

Document: Proposed Rule, **Register Page Number:** 26 IR 3139

Source: June 1, 2003, Indiana Register, Volume 26, Number 9

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**TITLE 876 INDIANA REAL ESTATE
COMMISSION**

Proposed Rule
LSA Document #02-245

DIGEST

Amends 876 IAC 3-5-1 to remove the continuing education requirement that each licensee or certificate holder retain evidence of a Uniform Standards of Professional Appraisal Practice course until 24 months after the end of the last renewal period. Amends 876 IAC 3-5-1.5 to revise the mandatory continuing education courses required every renewal cycle and to establish Uniform Standards of Professional Appraisal Practice continuing education credit shall only be awarded when an Appraiser Qualification Board certified Uniform Standards of Professional Appraisal Practice instructor teaches the course. Amends 876 IAC 3-5-7 to revise the minimum requirements for instructors used by an approved real estate appraiser continuing education provider. Amends 876 IAC 3-6-4 to require that an appraisal review of an Indiana licensed residential, certified residential, or certified general appraiser or any other licensed appraiser comply with the Uniform Standards of Professional Appraisal Practice. Partially effective 30 days after filing with the secretary of state and partially effective January 2, 2004.

876 IAC 3-5-1

876 IAC 3-5-7

876 IAC 3-5-1.5

876 IAC 3-6-4

SECTION 1. 876 IAC 3-5-1 IS AMENDED TO READ AS FOLLOWS:

876 IAC 3-5-1 Continuing education requirements

Authority: IC 25-34.1-3-8

Affected: IC 25-1-11; IC 25-34.1

Sec. 1. (a) As a prerequisite to renewal of a real estate appraiser license or certification, excluding a trainee license during the first five (5) years of licensure, the licensee or certificate holder shall satisfactorily complete twenty-eight (28) classroom hours of continuing education within that two (2) year renewal period from a real estate appraiser continuing education course provider approved by the board. However, a licensee or certificate holder initially licensed during the first year of a two (2) year renewal period shall be required to complete only fourteen (14) classroom hours of continuing education, and a licensee or certificate holder initially licensed during the second year of a two (2) year renewal period shall not be required to obtain any hours of continuing education.

(b) After holding a trainee's license for a five (5) year period, a trainee is required to satisfactorily complete the continuing education requirement in each following renewal cycle:

(1) If the five (5) year period ends in the first year of a two (2) year renewal cycle, the trainee will be required to complete fourteen (14) hours of continuing education for the remainder of that renewal period.

(2) If the five (5) year period ends in the second year of two (2) year renewal cycle, the trainee shall not be required to obtain any hours of continuing education for that renewal cycle.

(c) The following criteria applies to determine the number of hours:

(1) A classroom hour of instruction is defined as fifty (50) minutes of each sixty (60) minute hour segment.

(2) Credit toward the classroom hour requirement may be granted only where the length of the educational offering is at least two (2) hours.

(3) No more than eight (8) hours of continuing education may be acquired during any one (1) day.

(4) Credit for the classroom hour requirement may be obtained from approved providers which may include organizations of the following types:

- (A) Colleges or universities.
 - (B) Community or junior colleges.
 - (C) Real estate appraisal or real estate related organizations.
 - (D) State or federal agencies or commissions.
 - (E) Proprietary schools.
 - (F) Other providers approved by the board.
 - (G) Providers approved by the Appraiser Qualification Board of the Appraisal Foundation.
- (5) Credit may be granted for education offerings which cover real estate appraisal and related topics which are consistent with the following continuing education requirements:
- (A) Ad valorem taxation.
 - (B) Arbitrations.
 - (C) Business courses related to real estate appraisal.
 - (D) Construction estimating.
 - (E) Ethics and standards of professional practice.
 - (F) Land use planning, zoning, and taxation.
 - (G) Litigation.
 - (H) Management, leasing, brokerage, and timesharing.
 - (I) Property development.
 - (J) Real estate appraisal (valuations or evaluations).
 - (K) The Uniform Standards of Professional Appraisal Practice.
 - (L) Real estate financing and investment.
 - (M) Real estate law.
 - (N) Real estate litigation.
 - (O) Real estate appraisal-related computer applications.
 - (P) Real estate securities and syndication.
 - (Q) Real property exchange.

(d) Notwithstanding subsection (a), continuing education credit may be granted for participation, other than as a student in appraisal educational programs as follows:

- (1) Teaching.
- (2) Program development.
- (3) Authorship of textbooks.

(e) A licensee is not entitled to continuing education credit for any classroom hours, which were used for required prelicensure education under 876 IAC 3-3.

