STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
DEPARTMENT OF BUSINESS REGULATION
DIVISION OF BANKING & SECURITIES
233 RICHMOND STREET
PROVIDENCE, RHODE ISLAND 02903

NOTICE OF PROPOSED REGULATION AND NOTICE OF PUBLIC HEARING

Notice is hereby given, in accordance with R.I. Gen. Laws §§ 5-20.7-1 *et seq.*, 42-14-17, and 42-35-3, that the Director of the Department of Business Regulation ("Department") proposes to amend the following permanent Regulation:

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. The actions and information required by this regulation are hereby declared to be necessary and appropriate to the public interest. This regulation is promulgated to clarify requirements necessary in order to comply with *FIRREA*.

Notice is also hereby given, in accordance with R.I. Gen. Laws § 42-35-2, the Department of Business Regulation will hold a public hearing beginning at 10:00 am on December 27, 2007, in the Main Hearing Room of the Department of Business Regulation, 233 Richmond Street, Providence, Rhode Island 02903, regarding the Proposed Regulation.

Copies of the Proposed Regulation are on file at the Department and copies may be obtained from the Legal Division, Department of Business Regulation, 233 Richmond Street, Providence, Rhode Island 02903 during normal working hours on regular business days or by mail upon request. The Proposed Regulation may also be obtained from the Department's website www.dbr.state.ri.us.

In the development of the Proposed Regulation, consideration was given to overlapping approaches, overlap and duplication with other statutory and regulatory provisions, and economic impact on small business and cities and towns.

All interested persons may submit their view, data or arguments regarding the Proposed Regulation, including information relating to alternative approaches, duplication or overlap with other state rules or regulations and the economic impact of the Regulation on small business and/or cities and towns, orally at the public hearing or in writing, either by delivering the same in person or United States mail with postage pre-paid thereon to the Department of Business Regulation, 233 Richmond Street, Providence, Rhode Island 02903 to: Michael P. Jolin, Esq., Hearing Officer.

ALL WRITTEN SUBMISSION MUST BE RECEIVED NO LATER THAN December 27, 2007 AT 10:00 a.m.

The hearing room is accessible to the handicapped. Individuals requesting interpreter services for the hearing impaired must notify the Office of Legal Counsel at (401) 222-5400 or TTY 711 not less than ninety-six (96) hours in advance of the hearing date.

A. Michael Marques
Director, Department of Business Regulation

State of Rhode Island and Providence Plantations
DEPARTMENT OF BUSINESS REGULATION
Division of Commercial Licensing
233 Richmond Street
Providence, Rhode Island 02903
www.dbr.state.ri.us

COMMERCIAL LICENSING REGULATION 10
REAL ESTATE APPRAISERS

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Section 1 *Introduction*

This regulation is promulgated pursuant to R.I. Gen. Law~~'~~s § 5-20.7-1, *et seq.*, and R.I. Gen. Law~~'~~s § 42-35-3. The Rhode Island Real Estate Appraisers Board and the Rhode Island Department of Business Regulation ~~following rules, regulations, and standards shall be utilized by the Rhode Island Real Estate Appraisers Board and the Rhode Island Department of Business Regulation~~ shall utilize the following rules, regulations, and standards for the licensing, certification, and recertification of Real Estate Appraisers in the State of Rhode Island.

Section 2 *Definitions*

(A) "Analysis" shall mean the examination or study of real estate or real property other than an estimate of value using an orderly process by which the problem is defined, the work necessary to solve the problem is planned, and the data involved are acquired, classified, analyzed, and interpreted into a final opinion or conclusion.

(B) "Appraisal" or "Real Estate Appraisal" shall mean a written or oral analysis, opinion and/or conclusion relating to the nature, quality, value and/or utility of specified interests in, or aspects of, Real Estate. An appraisal may be classified by subject matter into either a Valuation or an Analysis as defined in this section.

