

**CHAPTER 101-02-01
APPLICATION AND FEES FOR APPRENTICE, LICENSURE, AND
CERTIFICATION**

Section	
101-02-01-01	Application to Take the Examination
101-02-01-02	Application for Apprentice, Licensure, or Certification
101-02-01-02.1	Denial of Application
101-02-01-03	Filing Fees
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101-02-01-02.1. Denial of application. If an application is denied, the board will notify the applicant of the denial and specify the basis for the denial.

History: Effective July 1, 2012

General Authority: NDCC 43-23.3-03

Law Implemented: NDCC 43-23.3-03

101-02-01-03. Filing fees. Fees will not be prorated.

1. The following application fees will be charged:

a.	Apprentice appraiser permit	\$100
b.	Licensed appraiser permit	\$400
c.	Certified residential appraiser permit	\$400
d.	Certified general appraiser permit	\$400

2. The following annual renewal fees will be charged:

a.	Apprentice appraiser permit	\$350
b.	Licensed appraiser permit	\$350 + national registry fee
c.	Certified residential permit	\$350 + national registry fee
d.	Certified general permit	\$350 + national registry fee
e.	Inactive status	\$100
f.	Late filing fee (per month)	\$100

3. Other fees:
 - a. Temporary practice permit-per contract \$150-250
 - b. Approval of prelicensing or precertification educational courses \$150
 - c. Approval of continuing educational courses:
 - (1) Courses two to eight hours in length \$ 50
 - (2) Courses over eight hours in length \$100
 - d. Appraiser list on disk \$ 25
 - e. Pocket card replacement \$ 25
 - f. Wall certificate replacement \$ 25
 - g. Change of name or address \$ 25

History: Effective October 1, 1992; amended effective January 1, 1995; October 1, 1998; February 1, 2003; January 1, 2008; July 1, 2012; January 1, 2015.

General Authority: NDCC 43-23.3-20

Law Implemented: NDCC 43-23.3-05

101-02-02-03. Apprentice appraiser.

1. **Definition.** An apprentice appraiser permit must be issued to an individual who successfully meets all of the board requirements for such a permit. An apprentice appraiser permit is considered the entry level (training ground level) for a North Dakota appraiser.
2. **Competency.** ~~An apprentice appraiser permit is considered the entry level (training ground level) for a North Dakota appraiser.~~ The apprentice appraiser shall assist either a licensed or a certified appraiser in appraisal work, provided the licensed or certified appraiser accepts full responsibility for the appraisal performed. The scope of practice for the apprentice appraiser is the appraisal of those properties that the supervising appraiser is permitted and qualified to appraise. The apprentice appraiser shall be subject to the uniform standards of professional appraisal practice.
3. **Background check.** An applicant for an apprentice appraiser permit must undergo background screening to ensure that the applicant does not

possess a background that could call into question public trust. The applicant shall submit finger prints and any appropriate identifying information for submission to the federal bureau of investigation and/or government agency or entity authorized to receive such information in connection with a state and national background check.

a. All costs associated with obtaining a background check are the responsibility of the applicant.

b. An applicant will not be considered for an apprentice permit if:

(1) The applicant has had an appraiser apprentice, license or certification revoked in any governmental jurisdiction within the five year period immediately preceding the date of application.

(2) The applicant has been convicted of, or pled guilty or nolo contendere to, a felony in domestic or foreign court:

(a) during the five year period immediately preceding the date of the application for an apprentice permit.

(b) at any time preceding the date of application, if such felony involved an act of fraud, dishonesty, or a breach of trust, or money laundering.

(3) The applicant has failed to demonstrate character and general fitness such as to command the confidence of the community and to warrant a determination that the appraiser will operate honestly, fairly, and efficiently within the purposes of these criteria.

c. The following additional background issues will be evaluated and considered prior to issuing an apprentice permit:

(1) Convictions of any criminal offense involving dishonesty, breach of trust, or money laundering against the applicant or organizations controlled by the applicant, or agreements to enter into a pretrial diversion or similar program in connection with the prosecution for such an offense.

(2) Civil judicial actions against the individual in connection with financial services-related activities, dismissals with settlements, or judicial findings that the individual violated

financial services-related statutes or regulations, except for actions dismissed without a settlement agreement.

(3) Actions or orders by a state or federal regulatory agency or foreign financial regulatory authority that:

(a) Found the applicant to have made a false statement or omission or been dishonest, unfair or unethical; to have been involved in a violation of a financial services-related regulation or statute; or to have been a cause of a financial services-related business having its authorization to do business denied, suspended, revoked, or restricted.

