

CHAPTER 10 - APPRAISER REGULATION

An * in the left margin indicates a change in the statute, rule or text since the last publication of the manual.

Appraiser Licensing and Certification

The 1990 Legislature passed laws governing the practice of real estate appraisal in Colorado in response to the federal "Financial Institutions Reform, Recovery and Enforcement Act of 1989" (FIRREA). This enabling legislation was amended in 1992, 1994, 1996, 1997, 2000 and 2002. The full text of the statutes, C.R.S. 12-61-701 through 12-61-718 may be found at the end of this discussion.

The law created a seven-member Board of Real Estate Appraisers, within the Division of Real Estate, but separate from the Real Estate Commission. Composed of three appraisers, a county assessor, a banker with mortgage lending experience, and two public members, the Board has an administrator, and statutory authority for rule making and appraiser discipline. The Board's rule making implements Colorado law in a manner consistent with federal regulations.

Colorado law defines an **appraisal** as a "written analysis, opinion or conclusion as to the nature, quality, value or utility of interests in or aspects of real estate". Any person who performs real estate appraisals for federally related loans in Colorado must be registered, licensed or certified by the Board. Exceptions include licensed real estate brokers who make an estimate of value under Real Estate Commission Rule E-42. Other exceptions are provided for corporations valuing property they own, may purchase or may sell and for appraisers of personal property (chattels), water rights, or mineral rights. State, county and city right-of-way agents are exempt when they value properties worth five thousand dollars or less. Staff appraisers employed in county tax assessment offices must be licensed.

Colorado appraisal licensing and certification law, rules and practices must be reviewed and approved by the Federal Appraisal Subcommittee made up of representatives of the Federal Deposit Insurance Corporation, the Office of Thrift Supervision, the Comptroller of the Currency, the Federal Reserve System, the National Credit Union Administration and the Department of Housing and Urban Development. Also involved is the Appraisal Foundation, a private group of appraisal and financial organizations charged with developing the qualifications for appraisers and standards for appraisals.

Federal financial regulatory agencies (FDIC, etc.) have developed rules as to what classification of appraiser may be used for valuation of properties in "federally related transactions". These rules vary slightly between agencies.

In general, the standards for the actual appraisal report are those of the Uniform Standards of Professional Appraisal Practice developed by The Appraisal Foundation.

The current Colorado appraiser law and Board rules establish four levels of licensure as follows (Please note that these requirements will change effective 1-1-08):

Registered Appraiser (trainee level, works under supervision): At least 75 hours of appraisal education including 15 hours of Uniforms Standards of Professional Appraisal Practice (USPAP) and pass the Registered Appraiser examination. The usual scope of practice for a Registered Appraiser is those properties the supervising appraiser is competent to appraise.

Licensed Appraiser: At least 90 hours of appraisal education including 15 hours of USPAP; 2000 hours of appraisal experience over not less than 12 months, and pass the Licensed Appraiser examination. The usual scope of practice for a Licensed Appraiser is non-complex 1-4 unit residential properties for which the appraiser is competent.

Certified Residential Appraiser: At least 120 hours appraisal education, including 15 hours of USPAP, 2500 hours of appraisal experience over not less than 24 months, and pass the Certified Residential Appraiser examination. The usual scope of practice for a Certified Residential Appraiser is 1-4 unit residential properties for which the appraiser is competent.

Certified General Appraiser: At least 180 hours of appraisal education including 15 hours of USPAP, 3000 hours of appraisal experience (including 1500 hours non-residential) over not less than 30 months, and pass the Certified General Appraiser examination. The scope of practice for a Certified General Appraiser is any property type for which the appraiser is competent.

Under its rule making authority, the Board of Real Estate Appraisers may specify subjects to be covered. Further, the Board rules define what constitutes acceptable quantity and quality of experience for each level of licensure. The adopted rules bring Colorado law into conformance with the requirements of FIRREA and the federal agencies that regulate lending institutions.

Real estate appraisal education may be obtained from a variety of sources, including nationally recognized appraisal organizations, community colleges, colleges, universities, and proprietary schools. It is the responsibility of the licensing applicant to be sure they have completed appraisal education that covers all of the required topics in the Board Rules, and at an appropriate level. Before taking a course, students should confer with the course provider to have a clear understanding of the topics and level of instruction.

Real Estate Appraiser Licensing Requirements (Major changes effective 1-1-2008)

Major changes in real estate appraisal education and training requirements will go into effect on January 1, 2008. Please refer to the charts at the end of this section for a summary of the new requirements; see the Board Rules for details. The changes that go into effect in 2008 are most significant for the upper levels of licensure. Appraisal education requirements increase substantially. The two certified levels require a college degree, or in lieu of a degree, completion of specific college-level courses. 2008 licensing examinations are being revised to place greatest emphasis on application of appraisal knowledge and experience to solve everyday appraisal problems for that level of licensure. Trainee level licensees must obtain their appraisal experience under the active, diligent and personal supervision of a certified level appraiser.

Note the following important points:

- Higher appraisal education requirements for licensed and certified levels
- College education requirements at the two certified appraiser levels
- Appraisal experience must be gained under a certified appraiser

In 2008 the appraisal education requirements will become much more specific. Students must review the Board Rules and the 2008 *Real Property Appraiser Qualification Criteria* published by The Appraisal Foundation. Students must obtain and maintain their own copy of the *Student Appraiser Guide* from Foundation website at: www.appraisalfoundation.org.

Summary of Colorado Real Estate Appraiser Licensing Requirements

Applications Received Through December 31, 2007

License Level	Appraisal Education	Appraisal Experience	Exam Level	Continuing Education
Registered Appraiser (trainee-AR prefix)	≥75 hrs covering required topics	None [^]	A, per C.R.S.	42 hrs/3 yrs USPAP Update every 2 years
Licensed Appraiser (AL prefix)	≥90 hrs covering required topics	≥2000 hrs, across ≥12 months, per C.R.S.	A	42 hrs/3 yrs USPAP Update every 2 years
Certified Residential Appraiser (CR prefix)	≥120 hrs covering required topics	≥2500 hrs, across ≥24 months	B	42 hrs/3 yrs USPAP Update every 2 years
Certified General Appraiser (CG prefix)	≥180 hours covering required topics	≥3000 hrs, across ≥30 months, ≥1500 hrs must be non-residential	C	42 hrs/3 yrs USPAP Update every 2 years

[^] 1/1/2005 - 12/31/2007 Reg. Appr. must earn experience under Licensed Appraiser with at least 2 years time in grade, or Cert. Residential or Cert. General Appraiser.

For applications and information please access the Board's website information at:
<http://www.dora.state.co.us/real-estate>

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Summary of Colorado Real Estate Appraiser Licensing Requirements
Applications Received On/After January 1, 2008

License Level	College Education	Appraisal Education	Appraisal Experience	Exam Level	Continuing Education	Supervision Required or Exercised
Registered Appraiser (trainee-AR prefix)	None	≥75 hrs covering required modules	None	A, per C.R.S.	42 hrs/3 yrs USPAP Update every 2 years	Must be supervised by CR or CG licensee*
Licensed Appraiser (AL prefix)	None	≥150 hrs covering required modules	≥ 2000 hrs across ≥12 months*	A	42 hrs/3 yrs USPAP Update every 2 years	May not supervise trainee licensees*
Certified Residential Appraiser (CR prefix)	College courses**, or associates degree	≥200 hrs covering required modules	≥2500 hrs, across ≥ 24 months*	B	42 hrs/3 yrs USPAP Update every 2 years	May supervise up to 3 trainee licensees*
Certified General Appraiser (CG prefix)	College courses***, or bachelors degree	≥300 hrs covering required modules	≥3000 hrs, across ≥30 months, ≥1500 hrs must be non-resdntl*	C	42 hrs/3 yrs USPAP Update every 2 years	May supervise up to 3 trainee licensees*

* Experience on/after 1/1/2008 must be gained under active, diligent, and personal supervision of a Certified Residential or General Appraiser.

** >21 semester credits including English composition, economic principles, finance, mathematics, statistics, computing, business/real estate law.

*** >30 semester credits including English comp, macro & micro econ, finance, math, statistics, computing, business/real estate law, two related electives.

Comments on 2008 changes:

- Existing licensees will be "grandfathered"- will not need to requalify for their current license.
- At the Registered Appraiser [trainee] level no change from current requirements, must gain experience under certified appraiser.
- At Licensed Appraiser level change is from 90 hours of appraisal education to 150 hours, gain experience under certified appraiser.
- At the Certified Residential level college courses or assoc. degree added, appraisal education increased from 120 hrs to 200 hrs.
- At the Certified General level college courses or bachelors degree added, appraisal education increases from 180 hrs to 300 hrs.

For applications and information please access the Board's website information at:

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- Rev. 02-16-2006

Title 12, Article 61, Part 7, Colorado Revised Statutes - Real Estate Appraisers

12-61-701. Legislative declaration.

The general assembly finds, determines, and declares that this part 7 is enacted pursuant to the requirements of the federal "Real Estate Appraisal Reform Amendments", Title XI of the federal "Financial Institutions Reform, Recovery, and Enforcement Act of 1989". The general assembly further finds, determines, and declares that this part 7 is intended to implement the minimum requirements of federal law in the least burdensome manner to real estate appraisers.

12-61-702. Definitions.

As used in this part 7, unless the context otherwise requires:

- (1) "Appraisal", or "real estate appraisal" means an analysis, opinion, or conclusion relating to the nature, quality, value, or utility of specified interests in, or aspects of, identified real estate. Such terms include a valuation, which is an opinion of the value of real estate, and an analysis, which is a general study of real estate not specifically performed only to determine value; except that such terms include any valuation completed by any appraiser employee of a county assessor as defined in section 39-1-102 (2), C.R.S. Such terms do not include an analysis, valuation, opinion, conclusion, notation, or compilation of data by an officer, director, or regular salaried employee of a financial institution or its affiliate, made for internal use only by the said financial institution or affiliate, concerning an interest in real estate that is owned or held as collateral by the said financial institution or affiliate which is not represented or deemed to be an appraisal except to the said financial institution, the agencies regulating the said financial institution, and any secondary markets that purchase real estate secured loans. Any such appraisal prepared by an officer, director, or regular salaried employee of said financial institution who is not registered, licensed, or certified under this part 7 shall contain a written notice that the preparer is not registered, licensed, or certified as an appraiser under this part 7.
- (2) "Board" means the board of real estate appraisers created in section 12-61-703.
- (2.5) "Consulting services" means services performed by an appraiser that do not fall within the definition of an "independent appraisal" in subsection 4.5 of this section. "Consulting services" includes, but is not limited to, marketing, financing and feasibility studies, valuations, analyses, and opinions and conclusions given in connection with real estate brokerage, mortgage banking, and counseling and advocacy in regard to property tax assessments and appeals thereof; except that, if in rendering such services, the appraiser acts as a disinterested third party, the work shall be deemed an independent appraisal and not a consulting service. Nothing in this subsection (2.5) shall be construed to preclude a person from acting as an expert witness in valuation appeals.
- (3) "Division" means the division of real estate.
- (4) "Director" means the director of the division of real estate.
- (4.3) "Financial Institution" means any "bank" or "savings association" as such terms are defined in 12 U.S.C. Sec. 1813, Any state or industrial bank incorporated under Title XI, C.R.S., any state or federally chartered credit union, or any company which has direct or indirect control over any of such entities.
- (4.5) "Independent appraisal" means an engagement for which an appraiser is employed or retained to act as a disinterested third party in rendering an unbiased analysis, opinion, or conclusion relating to the nature, quality, value or utility of specified interests in or aspects of identified real estate.

- (5) (a) "Real estate appraiser" or "appraiser" means any person who provides for a fee or a salary an estimate of the nature, quality, value, or utility of an interest in, or aspect of, identified real estate and includes one who estimates value and who possesses the necessary qualifications, ability, and experience to execute or direct the appraisal of real property.
- (b) "Real estate appraiser" does not include:
- (I) Any person who conducts appraisals strictly of personal property;
 - (II) Any person licensed as a broker or salesperson pursuant to part 1 of this article who provides an opinion of value that is not represented as an appraisal and is not used for purposes of obtaining financing.
 - (III) Any person licensed as a certified public accountant pursuant to article 2 of title 12, C.R.S., and otherwise regulated, provided such opinions of value for real estate are not represented as an appraisal;
 - (IV) Any corporation, which is acting through its officers or regular salaried employees, when conducting a valuation of real estate property rights owned, to be purchased, or sold by the corporation;
 - (V) Any person who conducts appraisals strictly of water rights or of mineral rights;
 - (VI) Any right-of-way acquisition agent employed by a public entity who provides an opinion of value that is not represented as an appraisal when the property being valued is five thousand dollars or less;
 - (VII) Any officer, director, or regular salaried employee of a financial institution or its affiliate who makes, for internal use only by the said financial institution or affiliate, an analysis, evaluation, opinion, conclusion, notation, or compilation of data with respect to an appraisal so long as such person does not make a written adjustment of the appraisal's conclusion as to the value of the subject real property;
 - (VIII) Any officer, director, or regular salaried employee of a financial institution or its affiliate who makes such an internal analysis, valuation, opinion, conclusion, notation, or compilation of data concerning an interest in real estate that is owned or held as collateral by the financial institution or its affiliate.

(6) Repealed.

12-61-703. Board of real estate appraisers - creation - compensation - immunity -subject to termination.