(C) "Appraisal Foundation" shall refer to the Appraisal Standards Board and the Appraiser Qualifications Board as created by the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, 12 U.S.C. § 1811 (FIRREA).

(D) "Appraisal Subcommittee" shall mean the body within the Federal Financial Institutions Examination Council as established by ~~(~~FIRREA~~)~~.

(E) "Appraisal Process" shall mean a systematic Analysis of the factors that bear upon the value or utility of real estate.

(F) "Appraisal Review" shall mean the act or process of developing and communicating an opinion about the quality of another appraiser's work by a Rhode Island licensed or certified appraiser.

(G) "AQB" shall mean the Appraiser Qualifications Board of the Appraisal Foundation.

(H) "AQB Real Property Qualification Criteria" shall mean the criteria published by the AQB that ~~which~~ establishes experience, pre-licensing, and continuing education criteria for real estate appraisal licensure and certification.

(I) "Board" shall mean the Real Estate Appraisers Board established pursuant to R.I. Gen. Laws § 5-20.7-1, *et seq*.

(J) "Broker Price Opinion" or "BPO" shall mean an analysis, opinion, or conclusion prepared by a person licensed under R.I. Gen. Laws § 5-20.5-1, *et seq*. in the ordinary course of his or her business relating to the price of specified interests in or aspects of identified real estate or identified real property for the purpose of listing, purchase, or sale.

(K) "Certified Appraisal" shall mean an individual qualified to appraise noncomplex single or multi-family dwellings of one to four (1-4) units having no maximum transaction value, or property used for complex one to four (1-4) residential units having a transaction value of less than two hundred fifty thousand dollars ($250,000).

(L) "Certified Appraisal" shall mean an appraisal or appraisal report given or signed and certified as such by a state certified real estate appraiser or state licensed real estate appraiser.

(M) "Comparable Market Analysis" or "CMA" shall mean an analysis, opinion, or conclusion prepared by a person licensed under R.I. Gen. Laws § 5-20.5-1, *et seq.* in the ordinary course of his or her business relating to the price of specified interests in or aspects of identified real estate or identified real property by comparison to other real property currently or recently in the marketplace for the purpose of listing, purchase, or sale.

(N) "Department" shall mean the Rhode Island Department of Business Regulation.

(O) "Certified General Real Estate Appraiser" shall mean a person who fulfills the requirements for certification for the appraisal of all types of real property without limitation.

(P) "Licensed Residential Real Estate Appraiser" shall mean a person qualified to appraise noncomplex one to four (1-4) residential units having a transaction value of less than one million dollars ($1,000,000) and complex one to four (1-4) residential units having a transaction value of less than two hundred fifty thousand dollars ($250,000).

(Q) "Part Time" shall mean working an average of less than thirty-five (35) hours per week in the appraisal profession.

(R) "Real Estate" shall mean an identified parcel or tract of land, including improvements, if any.

(S) "Real Estate Broker" shall mean a person authorized to engage in activity set forth and defined in R.I. Gen. Law~~'s~~ § 5-20.5-1(4).

(T) "Real Estate Educator" shall mean a person engaged in and otherwise qualified to teach the real estate appraisal process or such other related segments of the real estate industry as the Board may approve.

(U) "Real Estate Salesperson" shall mean a person authorized to engage in activity set forth and defined in R.I. Gen. Law~~'s~~ § 5-20.5-1(5).

(V) "Real Property" shall mean one or more defined interests, benefits, and rights inherent in the ownership of real estate.

(W) "Residential Property Appraisal" shall mean an appraisal of property that is used for noncomplex single or multi-family dwellings of 1-4 units when a net income capitalization analysis is not required by the terms of the assignment and is consistent with applicable federal requirements and guidelines.

(X) "State Certified Real Estate Appraiser" shall mean a person who prepares and communicates real estate appraisals and who holds a current valid certificate issued to him or her for either general or residential real estate under the

provisions of R.I. Gen. Laws § 5-20.7-1, *et seq*. In Rhode Island, these appraisers are referred to as Certified Residential Real Estate Appraisers and Certified General Real Estate Appraisers.

