

**State of Rhode Island and Providence Plantations**  
**DEPARTMENT OF BUSINESS REGULATION**  
*Commercial Licensing Division*  
**1511 Pontiac Avenue, Bldg. 68-69**  
**Cranston, Rhode Island 02920**

**Public Notice of Proposed Rule-Making**

Pursuant to the provisions of the Administrative Procedures Act, Chapter 42-35 of the General Laws, the Department of Business Regulation hereby gives notice of its intent to amend Commercial Licensing Regulation 10 *Real Estate Appraisers*.

The purpose of this amendment is to repeal the \$25.00 fee for duplicate licenses and the \$10.00 record modification fee.

The proposed amended regulation and concise summary of non-technical amendments are available for public inspection at [www.dbr.ri.gov](http://www.dbr.ri.gov), in person at Department of Business Regulation, 1511 Pontiac Avenue, Cranston, Rhode Island 02920, or by emailing [jenna.algee@dbr.ri.gov](mailto:jenna.algee@dbr.ri.gov) or by calling Jenna Algee, Esq. at (401) 462 9593.

In the development of the proposed amendment consideration was given to: (1) alternative approaches; (2) overlap or duplication with other statutory and regulatory provisions; and (3) significant economic impact on small business. No alternative approach, duplication, or overlap was identified based upon available information.

All interested parties are invited to submit written or oral comments concerning the proposed regulations by May 6, 2015, to Jenna Algee, Esq., Department of Business Regulation, 1511 Pontiac Avenue, Bldg. 68-1, Cranston, RI 02920, (401) 462 9593, [jenna.algee@dbr.ri.gov](mailto:jenna.algee@dbr.ri.gov). A public hearing to consider the proposed amendment shall be held on May 6, 2015 at 9:30 a.m., at 1511 Pontiac Avenue, Cranston, Rhode Island 02920 at which time and place all persons interested therein will be heard.

All are welcome at the Rhode Island Department of Business Regulation ("DBR"). If any reasonable accommodation is needed to ensure equal access, service or participation, please contact DBR at 401-462-9551, RI Relay at 7-1-1, or email [directorofficeinquiry@dbr.ri.gov](mailto:directorofficeinquiry@dbr.ri.gov) at least three (3) business days prior to the hearing.

Macky McCleary  
Director, Department of Business Regulation

Date posted: March 6, 2015

**State of Rhode Island and Providence Plantations**  
**DEPARTMENT OF BUSINESS REGULATION**  
*Commercial Licensing Division*  
**1511 Pontiac Avenue**  
**Buildings 68-69**  
**Cranston, Rhode Island 02920**

**Concise Summary of Proposed Non-Technical Changes**

In accordance with the Administrative Procedures Act, Section 42-35-3(a)(1) of the General Laws of Rhode Island, the following is a concise summary of proposed non-technical changes to Commercial Licensing Regulation 10 *Real Estate Appraisers*: the amendment would delete the provisions providing for duplicate licensing fees and record modification fees because licensees can now print duplicates on the e-licensing system for free as well as update their information online for free.

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS**  
**DEPARTMENT OF BUSINESS REGULATION**  
*DIVISION OF COMMERCIAL LICENSING*  
**1511 PONTIAC AVENUE, BLDG. 69-1**  
**CRANSTON, RHODE ISLAND 02920**  
**[www.dbr.state.ri.us](http://www.dbr.state.ri.us)**

**COMMERCIAL LICENSING REGULATION 10**  
**REAL ESTATE APPRAISERS**

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***Commercial Licensing Regulation 10 – Real Estate Appraisers***