- (1) There is hereby created in the division a board of real estate appraisers consisting of seven members appointed by the governor with the consent of the senate. Of such members, three shall be licensed or certified appraisers, one of whom shall have expertise in eminent domain matters, one shall be a county assessor in office, one shall be an officer or employee of a commercial bank experienced in real estate lending, and two shall be members of the public at large not engaged in any of the businesses represented by the other members of the board. Of the members of the board appointed for terms beginning July 1, 1990, the commercial bank member, the county assessor member, and two of the appraiser members shall be appointed for terms of three years, and the public member and the remaining appraiser members shall be appointed for terms of one year. Members of the board appointed after July 1, 1990, shall hold office for a term of three years. The additional public member of the board of real estate

appraisers authorized by this subsection (1) shall not be appointed before the earliest date on which one of the four appraiser members' terms expires after July 1, 1996. In the event of a vacancy by death, resignation, removal, or otherwise, the governor shall appoint a member to fill out the unexpired term. The governor shall have the authority to remove any member for misconduct, neglect of duty, or incompetence.

- (2) The board shall exercise its powers and perform its duties and functions under the division as if transferred thereto by a type 1 transfer as such transfer is defined in the "Administrative Organization Act of 1968", article 1 of title 24, C.R.S.
- (2.5) (a) The general assembly finds, determines, and declares that the organization of the board under the division as a type 1 agency will provide the autonomy necessary to avoid potential conflicts of interest between the responsibility of the board in the regulation of real estate appraisers and the responsibility of the division in the regulation of real estate brokers and salesmen. The general assembly further finds, determines, and declares that the placement of the board as a type 1 agency under the division is consistent with the organizational structure of state government.
 - (b) (I) Repealed
 - (II) Repealed
 - (III) Repealed
 - (c) Repealed
- (3) Each member of the board shall receive the same compensation and reimbursement of expenses as those provided for members of board and commissions in the division of registrations pursuant to section 24-34-102 (13), C.R.S. Payment for all such per diem compensation and expenses shall be made out of annual appropriations from the division of real estate cash fund provided for in section 12-61-705.
- (4) Members of the board, consultants, and expert witnesses shall be immune from suit in any civil action based upon any disciplinary proceedings or other official acts they performed in good faith pursuant to this part 7.
- (5) A majority of the board shall constitute a quorum for the transaction of all business, and actions of the board shall require a vote of a majority of such members present in favor of the action taken.
- (6) This part 7 is repealed, effective July 1, 2013. Prior to such repeal, the board of real estate appraisers shall be reviewed as provided in section 24-34-104, C.R.S.

12-61-704. Powers and duties of the board.

- (1) In addition to all other powers and duties imposed upon it by law, the board has the following powers and duties:
 - (a) To promulgate and amend, as necessary, rules and regulations pursuant to article 4 of title 24, C.R.S., for the implementation and administration of this part 7 and as required to comply with the federal "Real Estate Appraisal Reform Amendments", Title XI of the federal "Financial Institutions Reform, Recovery, and Enforcement Act of 1989"; and with any requirements imposed by amendments to such federal law. The board shall not establish any requirements that are more stringent than the requirements of any applicable federal law.
 - (b) To charge application, examination, and registration license and certificate renewal fees established pursuant to section 12-61-111.5 from all applicants for

registration, licensure, certification, examination, and renewal under this part 7. No fees received from applicants seeking registration, licensure, certification, examination, or renewal shall be refunded.

- (c) (I) To keep all records of proceedings and activities of the board conducted under authority of this part 7, which records shall be open to public inspection at such time and in such manner as may be prescribed by rules and regulations formulated by the board.
- (II) The board shall not be required to maintain or preserve licensing history records of any person licensed or certified under the provisions of this part 7 for any period of time longer than seven years.
- (d) Through the department of regulatory agencies and subject to appropriations made to the department of regulatory agencies, to employ administrative law judges on a full-time or part-time basis to conduct any hearings required by this part 7. Such administrative law judges shall be appointed pursuant to part 10 of article 30 or title 24, C.R.S.
- (e) To issue, deny, or refuse to renew a registration, license or certificate pursuant to this part 7;
- (f) To take disciplinary actions in conformity with this part 7;
- (g) To delegate to the director the administration and enforcement of this part 7 and the authority to act on behalf of the board on such occasions and in such circumstances as the board directs;
- (h) (I) To develop, purchase or contract for any examination required for the administration of this part 7, to offer each such examination at least twice a year or, if demand warrants, at more frequent intervals, and to establish a passing score for each examination that reflects a minimum level or competency;
- (II) If study materials are developed by a testing company or other entity, the board shall make such materials available to persons desiring to take examinations pursuant to this part 7. The board may charge fees for such materials to defray any costs associated with making such materials available.
- (i) In compliance with the provisions of Article 4 of Title 24, C.R.S., to make investigations, subpoena persons and documents, which subpoenas may be enforced by a court of competent jurisdiction if not obeyed, hold hearings, and take evidence in all matters relating to the exercise of the board's power under this part 7.
- (j) Pursuant to Section 1119 (b) of Title XI of the federal "Financial Reform, Recovery, and Enforcement Act of 1989", to apply, if necessary, for a federal waiver of the requirement relating to certification or licensing of a person to perform appraisals and to make the necessary written determinations specified in said section for purposes of making such application.

12-61-705. Fees, penalties and fines collected under part 7.

All fees, penalties, and fines collected pursuant to this part 7, not including fees retained by contractors pursuant to contracts entered into in accordance with section 12-61-103, 12-61-706, or 24-34-101, shall be transmitted to the state treasurer, who shall credit the same to the division of real estate cash fund, created in Section 12-61-111.5.

12-61-706. Qualifications for appraiser's license and certification - continuing education.

- (1) (a) The board shall, by rule, prescribe requirements for the initial registration, licensing, or certification of persons under this part 7 to meet the requirements of the federal "Real Estate Appraisal Reform Amendments", Title XI of the federal "Financial Institutions Reform, Recovery, and Enforcement Act of 1989" and shall develop, purchase or contract for examinations to be passed by applicants. The board shall not establish any requirements for initial registration, licensing, or certification that are more stringent than the requirements of any applicable federal law; except that all applicants shall pass an examination offered by the board. If there is no applicable federal law, the board shall consider and may use as guidelines the most recent available criteria published by the appraiser qualifications board of the Appraisal Foundation or its successor organization.
- (b) The four levels of appraiser licensure, pursuant to paragraph (a) of this subsection (1), shall be defined as follows:
 - (I) "Certified General Appraiser" means an appraiser meeting the requirements set by the board for general certification;
 - (II) "Certified Residential Appraiser" means an appraiser meeting the requirements set by the board for residential certification;
 - (III) "Licensed Appraiser" means an appraiser meeting the requirements set by the board for a license;
 - (IV) "Registered Appraiser" means an appraiser meeting the requirements set by the board for registration.
- (2) The board shall, by rule, prescribe continuing education requirements for persons registered, licensed, or certified under this part 7 as needed to meet the requirements of the federal "Real Estate Appraisal Reform Amendments", Title XI of the federal "Financial Institutions Reform, Recovery, and Enforcement Act of 1989". The board shall not establish any continuing education requirements that are more stringent than the requirements of any applicable law; except that all persons registered, licensed, or certified under this part 7 shall be subject to continuing education requirements. If there is no applicable federal law, the board shall consider and may use as guidelines the most recent available criteria published by the appraiser qualifications board, of the Appraisal Foundation or its successor organization. The Board shall not grant continuing education credits for attendance at the Board's meetings.
- (3) Any provision of this section to the contrary notwithstanding, the criteria established by the board for the registration, licensing, or certification of appraisers pursuant to this part 7 shall not include membership or lack of membership in any appraisal organization.
- (4) Repealed (effective 7-1-96)
- (5) (a) Subject to section 12-61-714 (2), all appraiser employees of county assessors shall be registered, licensed, or certified as provided in subsections (1) and (2), of this section. Obtaining and maintaining a registration, license or certificate under any one of said subsections (1) and (2), shall entitle an appraiser employee of a county assessor to perform all real estate appraisals required to fulfill such person's official duties.
- (b) Appraiser employees of county assessors shall be subject to all provisions of this part 7; except that appraiser employees of county assessors who are employed

to appraise real property shall not be subject to disciplinary actions by the board on the ground that they have performed appraisals beyond their level of competency when appraising real estate in fulfillment of their official duties. County assessors, if registered, licensed or certified as provided in subsections (1) and (2) of this section shall not be subject to disciplinary actions by the board on the ground that they have performed appraisals beyond their level of competency when appraising real estate in fulfillment of their official duties.

- (c) All reasonable costs incurred by an appraiser employee of a county assessor to obtain and maintain a registration, license, or certificate pursuant to this section shall be paid by the county.
- (6) Repealed
- (7) Repealed
- (8) Repealed
- (9) The board shall not issue an appraiser's license as referenced in subparagraph (III) of paragraph (b) of subsection (1) of this section unless the applicant has at least twelve months appraisal experience.

12-61-707. Expiration of licenses - renewal.

- * (1) (a) All registrations, licenses or certificates shall expire pursuant to a schedule established by the director and shall be renewed or reinstated pursuant to this section. Upon compliance with this section and any applicable rules of the board regarding renewal, including the payment of a renewal fee plus a reinstatement fee established pursuant to paragraph (b) of this subsection (1) the expired registration, license or certificate shall be reinstated. No real estate appraiser's registration, license or certificate that has not been renewed for a period greater than two years shall be reinstated, and such person shall be required to make new application for registration, license or certification.
- (b) A person who fails to renew his or her registration, license, or certificate prior to the applicable renewal date may have it reinstated if the person does any one of the following:
 - (I) Makes proper application, within thirty-one days after the date of expiration, by payment of the regular three-year renewal fee;
 - (II) If proper application is made after thirty one days after the date of expiration, but within one year, after the date of expiration, by payment of the regular three year renewal fee and payment of a reinstatement fee equal to one-third of the regular three year renewal fee; or
 - (III) If proper application is made more than one year, but within two years, after the date of expiration, by payment of the regular three year renewal fee and payment of a reinstatement fee equal to two-thirds of the regular three year renewal fee.
- (2) In the event the federal registry fee to be collected by the board and transmitted to the federal financial institutions examination council is adjusted during the period prior to expiration of a registration, license or certificate, the board shall collect the amount of the increase in such fee from the holder of the registration, license or certificate and shall forward such amount to the said council on an annual basis.

- (3) (a) If the applicant has complied with this section and any applicable rules and regulations of the board regarding renewal, except for the continuing education requirements pursuant to section 12-61-706, the licensee may renew the license on inactive status. An inactive license may be activated if the licensee submits written certification of compliance with section 12-61-706 for the previous licensing period. The board may adopt rules establishing procedures to facilitate such a reactivation.
- (b) The holder of an inactive license shall not perform a real estate appraisal in conjunction with a debt instrument that is federally guaranteed, in the federal secondary market, or regulated pursuant to Title 12, U.S.C.
- (c) The holder of an inactive license shall not hold himself or herself out as having an active license pursuant to this Part 7.

12-61-708. Licensure or certification by endorsement.

- (1) (a) The board may issue a license or certification to an appraiser by endorsement to engage in the occupation of real estate appraisal to any applicant who has a license, registration, or certification in good standing as a real estate appraiser under the laws of another jurisdiction if the applicant presents proof satisfactory to the board that, at the time of application for a Colorado registration, license or certificate by endorsement, the applicant possesses credentials and qualifications which are substantially equivalent to the requirements of this part 7; or
 - (b) The jurisdiction that issued the applicant a license or certificate to engage in the occupation of real estate appraisal has a law similar to this subsection (1) pursuant to which it licenses or certifies persons who are licensed real estate appraisers in this state.
- (1.2) The board may specify by rules and regulation what shall constitute substantially equivalent credentials and qualifications and the manner in which credentials and qualifications of an applicant will be reviewed by the board.
- (2) Pursuant to Section 1122 (a) of Title XI of the federal "Financial Institutions Reform, Recovery, and Enforcement Act of 1989", the board shall recognize, on a temporary basis, the license or certification of an appraiser issued by another state if:
 - (a) Repealed (effective 7-1-96)
 - (b) The appraiser's business is of a temporary nature; and
 - (c) The appraiser applies for and is granted a temporary practice permit by the board.

12-61-709. Denial of license or certificate - renewal.

- (1) The board is empowered to determine whether an applicant for registration, licensure or certification possesses the necessary qualifications to perform appraisals. The board may consider such qualities as the applicant's truthfulness, honesty and whether the applicant has been convicted of a crime involving moral turpitude.
- (2) If the board determines that an applicant does not possess the applicable qualifications required by this part 7, or such applicant has violated any provision of this part 7 or the rules and regulations promulgated by the board or any board order, the board may deny the applicant a registration, license or certificate pursuant to section 12-61-707; and, in such instance, the board shall provide such applicant with a statement in writing setting forth

the basis of the board's determination that the applicant does not possess the qualifications or professional competence required by this part 7. Such applicant may request a hearing on such determination as provided in section 24-4-104 (9), C.R.S.

12-61-710. Prohibited activities - grounds for disciplinary actions - procedures.

