

**TRANSMITTAL SHEET FOR
NOTICE OF INTENDED ACTION**

Control 780 Department or Agency Alabama Real Estate Appraiser Board

Rule No. 780-X-3-06

Rule Title: Qualifying Education Curricula Approved By the Board for Licensure as a Real Property Appraiser.

 New X Amend Repeal Adopt by Reference

Would the absence of the proposed rule significantly harm or endanger the public health, welfare, or safety? Yes

Is there a reasonable relationship between the State's police power and the protection of the Public health, safety, or welfare? Yes

Is there another, less restrictive method of Regulation available that could adequately Protect the public? No

Does the proposed rule have the effect Of directly or indirectly increasing the costs Of any goods or services involved and, if so, to what degree? No

Is the increase in cost, if any, more harmful To the public than the harm that might result from the absence of the proposed rule? No

Are all facets of the rulemaking process Designed solely for the purpose of, and so they have, as their primary effect, the protection of the public? Yes

Does the proposed rule have an economic impact? No

If the proposed rule has an economic impact, the proposed rule is required to be accompanied by a fiscal note prepared in accordance with subsection (f) of Section 41-22-23, Code of Alabama 1975.

Certification of Authorized Official

I certify that the attached proposed rule has been proposed in full compliance with the requirements of Chapter 22, Title 41, Code of Alabama 1975, and that it conforms to all applicable filing requirements of the Administrative Procedure Division of the Legislative Reference Service.

Signature of certifying officer Liza Brooks

Date 5.30.12

Alabama Real Estate Appraisers Board

NOTICE OF INTENDED ACTION

AGENCY NAME: Alabama Real Estate Appraisers Board

RULE NO. & TITLE: 780-X-3-.06

Qualifying Education Curricula Approved By The Board For
Licensure As A Real Property Appraiser.

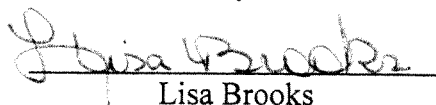
INTENDED ACTION: Amendment

SUBSTANCE OF PROPOSED ACTION: To make corrections suggested by the Appraisal Subcommittee and specify that credit for USPAP education will only be awarded if at least one instructor is a State certified appraiser.

TIME, PLACE, MANNER OF PRESENTING VIEWS: Interested persons may submit their views regarding the proposed amended rule orally or in writing to the Alabama Real Estate Appraisers Board, P.O. Box 304355, Montgomery, Alabama 36130-4355; 334-242-8747 no later than August 10, 2012.

FINAL DATE FOR COMMENT AND COMPLETION OF NOTICE: Written or oral comments concerning this change must be received by the Alabama Real Estate Appraisers Board no later than August 10, 2012, 12:00 noon, 100 North Union Street, Suite 370, Montgomery, AL 36104 or 334-242-8747.

CONTACT PERSON AT AGENCY: Neva C. Conway
Assistant Attorney General


Lisa Brooks

780-X-3-.06 Qualifying Education Curricula Approved
By The Board For Licensure As A Real Property Appraiser.

In accordance with Code of Ala. 1975, §34-27A-5(b)(13), which provides that the Board shall include in its regulations educational requirements for all classes of licensure of real estate appraisers, the Board will accept applications from individuals who can demonstrate that they have completed the following education requirements:

(a) **Trainee Real Property Appraiser.** For applications submitted on or before December 31, 2007, seventy-five classroom hours of courses in subjects related to real estate appraisal which shall include 15 hours of Uniform Standards of Professional Appraisal Practice. Any USPAP course submitted to fulfill this requirement which is completed on or after January 1, 2003 must be the National USPAP course or its equivalent as determined by the AQB taught by an instructor certified by the AQB and at least one instructor of the class must be a state certified appraiser. The USPAP course which fulfills this requirement must have been completed within 24 months immediately preceding the date the application is filed with the Board.

1. A classroom hour is defined as fifty minutes out of each sixty minute segment.

2. Credit toward the classroom hour requirement may only be granted where the length of the educational offering is at least fifteen hours, and the individual successfully completes an examination pertinent to that educational offering. Credit for the classroom hour requirement may only be granted if the applicant includes with his application a copy of the transcript or certificate of completion and evaluation of the instructor and course for which he is claiming credit.

