieved a passing score on the course examination.

- Teaching of approved appraisal ~~QUALIFYING~~ education and training courses shall constitute successful completion.
- 3.8 ~~Credit will be granted for classroom hours where the applicant obtained credit from the course provider by challenge examination without attending the course, provided that such credit was granted by the provider prior to July 1, 1990 and provided further that the Board is satisfied with the quality of the challenge examination administered.~~ REPEALED.
- 3.9 ~~The responsibility for establishing that a particular course or other program for which credit is claimed is acceptable rests upon the applicant.~~ IT IS THE APPLICANT'S RESPONSIBILITY TO VERIFY THAT A QUALIFYING EDUCATIONAL COURSE OFFERING HAS BEEN APPROVED BY THE BOARD, IF THE APPLICANT WISHES TO CLAIM CREDIT FOR THE COURSE.
- 3.10 Each applicant shall provide a signed statement, under penalty of perjury, attesting to the successful completion of the required hours of QUALIFYING appraisal education and training on a form prescribed by the Board. The Board reserves the right to require an applicant or licensee to provide satisfactory documentary evidence of completion of appropriate QUALIFYING EDUCATION course work.
- 3.11 Hours of QUALIFYING appraisal education and training accepted in satisfaction of the education requirement of one level of registration, licensure or certification may be applied toward the requirement for another level and need not be repeated. Applicants are responsible for demonstrating coverage of the required topics.
- 3.12 The following factors shall be used to convert university, college, junior college and community college course credits into QUALIFYING EDUCATION ~~classroom~~ hours:
- A. Semester Credits x 15.00 = ~~Classroom~~ Hours
 - B. Quarter Credits x 10.00 = ~~Classroom~~ Hours
- 3.13 Applicants shall successfully complete a ~~course or series of courses~~ of QUALIFYING appraisal education and training which build upon and augment previous courses. QUALIFYING EDUCATION ~~C~~ourses which substantially repeat OR DUPLICATE other course work in terms of content and level of instruction will not be accepted. The Board will give appropriate consideration to courses where substantive changes in content have occurred.
- 3.14 To be acceptable for qualifying ~~real estate~~ appraisal education, distance education offerings must incorporate methods and activities that promote active student engagement and participation in the learning process. Among those methods and activities acceptable are written exercises which are graded and returned to the student, required responses in ~~cd-rom, disk and on-line~~ TO computer based presentations, provision for students to submit questions during teleconferences, and examinations proctored by an independent third party, WHO IS AN OFFICIAL APPROVED BY THE COLLEGE OR UNIVERSITY, OR BY THE SPONSORING ORGANIZATION. Simple reading, viewing or listening to materials WITHOUT ACTIVE STUDENT ENGAGEMENT AND PARTICIPATION IN THE LEARNING PROCESS is not sufficient ~~engagement in the learning process~~ to satisfy the requirements of this rule.
- 3.15 As to qualifying education courses completed in other jurisdictions with appraiser regulatory programs established in conformance with Title XI, FIRREA, the Board will accept the number of ~~classroom~~ hours of education accepted by that jurisdiction.
- 3.18 Course providers shall provide each student who successfully completes a qualifying real estate appraisal education course in the manner prescribed in Board Rule 3.7 a course completion certificate. The Board will not mandate the exact form of course certificates, however, the following information shall be included:
- A. Name of course provider;
 - B. Course title, which shall describe topical content, or 2008 Real Property Appraiser Qualification Criteria Core Curriculum module title;
 - C. Course number, if any;
 - D. Course dates;
 - E. Number of ~~classroom~~ APPROVED EDUCATION hours;
 - F. Statement that the required examination was successfully completed;
 - G. Course location, which for distance education modalities shall be the principal place of business of the course provider;
 - H. Name of student; and

- I. For all Uniform Standards of Professional Appraisal Practice courses begun on and after January 1, 2003, the name(s) and Appraiser Qualifications Board Uniform Standards of Professional Appraisal Practice instructor certification number(s) of the instructor(s).

LICENSEES ARE REQUIRED TO PROVIDE COPIES OF COURSE CERTIFICATES TO THE BOARD UPON REQUEST.

- 3.19 The provisions of Board Rule 3.3 notwithstanding, ~~real estate appraisal~~ qualifying education courses begun on and after January 1, 2004 and offered through distance education modalities must be approved through the Course Approval Program of The Appraisal Foundation. The Board will not accept distance education courses begun on and after January 1, 2004 that have not been approved through the Course Approval Program of The Appraisal Foundation.
- 3.22 BY OFFERING REAL ESTATE APPRAISER QUALIFYING EDUCATION IN THE STATE OF COLORADO, EACH PROVIDER AGREES TO COMPLY WITH THE RELEVANT STATUTES AND BOARD RULES AND TO PERMIT THE BOARD TO AUDIT SAID COURSES AT ANY TIME AND AT NO COST.

A hearing on the above subject matter will be held on Thursday, October 6, 2011, at the Colorado Division of Real Estate, 1560 Broadway, Suite 1250C, 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.