(b) Are entered against the applicant in connection with a financial services-related activity.

(c) Denied, suspended, or revoked the applicant's apprentice, license or certification permit to engage in a financial-services-related business or restricted the applicant activities.

(d) Barred the applicant from association with an entity or its officers regulated by the agency or authority of from engaging in a financial services-related business.

(4) Final orders issued by a state or federal regulatory agency or foreign financial regulatory authority based on violations of any law or regulation that prohibits fraudulent, manipulative, or deceptive conduct.

(5) Revocation or suspension of the applicant's authorization to act as an attorney, accountant, or state or federal contractor.

(6) Customer-initiated financial services-related arbitration or civil action against the applicant that required action, including settlements, or which resulted in a judgment.

3 4. Examination. An applicant for an apprentice permit must pass an open book examination covering North Dakota Century Code chapter 43-23.3 and North Dakota Administrative Code title 101.

4 5. **Education.** An applicant for the apprentice appraiser permit shall meet all of the following education requirements:

- a. ~~An applicant for an apprentice appraiser permit must have successfully completed seventy-five~~ Seventy five class hours in subjects related to real estate appraisal which cover the required core curriculum as established by the appraisal qualifications board of the appraisal foundation and approved as such, by the board.
 - (1) Coverage must include a minimum of all of the following:
 - ~~(1)(a)~~ Thirty hours of basic appraisal principles.
 - ~~(2)(b)~~ Thirty hours of basic appraisal procedures.
 - ~~(3)(c)~~ The fifteen-hour national uniform standards of appraisal practice course or its equivalent.
- b. (2) Class hours will be credited only for educational offerings with content that follows the required core curriculum.
- e. (3) A class hour is defined as sixty minutes, of which at least fifty minutes are instruction attended by the student.
- d. (4) Credit toward the class hour requirement may only be granted when the length of the educational offering is at least fifteen hours, and the individual successfully completes a closed-book examination pertinent to that educational offering.
- e. (5) The prescribed number of class hours includes time for examinations.
- f. (6) Uniform standards of professional appraisal practice qualifying education credit shall only be awarded when the class is instructed by at least one appraisal qualifications board-certified instructor who is state-certified.
- g. (7) Credit for the class requirement may be obtained from the following:
 - ~~(1)~~ (a) Colleges or universities.
 - ~~(2)~~ (b) Community or junior colleges.

- ~~(3)~~ (c) Real estate appraisal or real estate-related organizations.
- ~~(4)~~ (d) State or federal agencies or commissions.
- ~~(5)~~ (e) Proprietary schools.
- ~~(6)~~ (f) Providers approved by the board.
- ~~(7)~~ (g) The appraisal foundation or its boards.
- h. (8) Credit toward qualifying education requirements may also be obtained by the completion of a ~~graduate (master or doctoral)~~ degree in real estate from an accredited degree-granting college or university approved by the American association to advance of collegiate schools of business, or a regional or national accreditation agency recognized by the United States secretary of education, provided that the college or university has had its curriculum reviewed and approved by the appraisal qualifications board.
- i. (9) Applicants for the apprentice level who are awarded ~~graduate~~ degrees from approved institutions are required to complete all additional education required for the ~~credential~~ permit in which the approved degree is judged to be deficient by the appraisal qualifications board.
- i. (10) All hours may be by distance education. Distance education is an educational process in which the student and instructor are geographically separated. Distance education includes online learning, internet-based instruction, CD-ROM instruction, correspondence courses, and videoconferencing. An acceptable distance education course must meet all of the following requirements:
 - ~~(1)~~ (a) Provide interaction between the student and the instructor. Interaction is a reciprocal environment in which the student has verbal or written communication with the instructor.
 - ~~(2)~~ (b) Be approved for content by the board, the appraisal qualifications board of the appraisal foundation, or an accredited college, community college, or university, that offers distance education programs and is approved or accredited by the commission on

colleges, a regional or national accreditation association, or by an accrediting agency that is recognized by the United States secretary of education. Nonacademic credit college courses provided by a college shall be approved by the appraisal qualifications board of the appraisal foundation or the board.