3. Credit for a classroom hour requirement may be obtained from the following:

(i) Colleges or Universities, accredited by SACS or an equivalent United States organization;

(ii) Community or Junior Colleges, accredited by SACS or an equivalent United States organization;

(iii) Real Estate Appraisal or Real Estate Related Organizations;

(iv) State or Federal Agencies or Commissions;

(v) Propriety Schools licensed by the Alabama Department of Education or similar agency in the state where the proprietary school is located;

(vi) Other providers approved by the Board.

4. Qualifying education must be obtained within ten years immediately prior to the application date.

5. Various appraisal courses may be credited toward the seventy-five classroom hour education requirement. Applicants should demonstrate that their education involved coverage of the topics listed below with particular emphasis on the appraisal of one to four unit residential properties.

(i) Influences on Real Estate Value

(ii) Legal Consideration in Appraisal

(iii) Types of Value

(iv) Economic Principles

(v) Real Estate Markets and Analysis

(vi) Valuation Process

(vii) Property Description

(viii) Highest and Best Use Analysis

(ix) Appraisal Statistical Concepts

(x) Sales Comparison Approach

(xi) Site Valuation

(xii) Cost Approach

(xiii) Income Approach

- (xiv) Valuation of Partial Interests
- (xv) Appraisal Standards and Ethics

6. Every applicant for a Trainee Real Property Appraiser license who submits an application on or after January 1, 2008 must submit satisfactory evidence that the education courses completed comply with the requirements of paragraphs 1-4 above and must demonstrate that he or she has completed 75 classroom hours of education in the following subjects:

- (i) 30 Hours Basic Appraisal Principals
- (ii) 30 Hours Basic Appraisal Procedures
- (iii) The 15 hour National USPAP course or its equivalent as determined by the AQB.

(b) **State Registered Real Property Appraiser.** Seventy-five classroom hours of courses in subjects related to real estate appraisal which shall include 15 hours of Uniform Standards of Professional Appraisal Practice. Any USPAP course submitted to fulfill this requirement which is completed on or after January 1, 2003 must be the National USPAP course or its equivalent as determined by the AQB taught by an instructor certified by the AQB and at least one instructor of the class must be a state certified appraiser. The USPAP course which fulfills this requirement must have been completed within 24 months immediately preceding the date the application is filed with the Board.

1. A classroom hour defined as fifty minutes out of each sixty minute segment.
2. Credit toward the classroom hour requirement may only be granted where the length of the educational offering is at least fifteen hours, and the individual successfully completes an examination pertinent to that educational offering. Credit for the classroom hour requirement may only be granted if the applicant includes with his application a copy of the transcript or certificate of completion and evaluation of the instructor and course for which he is claiming credit.

3. Credit for a classroom hour requirement may be obtained from the following:

(i) Colleges or Universities, accredited by SACS or an equivalent United States organization;

(ii) Community or Junior Colleges, accredited by SACS or an equivalent United States organization;

(iii) Real Estate Appraisal or Real Estate Related Organizations;

(iv) State or Federal Agencies or Commissions;

(v) Propriety Schools licensed by the Alabama Department of Education or similar agency in the state where the proprietary school is located;

(vi) Other providers approved by the Board.

4. Qualifying education must have been obtained within ten years immediately prior to the application date.

5. Various appraisal courses may be credited toward the seventy-five classroom hour education requirement. Applicants should demonstrate that their education involved coverage of the topics listed below with particular emphasis on the appraisal of one to four unit residential properties.

(i) Influences on Real Estate Value

(ii) Legal Consideration in Appraisal

(iii) Types of Value

(iv) Economic Principle

(v) Real Estate Markets and Analysis

(vi) Valuation Process

(vii) Property Description

(viii) Highest and Best Use Analysis

(ix) Appraisal Statistical Concepts

- (x) Sales Comparison Approach
- (xi) Site Valuation
- (xii) Cost Approach
- (xiii) Income Approach
- (xiv) Valuation of Partial Interests
- (xv) Appraisal Standards and Ethics

6. Every applicant for a State Registered Real Property Appraiser license who submits an application on or after January 1, 2008 must submit satisfactory evidence that the education courses completed comply with the requirements of paragraphs 1-4 above and must demonstrate that he or she has completed 75 classroom hours of education in the following subjects:

- (i) 30 Hours Basic Appraisal Principals
- (ii) 30 Hours Basic Appraisal Procedures
- (iii) The 15 hour National USPAP course or its equivalent as determined by the AQB.