- (1) A real estate appraiser is in violation of this part 7 if the appraiser:
 - (a) Has been convicted of a felony or has had accepted by a court a plea of guilty or nolo contendere to a felony if the felony is related to the ability to act as a real property appraiser. A certified copy of the judgment of court of competent jurisdiction of such conviction or plea shall be conclusive evidence of such conviction or plea. In considering the disciplinary action, the board shall be governed by the provisions of section 24-5-101, C.R.S.
 - (b) Has violated, or attempted to violate, directly or indirectly, or assisted in or abetted the violation of, or conspired to violate any provision or term of this part 7 or rule or regulation promulgated pursuant to this part 7 or any order of the board established pursuant to this part 7;
 - (c) Has accepted any fees, compensation, or other valuable consideration to influence the outcome of an appraisal;
 - (d) Has used advertising which is misleading, deceptive, or false;
 - (e) Has used fraud or misrepresentation in obtaining a license or certificate under this part 7;
 - (f) Has conducted an appraisal in a fraudulent manner or used misrepresentation in any such activity;
 - (g) Has acted or failed to act in a manner which does not meet the generally accepted standards of professional appraisal practice as adopted by the board by rule and regulation. A certified copy of a malpractice judgment of a court of competent jurisdiction shall be conclusive evidence of such act or omission, but evidence of such act or omission shall not be limited to a malpractice judgment;
 - (h) Has performed appraisal services beyond his level of competency;
 - (i) Has been subject to an adverse or disciplinary action in another state, territory, or country relating to a license, certification, registration, or other authorization to practice as an appraiser. A disciplinary action relating to a registration, license or certificate as an appraiser registered, licensed or certified under this part 7 or any related occupation in any other state, territory, or country for disciplinary reasons shall be deemed to be prima facie evidence of grounds for disciplinary action or denial of registration, licensure or certification by the board. This paragraph (i) shall apply only to violations based upon acts or omissions in such other state, territory, or country that are also violations of this part 7.
- (2) If an applicant, a registrant, a licensee, or a certified person has violated any of the provisions of this section, the board may deny or refuse to renew any registration, license or certificate, or, as specified in subsections (2.5) and (5) of this section, revoke or suspend any registration, license or certificate, issue a letter of admonition to an applicant, a registrant, a licensee or a certified person, place a registrant, licensee or certified person on probation, or impose public censure.
- (2.5) When a complaint or an investigation discloses an instance of misconduct by a registered, licensed, or certified appraiser that in the opinion of the board does not warrant formal action

by the board but should not be dismissed as being without merit, the board may send a letter of admonition by certified mail to the appraiser against whom a complaint was made. The letter shall advise the appraiser of the right to make a written request, within twenty days after receipt of the letter of admonition, to the board to begin formal disciplinary proceedings as provided in this section to adjudicate the conduct or acts on which the letter was based.

- (3) A proceeding for discipline of a registrant, licensee or certified person may be commenced when the board has reasonable grounds to believe that a registrant, licensee or a certified person has committed any act or failed to act pursuant to the grounds established in subsection (1) of this section or when a request for a hearing is timely made under subsection (2.5) of this section.
- (4) Disciplinary proceedings shall be conducted in the manner prescribed by the "State Administrative Procedure Act", article 4 or title 24, C.R.S.
- (5) As authorized in subsection (2) of this section, disciplinary actions by the board may consist of the following:
 - (a) Revocation of a registration, license or certificate.
 - (I) Revocation of a registration, license or certificate by the board shall mean that the registered, licensed or certified person shall surrender his or her registration, license or certificate immediately to the board.
 - (II) Any person whose registration, license or certificate to practice is revoked is rendered ineligible to apply for any registration, license or certificate issued under this part 7 until more than two years have elapsed from the date of surrender of the registration, license or certificate. Any re-application after such two-year period shall be treated as a new application.
 - (b) Suspension of a license. Suspension of a registration, license or certificate by the board shall be for a period to be determined by the board.
 - (c) Probationary status. Probationary status may be imposed by the board. If the board places a registrant, licensee or certified person on probation, it may include such conditions for continued practice as the board deems appropriate to assure that the registrant, licensee or certified person is otherwise qualified to practice in accordance with generally accepted professional standards of professional appraisal practice as adopted by rule and regulation of the board, including any or all of the following:
 - (I) The taking by him of such courses of training or education as may be needed to correct deficiencies found in the hearing;
 - (II) Such review or supervision of his practice as may be necessary to determine the quality of his practice and to correct deficiencies therein; and
 - (III) The imposition of restrictions upon the nature of his appraisal practice to assure that he does not practice beyond the limits of his capabilities.
 - (d) Repealed
 - (e) Public censure. If after notice and hearing the director or the director's designee determines that the licensee has committed any of the acts specified in this section, the board may impose public censure.
- (6) In addition to any other discipline imposed pursuant to this section, any person who violated the provisions of this part 7 or the rules and regulations of the board

promulgated pursuant to this article may be penalized by the board upon a finding of a violation pursuant to article 4 or title 24, C.R.S., as follows:

- (a) In the first administrative proceeding against any person, a fine of not less than three hundred dollars but not more than five hundred dollars per violation;
 - (b) In any subsequent administrative proceeding against any person for transactions occurring after a final agency action determining that a violation of this part 7 has occurred, a fine of not less than one thousand dollars but not more than two thousand dollars.
- (7) Complaints of record in the office of the board and the results of staff investigations shall be closed to public inspection, during the investigatory period and until dismissed or until notice of hearing and charges are served on a licensee, except as provided by court order. Complaints of record that are dismissed by the Board and the results of investigation of such complaints shall be closed to public inspection, except as provided by court order. The Board's records shall be subject to sections 24-72-203 and 24-72-204, C.R.S., regarding public records and confidentiality.
 - (8) Any person participating in good faith in the making of complaint or report or participation in any investigative or administrative proceeding before the board pursuant to this article shall be immune from any liability, civil or criminal, that otherwise might result by reason of such action.
 - (9) Any board member having an immediate personal, private, or financial interest in any matter pending before the board shall disclose that fact to the board and shall not vote upon such matter.
 - (10) Any registrant, licensee or certified person having direct knowledge that any person has violated any of the provisions of this part 7 shall report such knowledge to the board.
 - (11) The board, on its own motion or upon application, at any time after the imposition of any discipline as provided in this section may reconsider its prior action and reinstate or restore such registration, license or certificate or terminate probation or reduce the severity of its prior disciplinary action. The taking of any such further action or the holding of a hearing with respect thereto shall rest in the sole discretion of the board.

12-61-711. Judicial review of final board actions and orders.

Final actions and orders of the board under sections 12-61-709 and 12-61-710 appropriate for judicial review shall be judicially reviewed in the court of appeals, in accordance with section 24-4-106 (11), C.R.S.

12-61-712. Unlawful acts - real estate appraiser license required.

- (1) It is unlawful for any person to:
 - (a) Violate any provision of this part 7, or, on and after July 1, 1997, to perform a real estate appraisal in conjunction with a debt instrument that is federally guaranteed or in the federal secondary market or regulated pursuant to title 12, U.S.C., without first having obtained a registration, license or certificate from the board pursuant to this part 7.
 - (b) Accept a fee for an independent appraisal that is contingent upon:
 - (I) The reporting of a predetermined analysis, opinion, or conclusion; or
 - (II) The analysis, opinion, or conclusion reached; or

- (III) The consequences resulting from the analysis, opinion, or conclusion
 - (c) Misrepresent a consulting service as an independent appraisal;
 - (d) Fail to disclose, in connection with a consulting service for which a contingent fee is or will be paid, the fact that a contingent fee is or will be paid.
- (2) Any person who violates any provision of subsection (1) of this section commits a class 3 misdemeanor and shall be punished as provided in Section 18-1-106, C.R.S. Any person who subsequently violates any provision of subsection (1) of this section within three years after the date of a conviction for a violation of subsection (1) of this section commits a class 1 misdemeanor and shall be punished as provided in Section 18-1-106, C.R.S.
- (3) A person who represents property owners in tax or valuation protests and appeals pursuant to Title 39, C.R.S., shall be exempt from the licensing requirements of this part 7.

12-61-713. Injunctive proceedings.

- (1) The board may, in the name of the people of the state of Colorado, through the attorney general of the state of Colorado, apply for an injunction in any court of competent jurisdiction to perpetually enjoin any person from committing any act prohibited by the provisions of this part 7.
- (2) Such injunctive proceedings shall be in addition to and not in lieu of all penalties and other remedies provided in this part 7.
- (3) When seeking an injunction under this section, the board shall not be required to allege or prove either that an adequate remedy at law does not exist or that substantial or irreparable damage would result from a continued violation.

12-61-714. Requirement for appraisers to be licensed - special provisions for certain public employees.

- (1) Except as provided in subsection (2) of this section, unless a federal waiver is applied for and granted pursuant to section 12-61-704 (1) (j), on and after July 1, 1991, any person acting as a real estate appraiser in this state shall be licensed as provided in this part 7, and, on and after said date, no person shall practice without such a registration, license or certificate or hold himself out to the public as a real estate appraiser unless registered, licensed or certified pursuant to this part 7.
- (2) Any appraiser employee of any county assessor who is employed to appraise real property shall be registered, licensed or certified as provided in the part 7, and shall have two years from the date of taking office or the beginning of employment to comply with the provisions of this part 7.

12-61-715. Duties of board under federal law.

- (1) The board shall:
- (a) Transmit to the appraisal subcommittee of the federal financial institutions examinations council, no less than annually, a roster listing individuals who have received a registration, certificate or license as provided in this part 7;
 - (b) Collect from individuals who have received a certificate or license as provided in this part 7 an annual registry fee of not more than twenty-five dollars, unless the appraisal subcommittee of the federal financial institutions examinations council adjusts the fee up to a maximum of fifty dollars, and transmit such fee to the federal financial institutions examinations council on an annual basis; and

- (c) Conduct its business and promulgate rules and regulations in a manner not inconsistent with Title XI of the federal "Financial Institutions Reform, Recovery and Enforcement Act of 1989", as amended.

12-61-716. Business entities.

- (1) A corporation, partnership, bank, savings and loan association, savings bank, credit union, or other business entity may provide appraisal services if such appraisal is prepared by individuals registered, certified or licensed in accordance with this part 7. An individual who is not a registered, certified or licensed appraiser may assist in the preparation of an appraisal if:
 - (a) The assistant is under the direct supervision of a registered, certified or licensed appraiser; and
 - (b) The final appraisal document is approved and signed by an individual who is a registered, certified or licensed appraiser.

12-61-717. Provisions found not to comply with federal law null and void -severability.

If any provision of this part 7 is found by a court of competent jurisdiction or by the appropriate federal agency not to comply with any provision of the federal "Financial Institutions Reform, Recovery, and Enforcement Act of 1989", such provision shall be null and void, but the remaining provisions of this part 7 shall be valid unless such remaining provisions alone are incomplete and are incapable of being executed in accordance with the legislative intent of this part 7.

12-61-718. Scope of article - regulated financial institutions - de minimis exemption.

- (1) (a) The provisions of this article shall not apply to an appraisal relating to any real estate related transaction or loan made or to be made by a financial institution or its affiliate if such real estate related transaction or loan is excepted from appraisal regulations established by the primary federal regulator of said financial institution and the appraisal is performed by:
 - (I) An officer, director or regular salaried employee of the financial institution or its affiliate; or
 - (II) A real estate broker or salesperson licensed under this article with whom said institution or affiliate has contracted for performance of the appraisal,
 - (b) Such appraisal shall not be represented or deemed to be an appraisal except to the said financial institution, the agencies regulating the said financial institution, and any secondary markets that purchase real estate secured loans. Such appraisal shall contain a written notice that the preparer is not registered, licensed, or certified as an appraiser under this part 7.
- (2) Nothing in this article shall be construed to limit the ability of any federal or state regulator of a financial institution to require the financial institution to obtain appraisals as specified by the regulator.
 - (3) Repealed

RULE MAKING OF THE BOARD OF REAL ESTATE APPRAISERS

Pursuant to §12-61-704(1)(a), Colorado Revised Statutes, the Colorado Board of Real Estate Appraisers engages in rule making to implement Colorado law in a manner consistent with the requirements of Title XI of the federal Financial Institutions Reform, Recovery and Enforcement Act of 1989.

The rule making process is set by §24-4-103, CRS, and involves notice to the public, hearing(s), adoption of rules, and publication. General notice is accomplished through filing with the Secretary of State and publication in the Colorado Register. Specific notice is provided by mail to interested parties. To request mailing of rule-making notices, send a written request for placement on the rule-making notice list to: Rule Making Notice List, Colorado Board of Appraisers, 1560 Broadway, Suite 925, Denver, CO 80202.

While rule making may occur at any time, the Board prefers to adopt new and amended rules in the fall, with January 1 of the next year as the effective date. Rules are published in the Colorado Real Estate Manual. Rules becoming effective between manual editions are published on the Division of Real Estate Website and in the *Appraiser Update* newsletter.

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

RULES OF THE COLORADO BOARD OF REAL ESTATE APPRAISERS

CHAPTER 1: DEFINITIONS

- 1.1 The Appraisal Foundation: That appraisal foundation established November 30, 1987 as an Illinois not-for-profit corporation, and its boards, councils and groups.
- 1.2 Appraiser Qualifications Board, or AQB: The Appraiser Qualifications Board of The Appraisal Foundation.
- 1.3 Appraisal Standards Board, or ASB: The Appraisal Standards Board of The Appraisal Foundation.
- 1.4 Examination: The examination(s) developed or contracted for by the Board and issued or approved by the AQB.
- 1.5 FIRREA: The Financial Institutions Reform, Recovery and Enforcement Act of 1989.
- 1.6 Board: The Colorado Board of Real Estate Appraisers.
- 1.7 Applicant: Any person applying for a license or temporary practice permit, or applying for renewal of a license.

