

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

NOTICE OF PROPOSED PERMANENT RULEMAKING HEARING
May 2, 2019

CHAPTER 1: DEFINITIONS

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 the Board of Real Estate Appraisers is Part 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 as amended.

SPECIFIC PURPOSE OF THIS RULEMAKING

The specific purpose of this rule is to modify or add key terms as a result of the passage of SB18-210 regarding the licensing and enforcement of appraisal management companies.

Proposed New, Amended and Repealed Rules

Deleted material is showed by ~~struck through~~; new material is indicated by underline. 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.colorado.gov/dre.

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1.44 ~~Train: Strictly applied to 12-61-702(2)(a)(i), C.R.S., to entice to keep, or retain. Repealed.~~

1.45 Panel Size Threshold: Has the same meaning as pursuant to section 12-61-704(1)(a)(IV), C.R.S.

- 1.46 Panel: Has the same meaning as pursuant to section 12-61-702(10.5), C.R.S.
- 1.47 Federally Regulated AMC: Has the same meaning as pursuant to section 12-61-707(9), C.R.S.
- 1.48 AMC Registry Fee: The annual fee collected from appraisal management companies that meet the Panel Size Threshold, including state-licensed appraisal management companies and Federally Regulated AMCs, for transmitting to the Appraisal Subcommittee. The fee is calculated by multiplying the number of licensed or certified appraisers who provided an appraisal in connection with a Covered Transaction on the appraisal management company's Panel in Colorado during the Reporting Period by the registry fee as prescribed by the Appraisal Subcommittee.
- 1.49 AMC National Registry: The registry of state-licensed AMCs and Federally Regulated AMCs maintained by the Appraisal Subcommittee.
- 1.50 Reporting Period:
- A. For State-licensed AMCs:
1. Applying for initial licensure, the previous twelve (12) month period or the period the appraisal management company has been in business, whichever period is less.
 2. Applying for renewal, the twelve (12) month period beginning November 1 of the prior year through October 31 of the year of renewal.
 3. Applying for reinstatement of an expired license, the twelve (12) month period beginning November 1 of the year prior to expiration through October 31 of the year of expiration.
- B. For Federally Regulated AMCs reporting to the state, the twelve (12) month period beginning November 1 of the prior year through October 31 of the current year.
- 1.51 Consumer Credit: Credit offered or extended to a consumer primarily for personal, family, or household purposes.
- 1.52 Covered Transaction: Any consumer credit transaction secured by the consumer's principal dwelling.
- 1.53 Creditor: A person who regularly extends consumer credit:
- A. That is subject to a finance charge or is payable by written agreement in more than four installments (not including a down payment), and to whom the obligation is initially payable, either on the face of the note or contract, or by agreement when there is no note or contract; or
- B. If the person extended the credit (other than credit subject to the requirements of high cost mortgages) more than five (5) times for transactions secured by a dwelling in the preceding calendar year. If a person did not meet these numerical standards in the preceding calendar year, the numerical standards will be applied to the current calendar year. A person regularly

extends consumer credit if, in any 12-month period, the person originates more than one (1) credit extension that is subject to the requirements of high cost mortgages or one (1) or more such credit extensions through a mortgage broker.

1.54 Dwelling: A residential structure that contains one (1) to four (4) units, whether or not that structure is attached to real property. This includes an individual condominium unit, cooperative unit, mobile home, and trailer, if it is used as a residence.

1.55 Person: A natural person or an organization, partnership, proprietorship, association, cooperative, estate, trust, or government unit.

1.56 Secondary Mortgage Market Participant: A guarantor or insurer of mortgage-backed securities, or an underwriter or issuer of mortgage-backed securities. Secondary mortgage market participant only includes an individual investor in a mortgage-backed security if that investor also serves in the capacity of a guarantor, insurer, underwriter, or issuer for the mortgage-backed security.

A hearing on the above subject matter will be held on Thursday, May 2, 2019, at the Colorado Division of Real Estate, 1560 Broadway, Suite 1250-C, 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.