(c) **Licensed Real Property Appraiser.** For applications submitted on or before December 31, 2007, a minimum of ninety (90) classroom hours, which may include the hours required for previous licensure, of courses in subjects related to real estate appraisal which shall include 15 hours of Uniform Standards of Professional Appraisal Practice. Any USPAP course submitted to fulfill this requirement which is completed on or after January 1, 2003 must be the National USPAP course or its equivalent as determined by the AQB taught by an instructor certified by the AQB and at least one instructor of the class must be a state certified appraiser. The USPAP course which fulfills this requirement must have been completed within 24 months immediately preceding the date the application is filed with the Board.

1. A classroom hour is defined as fifty minutes out of each sixty minute segment.

2. Credit toward the classroom hour requirement may only be granted where the length of the educational offering is at least fifteen hours, and the individual successfully completes an examination pertinent to that educational offering. Credit for the classroom hour requirement may only be granted if the applicant includes with his application a copy of the transcript or certificate of completion and evaluation of the instructor and course for which he is claiming credit.

3. Credit for a classroom hour requirements may be obtained from the following:

(i) Colleges or Universities, accredited by SACS or an equivalent United States organization;

(ii) Community or Junior Colleges, accredited by SACS or an equivalent United States organization;

(iii) Real Estate Appraisal or Real Estate Related Organizations;

(iv) State or Federal Agencies or Commissions;

(v) Propriety Schools licensed by the Alabama Department of Education or similar agency in the state where the proprietary school is located;

(vi) Other providers approved by the Board.

4. Qualifying education must have been obtained within ten years immediately prior to the application date.

5. Various appraisal courses may be credited toward the ninety classroom hour education requirement. Applicants should demonstrate that their education involved coverage of the topics listed below with particular emphasis on the appraisal of one to four unit residential properties.

(i) Influences on Real Estate Value

(ii) Legal Consideration in Appraisal

(iii) Types of Value

(iv) Economic Principles

- (v) Real Estate Market and Analysis
- (vi) Valuation Process
- (vii) Property Description
- (viii) Highest and Best Use Analysis
- (ix) Appraisal Statistical Concepts
- (x) Sales Comparison Approach
- (xi) Site Valuation
- (xii) Cost Approach
- (xiii) Income Approach
- (xiv) Valuation of Partial Interests
- (xv) Appraisal Standards and Ethics

6. Every applicant for a Licensed Real Property Appraiser license who submits an application on or after January 1, 2008 must submit satisfactory evidence that the education courses completed comply with the requirements of paragraphs 1-4 above and must demonstrate that he or she has completed 150 classroom hours of education in the following subjects:

- (i) 30 Hours Basic Appraisal Principals
- (ii) 30 Hours Basic Appraisal Procedures
- (iii) The 15 hour National USPAP course or its equivalent as determined by the AQB. The USPAP course which fulfills this requirement must have been completed within 24 months immediately proceeding the date the application is filed with the Board.
- (iv) 15 Hours Residential Market Analysis and Highest and Best Use
- (v) 15 Hours Residential Appraiser Site Valuation and Cost Approach

(vi) 30 Hours Residential Sales Comparison and Income Approaches

(vii) 15 Hours Residential Report Writing and Case Studies

The 75 hours of appraisal education submitted with an Alabama Trainee Real Property Appraiser or Alabama State Registered Real Property Appraiser application may be used in meeting the education requirements set out herein.

(d) **Certified Residential Real Property Appraiser.** For applications submitted prior to December 31, 2007, a minimum of one hundred and thirty-five classroom hours, which may include the hours required for previous licensure, of courses in subjects related to real estate appraisal which shall include 15 hours of Uniform Standards of Professional Appraisal Practice. Any USPAP course submitted to fulfill this requirement which is completed on or after January 1, 2003 must be the National USPAP course or its equivalent as determined by the AQB taught by an instructor certified by the AQB and at least one instructor of the class must be a state certified appraiser. The USPAP course which fulfills this requirement must have been completed within 24 months immediately preceding the date the application is filed with the Board.

1. A classroom hour is defined as fifty minutes out of each sixty minute out of each sixty minute segment.

2. Credit toward the classroom hour requirement may only be granted where the length of the educational offering is at least fifteen hours, and the individual successfully completes an examination pertinent to that educational offering. Credit for the classroom hour requirement may only be granted if the applicant includes with his application a copy of the transcript or certificate of completion and evaluation of the instructor and course for which he is claiming credit.