- 1.8 Initial license: That license issued when an applicant is first approved for a license at that level of licensure. An initial license issued prior to October 1, 2006 shall be valid through December 31 of the year of issue. An initial license issued on and after October 1, 2006 shall be valid for a period of three years.
- 1.9 Colorado Real Estate Appraiser Licensing Act: That portion of Colorado statutes known as Section 12-61-701, et seq., Colorado Revised Statutes, as amended.
- 1.10 Uniform Standards of Professional Appraisal Practice, or USPAP: Those Uniform Standards of Professional Appraisal Practice promulgated by the Appraisal Standards Board of The Appraisal Foundation and adopted in Chapter 11 of these Rules through incorporation by reference.
- 1.11 Board Rules or Rules: Those rules adopted by the Colorado Board of Real Estate Appraisers pursuant to Section 12-61-704(1)(a), C.R.S., as amended.
- 1.12 Registered Appraiser: A person who has been granted a license pursuant to § 12-61-706(1)(b)(IV), C.R.S. as a Registered Appraiser by the Board as a result of meeting the real estate appraisal education and real estate appraisal examination requirements established by Board Rule 2.1, which license is in good standing. The scope of practice for the Registered Appraiser shall be those properties that the supervising appraiser is permitted and competent to appraise, or as allowed by Section 12-61-706 (5), C.R.S.
- 1.13 Licensed Appraiser: A person who has been granted a license pursuant to § 12-61-706(1)(b)(III), C.R.S. as a Licensed Appraiser by the Board as a result of meeting the real estate appraisal education, real estate appraisal experience and real estate appraisal examination requirements established by Board Rule 2.2, or as a result of licensure through endorsement from another state as provided by Chapter 9 of these Rules, which license is in good standing. The usual scope of practice for the Licensed Appraiser shall be, if competent for the assignment, appraisal of non-complex one to four unit residential properties having a transaction value of less than \$1,000,000 and complex one to four unit residential properties having a transaction value of less than \$250,000, or as allowed by Section 12-61-706 (5), C.R.S.
- 1.14 Certified Residential Appraiser: A person who has been granted a license pursuant to § 12-61-706(1)(b)(II), C.R.S. as a Certified Residential Appraiser by the Board as a result of meeting the real estate appraisal education, real estate appraisal experience and real estate appraisal examination requirements established by Board Rule 2.3, or as a result of licensure through endorsement from another state as provided by Chapter 9 of these Rules, which license is in good standing. The usual scope of practice for the Certified Residential Appraiser shall be, if competent for the assignment, appraisal of one to four unit residential properties without regard to transaction value or complexity, or as allowed by Section 12-61-706 (5), C.R.S. Such scope of practice includes land suitable for development to one to four residential units, but does not include land for which a subdivision analysis or appraisal is necessary.
- 1.15 Certified General Appraiser: A person who has been granted a license pursuant to § 12-61-706(1)(b)(I), C.R.S. as a Certified General Appraiser by the Board as a result of meeting the real estate appraisal education, real estate appraisal experience and real estate appraisal examination requirements established by Board Rule 2.4, or as a result of licensure through endorsement from another state as provided by Chapter 9 of these

- Rules, which license is in good standing. The scope of practice for the Certified General Appraiser shall be, if competent for the assignment, appraisal of all types of real property.
- 1.16 Residential Property: Properties comprising one to four residential units; also includes building sites suitable for development to one to four residential units. Residential property does not include land for which a subdivision analysis or appraisal is necessary.
 - 1.17 Non-Residential Property: Properties other than those comprised of one to four residential units and building sites suitable for development to one to four residential units. Non-residential property includes, without limitation, properties comprised of five or more dwelling units, farm and ranch, retail, manufacturing, warehousing, and office properties, large vacant land parcels and other properties not within the definition of residential property.
 - 1.18 Temporary Practice Permit: A permit issued pursuant to Section 12-61-708 (2), C.R.S., (as amended) and Chapter 10 of these rules allowing an appraiser licensed in another jurisdiction to appraise property in Colorado under certain conditions without obtaining Colorado licensure.
 - 1.19 Title XI, FIRREA: That part of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 known as the Appraisal Reform Amendments, and also known as 12 U.S.C. Section 3331 through 12 U.S.C. Section 3351.
 - 1.20 Contingent Fee: Compensation paid to a person who is licensed as a registered, licensed or certified appraiser, as a result of reporting a predetermined value or direction of value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event. A person licensed as a registered, licensed or certified appraiser employed by a business entity which is compensated by a contingent fee is considered to be compensated by a contingent fee.
 - 1.21 Licensee: A collective term used to refer to a person who has been licensed by the Board as a Registered Appraiser, Licensed Appraiser, Certified Residential Appraiser or Certified General Appraiser.
 - 1.22 Distance education: Educational methodologies and presentation techniques other than traditional classroom formats, including, without limitation, live teleconferencing, cd-rom or disk based computer presentations, written correspondence courses, internet on-line learning, video and audio tapes, and others.
 - 1.23 Complex Residential Property: Properties comprising one to four residential dwelling units, or land suitable for development to one to four residential units exhibiting complex appraisal factors such as atypical form of ownership, atypical size, atypical design characteristics, atypical locational characteristics, atypical physical condition characteristics, landmark designation, non-conforming zoning, lack of appraisal data, and other similar factors. Complex residential property does not include land for which a subdivision analysis or appraisal is necessary.
 - 1.24 Signature: As defined in the Uniform Standards of Professional Appraisal Practice incorporated by reference in Board Rule 11.1, and including all methods of indicating a signature, such as, without limitation, a handwritten mark, digitized image, coded authentication number, stamped impression, embossed or applied seal, or other means.

- 1.25 Supervisory appraiser: any licensee who shall act in a supervisory role in the preparation of appraisals, appraisal reports, and other appraisal work products. Includes, without limitation, any licensee who signs a report in a manner indicating they exert control over the actions of any assistant or associate, or who acts to guide or manage the work of any assistant or associate.
- 1.26 Qualifying education: real estate appraisal education courses completed for credit toward the licensing requirements set forth in Chapter 2 of these Board Rules and meeting the requirements of Chapter 3 of these Board Rules. Qualifying education courses must be at least 15 classroom hours in length and must include an examination. Qualifying education courses may be used to satisfy the continuing education requirements set forth in Chapter 7 of these Board Rules.
- 1.27 Continuing education: real estate and real estate appraisal related courses completed for credit toward meeting the continuing education requirements set forth in Chapter 7 of these Board Rules. Continuing education courses meeting the requirements of Chapter 3 of these Board Rules may be acceptable for credit toward meeting qualifying education requirements.
- 1.28 Transaction value: for purposes of these rules transaction value means:
- A. For appraisal assignments carried out as part of a loan transaction, the amount of the loan; or
 - B. For appraisal assignments carried out for other than a loan transaction, the market value of the real property interest.
- 1.29 Appraisal process: the analysis of factors that bear upon value, including definition of the appraisal problem, gathering and analyzing data, applying appropriate valuation approaches and methods, arriving at an opinion of value and reporting the opinion of value.
- 1.30 Accredited college, junior college, community college or university: a higher education institution accredited by the Commission on Colleges, a regional or national accreditation association, or an accrediting agency that is recognized by the U. S. Secretary of Education.
- 1.31 Real Property Appraiser Qualification Criteria: Pursuant to Section 12-61-706, (1) and (2), C.R.S. (as amended), the Board incorporates by reference in compliance with Section 24-4-103(12.5), C.R.S., the Real Property Appraiser Qualification Criteria adopted by the Appraiser Qualifications Board of The Appraisal Foundation through May 5, 2006, including the Interpretations thereof. Amendments to the Real Property Appraiser Qualification Criteria adopted subsequent to May 5, 2006 are not included in this rule. A certified copy of the Real Property Appraiser Qualification Criteria is on file and available for public inspection with the Program Administrator at the offices of the Board of Real Estate Appraisers at 1560 Broadway, Suite 925, Denver, Colorado. Copies of the Real Property Appraiser Qualification Criteria incorporated under this rule may be examined at any state publications depository library. The Real Property Appraiser Qualification Criteria 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 Real Property Appraiser Qualification Criteria shall remain in effect through December 31, 2007.

- 1.32 2008 Real Property Appraiser Qualification Criteria: Pursuant to Section 12-61-706, (1) and (2), C.R.S. (as amended), the Board incorporates by reference in compliance with Section 24-4-103(12.5), C.R.S., the 2008 Real Property Appraiser Qualification Criteria adopted by the Appraiser Qualifications Board of The Appraisal Foundation on February 20, 2004, and as amended through May 5, 2006, including the Required Core Curricula, Guide Notes and Interpretations thereof. Amendments to the 2008 Real Property Appraiser Qualification Criteria adopted subsequent to May 5, 2006 are not included in this rule. A certified copy of the 2008 Real Property Appraiser Qualification Criteria is on file and available for public inspection with the Program Administrator at the offices of the Board of Real Estate Appraisers at 1560 Broadway, Suite 925, Denver, Colorado. Copies of the 2008 Real Property Appraiser Qualification Criteria incorporated under this rule may be examined at any state publications depository library. The 2008 Real Property Appraiser Qualification Criteria 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 2008 Real Property Appraiser Qualification Criteria shall go into effect on January 1, 2008.

CHAPTER 2: REQUIREMENTS FOR LICENSURE AS A REAL ESTATE APPRAISER

- 2.1 An applicant for licensure as a Colorado Registered Appraiser shall meet the following requirements:
- A. Real estate appraisal education:
1. For applications received in the offices of the Board through December 31, 2007, at least 75 classroom hours of real estate appraisal education acceptable to the Board under the provisions of Chapter 3 of these Rules. Pursuant to Board Rule 3.6, such education shall be completed in courses not less than 15 classroom hours in length and including an examination. Real estate appraisal education programs completed for credit toward this requirement shall demonstrate coverage of all the following topics, with emphasis on basic appraisal principles and procedures:
 - a. Influences on real estate value;
 - b. Legal considerations in appraisal;
 - c. Types of value;
 - d. Economic principles;
 - e. Real estate markets and analysis;
 - f. Valuation process;
 - g. Property description;
 - h. Highest and best use analysis;
 - i. Appraisal statistical concepts;
 - j. Sales comparison approach;
 - k. Site value;

- l. Cost approach;
 - m. Income approach;
 - n. Valuation of partial interests; and
 - o. 15-hour National USPAP Course
2. An applicant submitting an application received in the offices of the Board on and after January 1, 2008 for licensure as a Colorado Registered Appraiser shall meet the following real estate appraisal education module requirements, or the substantial equivalent thereof, as set forth in the Required Core Curriculum and Guide Note 1 of the 2008 Real Property Appraiser Qualification Criteria adopted by the Appraiser Qualifications Board of the Appraisal Foundation on February 20, 2004, and amended through May 5, 2006, with an effective date of January 1, 2008 and incorporated by reference in Rule 1.32:
 - a. Basic appraisal principles: 30 classroom hours;
 - b. Basic appraisal procedures: 30 classroom hours; and
 - c. 15-hour National USPAP Course: 15 classroom hours.
- B. Real estate appraisal examination: successful completion the Registered Appraiser examination as provided in Chapter 4 of these Rules.
- 2.2 An applicant for licensure as a Colorado Licensed Appraiser shall meet the following requirements:
- A. Real estate appraisal education:
 1. For applications received in the offices of the Board through December 31, 2007, at least 90 classroom hours of real estate appraisal education acceptable to the Board under the provisions of Chapter 3 of these rules. Pursuant to Board Rule 3.6, such education shall be completed in courses not less than 15 classroom hours in length and including an examination. Real estate appraisal education programs completed for credit toward this requirement shall demonstrate coverage of all the following topics, with emphasis on the appraisal of typical, non-complex one to four unit residential properties:
 - a. Influences on real estate value;
 - b. Legal considerations in appraisal;
 - c. Types of value;
 - d. Economic principles;
 - e. Real estate markets and analysis;
 - f. Valuation process;
 - g. Property description;
 - h. Highest and best use analysis;
 - i. Appraisal statistical concepts;
 - j. Sales comparison approach;
 - k. Site value;
 - l. Cost approach;
 - m. Income approach, emphasizing gross rent multiplier, estimation of income and expenses, and operating expense ratios;

