

ADMINISTRATIVE RULES OF THE VERMONT BOARD OF REAL ESTATE APPRAISERS

PART 1 GENERAL INFORMATION

Section 1.1 The Board's Purpose.

(a) The Board of Real Estate Appraisers ("the Board") has been created and given powers by Vermont law. A federal law enacted in 1989 required states to establish licensing and certification programs for real estate appraisers who intended to perform appraisals in federally related transactions. The Board was created in response to this federal law by a Vermont statute, which directed the Board to meet federal criteria. The federal law created the Appraisal Subcommittee of the Federal Financial Institutions Examination Council (ASC) as the federal agency responsible for monitoring the establishment of state programs for compliance with federal law. The Appraiser Qualifications Board of the Appraisal Foundation has identified the minimum qualifications for licensure needed to meet the requirements of the federal law, and the Board adopts those minimums as its requirements.

(b) Only individuals licensed by the Board may perform appraisals in a federally related transaction for a fee or may represent themselves as certified real estate appraisers in Vermont. No license is required to perform real estate appraisals in other transactions. However, a certified appraiser is subject to the Board's disciplinary authority when performing all real estate appraisals, whether or not the appraisal could have been performed by an unlicensed person.

Section 1.2 Business Address.

The business location is the Office of the Secretary of State, Office of Professional Regulation, 89 Main Street, 3rd Floor, Montpelier, Vermont ("the Office"). The mailing address is Board of Real Estate Appraisers, Office of Professional Regulation, 89 Main Street, 3rd Floor, Montpelier, Vermont 05620-3402. Copies of these rules and more information about the Board and its requirements and procedures are available by contacting the Office or on the Board's web site at: <http://vtprofessionals.org>.

Section 1.3 Laws That Govern the Board.

The Board is governed by the Vermont Real Estate Appraisers Act. 26 Vermont Statutes Annotated (V.S.A.) Chapter 69. The Board also enforces the Professional Regulation statutes found in 3 V.S.A. §§ 121-131. In addition, the Board is obligated to comply with several other state laws such as the Administrative Procedure Act (3 V.S.A. Chapter 25), the "Open Meeting Law" (1 V.S.A. §§ 312-313) and the "Access to Public Records Law" (1 V.S.A. §§ 315-320). These laws explain the rights of an applicant, license holder or member of the public.

Section 1.4 Board Rules.

The Board is authorized to make these administrative rules. 26 V.S.A. §3315.

Section 1.5 Definitions.

As used in these rules:

(a) "AQB" means the Appraiser Qualifications Board or its successor institution.

(b) "Complex appraisal" means one in which the property to be appraised, the form of ownership, or market conditions are atypical.

(1) Characteristics similar to the following may suggest that an appraisal is complex:

(i) Ownership rights that are atypical. This may include life estates or situations in which a residence is constructed on land leased for a term of years or where there are subterranean and air rights involved.

(ii) Unusual deed restrictions, easements, encroachments and other similar factors could influence the complexity of the assignment.

(iii) Changes in neighborhood characteristics, which suggest that a residence is no longer the highest and best use for the site. This may include interim use-type situations.

(iv) Actual or suspected environmental hazards.

(v) Architectural style that is atypical for the neighborhood. Examples might include a dome or earth home in a neighborhood of traditional residences. A residence, which is exceptionally large or small for the neighborhood, might also pose a difficult valuation challenge.

(vi) Unstable market conditions including such things as out-of-balance supply and demand relationships may lead to extraordinary complexity.

(2) This list is not intended to be all inclusive but rather representative of situations that may lead to extraordinary complexity of a transaction or an appraisal assignment.

(c) "FIRREA" means the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, Public Law 101-73, as amended.

(d) "License" means a license as a certified general real estate appraiser, a license as a certified residential real estate appraiser, a license by reciprocity, or a temporary license.

(e) "Office" means the Office of Professional Regulation.

(f) "Residential" means an appraisal of vacant or improved property whose highest and best use is residential.

(g) "Transaction value" means the principal amount of the loan application, which will include any extension of credit under consideration.

(h) “USPAP” means the “Uniform Standards of Professional Appraisal Practice” as published by the Appraisal Standards Board of the Appraisal Foundation.

Section 1.6 Making and Resolving Unprofessional Conduct Complaints.

The Board follows the complaint procedure used by the Office. Copies of the procedure and more information about the complaint process can be obtained from the Office or on the Board’s web site at: <http://vtprofessionals.org>.

PART 2 INFORMATION FOR APPLICANTS

Section 2.1 Appraiser Trainee Registration.

A person who wishes to be registered as an appraiser trainee may obtain an application from the Office. Appraiser trainees can be registered in two categories: certified residential appraiser trainee; or certified general appraiser trainee. Education, orientation and continuing education requirements for each category of registration are all set by the AQB.

Section 2.2 Certified Residential Real Estate Appraiser License.

Education, experience and continuing education requirements, as well as examination specifications for each category of licensure are all set by the AQB.

Section 2.3 Certified General Real Estate Appraiser License.

Education, experience and continuing education requirements, as well as examination specifications for each category of licensure are all set by the AQB.

Section 2.4 Certified Appraisers Supervising Registered Trainee.