(Y) "Trainee" shall mean an individual who has met the educational requirements of the Appraiser Qualifications Board of the Appraisal Foundation and who has been issued a trainee license to complete the experience requirement to become a Licensed Residential Real Estate Appraiser working under the direct supervision of a certified appraiser as set forth in Section 5 of these regulations.

(Z) "USPAP" shall mean the standards set forth in the Uniform Standards of Professional Appraisal Practice as promulgated by the Appraisal Foundation.

(AA) "Valuation" shall mean a written estimate of the value of Real Estate or Real Property.

Section 3 ***Board Administration***

(A) Election of Officers. The Board shall elect, at a minimum, a Chairperson, Vice-Chairperson, and Secretary from its membership. The Board may elect such other officers, as it deems appropriate. The term of office for each ~~said~~ officers shall be one (1) year.

(B) Duties of Chairperson. The Chairperson of the Board shall represent the Board before any other governmental agency, board, or function, although he or she may delegate this responsibility to another Board member when necessary. The Chairperson shall direct the activities of the Board.

(C) Meetings. The Board shall meet not less than once each month with all meetings to be conducted at the Department, 233 Richmond Street, Providence, Rhode Island unless otherwise specified. At its January meeting, the Board shall establish a regular schedule for such meetings. The Chairperson may, upon his or her own motion, call for such additional meetings, as he or she shall deem necessary or appropriate.

(D) Routine Meeting Notices. Pursuant to the requirements of the Rhode Island Open Meetings Laws (R.I. Gen. Laws § 42-46-1, *et seq.*), the Secretary of the Board shall give written public notice of meetings of the Board by posting or causing to be posted written notice of such meeting not less than 48 hours prior to the scheduled time of such meeting. ~~Said~~The written notice shall be posted in the lobby of the Department and at the Rhode Island State House and shall, at a minimum, state the time, date, and place of the meeting and a statement of the nature of the business to be discussed. All such meeting notices shall be mailed to the members of the Board not less than seven (7) days prior to the scheduled date of such meeting except that less notice may be given upon a showing of good cause. Each member of the Board shall be responsible for providing the Secretary

of the Board with an updated and accurate mailing address for the purpose of receiving such notices.

(E) Emergency Meeting. In the event that it shall be necessary to conduct an emergency meeting of the Board, such a meeting may be called upon the affirmative vote of a majority of the members of the Board. A meeting notice and agenda shall be posted as soon as practicable and, upon meeting, the Board shall confirm the need for the meeting by majority vote and state for the record why the matter must be addressed in less than forty-eight (48) hours, the Board shall only consider the issue or issues, which created the need for the emergency meeting.

(F) Quorum. A quorum of the Board shall be a majority of the voting members of the Board provided however, that at least three (3) of those members comprising the quorum shall be real estate appraisers.

(G) Minutes of the Meeting. The Secretary of the Board shall keep, or cause to be kept, written minutes of all meetings of the Board. The publication and preparation of the minutes shall at all times be in accordance with the provisions of R.I. Gen. Laws §§ 42-46-7-(4)-(b) and ~~&~~ (c). The minutes shall include, but not be limited to:

(1) The time, date, and place of the meeting;

(2) The names of the members of the Board in attendance at the meeting;

(3) A voting record of Board members of any vote taken; and

(4) Any other information relevant to the business of the Board and any information that any member of the Board requests to be included or reflected in the minutes.

(H) Record Keeping. The Department shall maintain all records necessary and proper to allow the Board to fulfill its obligations.

(I) Public Access. Access to any records of the Board shall be governed by the provisions of the Access to Public Records Act, R.I. Gen. Laws § 38-2-1, *et seq*.

(J) FFIEC List of Appraisers. The Board and Department shall approve a list of the names of individuals in good standing holding state licenses or certificates. The Department shall submit ~~said~~ the list to the Appraisal Subcommittee of the Federal Financial Institutions Examination Council.