3. Credit for a classroom hour requirement may be obtained from the following:

(i) Colleges or Universities, accredited by SACS or an equivalent United States organization;

(ii) Community or Junior Colleges, accredited by SACS or an equivalent United States organization;

(iii) Real Estate Appraisal or Real Estate Related Organizations;

(iv) State or Federal Agencies or Commissions;

(v) Propriety Schools licensed by the Alabama Department of Education or similar agency in the state where the proprietary school is located;

(vi) Other providers approved by the Board.

4. Qualifying education must have been obtained within ten years immediately prior to the application date.

5. Various appraisal courses may be credited toward the one hundred-twenty classroom hour education requirement. Applicants should demonstrate that their education involved coverage of the topics listed below with particular emphasis on the appraisal of one to four unit residential properties.

- (i) Influences on Real Estate Value
- (ii) Legal Consideration in Appraisal
- (iii) Types of Value
- (iv) Economic Principles
- (v) Real Estate Market and Analysis
- (vi) Valuation Process
- (vii) Property Description
- (viii) Highest and Best Use Analysis
- (ix) Appraisal Statistical Concepts
- (x) Sales Comparison Approach
- (xi) Site Valuation
- (xii) Cost Approach

- (xiii) Income Approach
- (xiv) Valuation of Partial Interests
- (xv) Appraisal Standards and Ethics

6. Every applicant for a Certified Residential Real Property Appraiser license who submits an application on or after January 1, 2008 must submit satisfactory evidence that the education courses completed comply with the requirements of paragraphs 1-4 above and must demonstrate that he or she has completed the following education requirements:

(i) An Associate degree or higher from a college, junior college, community college or university accredited by the Southern Association of Colleges and Schools or a similar recognized entity within the United States; or

(ii) Proof of completion of 21 semester hours of all the following collegiate subjects from a college, junior college, community college or university accredited by the Southern Association of Colleges and Schools or a similar recognized entity within the United States:

1. English Composition;
2. Principals or Economics (Micro or Macro);
3. Finance;
4. Algebra, Geometry, or higher mathematics;
5. Statistics;
6. Introduction to Computers-Word Processing/spreadsheets; and
7. Business or Real Estate Law; and

A minimum of 200 classroom hours of Board-approved appraisal education in the following subjects:

- (iii) 30 Hours Basic Appraisal Principals

- (iv) 30 Hours Basic Appraisal Procedures
- (v) The 15 hour National USPAP course or its equivalent as determined by the AQB. The USPAP course which fulfills this requirement must have been completed within 24 months immediately proceeding the date the application is filed with the Board.
- (vi) 15 Hours Residential Market Analysis and Highest and Best Use
- (vii) 15 Hours Residential Appraiser Site Valuation and Cost Approach
- (viii) 30 Hours Residential Sales Comparison and Income Approaches
- (ix) 15 Hours Residential Report Writing and Case Studies
- (x) 15 Hours Statistics, modeling and Finance
- (xi) 15 Hours Advanced Residential Applications and Case Studies
- (xii) 20 Hours Appraisal Subject Matter Electives

Appraisal education submitted with a prior application for an Alabama Real Property Appraiser license may be used in meeting the education requirements set out herein.

Education previously approved by the Board for any licensure classification is deemed to meet the AQB appraiser qualifications for licensure at the level for which an application was submitted provided that applicant successfully passed the state license examination and a license was issued to the applicant. That education need not be repeated to satisfy the education requirements for a higher level of licensure by the applicant.

While education is deemed sufficient to meet the education requirement of the AQB on or after January 1, 2008, applicants should be aware that the state license examination which will be administered to all applicants on or after January 1, 2008 presumes that the applicant has the knowledge expected to be gained through the course

curriculum required to be completed beginning January 1, 2008,

(e) **Certified General Real Property Appraiser.**

For application submitted on or before December 31, 2007, a minimum of one hundred and eighty classroom hours, which may include the hours required for previous licensure, of courses in subjects related to real estate appraisal which shall include 15 hours of Uniform Standards of Professional Appraisal Practice. Any USPAP course submitted to fulfill this requirement which is completed on or after January 1, 2003 must be the National USPAP course or its equivalent as determined by the AQB taught by an instructor certified by the AQB and at least one instructor of the class must be a State certified appraiser. The USPAP course which fulfills this requirement must have been completed within 24 months immediately preceding the date the application is filed with the Board.