**SECTION 1      INTRODUCTION**

- (A) The purpose of this regulation is to promote the general welfare of the citizens of Rhode Island by the implementation of R.I. Gen. Laws § 5-20.7-1, *et seq.*, and R.I. Gen. Laws § 42-35-3 so that the provisions thereunder may be best effectuated and the public interest be most effectively served.
- (B) As of January 1, 2007, the State of Rhode Island became a "mandatory state" that requires licensure or certification as an appraiser pursuant to R.I. Gen. Laws § 5-20.7-1, *et seq.*, for those persons who issue opinions or analyses of value or use relating to real property in this state. This licensing requirement applies to all opinions or analyses of real estate value or use, whether in the form of a written appraisal, consultant's report, or expert testimony before a court or an administrative body (such as a local zoning board).
- (C) Notwithstanding the mandatory licensure requirement, any person who holds a real estate broker or salesperson's license may provide, in the ordinary course of business, a written or oral opinion of value of real estate solely for the purposes of a prospective listing, purchase, sale, or business valuation but may not refer to such an opinion of value as an appraisal.
- (D) 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) "Department" shall mean the Rhode Island Department of Business Regulation.
- (B) "Board" shall mean the Real Estate Appraisers Board established pursuant to R.I. Gen. Laws § 5-20.7-1, *et seq.*
- (C) "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.
- (D) "Valuation" shall mean a written or oral estimate of the value of Real Estate or Real Property.
- (E) "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.
- (F) "Appraisal Process" shall mean a systematic Analysis of the factors that bear upon the value or utility of real estate.

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- (G) "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.
- (H) "Appraisal Foundation" shall refer to the not-for-profit educational organization created by the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, 12 U.S.C. § 1811, as amended.(FIRREA). The mission of The Appraisal Foundation is to promote professionalism in appraising. This is accomplished primarily through the work of two independent Boards, the Appraisal Standards Board ("ASB") and the Appraiser Qualifications Board ("AQB"). The AQB is responsible for the generally recognized performance standards of the appraisal profession, the Uniform Standards of Professional Appraisal Practice ("USPAP").
- (I) "Appraisal Subcommittee" shall mean the body within the Federal Financial Institutions Examination Council as established by FIRREA.
- (J) "AQB Real Property Qualification Criteria" shall mean the criteria promulgated by the AQB of the Appraisal Foundation, as amended and supplemented, that establish the experience, pre-licensing, and continuing education criteria for real estate appraisal licensure and certification. The Real Property Appraiser Qualification Criteria are incorporated herein by reference as part of this regulation.
- (K) "Core Education" or "Core Curriculum" or "Core Courses" shall mean qualifying education courses covering specified subject matters as listed in the current AQB Real Property Qualification Criteria for each appraiser classification.
- (L) "USPAP" shall mean the standards set forth in the Uniform Standards of Professional Appraisal Practice as promulgated by the Appraisal Standards Board of the Appraisal Foundation.
- (M) "Disciplinary action" shall mean the corrective or punitive action taken by the Department or the Board involving any appraiser, whether formal or informal, consensual or involuntary, resulting in any of the following: revocation or suspension of credential, written consent agreements or orders, administrative penalties or fines, probation, formal reprimand notices or any other restriction on the use of a credential, or voluntary surrender in lieu of disciplinary action.
- (N) "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.
- (O) "Residential Property Appraisal" shall mean an appraisal of property that is used for non-complex 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.

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- (P) "Certified General Real Estate Appraiser" shall mean a person qualified to appraise all types of real property without transaction value limitation.
- (Q) "Certified Residential Real Estate Appraiser" shall mean a person qualified to appraise non-complex 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).
- (R) "Licensed Residential Real Estate Appraiser" shall mean a person qualified to appraise non-complex, 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).
- (S) "Residential property" shall mean property that is used for non-complex, single or multi-family dwellings of one to four (1-4) units having no minimum 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).
- (T) "Complex" shall mean those one to four family residential property appraisals where the property to be appraised, the form of ownership, or the market conditions are atypical.
- (U) "Trainee" shall mean a person 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 or Certified Real Estate Appraiser working under the direct supervision of a certified appraiser as set forth in Section 5 of these regulation.
- (V) "Direct supervision" shall mean: (i) personally reviewing the work product of the trainee; (ii) approving, signing, and accepting responsibility for each appraisal report that includes the trainee's work product and certifying that such reports have been independently and impartially prepared in compliance with USPAP, these rules, and applicable statutory standards; and (iii) indicating, within the certification section of the appraisal report, the name of the trainee providing significant real property appraisal assistance. For purposes of this subparagraph, "significant" means the exercise of appraisal knowledge and training and does not mean clerical or fact gathering tasks.
- (W) "Part Time" shall mean working an average of less than thirty-five (35) hours per week in the appraisal profession.
- (X) "Real Estate" shall mean an identified parcel or tract of land, including improvements, if any.
- (Y) "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 and the Department may approve.