Section 4 ***Fees and Charges***

(A) Establishment of Fees and Charges. The Board shall advise the Department as to such fees and charges it recommends be assessed to any person applying for

licensing or certification as a Real Estate Appraiser. The Director of the Department must approve all fees and charges. All fees and charges shall be nonrefundable. The Department will not prorate fees.

(B) Application Fees.

Original Resident Application Fee:	$200
Non-resident Non-Reciprocal Application Fee:	$250
Non-resident Reciprocal Application Fee:	$200

(C) Examination Fees.

Original Examination:	As Prescribed by Pre-Approved Testing Service
Re-Examination:	As Prescribed by Pre-Approved Testing Service

(D) License/Certification Fees.

Original License/Certification (per year):	$200
Renewal License/Certification (per year):	$200
Reciprocal License/Certification (per year):	$200
Temporary Practice Permit/Certificate (6 mos.):	$150~~200~~

(E) Miscellaneous Fees.

Records Modifications:	$10
Duplicate Certification:	$25
Certificate of Licensure:	$10
Reinstatement Fee:	$30
Education Submission Fee:	$25

Section 5 ***Licensing and Certification***

(A) General Requirements. ~~for applicants for Licensed Residential Real Estate Appraiser, Certified Residential Real Estate Appraiser, and Certified General Real Estate Appraiser licenses and certificates.~~

(1) *General Experience Requirements.*

~~*Applicants for Licensure or Certification.*~~ All applicants for licensing or certification as Residential or Certified General Real Estate Appraisers, excluding Trainee licensees, shall submit evidence of appraisal experience on a form provided by the Department. Acceptable appraisal experience includes, but is not limited to: fee and staff appraisal, ad valorem tax appraisal, review appraisal, appraisal analysis, real estate counseling, highest and best use analysis, feasibility analysis/study, and teaching of appraisal courses.

Adequate written reports or file memoranda shall support all ~~Such~~ experience. ~~must be supported by adequate written reports or file memoranda.~~ Each applicant shall furnish, under oath, a detailed listing of the real estate appraisal reports or file memoranda for each year for which the applicant claims experience. ~~is claimed by the applicant.~~ Upon request, the applicant shall make available to the Board or the Director of the Department a sample of appraisal reports which the applicant has prepared in the course of his or her practice.

Appraisal experience shall be of the type for which the applicant is seeking a license or certification. The Appraisal Process must have been utilized in order for appraisal experience to be applied toward the requisite experience in the AQB Real Property Qualification Criteria. The work claimed in the application for experience credit shall have been done in conformity with ~~the~~ USPAP as promulgated by the Appraisal Foundation in effect at the time the appraisals were prepared and/or any applicable federal requirements.

A year of real estate appraisal experience is defined in terms of hours within a twelve (12) month period. One thousand (1,000) hours constitutes a year of appraisal experience. A minimum of two (2) calendar years of experience and 2000 hours is required. Hours may be treated as cumulative in order to achieve the necessary hours of appraisal experience.

All licensees are required to demonstrate to the satisfaction of the Board a level of understanding of the complete Appraisal Process. Any applicant who falsely claims experience may be subject to denial of his or her application or suspension or revocation of an existing license. A comparable market analysis typically performed by either a Real Estate Broker or Salesperson may be awarded experience credit when the Analysis is prepared in conformity with USPAP, and the applicant can demonstrate that he or she utilizes and understands the Appraisal Process.

(2) *General Educational Requirements.*

All applicants for licensing or certification as Residential or Certified General Appraisers shall submit evidence of satisfaction of the educational requirements for that license or certification as set forth in either Sections 5(B)(1)(a), 5(B)(2)(a), 5(B)(3)(a), and 5(B)(4)(a) of these regulations. Concerning coursework requirements, no course of less than fifteen (15) hours and no course in which the applicant did not pass an examination shall be credited toward satisfying the minimum educational requirements to become licensed and/or certified. Applicants shall submit official documentation to the Board indicating completion of the education

offerings and that the applicant has successfully completed an examination for the course. Credit may be granted for courses where the applicant obtained credit from the course provider by challenge examination without attending the course provided such credit was granted by the course provider prior to July 1, 1990.