- n. Valuation of partial interests; and
 - o. 15-hour National USPAP course.
2. An applicant submitting an application received in the offices of the Board for licensure as a Colorado Licensed Appraiser on and after January 1, 2008 shall meet the following real estate appraisal education module requirements, or the substantial equivalent thereof, as set forth in the Required Core Curriculum and Guide Note 1 of the 2008 Real Property Appraiser Qualification Criteria adopted by the Appraiser Qualifications Board of The Appraisal Foundation February 20, 2004, and amended through May 5, 2006, with an effective date of January 1, 2008, and incorporated by reference in Rule 1.32:
- a. Basic appraisal principles: 30 classroom hours;
 - b. Basic appraisal procedures: 30 classroom hours;
 - c. 15-hour National USPAP Course; 15 classroom hours;
 - d. Residential market analysis and highest and best use: 15 classroom hours;
 - e. Residential appraiser site valuation and cost approach: 15 classroom hours;
 - f. Residential sales comparison and income approaches: 30 classroom hours;
 - g. Residential report writing and case studies: 15 classroom hours.
- B. Real estate appraisal experience: at least 2000 hours of real estate appraisal experience acceptable to the Board under the provisions of Chapter 5 of these Rules. Pursuant to § 12-61-706(9), C.R.S., such real estate appraisal experience shall have been gained across a period of not less than 12 months.
- C. Real estate appraisal examination: successful completion of the Licensed Appraiser examination as provided in Chapter 4 of these Rules.
- 2.3 An applicant for licensure as a Colorado Certified Residential Appraiser shall meet the following requirements:
- A. Real estate appraisal education:
- 1. For applications received in the offices of the Board through December 31, 2007, at least 120 classroom hours of real estate appraisal education acceptable to the Board under the provisions of Chapter 3 of these Rules. Pursuant to the Appraiser Qualifications Criteria established by the Appraiser Qualifications Board of The Appraisal Foundation and Board Rule 3.6, such education shall be completed in courses not less than 15 classroom hours in length and including an examination. Real estate appraisal education programs completed for credit toward this requirement shall demonstrate coverage of all the following topics, with emphasis on the appraisal of one to four unit residential properties, and shall demonstrate coverage of appraisal of complex residential properties as defined in Chapter 1 of these rules:
 - a. Influences on real estate value;
 - b. Legal considerations in appraisal;
 - c. Types of value;
 - d. Economic principles;
 - e. Real estate markets and analysis;
 - f. Valuation process;

- g. Property description;
 - h. Highest and best use analysis;
 - i. Appraisal statistical concepts;
 - j. Sales comparison approach;
 - k. Site value;
 - l. Cost approach;
 - m. Income approach, emphasizing gross rent multiplier, estimation of income and expenses, operating expense ratios and direct capitalization;
 - n. Valuation of partial interests;
 - o. Narrative report writing; and
 - p. 15-hour National USPAP Course.
2. An applicant submitting an application received in the offices of the Board for licensure on and after January 1, 2008 for licensure as a Colorado Certified Residential Appraiser shall meet the following real estate appraisal education module requirements, or the substantial equivalent thereof, as set forth in the Core Curriculum and Guide Note 1 of the 2008 Real Property Appraiser Qualification Criteria adopted by the Appraiser Qualifications Board of The Appraisal Foundation on February 20, 2004, and amended through May 5, 2006, with an effective date of January 1, 2008, as incorporated by reference in Rule 1.32:
- a. Basic appraisal principles: 30 classroom hours;
 - b. Basic appraisal procedures: 30 classroom hours;
 - c. 15-hour National USPAP Course: 15 classroom hours;
 - d. Residential market analysis and highest and best use: 15 classroom hours;
 - e. Residential appraiser site valuation and cost approach: 15 classroom hours;
 - f. Residential sales comparison and income approaches: 30 classroom hours;
 - g. Residential report writing and case studies: 15 classroom hours;
 - h. Statistics, modeling and finance: 15 classroom hours;
 - i. Advanced residential applications and case studies: 15 classroom hours; and
 - j. Appraisal subject matter electives: 20 classroom hours.
- B. On and after January 1, 2008 an applicant for licensure as a Colorado Certified Residential Appraiser shall either:
- 1. Hold an associate degree, or higher, from an accredited college, junior college, community college or university as defined in Board Rule 1.30; or
 - 2. Successfully complete at least 21 semester credit hours or 32 quarter credit hours in the following collegiate subject matter courses from an accredited college, junior college, community college or university as defined in Board Rule 1.30. Courses in all the listed topics shall be completed. No topics shall be omitted. Credits earned through the College Level Examination Program ("CLEP") are acceptable to meet this requirement.
 - a. English composition;
 - b. Principles of economics;

- c. Finance;
 - d. Algebra, geometry or higher mathematics;
 - e. Statistics;
 - f. Introduction to computers, word processing and spreadsheets; and
 - g. Business or real estate law.
- C. Real estate appraisal experience:
- 1. For applications received on and after January 1, 1998, at least 2500 hours, gained across a period of at least 24 months, of real estate appraisal experience acceptable to the Board under the provisions of Chapter 5 of these Rules.
- D. Real estate appraisal examination: successful completion of the Certified Residential Appraiser examination as provided in Chapter 4 of these Rules.
- 2.4 An applicant for licensure as a Colorado Certified General Appraiser shall meet the following requirements:
- A. Real estate appraisal education:
- 1. For applications received in the offices of the Board on and after January 1, 1998 and through December 31, 2007, at least 180 classroom hours of real estate appraisal education acceptable to the Board under the provisions of Chapter 3 of these Rules. Pursuant to the Appraiser Qualifications Criteria established by the Appraiser Qualifications Board of The Appraisal Foundation and Board Rule 3.6, such education shall be completed in courses not less than 15 classroom hours in length and including an examination. Real estate appraisal education programs completed for credit toward this requirement shall demonstrate coverage of all the following topics, with emphasis on the appraisal of non-residential properties:
 - a. Influences on real estate value;
 - b. Legal considerations in appraisal;
 - c. Types of value;
 - d. Economic principles;
 - e. Real estate markets and analysis;
 - f. Valuation process;
 - g. Property description;
 - h. Highest and best use analysis;
 - i. Appraisal statistical concepts;
 - j. Sales comparison approach;
 - k. Site value;
 - l. Cost approach;
 - m. Income approach, emphasizing estimation of income and expenses, operating statement ratios, direct capitalization, cash flow estimates, measures of cash flow and discounted cash flow analysis;
 - n. Valuation of partial interests;
 - o. Narrative report writing; and
 - p. 15-hour National USPAP Course.

2. An applicant submitting an application received in the offices of the Board for licensure on and after January 1, 2008 for licensure as a Colorado Certified General Appraiser shall meet the following real estate appraisal education module requirements, or the substantial equivalent thereof, as set forth in the Core Curriculum of the 2008 Real Property Appraiser Qualification Criteria adopted by the Appraiser Qualifications Board of The Appraisal Foundation on February 20, 2004, and amended through May 5, 2006, with an effective date of January 1, 2008, as incorporated by reference in Rule 1.32:
 - a. Basic appraisal principles: 30 classroom hours;
 - b. Basic appraisal procedures: 30 classroom hours;
 - c. 15-hour National USPAP Course: 15 classroom hours;
 - d. General appraiser market analysis and highest and best use: 30 classroom hours;
 - e. Statistics, modeling and finance: 15 classroom hours;
 - f. General appraiser sales comparison approach: 30 classroom hours;
 - g. General appraiser site valuation and cost approach: 30 classroom hours;
 - h. General appraiser income approach: 60 classroom hours;
 - i. General appraiser report writing and case studies: 30 classroom hours; and
 - j. Appraisal subject matter electives: 30 classroom hours.
- B. On and after January 1, 2008 an applicant for licensure as a Colorado Certified General Appraiser shall either:
 1. Hold a bachelors degree or higher from an accredited college or university as defined in Board Rule 1.30, or
 2. Successfully complete not less than 30 semester credit hours or 45 quarter credit hours in the following collegiate subject matter courses from an accredited college, junior college, community college or university as defined in Board Rule 1.30. Courses in all the listed topics shall be completed. No topics shall be omitted. Credits earned through the College Level Examination Program ("CLEP") are acceptable to meet this requirement.
 - a. English composition;
 - b. Macro economics;
 - c. Micro economics;
 - d. Finance;
 - e. Algebra, geometry or higher mathematics;
 - f. Statistics;
 - g. Introduction to computers, word processing and spreadsheets;
 - h. Business or real estate law; and
 - I. Two elective courses in accounting, geography, agricultural economics, business management or real estate.
- C. Real estate appraisal experience:
 1. For applications received on and after January 1, 1998, at least 3000 hours, gained across a period of at least 30 months, of real estate appraisal experience acceptable to the Board under the provisions of Chapter 5 of these rules. Such

real estate appraisal experience shall include at least 1500 hours of appraisal of non-residential property, as defined in Chapter 1 of these Rules.

- D. Real estate appraisal examination: successful completion of the Certified General Appraiser examination as provided in Chapter 4 of these Rules.
- 2.5 Complete and properly documented applications for licensure received in the offices of the Board on or before December 31, 2007 will be evaluated pursuant to the requirements set forth in Board Rules 2.1.A.1 and B; 2.2.A.1, B and C; 2.3.a.1, C and D; or 2.4.A.1, C and D, as applies.
- 2.6 Complete and properly documented applications received in the offices of the Board on and after January 1, 2008 will be evaluated pursuant to the requirements set forth in Board Rules 2.1.A.2 and B; 2.2.A.2, B and C; 2.3.A.2, B, C, and D; or 2.4.A.2, B, C and D, as applies.

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.
- 3.2 Appraisal education and training courses shall be taken from providers approved by the Board. In order to be approved, the course shall meet the following standards at the time it is offered:
 - A. The course was developed by persons qualified in the subject matter and instructional design;
 - B. The program content is current;
 - C. The instructor is qualified with respect to course content and teaching methods;
 - D. The number of participants and the physical facilities are consistent with the teaching method; and
 - E. The course includes an examination for measuring the information learned.
- 3.3 The following may be approved as providers of appraisal education and training provided the standards set forth in Rule 3.2 are maintained and provided they 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 jurisdiction, provided that the jurisdiction's appraiser regulation program has been determined to be in compliance with FIRREA;
 - F. As to courses approved under the course approval program 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 provider shall maintain, and provide to the Board upon request, information regarding the 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 of course offerings; and
 - F. Location of course offerings.
- 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 qualifying education and training, a course must be at least 15 hours in duration and must include an examination pertinent to the material covered. Courses may be comprised of segments of not less than one classroom hour.
- 3.7 Appraisal education and training courses must be successfully completed by the applicant. Except as otherwise provided in Rule 3.8, successful completion means the applicant has attended the class, participated in class activities and achieved a passing score on the course examination. Teaching of approved appraisal 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.
- 3.9 The responsibility for establishing that a particular course or other program for which credit is claimed is acceptable rests upon the applicant.
- 3.10 Each applicant shall provide a signed statement, under penalty of perjury, attesting to the successful completion of the required hours of 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 course work.
- 3.11 Hours of 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 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 appraisal education and training which build upon and augment previous courses. Courses which substantially repeat 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 computer based presentations, provision for students to submit questions during teleconferences, and examinations proctored by an independent third party. Simple reading, viewing or listening to materials 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.
- 3.16 To be acceptable for qualifying real estate appraisal education, distance education courses shall meet the other requirements of this Chapter 3, and shall include a written, closed book final examination proctored by an independent third party, or other final examination testing procedure acceptable to the Board. Examples of acceptable examination proctors include public officials who do not supervise the student, secondary and higher education school officials, and public librarians. Failure to observe this requirement may result in rejection of the course and/or course provider by the Board for that applicant, and may result in the Board refusing or withdrawing approval of any courses offered by the provider.
- 3.17 All qualifying education courses in the Uniform Standards of Professional Appraisal Practice begun on and after January 1, 2003 shall be in the form of a course approved under the course approval program of the Appraiser Qualifications Board of The Appraisal Foundation, and taught by an instructor certified by the Appraiser Qualifications Board of The Appraisal Foundation and who is a state certified appraiser.
- 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 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).
- 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.
- 3.20 All qualifying education courses in the Uniform Standards of Professional Appraisal Practice (USPAP) shall be presented using the most recent edition of the Uniform Standards of Professional Appraisal Practice and the most recent version of the National USPAP Course (real property) or equivalent as approved by the Course Approval Program of The Appraisal Foundation, with the exception that courses begun in the three months preceding the effective date of a new edition may be presented using the next succeeding USPAP edition and course version, if available from The Appraisal Foundation.

CHAPTER 4 STANDARDS FOR REAL ESTATE APPRAISAL LICENSING EXAMINATIONS

- 4.1 Any person wishing to apply for any appraiser's license shall register for and achieve a passing score on the appropriate level of examination with the testing service designated by the Board. No other examination results will be accepted. The appropriate levels of examination for the respective levels of licensure are as follows:

<u>License Level</u>	<u>Examination</u>
Registered Appraiser	Registered Appraiser
Licensed Appraiser	Licensed Real Property Appraiser
Certified Residential Appraiser	Certified Residential Appraiser
Certified General Appraiser	Certified General Appraiser

- 4.2 Examinees shall comply with the standards of test administration established by the Board and the testing service.
- 4.3 A passing score on an examination shall be valid for two years from the examination date. Failure to file a complete application within the two year period will result in the examination grade being void.
- 4.4 Examinations will be given only to duly qualified applicants for an appraiser's license; however, one instructor from each appraisal qualifying education course provider approved pursuant to Rule 3.3 may take the examination one time during any 12 month period in order to conduct research for course content.
- 4.5 Each examination for a license may, as determined by the Board, be a separate examination.
- 4.6 Examinations developed or contracted for by the Board for licensed and certified appraisers shall comply with Title XI, FIRREA.
- 4.7 Repealed

- 4.8 Examinees may use financial calculators during the examination process. The memory functions of any such calculator shall be cleared by the testing service staff prior to the beginning and after the conclusion of the examination.