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

### **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 officer 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 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 Act (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. 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 Department 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 or a representative of the Department 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

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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 or the Department 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 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

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Temporary Practice Permit/Certificate (6 mos.):	\$ 200
National Registry Fees (per year)	\$ 40

(E) Miscellaneous Fees.

<del>Records Modifications:</del>	<del>\$10</del>
<del>Duplicate Certification:</del>	<del>\$25</del>
Certificate of Licensure:	\$10
Reinstatement Fee:	\$30
Education Submission Fee:	\$25

**SECTION 5      FOUR CLASSIFICATIONS OF LICENSURE**

- (A) In ascending order of education and experience, the four classifications of licensure are:
- (1) Trainee;
  - (2) Licensed Residential Real Estate Appraiser;
  - (3) Certified Residential Real Estate Appraiser; and
  - (4) Certified General Real Estate Appraiser.
- (B) To obtain licensure as a licensed, certified residential, or certified general appraiser, an applicant must satisfy the educational, experience, and examination requirements for the desired classification as set forth in the "Real Property Appraiser Qualification Criteria" and described in Section 8 below.

**SECTION 6      CERTIFICATION OR LICENSURE REQUIRED**

No person shall provide an analysis, opinion, or conclusion that relates to the nature, quality, value or utility of identified real estate as a consultant, expert witness, or otherwise, unless duly licensed or certified as an appraiser pursuant to R.I. Gen. Laws § 5-20.7-1, *et seq.*

**SECTION 7      TERM OF LICENSES/RENEWAL**

- (A) Every certificate or license issued pursuant to R.I. Gen. Laws § 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. 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.

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- (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) 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.
- (E) If a person has engaged in unlicensed real estate appraisal activity pursuant to R.I. Gen. Laws § 5-20.7-1 *et seq.*, 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 the license.

**SECTION 8      *QUALIFYING CRITERIA FOR LICENSING AND CERTIFICATION***

(A) Criteria Applicable to all Appraiser Classifications.

(1) *Qualifying Experience Requirements.*

- (a) For the experience requirements set forth below, all persons applying for an upgrade to a higher license classification shall submit a log evidencing his or her appraisal experience on a form provided by the Department. The must be signed by the applicant, and shall include the following information for each appraisal assignment:
  - (i) Date of report;
  - (ii) Address of appraised property;
  - (iii) Type of property;
  - (iv) Description of work performed by the applicant;
  - (v) Scope of supervising appraiser's review;
  - (vi) Scope of supervising appraiser's supervision; and
  - (vii) Number of actual work hours by the applicant on the assignment;
- (b) Adequate written reports or file memoranda shall support all experience. 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. Upon request, the applicant shall make available to the Board or the Director of the Department a sample of appraisal reports that the applicant has prepared in the course of his or her practice.

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- (c) 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 comply with USPAP, as promulgated by the Appraisal Foundation at the time the applicant prepared the appraisals, and/or any applicable federal requirements.
  - (d) A year of real estate appraisal experience is defined in terms of hours within a twelve (12) month period. Hours may be treated as cumulative in order to achieve the necessary hours of appraisal experience.
  - (e) 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 licensed real estate broker or salesperson may be awarded experience credit when he or she prepared the analysis in conformity with USPAP, and the applicant can demonstrate that he or she utilizes and understands the Appraisal Process.
- (2) *Qualifying Core Education Requirements.*
- (a) All applicants for licensure as a licensed, certified residential, or certified general appraiser shall submit to the Department official documentation that he or she successfully completed the core education requirements for that license or certification as established by the "Real Property Appraiser Qualification Criteria," promulgated by the AQB of the Appraisal Foundation, as amended and supplemented, which are incorporated herein by reference as part of this regulation.
  - (b) No core course of less than fifteen (15) hours and no core course in which the applicant did not pass an examination shall be credited toward satisfying the minimum core education requirements to become licensed and/or certified. All qualifying education must be completed within the five (5) year period prior to the date of submission of an application.
  - (c) All core courses shall be taught by 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 and the Department. Credit towards qualifying education requirements may be obtained through the completion of a degree program in Real Estate from an accredited degree-granting college or university, provided that the

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institution's curriculum has been reviewed and approved for credit by the AQB.