(3) *General Examination Requirement.*

No applicant for licensing or certification as a residential or general appraiser shall be permitted to take an examination for licensure or certification more than three (3) times without the express consent of the Board. Applicants must take an examination within one (1) year of the issuance of a test authorization card. Test scores will be held for a one (1) year period from the date of examination. The Board shall keep ~~A~~applications ~~will be held~~ on file ~~by the Board for a~~for two (2) years ~~period~~ from the date of filing. Any successful applicant who fails to remit the license fee within one (1) year from the date of examination will be required to re-apply and pass the written examination.

(4) *Other General Requirements.*

(a) The Board may require an applicant to demonstrate by competent evidence that he or she is qualified to hold a license or certificate, in accordance with the requirements of R.I. Gen. Laws § 5-20.7-1, *et seq.*, and these regulations. Such evidence may include letters of specific reference or other written statements verifying or supporting the application to be licensed or certified by the Board.

(b) The Board may require, as a condition of license or certification, ~~that~~ an applicant to authorize the Board and/or the Department the right to make such inquiries as it deems necessary or appropriate to verify information contained in the application and/or required to be provided by law or regulation. The authorization shall include, without limitation, permission to request samples of previous work performed, evaluations by prior employers of the applicant's work product, explanations as to type of work performed, verification of hours and terms of employment, verification of educational experiences and courses taken, and information from any source relevant to the application. An applicant shall execute all forms and~~,~~ authorizations ~~, and consents~~ as the Board deems necessary or appropriate to obtain such information.

(B) There are four classes of licensure and certification in ascending order of education and experience: Trainee, Licensed Residential Real Estate Appraiser, Certified Residential Real Estate Appraiser, and Certified General Real Estate

Appraiser. Each class of license has its own educational, examination, and experience requirements.

(1) *Trainee License.*

(a) Education. An applicant for a Trainee license must demonstrate that he or she has successfully completed the requisite classroom hours of instruction in courses or seminars in accordance with AQB Real Property Qualification Criteria in subjects related to real estate appraisal and USPAP from a duly-licensed real estate school pursuant to the provisions of R.I. Gen. Laws § 5-20.5-19, or a nationally recognized appraisal organization, college, university or other school pre-approved by the AQB or such other school approved by the Board.

(b) Examination. An applicant for a Trainee license must take and pass a written examination offered and administered by a testing service pre-approved by the Board and the Department.

(c) Experience. Upon completion and satisfaction of the above education and examination requirements, the Department shall issue a Trainee license to the applicant. A person who is licensed as a Trainee licensee by the Department, who seeks to upgrade ~~said~~the license to become a Licensed Residential Real Estate Appraiser, must perform appraisals of residential property of the type appropriate for Licensed Residential Real Estate Appraisers as defined in Section 2 of these regulations. Such appraisals must be performed within a period of two (2) years from the date of issuance of the Trainee license and be performed under the direct supervision of a Certified Residential Real Estate Appraiser or Certified General Real Estate Appraiser as that process is defined in Section 2 of these regulations.

(d) Supervision. Prior to the issuance of any Trainee license, the Trainee licensee shall provide to the Department a notarized affidavit signed by the Certified Residential Real Estate Appraiser or Certified General Real Estate Appraiser who shall be responsible for directly supervising the Trainee licensee. ~~Said~~ The affidavit shall set forth the business name, address, and license number of the supervising appraiser and a statement by the supervising appraiser that he/she is assuming responsibility to directly supervise the Trainee licensee and that he/she understands and acknowledges his/her obligations as a supervising appraiser. The Trainee may only work for one Certified Residential Real Estate Appraiser or Certified General Real Estate Appraiser at any

given time. A Trainee's license must be conspicuously displayed in his or her office.