(f) The continuing education requirement is to ensure that appraisers participate in educational programs that maintain and increase their skill, knowledge, and competency in real estate appraising.

(g) The board may verify any information concerning continuing education that is submitted by the licensee or certificate holder as evidence supporting the course information. The board may require licensees or certificate holders to provide information regarding the continuing education hours claimed on the individual's renewal. Failure to do so may lead to disciplinary action as provided for in IC 25-1-11.

(h) It is the responsibility of each licensee or certificate holder to retain evidence to support the courses taken for a period of twenty-four (24) months after the end of the renewal period for which the renewal application is submitted to the board. ~~Evidence of a Uniform Standards of Professional Appraisal Practice course shall be retained until twenty-four (24) months after the end of the last renewal period for which it may be applied.~~ These records shall include one (1) or more of the following:

- (1) Course attendance verification by the sponsor.
- (2) Certificates of course completion.
- (3) Continuing education attendance history by employer or third party.
- (4) Other evidence of support and justification.

(Indiana Real Estate Commission; 876 IAC 3-5-1; filed Sep 24, 1992, 9:00 a.m.: 16 IR 747; filed Dec 8, 1993, 4:00 p.m.: 17 IR 779; filed Apr 10, 1995, 10:00 a.m.: 18 IR 2123; filed Dec 24, 1997, 11:00 a.m.: 21 IR 1764, eff Jan 1, 1998 [IC 4-22-2-36 suspends

the effectiveness of a rule document for thirty (30) days after filing with the secretary of state. LSA Document #97-65 was filed Dec 24, 1997.]; filed Apr 12, 2001, 12:30 p.m.: 24 IR 2705, eff Jan 2, 2002; readopted filed May 29, 2001, 10:00 a.m.: 24 IR 3238)

SECTION 2. 876 IAC 3-5-1.5 IS AMENDED TO READ AS FOLLOWS:

876 IAC 3-5-1.5 Mandatory continuing education courses; approved providers

Authority: IC 25-34.1-3-8

Affected: IC 25-1-11; IC 25-34.1-3-9; IC 25-34.1-8

Sec. 1.5. (a) Every renewal cycle, the following continuing education requirements must be met:

(1) Seven (7) hours of Uniform Standards of Professional Appraisal Practice. ~~and~~

(2) Four (4) hours consisting of all of the following:

(A) Statute concerning disciplining appraisers, IC 25-1-11.

(B) Statute concerning appraiser licensing laws, IC 25-34.1-8, IC 25-34.1-3-8, and IC 25-34.1-3-9.

(C) Administrative rules governing appraiser licensing laws, ~~876 IAC 3~~; **this article**, excluding 876 IAC 3-6-2 and 876 IAC 3-6-3.

(b) Case studies, which may include references to appropriate provisions of the Uniform Standards of Professional Appraisal Practice, may be used in the courses required in subsection (a)(2).

(c) In addition to meeting the requirements in subsection (a)(1), an instructor for the seven (7) hours of Uniform Standards of Professional Appraisal Practice course required by subsection (a)(1) must be:

(1) an Appraiser Qualification Board certified Uniform Standards of Professional Appraisal Practice instructor; and

(2) a state certified residential or certified general real estate appraiser.

However, if the course is taught by two (2) or more instructors, only one (1) is required to be a state certified residential or certified general real estate appraiser.

~~(e)~~ **(d)** The continuing education hours required by subsection (a)(2) must be from a continuing education provider approved under this rule and therefore may not be obtained under sections 9 through 11 of this rule. (*Indiana Real Estate Commission; 876 IAC 3-5-1.5; filed Apr 12, 2001, 12:30 p.m.: 24 IR 2707, eff Jan 2, 2002; readopted filed May 29, 2001, 10:00 a.m.: 24 IR 3238*)

SECTION 3. 876 IAC 3-5-7 IS AMENDED TO READ AS FOLLOWS:

876 IAC 3-5-7 Instructors

Authority: IC 25-34.1-3-8

Affected: IC 25-34.1

Sec. 7. **(a)** Each instructor used by an approved real estate appraiser continuing education provider must possess at least one (1) of the following minimum requirements:

(1) Is a licensed or certified real estate appraiser or licensed real estate broker and has a bachelor's degree with a major or minor in real estate from an accredited college or university. Each instructor qualified under this subdivision must also meet the competency requirements of the Uniform Standards of Professional Appraisal Practice (as adopted in 876 IAC 3-6-2 and 876 IAC 3-6-3) for each course that they teach.