Supervision requirements during training are set by the AQB.

Section 2.5 Examination.

Examination specifications for each category of licensure are set by the AQB.

Section 2.6 Education.

Education requirements for each category of licensure are set by the AQB.

Section 2.7 Experience.

Experience requirements for each category of licensure are set by the AQB.

Section 2.8 Education Program Approval.

- (a) In order to be approved by the Board, a program must satisfy the education guidelines set by the AQB.
- (b) A program may be approved by the Board by filing an application form that indicates the name of the program, the number of classroom hours requested and the sponsor and instructors. An application may be filed by the sponsor or a participant. For advance approval, applications must be filed at least 90 days before the program commences.
- (c) The Board shall assign a maximum number of credit hours to each approved program.
- (d) The Board may deny approval of any program which is otherwise eligible if it finds that the program is led by an instructor without sufficient experience in teaching or in the subject matter being taught; is sponsored by a group or individual lacking the ability or intention to produce a program of sufficient quality to improve or establish an appraiser's professional competence; or the program is not sufficiently organized or adequate to fulfill the objectives of these rules. The Board follows the Course Approval Program - Policies, Procedures and Criteria - published by the AQB.
- (e) A program sponsor may state that a program has been approved by the Board and may also state the number of credits approved by the Board.
- (f) The Board may audit any course it has approved for compliance with this rule and the AQB requirements.

PART 3 INFORMATION FOR LICENSED APPRAISERS

Section 3.1 License Renewal.

A license must be renewed before it expires. The expiration date is printed on the license; expiration dates are occasionally adjusted by the Office but are normally two years after the previous renewal date.

Section 3.2 Continuing Education Requirements.

Continuing education requirements for each category of licensure are set by the AQB.

Section 3.3 Continuing Education Program Approval.

- (a) A program must satisfy the continuing education guidelines set by the AQB.
- (b) A program may be approved by the Board upon filing an application form, which indicates the name of the program, the number of classroom hours requested and the sponsor and instructors. The sponsor or a participant may file an application. For advance approval, applications must be filed at least 90 days before the program commences. For other programs, sponsors' applications must be filed within 30 days after the educational activity has commenced. Individual applications must be filed by the time of renewal.

(c) The Board shall assign a maximum number of credit hours to each approved program.

(d) The Board may deny approval of any program which is otherwise eligible for accreditation if the Board finds the program is led by an instructor without sufficient experience in teaching or in the subject matter being taught; is sponsored by a group or individual lacking the ability or intention to produce a program of sufficient quality to improve or establish an appraiser's professional competence; or is not sufficiently organized or adequate to fulfill the objectives of these rules. The Board follows the Course Approval Program - Policies, Procedures and Criteria published by the AQB.

(e) A program sponsor may state that a program has Board approval and may also state the number of credits approved by the Board.

Section 3.4 Change of Name or Address.

The Office must be immediately notified of any change of name or address.

Section 3.5 Standards of Practice.

All licensees shall follow and adhere to the USPAP published by the Appraisal Foundation, as amended, for all appraisals of real property.

Section 3.6 Interpretations and Clarifications.

The Board follows the interpretations and clarifications issued by the AQB and the Appraisal Standards Board of the Appraisal Foundation for guidance in administering these rules, in order to maintain uniformity and consistency with FIRREA.

Section 3.7 Scope of Practice.

(a) State Licensed Appraiser: A state licensed appraiser may perform non-complex 1-4 unit residential appraisals up to a transaction value of \$1,000,000; and complex 1-4 unit residential appraisals up to a transaction value \$250,000. If a state licensee is performing appraisals of more than four units, or appraisals of non-residential properties, the licensee must be in association with a certified residential or certified general licensee who takes responsibility for the licensee's work and that person must sign the report.

(b) Certified Residential Appraiser: A certified residential appraiser may perform 1-4 unit residential appraisals without regard to transaction value or complexity. A certified residential appraiser may also perform non-residential appraisals up to a transaction value of \$250,000 without regard to complexity. If a certified residential licensee is performing appraisals of non-residential properties over a transaction value of \$250,000 the licensee must be in association with a certified general licensee who takes responsibility for the licensee's work and that person must sign the report.

(c) Certified General Appraiser: A certified general appraiser may perform appraisals of all types of real property without regard to transaction value or complexity.

(d) Appraiser Trainee: An appraiser trainee may perform activities within the scope of practice of the license sought provided that the supervising appraiser reviews and signs all resulting appraisals, is present with the trainee during the inspection process, is familiar with the market data used in the appraisal report and takes full responsibility for the appraisal. The appraiser trainee may sign the report but must be clearly identified as a "trainee" in all areas of the report in which the trainee's name appears.

(e) Appraisers may employ and utilize the assistance of those who are not registered trainees under these rules. These assistants shall not be referred to or otherwise identified as "trainees" unless registered as such. When assisted by such unlicensed or unregistered employees, the appraiser shall be present during the inspection of the property, be familiar with the market data used in the appraisal report and take full responsibility for the appraisal.

Section 3.8 Inspecting Records.

Copies of all records and any other pertinent memoranda concerning an appraisal shall be available for inspection by the Board and its duly authorized agents upon request during regular business hours.

Effective: March 1, 2014