Under the direct supervision process, the Trainee's office shall be located within the offices of the supervising appraiser. The supervising appraiser shall inspect at least the first twenty-five (25) properties with the Trainee licensee. The inspection shall include the inside and exterior of the subject property as well as the exterior of the comparable sales used in the report. The appraisal report shall disclose whether the supervising appraiser has inspected the subject property both inside and out and has made an exterior inspection of all comparables relied upon in the appraisal. The supervising appraiser shall review the Trainee licensee's appraisal reports. The supervising appraiser shall accept responsibility for the appraisal reports by signing and certifying that the report has been prepared in compliance with USPAP.

Upon completion of the experience and any additional educational requirements of the AQB, the Trainee licensee may apply to the Board for a Licensed Residential Real Estate Appraiser license. The Board shall review the educational and experience qualifications and determine whether to issue a Licensed Residential Real Estate Appraiser license.

(2) *Licensed Residential Real Estate Appraiser.*

(a) Education. An applicant for a Licensed Residential Real Estate Appraiser license must demonstrate that he or she has successfully completed the requisite classroom hours of instruction in courses or seminars in accordance with AQB Real Property Qualification Criteria in subjects related to real estate appraisal and USPAP from a duly-licensed real estate school pursuant to the provisions of R.I. Gen. Laws § 5-20.5-19, or a nationally recognized appraisal organization, college, university or other school pre-approved by the AQB, or such other school approved by the Board.

(b) Experience. An applicant must demonstrate he or she has attained the requisite experience in accordance with AQB Real Property Qualification Criteria which must have been acquired during the five (5) years immediately preceding the applicant's application to the Board and have involved appraisals of residential property of the type appropriate for Licensed Residential Real Estate Appraisers as defined in Section 2 of these regulations.

(c) Examination. Upon completion and satisfaction of the above education and experience requirements, an applicant for a Licensed

Residential Real Estate Appraiser must take and pass a written examination offered and administered by a testing service pre-approved by the Board and the Department.

(3) *Certified Residential Real Estate Appraiser.*

(a) Education. An applicant for a Certified Residential Real Estate Appraiser license must demonstrate that he or she has successfully completed the requisite classroom hours of instruction in courses or seminars in accordance with AQB Real Property Qualification Criteria in subjects related to real estate appraisal and USPAP from a duly-licensed real estate school pursuant to the provisions of R.I. Gen. Laws § 5-20.5-19, or a nationally recognized appraisal organization, college university or other school approved by the AQB, or such other school approved by the Board.

(b) Experience. An applicant must demonstrate he or she has attained the requisite experience in appraising residential property in accordance with AQB Real Property Qualification Criteria which experience was acquired during the five (5) years immediately preceding the filing of an application with the Board and have involved appraisals of residential property of the type appropriate for Certified Residential Real Estate Appraisers as defined in Section 2 of these regulations.

(c) Examination. Upon completion and satisfaction of the above education and experience requirements, an applicant for a Certified Residential Real Estate Appraiser license must take and pass a written examination offered and administered by a testing service pre-approved by the Board and the Department.

(4) *Certified General Real Estate Appraiser.*

(a) Education. An applicant for a Certified General Real Estate Appraiser license must demonstrate that he or she has successfully completed the requisite classroom hours of instruction in courses or seminars in accordance with AQB Real Property Qualification Criteria in subjects related to real estate appraisal and USPAP from a duly-licensed real estate school pursuant to the provisions of R.I. Gen. Laws § 5-20.5-19, or a nationally recognized appraisal organization, college, university or other school approved by the Appraisal Qualifications Board of the Appraisal Foundation, or such other school approved by the Board. General certification applicants must demonstrate course work with particular emphasis on the appraisal of non-residential properties.

(b) Experience. To be certified by the Board as a Certified General Real Estate Appraiser pursuant to R.I. Gen. Laws § 5-20.7-1 et seq. a person must demonstrate the requisite hours of experience in accordance with AQB Real Property Qualification Criteria which experience was acquired during the five (5) years immediately preceding the filing of an application to the Board in appraising of all types of real property. At least 50% of the total hours must be in the area of commercial appraising.