(2) Is a licensed or certified real estate appraiser or licensed real estate broker and has a bachelor's degree from an accredited college or university and a minimum of two (2) years of experience in real estate appraising. Each instructor qualified under this subdivision must also meet the competency requirements of the Uniform Standards of Professional Appraisal Practice (as adopted in 876 IAC 3-6-2 and 876 IAC 3-6-3) for each course that they teach.

(3) Is a licensed or certified real estate appraiser and a minimum of five (5) years of experience as a real estate appraiser. An instructor qualified under this subsection may not teach any course that contains subject matter that is beyond his or her licensed ability to appraise. Each instructor qualified under this subdivision must also meet the competency requirements of the Uniform Standards of Professional Appraisal Practice (as adopted in 876 IAC 3-6-2 and 876 IAC 3-6-3) for each course that they teach.

(4) Has two (2) years of experience as a qualified instructor or professor in the business, finance, or economics department of an accredited college or university.

(5) Has an Indiana real estate broker's license and a minimum of five (5) years of experience as a real estate broker. Each

instructor qualified under this subdivision must also meet the competency requirements of the Uniform Standards of Professional Appraisal Practice (as adopted in 876 IAC 3-6-2 and 876 IAC 3-6-3) for each course that they teach.

(b) In addition to meeting the requirements in subsection (a), an instructor for the seven (7) hours of Uniform Standards of Professional Appraisal Practice course required by section 1.5(a)(1) of this rule must be:

- (1) an Appraiser Qualification Board certified Uniform Standards of Professional Appraisal Practice instructor; and**
- (2) a state certified residential or certified general real estate appraiser.**

However, if the course is taught by two (2) or more instructors, only one (1) is required to be a state certified residential or certified general real estate appraiser. (*Indiana Real Estate Commission; 876 IAC 3-5-7; filed Dec 8, 1993, 4:00 p.m.: 17 IR 780; filed Dec 24, 1997, 11:00 a.m.: 21 IR 1765; readopted filed May 29, 2001, 10:00 a.m.: 24 IR 3238*)

SECTION 4. 876 IAC 3-6-4 IS AMENDED TO READ AS FOLLOWS:

876 IAC 3-6-4 Supervision of licensed residential, certified residential, and certified general appraisers

Authority: IC 25-34.1-3-8

Affected: IC 25-34.1

Sec. 4. (a) When an Indiana licensed residential, certified residential, or certified general appraiser assists another licensed appraiser in the performance of a real estate appraisal, each is subject to the Uniform Standards of Professional Appraisal Practice, as adopted in this rule, and the appraiser assisting as well as the appraiser being assisted must clearly indicate on the appraisal report the extent of significant professional assistance provided by each signatory to the report. Absent a statement to the contrary, each signatory will be mutually responsible for the content of the report.

(b) When an Indiana licensed residential, certified residential, or certified general appraiser in the performance of an appraisal review of an Indiana licensed residential, certified residential, or certified general appraiser or any other licensed appraiser, the reviewer must comply with the Uniform Standards of Professional Appraisal Practice ~~Statement on Appraisal Standards No. 1 (SMT-1)~~; as adopted in this rule. (*Indiana Real Estate Commission; 876 IAC 3-6-4; filed Sep 24, 1992, 9:00 a.m.: 16 IR 749; readopted filed May 29, 2001, 10:00 a.m.: 24 IR 3238*)

SECTION 5. **SECTIONS 2 and 4 of this document take effect January 2, 2004.**

Notice of Public Hearing

Under IC 4-22-2-24, notice is hereby given that on June 26, 2003 at 10:30 a.m., at the Indiana Government Center-South, 402 West Washington Street, Conference Center Room 12, Indianapolis, Indiana the Indiana Real Estate Commission will hold a public hearing on proposed amendments to remove the continuing education requirement that each licensee or certificate holder retain evidence of a Uniform Standards of Professional Appraisal Practice course until 24 months after the end of the last renewal period; to revise the mandatory continuing education courses required every renewal cycle and to establish Uniform Standards of Professional Appraisal Practice continuing education credit shall only be awarded when an Appraiser Qualification Board certified Uniform Standards of Professional Appraisal Practice instructor teaches the course; to revise the minimum requirements for instructors used by an approved real estate appraiser continuing education provider; and to require that an appraisal review of an Indiana licensed residential, certified residential, or certified general appraiser or any other licensed appraiser comply with the Uniform Standards of Professional Appraisal Practice. Copies of these rules are now on file at the Indiana Government Center-South, 302 West Washington Street, Room E012 and Legislative Services Agency, One North Capitol, Suite 325, Indianapolis, Indiana and are open for public inspection.

Gerald H. Quigley
Executive Director
Indiana Professional Licensing Agency