

State of Rhode Island and Providence Plantations
DEPARTMENT OF BUSINESS REGULATION
Division of Commercial Licensing and Racing & Athletics
233 Richmond Street
Providence, Rhode Island 02903

**STATEMENT OF NEED FOR EMERGENCY AMENDMENT OF
COMMERCIAL LICENSING REGULATION 10-REAL ESTATE APPRAISERS**

Pursuant to R.I. Gen. Laws § 5-20.7-25, the Department of Business Regulation ("Department") is required to comply with certain mandates pursuant to the *Federal Financial Institutions Reform, Recovery & Enforcement Act of 1989 (FIRREA)*, 12 U.S.C. § 3331 et seq. Based on audit of the Department's Real Estate Appraisal Section in April 2007 by the federal Appraisal Subcommittee, the Department is required to amend its Commercial Licensing Regulation 10 in order to comply with certain federal appraisal requirements of the Appraisal Subcommittee that allow Rhode Island licensed Real Estate Appraisers to be certified to engage in federally-related transactions. These four (4) amendments are:

1. Section 7(A)(2)(c) should now read:

"Attendance at a Real Estate Appraisers Board meeting, provided that: (i) credit may be awarded for only one (1) Real Estate Appraisers Board meeting per continuing education cycle or licensing period; (ii) the meeting must be at least two (2) hours in length; (iii) the applicant shall receive one (1) credit for each hour attended but cannot receive more than seven (7) credit hours in total for the meeting; and (iv) the meeting must be open to the public."

2. Section 7(A)(3) should now read:

"The Director may, for good cause shown, renew the license and/or certificate of an applicant for a period of up to six (6) months pending continuing education compliance; provided, however, that the licensee shall be removed from the National Registry and considered inactive for purposes of performing appraisals in connection with federally-related transactions."

3. Section 9 should now read:

"(A) Upon satisfaction of the reciprocity criteria set forth in Section 8, the Department, upon application, may issue a temporary license or certificate for a period not to exceed one hundred eighty (180) days under the following conditions:

- (1) the property to be appraised is part of a federally-related or other transaction;

- (2) the applicant must be a certified or licensed appraiser;
- (3) the application is received before the appraisal assignment is commenced; and
- (4) the application identifies the specific assignment(s) or appraisal(s) at issue.

(B) Permits may be extended until the completion of the assignment upon request to the Department."

4. Section 4(D)(4) should now read:

"Temporary Practice Permit/Certificate (6 mos.) \$150"

Pursuant to R.I. Gen. Laws § 42-35-3(b), an agency may, if it finds adoption of a rule upon less than thirty (30) days' notice is necessary because of imminent peril to the public health, safety, or welfare, adopt an emergency rule without prior notice or hearing, or upon any abbreviated notice and hearing that it finds practicable. The rule so adopted may be effective for a period not exceeding one hundred and twenty (120) days. *Id.* Furthermore, R. I. Gen. Laws § 42-35-4(b)(2) provides that, subject to constitutional or statutory provisions, an emergency rule may become effective immediately upon filing with the Secretary of State if the agency finds that such an effective date is necessary because of imminent peril to the public health, safety, or welfare.

The Department of Business Regulation has determined that conditions exist that necessitate the amendment and adoption of this Regulation on an emergency basis, to be effective upon filing with the Secretary of State. The Department finds that there is imminent peril to the public health, safety, or welfare in that the provisions set forth in the regulation are necessary for the Department to comply with R.I. Gen. Laws § 5-20.7-25 and *FIRREA*. Therefore, this Emergency Regulation is required, *inter alia*, in order to: (i) ensure timely compliance with the requirements of the federal Appraisal Subcommittee and R.I. Gen. Laws § 5-20.7-25; (ii) protect the public interest with respect to the role of Rhode Island licensed Real Estate Appraisers in federally-related transactions; and (iii) protect the viability and integrity of the financial marketplace.