(c) Examination. Upon completion and satisfaction of the above education and experience requirements, an applicant for a Certified General Real Estate Appraiser license must take and pass a written examination offered and administered by a testing service pre-approved by the Board and the Department.

Section 6 ***Duty to Maintain Verification of Experience***

A person may be asked to verify his or her experience while licensed or certified. All persons licensed or certified must maintain file data containing adequate written reports or file memoranda to support his or her experience claim. Persons should not submit such data unless requested to do so. Each person shall furnish, under oath, a detailed listing of the real estate appraisal reports or file memoranda for each year for which experience is claimed by the person on forms or in a manner required by the Board and/or the Department.

Section 7 ***Continuing Education***

(A) Continuing Education Requirements. As a prerequisite to license and certification renewal by the Board, an applicant must present evidence satisfactory to the Board that:

(1) During the immediately preceding term of licensure and/or certification, the applicant shall have completed the requisite classroom hours of instruction in courses or seminars in accordance with AQB Real Property Qualification Criteria available from the Department from a duly-licensed real estate school pursuant to the provisions of R.I. Gen. Laws § 5-20.5-19, or a nationally recognized appraisal organization, college, university or other school approved by the Appraisal Qualifications Board of the Appraisal Foundation or such other school as approved by the Board. A course that has been submitted to upgrade a license cannot be used for continuing education credit.

(2) In lieu of meeting the requirements of Subsection (A)(1) of this Section, an applicant for license or certification renewal may satisfy all or part of the renewal requirements by presenting evidence of the following:

(a) Completion of an educational program of study determined by the Board to be the equivalent, for continuing educational purposes, to meet the course requirements of Subsection (A)(1); and/or

(b) Participation as a teacher/consultant in educational processes and programs approved by the Board which relate to appraisal theory, practices, or techniques, including but not necessarily limited to, teaching, program development and preparation of textbooks, monographs, articles, and other instructional material; and/or

(c) 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. ~~Attendance at Real Estate Appraisers Board meetings which shall constitute no more than one (1) hour of continuing education per meeting, provided the meeting for which credit is sought was of a duration of at least one (1) hour for a maximum of twelve (12) credits per year.~~

(3) 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. ~~The Director may, for good cause shown, renew the license and/or certificate of a person pending review of the applicant's continuing education compliance by the Board and the Department. Any such renewal shall not be for a period in excess of six (6) months.~~

(B) Course Approval. Any courses offered to satisfy any of the educational criteria set forth herein must first be submitted and approved by the Board in writing. All courses approved prior to January 2003 must be re-submitted for approval by January 1, 2004. All courses shall be approved for a three (3) year period from the date of approval and must thereafter be re-submitted for approval. The Board shall periodically publish a listing of all such courses approved.

Section 8 ***Reciprocity***

(A) General Requirements. The Department may, upon application, issue a license or certificate to an applicant who has otherwise met the requirements for licensure and/or certification in the State of Rhode Island without examination, provided the following terms and conditions are met:

(1) The applicant is currently certified and/or licensed as an appraiser in a state meeting the requirements of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA) for the licensing and/or certification of appraisers and;

(2) The applicant meets the current educational and experience requirements for certification in the State of Rhode Island and;

(3) The applicant has complied with the provisions of R.I. Gen. Laws § 5-20.7-16.

Section 9 ***Temporary Practice Permit***

(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.

~~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.~~

Section 10 ***Code of Ethics***

All licensed or certified appraisers pursuant to R.I. Gen. Law~~'~~s § 5-20.7-1, *et seq.* and these regulations shall comply with USPAP.

Section 11 ***Term of Licenses/Renewal***

(A) Every certificate or license issued pursuant to R.I. Gen. Law~~'~~s § 5-20.7-1, *et seq.* shall be for a term of two (2) years from the date of issuance. The expiration date of the certificate or license shall appear on the certificate or license. No other notice of its expiration need be given to the holder thereof.