- (d) A written, proctored examination is required for all qualifying education distance course offerings. The term "written" shall include an examination taken on paper, or administered electronically on a computer or other device.

(3) *Qualifying Examination Requirement.*

- (a) Upon completion and satisfaction of the core education and experience requirements set forth in the AQB Real Property Qualification Criteria for the desired license or certification, an applicant must take and pass a written examination offered and administered by a testing service pre-approved by the Board and the Department.
- (b) To be eligible for the examination, an applicant shall present the following to the Board and the Department:
  - (i) Evidence that he or she is at least 18 years of age;
  - (ii) Evidence of good moral character, as established by references from individuals, schools and other records acceptable to the Department;
  - (iii) Official documentation of successful completion of the core education requirements as set forth in the AQB Real Property Qualification Criteria and described in Section 7(A)(2);
  - (iv) The log evidencing the applicant's appraisal experience as set forth in the AQB Real Property Qualification Criteria and described in Section 7(A)(1); and
  - (v) The authorization and waiver form for nationwide criminal history background checks, as provided by the Department.
- (c) No applicant for licensure as a licensed, certified residential, or certified 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 and the Department.
- (d) 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 Department shall keep applications on file for two (2) years from the date of filing.

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- (e) 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 or the Department 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 Department.
- (b) The Board or the Department may require, as a condition of licensure or certification, 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 authorization forms as the Board or the Department deems necessary or appropriate to obtain such information.
- (c) Initial applicants, reciprocal applicants and renewal applicants for all classifications of licensure must submit with their application a Criminal History Record from the Bureau of Criminal Identification of the Rhode Island State Police or the Rhode Island Department of Attorney General for a nationwide criminal records check including fingerprint records. The Criminal History Records must have complete dispositions or results of any charges delineated or resolved in Rhode Island or in any state prior to the Department of Business Regulation acting on the application.
- (d) Upon initial licensure and at all times thereafter, every licensee shall ensure that the Department has on record the licensee's current personal name, firm affiliation, trade name, residence address and firm address. Every licensee shall notify the Department in writing of each change of personal name, firm affiliation, trade name, residence address and firm address within ten days of the change. All addresses shall be sufficiently descriptive to enable the Department to correspond with and locate the licensee.

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### (A) Initial Requirements for Licensure.

- (1) *Core Education.* An applicant for a trainee license must demonstrate that he or she has successfully completed the requisite core courses 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 and the Department.
  - (a) All qualifying education must be completed within the five (5) year period prior to the date of submission of an application for a Trainee Appraiser credential.
- (2) *Experience.* No appraisal experience shall be required as a prerequisite for a Trainee Appraiser credential.

### (B) Responsibilities of a Trainee.

- (1) The holder of a trainee license shall work under "direct supervision," as that term is defined in Section 2, of a "supervisory appraiser," who shall be an individual who is a certified residential appraiser or a certified general appraiser in good standing by the Department and who has acknowledged in writing an agreement to perform the responsibilities of a supervisory appraiser set forth in Section 9(D).
- (2) Prior to starting any work as a trainee, the holder of a trainee license shall inform the Department in writing of the identity of any individuals who have agreed to serve as a "supervising appraiser" for the trainee. A Trainee Appraiser is permitted to have more than one supervisory appraiser. The holder of a trainee license shall inform the Department in writing, within seven days, in the event that any individual previously designated as a "supervisory appraiser" ceases to agree to perform the responsibilities of a "supervisory appraiser," or in the event that any individual not previously designated as a "supervisory appraiser" agrees to supervise the work product of the trainee.
- (3) The holder of a Trainee Appraiser license shall not solicit or maintain a direct relationship with a client or a party or parties who engage an appraiser by employment or contract in a specific assignment. The trainee shall not collect any fees from the client, except when acting as an agent of the supervising appraiser. The supervising appraiser shall ensure that any form of payment shall be directed to the supervisory appraiser.
- (4) The holder of a Trainee Appraiser license shall not advertise. Any advertisement in the name of a supervisory appraiser with whom the trainee is associated may include the name of the trainee by clearly indicating such person as a trainee. This shall not prohibit a trainee's use of standard business cards that clearly indicate such person as a trainee.