1. A classroom hour is defined as fifty minutes out of each sixty minute segment.

2. Credit toward the classroom hour requirement may only be granted where the length of the educational offering is at least fifteen hours, and the individual successfully completes an examination pertinent to that educational offering. Credit for the classroom hour requirement may only be granted if the applicant includes with his application a copy of the transcript or certificate of completion and evaluation of the instructor and course for which he is claiming credit.

3. Credit for a classroom hour requirement may be obtained from the following:

(i) Colleges or Universities, accredited by SACS or an equivalent United States organization;

(ii) Community or Junior Colleges, accredited by SACS or an equivalent United States organization;

(iii) Real Estate Appraisal or Real Estate Related Organizations;

(iv) State or Federal Agencies or Commissions;

(v) Propriety Schools licensed by the Alabama Department of Education or similar agency in the state where the proprietary school is located;

(vi) Other providers approved by the Board.

4. Qualifying education must have been obtained within ten years immediately prior to the application date.

5. Various appraisal courses may be credited toward the hundred eighty classroom hour education requirement. Applicants should demonstrate that their education involved coverage of the topics listed below with particular emphasis on the appraisal of non-residential properties.

- (i) Influences on Real Estate Value
- (ii) Legal Consideration in Appraisal
- (iii) Types of Value
- (iv) Economic Principles
- (v) Real Estate Market and Analysis
- (vi) Valuation Process
- (vii) Property Description
- (viii) Highest and Best Use Analysis
- (ix) Appraisal Statistical Concepts
- (x) Sales Comparison Approach
- (xi) Site Valuation
- (xii) Cost Approach
- (xiii) Income Approach
- (xiv) Valuation of Partial Interests
- (xv) Appraisal Standards and Ethics

6. Every applicant for a Certified General Real Property Appraiser license who submits an application on or after January 1, 2008 must submit satisfactory evidence that the education courses completed comply with the requirements of paragraphs 1-4 above and must demonstrate that he or she has completed the following education requirements:

(i) A Bachelor's degree or higher from a college or university accredited by the Southern Association of Colleges and Schools or a similar recognized entity within the United States; or

(ii) Proof of completion of 30 semester credit hours of all the following collegiate subjects from a college, junior college, community college or university accredited by the Southern Association of Colleges and Schools or a similar recognized entity within the United States:

1. English Composition;
2. Micro Economics;
3. Macro Economics;
4. Finance;
5. Algebra, Geometry, or higher mathematics;
6. Statistics;
7. Introduction to Computers-Word Processing/spreadsheets; and
8. Business or Real Estate Law;
9. Two Elective Courses in accounting, geography, ageconomics, business management, or real estate; and

A minimum of 300 classroom hours of education in the following subjects:

- (iii) 30 Hours Basic Appraisal Principals
- (iv) 30 Hours Basic Appraisal Procedures

(v) The 15 hour National USPAP course or its equivalent as determined by the AQB. The USPAP course which fulfills this requirement must have been completed within 24 months immediately proceeding the date the application is filed with the Board.

(vi) 30 Hours General Appraiser Market Analysis and Highest and Best Use

(vii) 30 Hours General Appraiser Site Valuation and Cost Approach

(viii) 30 Hours General Appraiser Sales Comparison Approach

(ix) 60 Hours General Appraiser Income Approach

(x) 15 Hours Statistics, Modeling and Finance

(xi) 30 Hours General Appraiser Report Writing and Case Studies

(xii) 30 Hours Appraisal Subject Matter Electives

Appraisal education submitted with a prior application for a Real Property Appraiser license may be used in meeting the education requirements set out herein if the applicant was issued a license as a result of that application.

f. Education previously approved by the Board for any licensure classification is deemed to meet the AQB appraiser qualifications for licensure at the level for which an application was submitted provided that applicant successfully passed the state license examination and a license was issued to the applicant. That education need not be repeated to satisfy the education requirements for a higher level of licensure by the applicant.

g. While education is deemed sufficient to meet the education requirement of the AQB on or after January 1, 2008, applicants should be aware that the state license examination which will be administered to all applicants on or after January 1, 2008 presumes that the applicant has the knowledge expected to be gained through the course

curriculum required to be completed beginning January 1,
2008,

Author: Alabama Real Estate Appraisers Board

Statutory Authority: Code of Ala. 1975, §34-27A-5.