CHAPTER 5 STANDARDS FOR REAL ESTATE APPRAISAL EXPERIENCE

- 5.1 The following areas of appraisal activity shall constitute acceptable appraisal experience under this Chapter:
- A. Fee and staff appraisal;
 - B. Ad valorem tax appraisal;
 - C. Review appraisal;
 - D. Appraisal analysis;
 - E. Real estate counseling;
 - F. Highest and best use analysis;
 - G. Feasibility analysis/study; and
 - H. Such other experience as the Board may accept upon petition by the applicant in a form acceptable to the Board.
- 5.2 An applicant must have made a substantial contribution to the appraisal process and arrived at a conclusion of value in any appraisal claimed as evidence of meeting experience requirements. Only those real property appraisals, appraisal reviews or appraisal consulting assignments culminating in a written or oral report and workfile compliant with the Uniform Standards of Professional Appraisal Practice shall be acceptable as evidence of meeting appraisal experience requirements.
- 5.3 Reports or file memoranda claimed as evidence of meeting experience requirements shall:
- A. As to reports or file memoranda completed prior to July 1, 1991, such reports or file memoranda shall have been prepared in conformance with the generally accepted standards of professional appraisal practice for the type of real estate as of the time the work was completed; and
 - B. As to reports or file memoranda completed on or after January 1, 1991, such reports or file memoranda shall have been prepared in conformance with 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 the date of completion of the report or file memoranda.
- 5.4 Each applicant shall provide a statement signed under penalty of perjury, attesting to acceptable completion of the required appraisal experience on a form provided by the Board.
- 5.5 The Board reserves the right to verify an applicant's or licensee's evidence of appraisal experience by such means as it deems necessary, including, but not limited to requiring the following:
- A. Submission of a detailed log of appraisal activity on the form or in the manner specified by the Board;
 - B. Submission of appraisal reports, workfiles or file memoranda;
 - C. Employer affidavits or interviews;

- D. Client affidavits or interviews; and
 - E. Submission of appropriate business records.
- 5.6 Repealed.
- 5.7 On and after January 1, 2005, and prior to January 1, 2008, to be acceptable for licensing purposes, real estate appraisal experience gained by an unlicensed person or a person licensed at the Registered Appraiser level shall be gained under the following conditions:
- A. The unlicensed person or Registered Appraiser shall be under the active, diligent and personal supervision of a supervising appraiser who has been a Licensed Appraiser as defined by Board Rule 1.13 for at least two years, or a Certified Residential Appraiser as defined by Board Rule 1.14, or a Certified General Appraiser as defined by Board Rule 1.15. The provisions of this Rule 5.7 a shall not apply to an unlicensed person or Registered Appraiser employed in the office of a Colorado county assessor when appraising real estate in fulfillment of their official duties;
 - B. The Licensed Appraiser, Certified Residential Appraiser or Certified General Appraiser acting as supervisor shall be in good standing with the Board. For purposes of this rule, good standing is defined as not having been subject to any disciplinary action under Section 12-61-710 (5)(a), (b), or (c), C.R.S., during the preceding two (2) years;
 - C. Real estate appraisal experience gained in conformance with Board Rule 5.7 prior to January 1, 2008 shall continue to be acceptable after January 1, 2008. Real estate appraisal experience gained on and after January 1, 2008 shall be gained in conformance with Board Rule 5.8.
- 5.8 On and after January 1, 2008, to be acceptable for licensing purposes, real estate appraisal experience gained by an unlicensed person or a person licensed at the Registered Appraiser level shall be gained under the following conditions:
- A. The unlicensed person or Registered Appraiser shall be under the active, diligent and personal supervision of a Certified Residential Appraiser as defined by Board Rule 1.14, or a Certified General Appraiser as defined by Board Rule 1.15. The provisions of this Rule 5.8 a shall not apply to an unlicensed person or Registered Appraiser employed in the office of a Colorado county assessor when appraising real estate in fulfillment of their official duties;
 - B. The Certified Residential Appraiser or Certified General Appraiser acting as supervisor shall be in good standing with the Board. For purposes of this rule, good standing is defined as not having been subject to any disciplinary action under Section 12-61-710 (5)(a), (b), or (c), C.R.S., during the preceding two (2) years;
 - C. The Certified Residential Appraiser or Certified General Appraiser acting as supervisor shall not supervise more than three (3) unlicensed persons or Registered Appraisers at any one time; and
 - D. Real estate experience gained in conformance with Board Rule 5.7 prior to January 1, 2008 shall continue to be acceptable after January 1, 2008. Real estate appraisal experience gained on and after January 1, 2008 shall be gained in conformance with Board Rule 5.8.

- 5.9 Each application for licensure pursuant to Board Rules 2.2, 2.3, and 2.4 shall be accompanied by a log of real estate appraisal experience. The log of real estate appraisal experience claims submitted in support of an application for licensure shall be on the form or in the manner specified by the Board. Such log shall be subject to the following requirements:
- A. The log shall include statements certifying to the accuracy and truthfulness of the information therein;
 - B. Signatures shall be individual handwritten marks. Photocopied, computer generated, stamped or other facsimile signatures are not acceptable. No one other than the applicant or supervisory appraiser shall sign the certifications.
- 5.10 Driving time in the market neighborhood of the subject property for inspection of the subject and comparable properties may qualify as part of appraisal experience.

CHAPTER 6 APPLICATION FOR INITIAL LICENSURE

- 6.1 An applicant for licensure as a registered, licensed or certified appraiser shall complete all requirements prior to filing the application, including education, experience (if required) and examination.
- 6.2 Each applicant shall submit original documentary evidence of a passing score on the appropriate examination with the application.
- 6.3 An application is deemed complete at the time all required supporting documents and fees are received at the Board offices.
- 6.4 Repealed.
- 6.5 Licenses shall be issued by the Board as soon as practicable after receipt of a complete application, required fees and all supporting documentation. The Board reserves the right to require additional information and documentation from an applicant, and to verify any information and documentation submitted.
- 6.6 Submission of an application does not guaranty issuance of a license, or issuance of a license within a specific period of time. Applicants shall observe the provisions of Section 12-61-714, C.R.S. and Board Rules Chapter 12. Applicants shall not represent themselves as being licensees of the Board until receipt of the Board issued license document.
- 6.7 Pursuant to Section 12-61-709(1), C.R.S., an applicant who has been convicted of, entered a plea of guilty to, or entered a plea of nolo contendere to any felony, or any crime involving moral turpitude, or any other like crime under Colorado law, federal law, or the laws of another state within the ten (10) years preceding application shall file with his or her application an addendum to the application in a form prescribed by the Board. Such addendum shall be supported and documented by, without limitation, the following:
- A. Court documents, including original charges, disposition, pre-sentencing report and certification of completion of terms of sentence;
 - B. Police officer's report;
 - C. Probation or parole officer's report;

- D. A written personal statement explaining the circumstances surrounding each violation, and including the statement “I have no other violations either past or pending”;
 - E. Letters of recommendation; and
 - F. Employment history for the preceding five years.
- 6.8 Prior to application for licensure a person who has been convicted of, entered a plea of guilty to, or entered a plea of nolo contendere to any felony, or any crime involving moral turpitude, or any other like crime under Colorado law, federal law, or the laws of another state within the preceding ten (10) years may request the Board to issue a preliminary advisory opinion regarding the possible effect of such conduct on an application for licensure. A person requesting such an opinion is not an applicant for licensure. The Board may, at its sole discretion, issue such an opinion, which shall not be binding on the Board or limit the authority of the Board to investigate a later application for licensure. The issuance of such an opinion by the Board shall not act to prohibit a person from submitting an application for licensure. A person requesting such an opinion shall do so in a request form prescribed by the Board. Such request form shall be supported and documented by, without limitation, the following:
- A. Court documents, including original charges, disposition, pre-sentencing report and certification of completion of terms of sentence;
 - B. Police officer’s report(s);
 - C. Probation or parole officer’s report(s);
 - D. A written personal statement explaining the circumstances surrounding each violation, and including the statement “I have no other violations either past or pending”;
 - E. Letters of recommendation; and
 - F. Employment history for the preceding five years.
- 6.9 Repealed

CHAPTER 7 CONTINUING EDUCATION REQUIREMENTS

- 7.1 There shall be no continuing education requirement as a condition of renewal of an initial license as defined in Board Rule 1.8 and issued prior to October 1, 2006. Continuing education requirements established by this Chapter 7 shall apply to all other license renewals.
- 7.2 Except as provided under Board Rule 7.1, each applicant for renewal of a license shall complete at least 42 classroom hours of real estate appraisal continuing education during the three year period preceding expiration of the license to be renewed. All licensees renewing a license at the end of a three-year licensing period shall complete 7-hour National Uniform Standards of Professional Appraisal Practice Update Courses in compliance with the every other year schedule established in Board Rule 7.19. All Uniform Standards of Professional Appraisal Practice Update Courses begun on and after January 1, 2003 must comply with Board Rule 7.19. Continuing education requirements must be completed after the effective date of the license to be renewed and prior to the expiration of such license.

- 7.3 Continuing appraisal education programs and courses shall be taken from providers approved by the Board. In order to be approved by the Board, programs shall meet the following standards:
- A. The program shall have been developed by persons qualified in the subject matter and instructional design;
 - B. The program shall be current;
 - C. The instructor shall be qualified with respect to course content and teaching methods;
 - D. The number of participants and the physical facilities are consistent with the teaching method(s).
- 7.4 The following may be approved as providers of continuing appraisal education and training provided the standards set forth in Rule 7.3 are maintained and provided they 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 jurisdiction, provided that the jurisdiction's appraiser regulation program has been determined to be in compliance with Title XI, FIRREA;
 - F. As to courses approved under the course approval program 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.
- 7.5 In order to be approved by the Board, each continuing education provider shall at its expense maintain, and provide to the Board on request, information regarding the program 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 (if any);
 - E. Dates of course offerings;
 - F. Location of course offerings;
 - G. Record of participation;
- 7.6 In order to be approved as continuing appraisal education a program or course shall be at least 2 classroom hours in duration including examination time (if any). A program or course shall be comprised of segments of not less than one classroom hour. Continuing appraisal education programs and courses are intended to maintain and improve the

appraiser's skill, knowledge and competency. Continuing appraisal education courses and programs may include, without limitation, these real estate and real estate appraisal related topics:

- A. Ad valorem taxation;
- B. Arbitration;
- C. Business courses related to practice of real estate appraisal;
- D. Construction cost estimating;
- E. Ethics and standards of professional practice;
- F. Land use planning, zoning and taxation;
- G. Management, leasing, brokerage and timesharing;
- H. Property development;
- I. Real estate appraisal (valuation/evaluation);
- J. Real estate law;
- K. Real estate litigation;
- L. Real estate financing and investment;
- M. Real estate appraisal related computer applications;
- N. Real estate securities and syndication;
- O. Real property exchange; and
- P. Such other topics as the Board may approve, upon its own motion or upon petition by the course provider or the licensee in a form acceptable to the Board.

- 7.8 The Board may consider alternatives to continuing appraisal education programs and courses such as teaching, authorship of textbooks or articles, educational programs development or similar activities for up to one-half of the required continuing education. Licensees desiring continuing appraisal education credit for alternative activities must petition the Board for approval in a form acceptable to the Board. Such petition for approval of alternatives to continuing appraisal education programs and courses shall be submitted to the Board in writing for review and possible approval prior to commencement of the alternative activity.
- 7.9 The act of applying for renewal or reinstatement shall constitute a statement under penalty of perjury in the second degree that the licensee had the present intent of affirmatively stating the licensee had complied with the continuing education requirements of Colorado statutes and Board Rules. The Board reserves the right to require a renewal applicant or licensee to provide satisfactory documentary evidence of completion of continuing appraisal education requirements. The Board may at its option require such submission as part of the renewal process or subsequent to renewal.
- 7.10 With the exception of the 7-hour National Uniform Standards of Professional Appraisal Practice Update Course(s) required pursuant to Board Rule 7.19, applicants for renewal of a license may complete the required hours of continuing appraisal education at any time during the licensing period preceding expiration.
- 7.11 To complete continuing education requirements an appraiser may repeat courses or programs previously completed, subject to the limitation that no course or program may be repeated more frequently than once every two (2) years, except as authorized by the

- Board. Courses or programs in appraisal ethics and the Uniform Standards of Professional Appraisal Practice are not subject to this limitation.
- 7.12 In order to receive credit, continuing appraisal education courses and programs shall be successfully completed by the holder of the license to be renewed. Successful completion means attendance at the class or program and participation in class activities. Successful completion of courses undertaken through distance education requires compliance with the provisions of Board Rule 7.14. Teaching of continuing appraisal education courses and programs shall constitute successful completion, however, credit shall be given for only one presentation of a particular course or program during each renewal period.
- 7.13 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.
- 7.14 To be acceptable for real estate appraisal continuing education, distance education offerings shall include methods and activities which 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 computer based presentations, provision for students to submit questions during teleconferences, and examinations proctored by an independent third party. Simple reading, viewing or listening to materials is not sufficient engagement in the learning process to satisfy the requirements of this rule.
- 7.15 As to continuing education courses and programs completed in other jurisdictions with appraiser regulatory programs established in conformance with Title XI, FIRREA, the Board shall accept the number of classroom hours of continuing education accepted by that jurisdiction.
- 7.16 Repealed.
- 7.17 Prior to enrolling in a continuing education course presenting topics other than those listed in Board Rule 7.6.A-O, a licensee shall request Board approval of such course or topic. Failure to request and receive approval of such course or topic prior to commencement of the course may result in Board refusal to accept the course for continuing education credit.
- 7.18 To be acceptable for continuing education credit, continuing education course content must have a clear application to real estate appraisal practice. The following topics or types of courses are not acceptable for satisfaction of the continuing education requirements established by these rules: motivational courses, personal growth or self-improvement courses, general business courses and general computing courses.
- 7.19 All licensees shall complete a 7-hour National Uniform Standards of Professional Appraisal Practice Update Course every other year. Such 7-hour National Uniform Standards of Professional Appraisal Practice Update Course shall be in the form of a course approved by the Appraiser Qualifications Board of The Appraisal Foundation, and taught by an instructor certified by the Appraiser Qualifications Board of The Appraisal Foundation.