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(5) The holder of a Trainee Appraiser license shall also have the following duties:

- (a) A Trainee Appraiser shall complete a course that, at a minimum, complies with the specifications for course content established by the AQB. The course will be oriented toward the requirements and responsibilities of Supervisory Appraisers and expectations for Trainee Appraisers. The course must be completed prior to obtaining a Trainee Appraiser credential.
- (b) The Trainee Appraiser shall ensure that their experience log is available at all times for inspection by the Board or the Department.
- (c) When performing appraisal assignments, the trainee shall make readily available upon request a copy of the license certificate issued by the Department.
- (d) The trainee shall maintain and have in his or her custody a work file for each appraisal assignment. The work file must be in existence prior to and contemporaneous with the issuance of a written or oral report. A written summary of an oral report must be added to the work file within a reasonable time after the issuance of the oral report. Each work file must include:
  - (i) The name of the client and the identity, by name or type, of any other intended users;
  - (ii) True copies of any written reports, documented on any type of media;
  - (iii) Summaries of any oral reports or testimony, or a transcript of testimony, including the appraiser's signed and dated certification; and
  - (iv) All other data, information, and documentation necessary to support the appraiser's opinions and conclusions and to show compliance with this regulation and all other applicable USPAP Standards, or references to the location(s) of such other documentation.
- (e) When the trainee has obtained a new supervisory appraiser, the trainee and supervisory appraiser shall file an affidavit memorializing the relationship.
- (f) The trainee shall comply with the provisions of the Uniform Standards of Professional Appraisal Practice (USPAP).

(D) Responsibilities of Supervisory Appraiser.

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- (1) Any individual designated as a "supervisory appraiser" shall acknowledge in writing to the Department that he or she agrees to perform all responsibilities set forth in Section 9(D)(4).
- (2) Supervisory appraisers shall be in good standing with the Department and shall not have received disciplinary action, within the last three years which has affected their legal ability to engage in appraisal practice in this, or any other state.
- (3) Only those individuals who have been credentialed by the Department for at least three (3) years as either a certified general real estate appraiser or a certified residential real estate appraiser shall be a supervisory appraiser.
- (4) A supervisory appraiser shall also have the following duties:
  - (a) The supervisory appraiser shall at all times be responsible for and provide direct supervision of the work performed by the trainee.
  - (b) The supervisory appraiser shall provide the trainee with a copy of any final appraisal report in which the trainee's work product has been utilized or in which the trainee made a professional contribution.
  - (c) The supervisory appraiser shall notify the Department and his or her trainee(s) in writing within ten (10) days if he or she ceases to perform or is unable to perform the responsibilities set forth in this section.
  - (d) A supervisory appraiser shall not supervise more than three (3) Trainee Appraisers at one time.
  - (e) The supervisory appraiser shall personally inspect, with the trainee, the interior and exterior of each appraised property for a minimum of twenty-five (25) appraisal assignments.
  - (f) A supervisory appraiser shall complete a course that, at a minimum, complies with the specifications for course content established by the AQB. The course will be oriented toward the requirements and responsibilities of Supervisory Appraisers and expectations for Trainees Appraisers. The course must be completed by the Supervisory Appraiser prior to supervising a Trainee Appraiser.
  - (g) The supervisory appraiser shall prepare and furnish a signed statement describing the nature and extent of the assistance rendered to each trainee who provided services on an appraisal assignment. This statement shall be placed in the work file of the appraisal assignment.

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- (h) Failure to comply with this section may be deemed professional misconduct.

### **(F) Continuing education requirements for Trainee Appraisers.**

An individual holding a trainee license for more than two years shall complete, by the time each renewal application is submitted to the Department, the continuing education requirements as established by "The Real Property Appraiser Qualification Criteria and Interpretation of the Criteria," as promulgated by the AQB of the Appraisal Foundation, as amended and supplemented, which are incorporated herein by reference as part of this regulation.