(B) Every person certified or licensed pursuant to R.I. Gen. Laws § 5-20.7-1, *et seq.* who desires to renew the certification or license shall apply for the renewal of the license or certification upon a form to be furnished by the Department, which form shall contain whatever information the Department requires. ~~is required by the Department.~~ Any renewal of a certification or license shall be subject to the same provisions and requirements covering issuance, suspension, and revocation of any certification or license as originally issued.

(C) Any person who otherwise satisfies the renewal requirements for a license or certification may renew a license or certification within one (1) year after its expiration date thereof for a reinstatement fee of thirty ($30) dollars, in addition to the required renewal fee.

(D) At no time shall any certification or license be renewed without examination if the certification or license has been expired for more than a period of one (1) year from the date of expiration.

(E) Any person seeking to reinstate a license after expiration must affirm by affidavit that he or she has not engaged in any unlicensed real estate appraisal activity since the expiration of the license.

(F) If a person has engaged in unlicensed real estate appraisal activity pursuant to R.I. Gen. Laws § 5-20.7-1 *et seq.*, ~~said~~the person must file an affidavit with the Department listing all such unlicensed activity. The Department shall review the affidavit submitted and may either levy a sanction upon a determination that the license may be reinstated or decide not to reinstate ~~said~~the license.

Section 12 ***Administrative Hearings***

(A) Powers and Proceedings. Except as otherwise specifically provided herein, enforcement proceedings under this regulation shall be conducted in accordance with R.I. Gen. Law~~'~~s § 5-20.7-22 and the Department's *Central Management Regulation 2 – Rules of Procedure for Administrative Hearings.*

(B) Complaints. A complaint which alleges that an appraiser has violated any provisions of R.I. Gen. Laws § 5-20.7-1, *et seq.*, USPAP or these regulations shall be filed with the Board. Any person, including members of the Board, may file a written complaint with the Board. The Board may, upon its own motion, file a complaint against an appraiser.

(C) Investigation of Complaints.

(1) Upon receipt of a complaint or upon its own motion, the Board shall review and investigate alleged acts or omissions, which the Board reasonably believes, may constitute cause for disciplinary action. In order to determine if probable cause exists to conduct a hearing on a complaint,

the investigator(s) designated by the Chairperson of the Board shall cause an investigation to be made into the allegations of the complaint.

(2) Upon completion of the investigation, the investigators shall prepare and submit to the Board for its consideration a written report containing statements of fact and recommendations of the investigator(s). Thereafter the Board may:

(a) Order the matter be further investigated;

(b) Allow the appraiser who is the subject of the complaint an opportunity to appear before the Board for an informal discussion regarding the facts and circumstances of the alleged violation. ~~Said~~ The informal discussion shall constitute a part of the Board's investigation of the pending disciplinary case. ~~and t~~The Board may consider the facts discussed at the informal discussion ~~may be considered by the Board~~ in the event the matter proceeds to a contested case hearing. The Board may seek a consent order as a result of the informal discussion;

(c) Determine that the investigation does not warrant a finding that there is a basis for disciplinary action and that no probable cause exists to believe violation has occurred, and close the case and take no further action; or

(d) Determine there is probable cause to believe that a violation has occurred and recommend to the Director of the Department that the Department proceeds with a contested case hearing.

Section 13 ***Inspection of Records***

In order to reasonably effectuate the provisions of R.I. Gen. Laws § 5-20.7-18, *et seq.*, and these regulations, every licensed or certified person shall make available for inspection by the Director, or a designated representative, all records of transactions, books of account, instruments, documents, and forms utilized or maintained by such person in the conduct of the performance of appraisal assignments, which may be pertinent to the conduct of an investigation of any specific complaint. All records pertaining to appraisals shall be made available upon demand. All other records shall be made available upon reasonable notice.