- 7.20 A licensee who is a resident of a jurisdiction other than the State of Colorado may comply with the continuing education requirements of this Chapter 7 by documenting, at the request of the Board, compliance with the continuing education requirements of their jurisdiction of residence. In the event the jurisdiction of residence does not impose continuing education requirements consistent with the criteria promulgated by the Appraiser Qualifications Board of The Appraisal Foundation, the licensee shall comply with the continuing education requirements established by this Chapter 7.
- 7.21 A licensee who renews a license subject to a continuing education requirement shall retain documentary evidence of compliance with these continuing education requirements for a period of not less than three (3) years after the expiration of the license being renewed.
- 7.22 Course providers shall provide each student who successfully completes a continuing education course in the manner prescribed in Board Rule 7.12 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;
 - C. Course number, if any;
 - D. Course dates;
 - E. Number of classroom hours;
 - F. Statement that the required examination was successfully completed, if an examination is a regular part of the course;
 - 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 Uniform Standards of Professional Appraisal Practice courses begun on and after January 1, 2003, the name and Appraiser Qualifications Board Uniform Standards of Professional Appraisal Practice instructor certification number of the instructor.
- 7.23 The provisions of Board Rule 7.4 notwithstanding, real estate appraisal continuing 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.
- 7.24 Licenses expiring December 31 in 2006, 2007 and 2008 shall be renewed for two years plus the number of days required to reach the month and day the initial license at that level was first issued. Subsequent renewals shall be for three years, expiring on the month and day of the initial license. To facilitate the transition, licensees renewed for two years plus up through 184 days shall complete at least 28 hours of continuing education, including sufficient 7-hour USPAP Update Courses to comply with Rule 7.19 before their next renewal. Licensees renewed for two years plus 185 or more days shall complete at least 42 hours of continuing education, including sufficient 7-hour USPAP Update Courses to comply with Rule 7.19 before their next renewal.

CHAPTER 8 RENEWAL, REINSTATEMENT, SURRENDER, REVOCATION OF LICENSURE

- 8.1 Prior to the expiration of any license the holder thereof shall make application for renewal of same in the form and manner provided by the Board, and pay the specified fees. The act of applying for renewal shall constitute a statement under penalty of perjury in the second degree that the licensee had the present intent of affirmatively stating the licensee had complied with the continuing education requirements of Colorado statutes and Board Rules.
- 8.2 After expiration of an unexpired license but before the thirty-first day following the date of expiration, the holder of such license may reinstate same by applying for reinstatement in the form and manner provided by the Board, and paying the specified renewal fees. The act of applying for reinstatement shall constitute a statement under penalty of perjury in the second degree that the licensee had the present intent of affirmatively stating the licensee had complied with the continuing education requirements of Colorado statutes and Board Rules.
- 8.3 On and after the thirty-first day following the date of expiration, and before the end of the first year following the date of expiration, the holder of an expired license may reinstate same by applying in the form and manner provided by the Board, and paying the specified fees plus a reinstatement fee equal to one third of the base renewal fee. For purposes of this rule, the base renewal fee is defined as the total renewal fee less the National Appraiser Registry fee collected by the Board and remitted to the federal Appraisal Subcommittee. The act of applying for reinstatement shall constitute a statement under penalty of perjury in the second degree that the licensee had the present intent of affirmatively stating the licensee had complied with the continuing education requirements of Colorado statutes and Board Rules.
- 8.4 After the end of the first year following the date of expiration, and before the end of the second year following the date of expiration, the holder of an expired license may reinstate same by applying in the form and manner provided by the Board, and paying the specified fees plus a reinstatement fee equal to two thirds of the base renewal fee. For purposes of this rule, the base renewal fee is defined as the total renewal fee less the National Appraiser Registry fee collected by the Board and remitted to the federal Appraisal Subcommittee. The act of applying for reinstatement shall constitute a statement under penalty of perjury in the second degree that the licensee had the present intent of affirmatively stating the licensee had complied with the continuing education requirements of Colorado statutes and Board Rules.
- 8.5 No holder of an expired license which may be reinstated may apply for a new license of the same type. Such person shall reinstate the expired license as provided in these rules. Nothing in this Rule 8.5 shall act to prevent a person from applying for and receiving a license or certificate with higher qualification requirements than those of the expired license.
- 8.6 Each holder of an unexpired license shall inform the Board within ten (10) days of any change of residence or business address on a form or in the manner prescribed by the Board.
- 8.7 Repealed.

- 8.8 The holder of a license or temporary practice permit may surrender such to the Board. Such surrender shall not remove the holder from the jurisdiction of the Board for acts committed while holding a license or temporary practice permit. A person who surrenders a license or temporary practice permit may not reinstate same, but must reapply and meet the current requirements for initial licensure.
- 8.9 Upon revocation, suspension, surrender or expiration of a license or temporary practice permit the holder shall:
- A. Immediately cease all activities requiring licensure or a temporary practice permit;
 - B. In the instance of revocation, suspension or surrender, immediately return the license document or temporary practice permit to the Board;
 - C. Immediately cease all actions which represent the holder to the public as being licensed or being the holder of a temporary practice permit, including, without limitation, the use of advertising materials, forms, letterheads, business cards, correspondence, internet website content, statements of qualifications and the like.
- 8.10 A licensee who has not completed continuing education requirements established pursuant to Chapter 7 of these rules may renew or reinstate licensure on inactive status. A licensee desiring to renew or reinstate licensure on inactive status must submit their renewal or reinstatement on inactive status application directly to the Board at the designated offices of the Board. Failure to submit the renewal or reinstatement on inactive status application directly to the Board at the designated offices of the Board shall result in renewal or reinstatement on active status, and fully subject the licensee to the continuing education requirements for renewal or reinstatement of licensure.
- 8.11 A licensee may, without limitation, renew or reinstate licensure on inactive status for subsequent renewal periods by complying with the requirements of Rule 8.10.
- 8.12 Renewal or reinstatement of licensure on inactive status may only be elected at the time of application for renewal or reinstatement. A licensee may not renew or reinstate on active status and then change to inactive status. A licensee who has renewed or reinstated on active status is subject to the continuing education requirements for renewal or reinstatement of licensure.
- 8.13 A licensee who has renewed or reinstated on inactive status may change to active status by submitting a written request to the Board. The act of requesting a change from inactive status to active status shall constitute a statement under penalty of perjury in the second degree that the licensee had the present intent of affirmatively stating the licensee had complied with the continuing education requirements of Colorado statutes and Board rules. The Board shall require any licensee requesting a change from inactive status to active status to document completion of continuing education before implementing the change.
- 8.14 No person whose license has expired may represent themselves in any manner which creates the impression of holding active licensure. A person whose license has expired may refer to the fact of previous licensure by the Board by stating the dates of active licensure in parentheses after the license title, or by placing the word “expired” in parentheses after the license title.
- 8.15 No person whose license is on inactive status may represent themselves in any manner which creates the impression of holding active licensure. A person whose license is on

inactive status may refer to the fact of previous active licensure or current inactive licensure by stating the dates of active licensure in parentheses after the license title, or by placing the word “inactive” in parentheses after the license title.

- 8.16 No person whose license has expired may represent themselves in any manner which creates the impression of holding inactive licensure.
- 8.17 Licenses expiring on December 31 in 2006, 2007 and 2008 shall be renewed for two years plus the number of days required to reach the month and day the initial license at that level was first issued. Subsequent renewals shall be for three years, expiring on the month and day of the initial license. To facilitate the transition, licensees renewed for two years plus up through 184 days shall complete at least 28 hours of continuing education, including sufficient 7-hour USPAP Update Courses to comply with Rule 7.19 before their next renewal. Licensees renewed for two years plus 185 or more days shall complete at least 42 hours of continuing education, including sufficient 7-hour USPAP Update Courses to comply with Rule 7.19 before their next renewal.

CHAPTER 9 LICENSURE AND CERTIFICATION BY ENDORSEMENT

- 9.1 Pursuant to Section 12-61-708(1), C.R.S. (as amended), licensure by endorsement shall be subject to the following restrictions and requirements:
 - A. The Board may issue licenses by endorsement only to those persons holding an active license from another jurisdiction which is substantially equivalent to those described in Board Rules 1.13, 1.14 or 1.15, with qualification requirements substantially equivalent to those in Board Rules 2.2, 2.3 or 2.4, respectively. Licensure by endorsement is not available to persons holding licensure in another jurisdiction at a trainee, apprentice, associate, intern or other entry level similar to that defined in Board Rule 1.12.
 - B. The applicant must be the holder of an active license in good standing under the laws of another jurisdiction;
 - C. The appraiser regulatory program of the jurisdiction where the applicant holds an active license in good standing must not have been disapproved by the appropriate authority under 12 U.S.C.A., Section 3347, FIRREA;
 - D. The applicant must apply for licensure by endorsement on a form provided by the Board, pay the specified fees and meet all other Board requirements;
 - E. The applicant must apply for and be issued by the Board a license by endorsement prior to undertaking appraisal activities in Colorado that would require licensure in Colorado; and
 - F. A license issued by endorsement shall be subject to the same renewal requirements as a license issued pursuant to Section 12-61-706, C.R.S. (as amended), and Board Rules Chapters 7 and 8.

CHAPTER 10 TEMPORARY PRACTICE IN COLORADO

- 10.1 Pursuant to Sections 12-61-701, 12-61-704(1)(a), 12-61-708(1), 12-61-715(1)(c), C.R.S. (as amended) and in conformance with 12 U.S.C.A. Section 3351(a), FIRREA, a Temporary Practice Permit may be issued to the holder of an active appraiser's license from another state. Such Temporary Practice Permit shall be subject to the following restrictions and requirements:

- A. The applicant must apply for and be issued a Temporary Practice Permit prior to undertaking appraisal activities in Colorado that would require licensure in Colorado;
 - B. The applicant shall identify in writing the appraisal assignment(s) to be completed under the Temporary Practice Permit prior to being issued a Temporary Practice Permit;
 - C. The Temporary Practice Permit shall be valid only for the appraisal assignment(s) listed thereon;
 - D. The applicant must be the holder of an active license in good standing under the laws of another state;
 - E. The state in which the applicant holds an active license in good standing must impose licensure requirements that are in conformance with FIRREA;
 - F. The appraiser regulatory program of the state where the applicant holds a license in good standing must not have been disapproved by the appropriate authority under the provisions of 12 U.S.C.A. Section 3347, FIRREA;
 - G. The applicant must apply for a Temporary Practice Permit on a form provided by the Board, pay the specified fees, and meet all other Board requirements; and
 - H. Pursuant to Section 12-61-708 (1.2), C.R.S., Temporary Practice Permits are available only to persons holding active licensure in another jurisdiction at levels substantially equivalent to those defined in Board Rules 1.13, 1.14 and 1.15. Temporary Practice Permits are not available to persons holding licensure in another jurisdiction at a trainee, apprentice, associate, intern or other entry level similar to that defined in Board Rule 1.12.
- 10.2 No person may be issued more than two Temporary Practice Permits in any rolling twelve-month period.
- 10.3 A Temporary Practice Permit issued pursuant to this Chapter 10 shall be valid for the period of time necessary to complete the original assignment(s) listed thereon, including time for client conferences and expert witness testimony. A Temporary Practice Permit issued pursuant to this Chapter 10 shall not be valid for completion of additional or update assignments involving the same property or properties. Additional or update assignments involving the same property or properties are new assignments, requiring a new Temporary Practice Permit or licensure by endorsement as provided in Chapter 9 of these Rules.

CHAPTER 11 STANDARDS OF PROFESSIONAL APPRAISAL PRACTICE

- 11.1 Pursuant to Section 12-61-710(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, statements and advisory opinions 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 October 28, 2005 and known as the 2006 edition. Amendments to the Uniform Standards of Professional Appraisal Practice subsequent to October 28, 2005 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 with the Program Administrator 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 2006 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 2005 edition of the Uniform Standards of Professional Appraisal Practice, incorporating amendments made through June 15, 2004 shall remain in effect through June 30, 2006. Beginning July 1, 2006 the 2006 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 12-61-716, 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, and describe the research, analysis and reporting contributions of each such assistant or other licensee in each such report or other work product.
- 11.3 When disclosing a contingent fee arrangement pursuant to Section 12-61-702(2.5), Section 12-61-710(1)(g), and Section 12-61-712(1)(b), (c) and (d), C.R.S. (as amended), Board Rule 1.20, and the ETHICS RULE and Standards 4 and 5 of the Uniform Standards of Professional Appraisal Practice, a licensee shall do so 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 Board has chosen not to require specific contingent fee disclosure language, believing that licensees will use language appropriate to each situation. However, the Board recommends the following model language as being a “safe harbor”:

“[name of firm or individual] has been retained to provide consulting services and is being compensated in whole or part on the basis of [state the basis of the contingency, such as achieving a property tax saving through a reduction in valuation for assessment, achieving a change in zoning, approval of a development plan, etc.]. This disclosure of a contingent fee is intended to comply with the requirements of Colorado law, Rules of the Colorado Board of Real Estate Appraisers and the Uniform Standards of Professional Appraisal Practice.”