## **SECTION 10      *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 11      *CONTINUING EDUCATION***

(A) Continuing Education Requirements. As a prerequisite to license and certification renewal by the Department, an applicant must present evidence satisfactory to the Department 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 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 and the Department. Qualifying education courses taken by a licensee to fulfill the class hour requirement for a different classification than his/her current classification may be simultaneously counted towards the continuing education requirement of his/her current classification.
- (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 and the Department to be the equivalent, for continuing educational purposes, to meet the course requirements of Subsection (A)(1); and/or

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- (b) One half of the total number of credits earned for participation as a teacher/consultant in educational processes and programs approved by the Board and the Department that relates 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 Real Estate Appraisers Board meeting per continuing education cycle or licensing period; (ii) the meeting must be at least two hours in length; (iii) the applicant shall receive one credit for each hour attended but cannot receive more than seven credit hours in total for the meeting; and (iv) the meeting must be open to the public. Credit will not be given for attendance at such a meeting if the licensee's appearance was requested by the Board due to a pending complaint against that licensee.
- (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. The Department shall periodically publish a listing of all such courses approved.

### **SECTION 12      *RECIPROCIITY***

- (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 holds a valid credential from a state which is in compliance with Title XI by the ASC.
  - (2) The credentialing requirements of that state as they exist at the time of application for reciprocal license must meet or exceed those which currently exist in the State of Rhode Island.
  - (3) The applicant has complied with the provisions of R.I. Gen. Laws § 5-20.7-16.

### **SECTION 13      *TEMPORARY PRACTICE PERMITS***

- (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;

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- (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, up to a maximum of two extensions per assignment. If additional time is required to complete the assignment or appraisal, a new application must be filed which complies with Section 13(A). Requests for an extension must be received prior to the expiration date of the last Temporary Practice Permit granted.

**SECTION 14            UNIFORM STANDARDS OF PROFESSIONAL APPRAISAL PRACTICE**

All appraisers licensed or certified pursuant to R.I. Gen. Laws § 5-20.7-1, *et seq.*, and these regulations shall comply at all times with the Uniform Standards of Professional Appraisal Practice (“USPAP”).

**SECTION 15            INSPECTION OF RECORDS**

In order to reasonably effectuate the provisions of R.I. Gen. Laws § 5-20.7-18, *et seq.*, and this regulation, 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, that 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.

**SECTION 16            REPORTING CONVICTIONS AND DISCIPLINARY ACTIONS**

Any licensee who is convicted of any felony or misdemeanor, or who is disciplined by any governmental agency in connection with any other occupational license, shall file with the Department a written report of such conviction or disciplinary action within sixty (60) days of the final judgment or final order in the case. Failure to do so shall be considered grounds for revocation of appraiser credentials.

**SECTION 17            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. Laws § 5-20.7-22 and the Department’s *Central Management Regulation 2 – Rules of Procedure for Administrative Hearings*.
- (B) Complaints. A written complaint alleging 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 Department. Any person, including members of the Board, may file a complaint with

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the Department. The Board or the Department may, upon its own motion, file a complaint against a licensed appraiser or a person or entity conducting unlicensed appraisal activity.

### **(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 and the Department for its consideration a written report containing statements of fact and recommendations of the investigator(s). Thereafter, the Board may take one of the following actions by a vote:
  - (a) Order the matter is 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. The informal discussion shall constitute a part of the Board's investigation of the pending disciplinary case. The Board may consider the facts discussed at the informal discussion 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.
  - (d) Determine there is probable cause to believe that a violation has occurred and recommend to the Director of the Department that the Department proceed with a contested case hearing or other administrative enforcement action.

### **SECTION 18      *EFFECT OF SUBSEQUENT STATUTORY OR AQB CHANGES***

Any changes in the Rhode Island General Laws pertaining to real estate appraiser certification or licensure or the "Real Property Appraiser Qualification Criteria Effective January 1, 2015," promulgated by the AQB of the Appraisal Foundation, that affect the content, language or intent of this regulation will be deemed adopted by the Department on the date of implementation of the statutory or AQB change.

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**SECTION 19**      **SEVERABILITY**

If any section, term, or provision of this regulation is adjudged invalid for any reason, that judgment will not affect, impair, or invalidate any remaining section, term, or provision, which shall remain in full force and effect.

**SECTION 20**      **EFFECTIVE DATE**

This Regulation and the amendments thereto shall be effective as indicated below.

EFFECTIVE: December 12, 1996

REFILED: January 19, 2001

AMENDED: March 18, 2004

AMENDED: January 31, 2008

AMENDED: October 28, 2008

AMENDED: June 20, 2011

AMENDED: August 22, 2013

AMENDED: April 14, 2014

AMENDED: