

**REVISED PROPOSED REGULATION OF THE
COMMISSION OF APPRAISERS OF REAL ESTATE**

LCB File No. R011-13

December 17, 2013

EXPLANATION – Matter in *italics* is new; matter in brackets ~~[omitted material]~~ is material to be omitted.

AUTHORITY: §§1-11, NRS 645C.210.

A REGULATION relating to appraisers of real estate; revising provisions relating to the education and experience of appraisers of real estate; and providing other matters properly relating thereto.

Section 1. Chapter 645C of NAC is hereby amended by adding thereto a new section to read as follows:

A course of instruction required by paragraph (b) of subsection 1 of NAC 645C.108 or subsection 2 of NAC 645C.243 must consist of not less than 2 hours of instruction on:

1. Professional organizations and licensing entities, including, without limitation, The Appraisal Foundation, the Appraiser Qualifications Board of The Appraisal Foundation and the Division.

2. The qualifications for licensure or certification as an appraiser.

3. The USPAP.

4. The responsibilities and expectations of a supervisory appraiser.

5. The responsibilities and expectations of a registered intern.

6. The provisions of this chapter and chapter 645C of NRS that govern supervisory appraisers and registered interns.

Sec. 2. NAC 645C.080 is hereby amended to read as follows:

645C.080 1. Separate examinations will be given for licensure as a residential appraiser, certification as a residential appraiser and certification as a general appraiser.

2. A scale score of 75 must be achieved to pass either test.

3. Each of the examinations will consist of questions covering the subjects listed in NAC 645C.235, 645C.237 and 645C.240.

4. An applicant must complete the education and experience required by NRS 645C.330 and the regulations adopted pursuant thereto before taking the examination.

Sec. 3. NAC 645C.108 is hereby amended to read as follows:

645C.108 1. A supervisory appraiser must:

(a) Have been certified as a residential appraiser or general appraiser for at least 3 years before he or she supervises a registered intern;

(b) ***Complete the course of instruction described in section 1 of this regulation before he or she supervises a registered intern;***

(c) Be in good standing with the Division;

~~[(e)]~~ (d) Not have been subject to any disciplinary action within the ~~[(previous)]~~ ***immediately preceding*** 3 years that affects the ~~[(eligibility)]~~ ***ability*** of the supervisory appraiser to engage in the ~~[(business of or act as an appraiser;)]~~ ***practice of appraisal;*** and

~~[(d)]~~ (e) Not supervise more than two registered interns at a time.

2. A supervisory appraiser shall personally inspect with a registered intern the first 50 properties assigned to the registered intern for appraisal.

3. Except as otherwise provided in this subsection, a registered intern who has completed at least 50 appraisals of property to the satisfaction of his or her supervisory appraiser may perform an inspection of property for appraisal which is located within 50 miles of the principal office of

his or her supervisory appraiser without the personal supervision of the supervisory appraiser at the site of the property. A supervisory appraiser may submit an application to the Administrator for permission to allow a registered intern to perform inspections of properties for appraisal which are located more than 50 miles from the principal office of his or her supervisory appraiser.

Sec. 4. NAC 645C.235 is hereby amended to read as follows:

645C.235 1. A course of instruction for an applicant for a license as a residential appraiser must:

(a) Consist of at least the following:

- (1) Thirty hours of instruction on basic appraisal principles;
 - (2) Thirty hours of instruction on basic appraisal procedures;
 - (3) Fifteen hours of instruction in the *National USPAP Course*;
 - (4) Fifteen hours of instruction on residential market analysis and analysis of the highest and best use of real estate;
 - (5) Fifteen hours of instruction on valuation of a site and cost approach for a residential appraiser;
 - (6) Thirty hours of instruction on residential sales comparison and income approaches;
 - (7) Fifteen hours of instruction on residential report writing and case studies; and
 - (8) Three hours of instruction on the laws of this State governing appraisals.
- (b) Except as otherwise provided in subsection 2, be completed within the 5 years immediately preceding the submission of an application for a license.

2. The Division may allow credit for a course of instruction set forth in subsection 1 that is completed more than 5 years before the submission of an application for a license as a residential appraiser if the course is successfully completed at an accredited college or university.

3. An applicant for a license as a residential appraiser must:

(a) Hold an associate degree or higher from an accredited college or university; or

(b) Have earned at least a total of 30 semester credit hours or its equivalent from an accredited college or university.

Sec. 5. NAC 645C.237 is hereby amended to read as follows:

645C.237 1. A course of instruction for an applicant for a certificate as a residential appraiser must:

(a) Consist of at least the following:

- (1) Thirty hours of instruction on basic appraisal principles;
- (2) Thirty hours of instruction on basic appraisal procedures;
- (3) Fifteen hours of instruction in the *National USPAP Course*;
- (4) Fifteen hours of instruction on residential market analysis and analysis of the highest and best use of real estate;
- (5) Fifteen hours of instruction on residential appraiser valuation of a site and cost approach;
- (6) Thirty hours of instruction on residential sales comparison and income approaches;
- (7) Fifteen hours of instruction on residential report writing and case studies;
- (8) Fifteen hours of instruction on statistics, modeling and finance;
- (9) Fifteen hours of instruction on advanced residential applications and case studies;
- (10) Three hours of instruction on the laws of this State governing appraisals; and

(11) Twenty hours of instruction in elective courses relating to appraisals.

(b) Except as otherwise provided in subsection 2, be completed within the 5 years immediately preceding the submission of an application for a certificate.

2. The Division may allow credit for a course of instruction set forth in subsection 1 that is completed more than 5 years before the submission of an application for a certificate as a residential appraiser if the course is successfully completed at an accredited college or university.

3. An applicant for a certificate as a residential appraiser must ~~+~~

~~—(a) Hold an associate} hold a bachelor's~~ degree or higher from an accredited college or university. ~~+~~~~or~~

~~—(b) Have earned at least a total of 21 semester credit hours or its equivalent in the following subjects, with a minimum of 3 semester credit hours or its equivalent in each of the following subjects, from an accredited college or university:~~

~~—(1) English composition;~~

~~—(2) Principles of micro or macroeconomics;~~

~~—(3) Finance;~~

~~—(4) Algebra, geometry or a higher level of mathematics;~~

~~—(5) Statistics;~~

~~—(6) Computer science; and~~

~~—(7) Business or real estate law.}~~

Sec. 6. NAC 645C.240 is hereby amended to read as follows:

645C.240 1. A course of instruction for an applicant for a certificate as a general appraiser must:

(a) Consist of at least the following:

- (1) Thirty hours of instruction on basic appraisal principles;
- (2) Thirty hours of instruction on basic appraisal procedures;
- (3) Fifteen hours of instruction in the *National USPAP Course*;
- (4) Thirty hours of instruction on general market analysis and analysis of the highest and best use of real estate;
- (5) Thirty hours of instruction on valuation of a site and cost approach for a general appraiser;
- (6) Thirty hours of instruction on a sales comparison approach for a general appraiser;
- (7) Sixty hours of instruction on an income approach for a general appraiser;
- (8) Thirty hours of instruction on report writing and case studies for a general appraiser;
- (9) Fifteen hours of instruction on statistics, modeling and finance;
- (10) Three hours of instruction on the laws of this State governing appraisals; and
- (11) Thirty hours of instruction in elective courses relating to appraisals.

(b) Except as otherwise provided in subsection 2, be completed within the 5 years immediately preceding the submission of an application for a certificate.

2. The Division may allow credit for a course of instruction set forth in subsection 1 that is completed more than 5 years before the submission of an application for a certificate as a general appraiser if the course is successfully completed at an accredited college or university.

3. An applicant for a certificate as a general appraiser must ~~†~~ **hold** a bachelor's degree or higher from an accredited college or university . ~~†~~ ~~or~~

~~—(a) Hold~~ ~~at least a total of 30 semester credit hours or its equivalent in the following subjects, with a minimum of 3 semester credit hours or its equivalent in each of the following subjects, from an accredited college or university:~~

- ~~— (1) English composition;~~
- ~~— (2) Principles of microeconomics;~~
- ~~— (3) Principles of macroeconomics;~~
- ~~— (4) Finance;~~
- ~~— (5) Algebra, geometry or a higher level of mathematics;~~
- ~~— (6) Statistics;~~
- ~~— (7) Computer science;~~
- ~~— (8) Business or real estate law; and~~
- ~~— (9) Two elective courses in accounting, geography, agricultural economics, business management or real estate.}~~

FIRST
PARALLEL
SECTION

Sec. 7. NAC 645C.243 is hereby amended to read as follows:

645C.243 1. Except as otherwise provided in subsection ~~{2,}~~ **3**, an applicant for registration as an intern pursuant to NRS 645C.270 must include on his or her application evidence satisfactory to the Division that the applicant has successfully completed, within the 5 years immediately preceding the submission of his or her application for registration as an intern, at least:

- (a) Thirty hours of instruction on basic appraisal principles;
- (b) Thirty hours of instruction on basic appraisal procedures;
- (c) Fifteen hours of instruction in the *National USPAP Course*; and
- (d) Three hours of instruction on the laws of this State governing appraisals.

2. ***An applicant for registration as an intern must complete the course of instruction described in section 1 of this regulation before submitting his or her application for registration as an intern.***

3. The Division may allow credit for a course of instruction set forth in subsection 1 that is completed more than 5 years before the submission of an application for registration as an intern if the course is successfully completed at an accredited college or university.

Sec. 8. NAC 645C.243 is hereby amended to read as follows:

645C.243 1. ~~{Except as otherwise provided in subsection 3, an}~~ *An* applicant for registration as an intern pursuant to NRS 645C.270 must include on his or her application evidence satisfactory to the Division that the applicant has successfully completed, within the 5 years immediately preceding the submission of his or her application for registration as an intern, at least:

- (a) Thirty hours of instruction on basic appraisal principles;
- (b) Thirty hours of instruction on basic appraisal procedures;
- (c) Fifteen hours of instruction in the *National USPAP Course*; and
- (d) Three hours of instruction on the laws of this State governing appraisals.

2. An applicant for registration as an intern must complete the course of instruction described in section 1 of this regulation before submitting his or her application for registration as an intern.

~~{3. The Division may allow credit for a course of instruction set forth in subsection 1 that is completed more than 5 years before the submission of an application for registration as an intern if the course is successfully completed at an accredited college or university.}~~

Sec. 9. NAC 645C.300 is hereby amended to read as follows:

645C.300 1. To renew an active registration, license or certificate, the intern, licensee or holder of the certificate must complete at least 30 hours of continuing education in courses approved by the Commission, including, without limitation, at least 7 hours of instruction in the

National USPAP Update Course within the 2 years immediately preceding the application for renewal.

2. To reinstate a license or certificate which has been placed on inactive status, a person must provide the Division with proof that he or she has met the following requirements for continuing education, including, without limitation:

(a) At least 7 hours of instruction in the *National USPAP Update Course* most recently approved by the Commission;

(b) For a license or certificate that has been placed on inactive status for not more than 2 years, at least 30 hours of instruction in continuing education courses approved by the Commission; and

(c) For a license or certificate that has been placed on inactive status for more than 2 years, at least 15 hours of instruction in continuing education courses approved by the Commission for each year of inactive status.

~~{3. The 7 hours of instruction in the *National USPAP Update Course* required pursuant to this section may not be taken through distance education courses.}~~

Sec. 10. NAC 645C.305 is hereby amended to read as follows:

645C.305 1. Courses for continuing education must contain:

(a) Current information on appraisal practices which will improve the professional knowledge of the licensee or holder of a certificate and enable him or her to provide better service to the public.

(b) Information that pertains to pertinent state and federal laws and regulations relating to appraisals or appraisal practices.

2. The Commission considers courses in the following areas to be acceptable for continuing education:

- (a) The *USPAP*;
- (b) Legislative issues which concern the practice of appraising or licensees or holders of certificates, including, without limitation, pending and recent legislation;
- (c) The administration of laws and regulations governing appraisals, including, without limitation, licensing, certification and enforcement;
- (d) The relationship of the appraisal report to real estate financing;
- (e) The measurement and evaluation of the market for real estate, including, without limitation, evaluations of sites, market data and studies of feasibility;
- (f) The development of real property;
- (g) Real estate and appraisal mathematics;
- (h) Nature of value;
- (i) The purpose and use of appraisals;
- (j) Methods of valuation and evaluation;
- (k) Income capitalization; ~~and~~
- (l) Construction ~~and~~;
- (m) Green building; and***
- (n) Concessions to sellers.***

3. If the sponsor agrees to comply with all other requirements of approval, the Commission will accept without specific approval any course in appraisal practices or directly related subjects if the course has been previously approved by the Commission.

Sec. 11. 1. This section and sections 1, 2, 3, 7, 9 and 10 of this regulation become effective upon filing with the Secretary of State.

2. Section 8 of this regulation becomes effective on January 1, 2015.

3. Sections 4, 5 and 6 of this regulation become effective on January 15, 2015.