CHAPTER 12 LICENSE TITLES, LICENSE DOCUMENTS, AND SIGNATURES

- 12.1 The descriptive license titles defined in Board Rules 1.12, 1.13, 1.14, 1.15 and 1.18 shall only be used by persons who hold such Board issued license or permit in good standing.
- 12.2 The descriptive license titles defined in Board Rules 1.12, 1.13, 1.14, 1.15 and 1.18 may only be used to refer to the individual holder of a license or permit in good standing, and shall not be used in such manner as to create the impression that any other person or group of persons, including a corporation, partnership or other business entity, holds such a license or permit.
- 12.3 No person shall use any title, designation or abbreviation issued by a private professional appraisal organization in a manner that creates the impression of licensure by the Board.

- 12.4 In each appraisal report or other appraisal related work product the license held by the appraiser(s) shall be clearly identified by using the license titles defined in Board Rules 1.12, 1.13, 1.14 and 1.15 and including the license number. Such license titles and numbers shall be identified wherever the licensee signs, by any means or method, the report or other work product, including, but not limited to the:
- A. Letter of transmittal;
 - B. Certification of the appraiser(s); and
 - C. Appraisal or other work product report form or document, including addenda thereto.
- 12.5 Repealed
- 12.6 An appraiser practicing in Colorado under authority of a Temporary Practice Permit shall identify the state where they hold licensure, the type of license and the license number, and shall further state they hold a Temporary Practice Permit and state the permit number in all instances where license type and number are required under this Chapter 12.
- 12.7 The real estate appraiser's license or temporary practice permit document and identification card issued to an initial or renewal applicant shall remain the property of the Board. Such document and card shall be surrendered to the Board immediately upon demand. The reasons for such demand may include, but are not limited to, suspension, revocation, stipulated settlement or failure to pay required fees.
- 12.8 When complying with Rule 12.4 an appraiser shall use the full license or permit title in Rules 1.12, 1.13, 1.14, 1.15, and 1.18, or shall use the appropriate abbreviation as listed below, followed by the license or permit number. Use of initials only, such as RA, LA, CRA, CGA, or TP to identify the type of license or permit is prohibited.
- Registered Appraiser: Reg. App. or Reg. Appr.
Licensed Appraiser: Lic. App. or Lic. Appr.
Certified Residential Appraiser: Cert. Res. App. or Cert. Res. Appr.
Certified General Appraiser: Cert. Gen. App. or Cert. Genl. Appr.
Temporary Practice Permit: Temp. Prac. Pmt.
- 12.9 Repealed
- 12.10 When stating the type of license or permit held, and the number thereof, an appraiser may make use of an impression, provided such impression is legible on each copy of the appraisal report or other work product.
- 12.11 Where appraisal report forms or other work product forms do not allow space for placing the information required by Rule 12.4 immediately following the name and signature of the appraiser the required information shall be placed in the closest reasonable available space on the same page.
- 12.12 The holder of a license or permit in good standing may copy the license or permit document for inclusion in an appraisal report or other appraisal work product. Such copy shall have the word "COPY" boldly marked across the face of the copy, in letters at least one inch in height, at least one half inch in width, and with a stroke width of at least one eighth inch. The word "COPY" marked on such copy shall be placed so as to substantially overlay the printed portions of the license or permit document.

- 12.13 The requirements of this chapter shall be complied with in any electronic copy or transmittal of an appraisal report or other appraisal related work product.
- 12.14 No holder of a license or temporary practice permit, or any other person, shall make or cause to be made or allow to be made, any alteration to a Board-issued license or permit document or copy thereof, other than as provided in Board Rule 12.12.
- 12.15 No licensee or other person may affix or cause to be affixed the name or signature of a licensee to an appraisal report or other appraisal related work product without the express permission of the licensee to do so for that assignment, report or other work product. No licensee shall give blanket permission for affixing their signature to appraisal reports or other work products.
- 12.16 No licensee shall permit, through action or inaction, their name or signature to be affixed to an appraisal report or other appraisal related work product without their first personally examining and approving the final version of such report or other work product.

CHAPTER 13 DISCIPLINARY PROCEDURES

- 13.1 Complaints alleging violation of Section 12-61-701, et seq. , C.R.S. or the Rules of the Board of Real Estate Appraisers shall be in writing on a form or in the manner prescribed by the Board. Nothing in this rule shall act to prevent the Board from acting upon its own motion to open a complaint.
- 13.2 Pursuant to Section 12-61-704(1)(d), C.R.S., and Section 24-4-105(3), C.R.S., any disciplinary hearing conducted on behalf of the Board may, at the discretion of the Board, be conducted by an Administrative Law Judge from the Office of Administrative Courts of the Department of Personnel & Administration.
- 13.3 Pursuant to Section 12-61-710(7), C.R.S., complaints of record in the offices of the Board and the results of staff investigations shall be closed to public inspection, except as provided by court order, during the investigatory period and until notice of hearing and charges are served on the licensee. Pursuant to Section 12-61-710(7), C.R.S., Section 24-72-203, C.R.S., and Section 24-72-204, C.R.S., complaints of record that are dismissed by the Board and the results of investigation of such complaints shall be closed to public inspection, except as provided by court order.
- 13.4 When an appraiser licensed under the provisions of Section 12-61-701, et seq., C.R.S., (as amended) has been sent written notification from the Board that a complaint has been filed against the appraiser, such appraiser shall submit to the Board a written answer. Such written answer shall address all of the issues raised in the complaint in a substantive manner. Mailing by first class mail to the last known address in the records of the Board shall constitute such written notification. Failure to submit a written answer within the time set by the Board in its notification shall be grounds for disciplinary action unless the Board has granted a written extension of time for the answer.
- 13.5 The holder of a Board-issued license or permit shall inform the Board in writing within ten (10) days of any disciplinary action taken by any other state, district, territorial, or provincial real estate appraiser or real estate brokerage licensing authority. For purposes of this rule, disciplinary action shall include, without limitation, actions such as fines, required education, probation, suspension, revocation, letters of censure, debarment, required supervision, and the like.

- 13.6 Pursuant to Section 24-34-106, C.R.S., when a licensee is required to complete real estate appraisal education as part of a disciplinary action, no portion of any such courses or programs completed to satisfy the terms of a disciplinary action shall be creditable toward continuing education requirements.
- 13.7 The holder of a Board-issued license or permit shall inform the Board in writing within ten days of conviction of, entering a plea of guilty to, or entering a plea of nolo contendere to any felony, or any crime involving moral turpitude, or any other like crime under Colorado law, federal law, or the laws of other states. A certified copy of the judgment of a court of competent jurisdiction of such conviction or other official record indicating that such plea was entered shall be conclusive evidence of such conviction or plea in any hearing under Section 12-61-701, et seq., C.R.S., or these Rules.

CHAPTER 14 DECLARATORY ORDERS PURSUANT TO SECTION 24-4-105 (11), C.R.S.

- 14.1 Any person may petition the Board for a declaratory order to terminate controversies or to remove uncertainties as to the applicability to the petitioner of any statutory provisions or of any rule or order of the Board.
- 14.2 The Board will determine, in its discretion and without notice to petitioner, whether to rule upon any such petition. If the Board determines that it will not rule upon such a petition, the Board shall promptly notify the petitioner in writing of its action and state the reasons for such action.
- 14.3 In determining whether to rule upon a petition filed pursuant to this rule, the Board will consider the following matters, among others:
- A. Whether a ruling on the petition will terminate a controversy or remove uncertainties as to the applicability to petitioner of any statutory provision or rule or order of the Board.
 - B. Whether the petition involves any subject, question or issue which is the subject of a formal or informal matter or investigation currently pending before the Board or a court involving one or more of the petitioners.
 - C. Whether the petition involves any subject, question or issue which is the subject of a formal or informal matter or investigation currently pending before the Board or a court but not involving any petitioner.
 - D. Whether the petition seeks a ruling on a moot or hypothetical question or will result in an advisory ruling or opinion.
 - E. Whether the petitioner has some other adequate legal remedy, other than an action for declaratory relief pursuant to Rule 57, C.R.C.P., which will terminate the controversy or remove any uncertainty as to the applicability to the petitioner of the statute, rule or order in question.
- 14.4 Any petition filed pursuant to this rule shall set forth the following:
- A. The name and address of the petitioner and whether the petitioner holds a registration, license or certificate issued pursuant to Section 12-61-701 et. seq. C.R.S. (as amended).
 - B. The statute, rule or order to which the petition relates.

- C. A concise statement of all of the facts necessary to show the nature of the controversy or uncertainty and the manner in which the statute, rule or order in question applies or potentially applies to the petitioner.
- 14.5 If the Board determines that it will rule on the petition, the following procedures shall apply:
- A. The Board may rule upon the petition based solely upon the facts presented in the petition. In such a case:
 - 1. Any ruling of the Board will apply only to the extent of the facts presented in the petition and any amendment to the petition.
 - 2. The Board may order the petitioner to file a written brief, memorandum or statement of position.
 - 3. The Board may set the petition, upon due notice to the petitioner, for a non-evidentiary hearing.
 - 4. The Board may dispose of the petition on the sole basis of the matters set forth in the petition.
 - 5. The Board may request the petitioner to submit additional facts, in writing. In such event, such additional facts will be considered as an amendment to the petition.
 - 6. The Board may take administrative notice of facts pursuant to the Administrative Procedures Act, Section 24-4-105 (8), C.R.S., (as amended), and may utilize its experience, technical competence and specialized knowledge in the disposition of the petition.
 - 7. If the Board rules upon the petition without a hearing, it shall promptly notify the petitioner of its decision.
 - B. The Board may, in its discretion, set the petition for hearing, upon due notice to petitioner, for the purpose of obtaining additional facts or information or to determine the truth of any facts set forth in the petition or to hear oral argument on the petition. The notice to the petitioner setting such hearing shall set forth, to the extent known, the factual or other matters into which the Board intends to inquire. For the purpose of such a hearing, to the extent necessary, the petitioner shall have the burden of proving all of the facts stated in the petition, all of the facts necessary to show the nature of the controversy or uncertainty and the manner in which the statute, rule or order in question applies or potentially applies to the petitioner and any other facts the petitioner desires the Board to consider.
- 14.6 The parties to any proceeding pursuant to this rule shall be the Board and the petitioner. Any other person may seek leave of the Board to intervene in such a proceeding, and leave to intervene will be granted at the sole discretion of the Board. A petition to intervene shall set forth the same matters as required by section 14.4 of this Rule. Any reference to a "petitioner" in this Rule also refers to any person who has been granted leave to intervene by the Board.
- 14.7 Any declaratory order or other order disposing of a petition pursuant to this Rule shall constitute agency action subject to judicial review pursuant to Section 24-4-106, C.R.S., (as amended).

CHAPTER 15 WRITTEN NOTICES - BANKING EXEMPTIONS

- 15.1 Pursuant to Section 12-61-702 (1), C.R.S., (as amended), any appraisal, analysis, valuation, opinion, conclusion, notation or compilation prepared by an officer, director or regular salaried employee of a financial institution as defined in Section 12-61-702 (6), C.R.S., (as amended) , who is not a registered, licensed or certified appraiser under the provisions of Section 12-61-701, et seq., C.R.S., (as amended), shall contain the following written notice:

NOTICE: The preparer of this appraisal is not licensed as a real estate appraiser under the laws of the State of Colorado."

- 15.2 Pursuant to Section 12-61-718 (1), C.R.S., (as amended), any appraisal prepared for a financial institution as defined in Section 12-61-702 (1), C.R.S. (as amended), where the real estate related transaction or loan made or to be made is excepted from appraisal regulations established by the primary federal regulator of the defined financial institution, by any person who is not a registered, licensed or certified appraiser under the provisions of Section 12-61-701, et seq. , C.R.S. (as amended) shall contain the following written notice:

"NOTICE: The preparer of this appraisal is not licensed as a real estate appraiser under the laws of the State of Colorado."

- 15.3 The notices required under Section 12-61-702 (1) and Section 12-61-718 (1), C.R.S. (as amended), and Board Rules 15.1 and 15.2 shall:
- A. Be placed on the first or cover page of each such appraisal, analysis, valuation, opinion, conclusion, notation or compilation, and on any page containing a value conclusion, signature or certification of the preparer;
 - B. Be placed on each copy of each such appraisal, analysis, valuation, opinion, conclusion, notation or compilation;
 - C. Be clearly legible in any xerographic or other reproduction of each such appraisal, analysis, valuation, opinion, conclusion, notation or compilation; and
 - D. Be in a type size not smaller than the type size used in the body of any such appraisal, analysis, valuation, opinion, conclusion, notation or compilation.
- 15.4 The notices required under Section 12-61-702(1) and Section 12-61-718 (1), C.R.S. (as amended) and Board Rules 15.1 and 15.2 may be provided through use of a rubber stamped impression, provided such impression meets the requirements of Board Rule 15.3.
- 15.5 The notice requirements established under Section 12 61 702(1) and Section 12 61 718(1), C.R.S. (as amended) and Board Rules 15.1 and 15.2 shall be complied with in any electronic copy or transmittal of any such appraisal, analysis, valuation, opinion, conclusion, notation or compilation.