- ~~(3)~~ (c) Obtain course delivery mechanism approval from one of the following sources:
 - ~~(a)~~ [1] Appraisal qualifications board-approved organizations providing approval of course design and delivery.
 - ~~(b)~~ [2] A college that qualifies for content approval in paragraph 2- (b) and that awards academic credit for the distance education course.
 - ~~(c)~~ [3] A qualifying college or university for content approval with a distance education delivery program that approves the course design and delivery that incorporates interactivity.
- ~~(4)~~ (d) Require the student to successfully complete a written examination proctored by an official approved by the presenting college or university, or sponsoring organization. Written exam refers to an exam written on paper or administered electronically on a computer work station or other device.
- ~~(5)~~ (e) Meet the requirements for qualifying education established by the appraisal qualifications board of the appraisal foundation.
- ~~(6)~~ (f) Be equivalent to at least fifteen class hours.
- ~~j-~~ (11) Courses that have received approval by the appraiser qualifications board of the appraisal foundation through the appraiser qualifications course approval program may be acceptable to the board without additional state review.
- ~~k-~~ (12) Courses taken to satisfy the qualifying education requirements must not be repetitive. Uniform standards of professional appraisal practice courses taken in different

years are not repetitive. Courses shall foster problem-solving skills in the education process by utilizing case studies as a major teaching method when applicable.

- l. (13) Courses taken to meet the seventy-five hour apprentice requirement can be creditable toward the licensure and certification education requirement.
- m. (14) Courses taken for the class hour requirement when an individual seeks a different classification than that held may also be counted for the continuing education requirement of the classification held.
- n. (15) The applicant must be familiar with North Dakota Century Code chapter 43-23.3 and North Dakota Administrative Code title 101.

(16) All qualifying education must be completed within the five year period prior to the date of submission of an apprentice application.

b. The apprentice shall be required to complete a course that complies with the specifications for course content established by the appraisal qualifications board, which is specifically oriented to the requirements and responsibilities of supervisory appraisers and apprentice appraisers.

(1) The course must be completed by the apprentice prior to obtaining an apprentice permit.

(2) The course is not eligible towards the required seventy-five hours of qualifying education.

5 6. **Experience.** No experience is required for the apprentice appraiser.

6 7. **Apprentice appraiser responsibilities.** The apprentice appraiser must be subject to direct supervision by a supervising appraiser who must be state licensed or certified in good standing.

a. Prior to issuance of an apprentice appraiser permit the applicant for the apprentice level is required to register the name, office and address of each supervising appraiser with the board on a form prescribed by the board. Registration of a supervising appraiser is effective the day the registration forms from both the supervising appraiser and apprentice appraiser are received and approved. These forms can be obtained by contacting the board office.

- (1) The apprentice and supervising appraiser shall notify the board in writing within ten days of terminating supervision.
 - (2) The apprentice appraiser is permitted to have more than one supervising appraiser.
- b. The scope of practice for the apprentice appraiser is the appraisal of those properties that the supervising appraiser is permitted by the supervising appraiser's current ~~credential~~ permit and that the supervising appraiser is qualified to appraise.
- c. To obtain experience credit for appraisals, the apprentice must sign the report, sign the certification, or be given credit in the certification as having provided significant professional assistance.
- d. The apprentice appraiser and supervising appraiser shall jointly maintain a log of all appraisals for which the apprentice completed seventy-five percent or more of the assignment. It is the responsibility of both the supervisory appraiser and apprentice to ensure the experience log is accurate and current. The log, at a minimum, must include the following for each appraisal:
- (1) Type of property.
 - (2) Date of report.
 - (3) Address of appraised property.
 - (4) Description of work performed by the apprentice and scope of the review and supervision of the supervising appraiser.
 - (5) Number of actual work hours by the apprentice per on the assignment.
 - (6) Signature and state license or certification number of the supervising appraiser.
- e. Separate appraisal logs must be maintained for each supervising appraiser.
- f. The apprentice appraiser is entitled to obtain copies of appraisal reports the apprentice appraiser prepared.

- 7 8. **Supervisor responsibilities.** A ~~licensed~~ or certified appraiser who wishes to supervise an apprentice must register with the board on a form prescribed by the board. Registration of a supervising appraiser is effective the day the registration forms from both the supervising appraiser and from the apprentice appraiser are received and approved. These forms can be obtained by contacting the board office.
- a. The apprentice and supervising appraiser shall notify the board in writing within ten days of terminating supervision.
 - b. The apprentice appraiser is permitted to have more than one supervising appraiser.
 - c. The supervising appraiser shall be required to complete a course that complies with the specifications for course content established by the appraisal qualifications board, which is specifically oriented to the requirements and responsibilities of supervisory appraisers and apprentice appraisers. The course must be completed by the supervisory appraiser prior to supervising an apprentice appraiser.
 - ed. The supervising appraiser must pass an open-book examination covering North Dakota Century Code chapter 43-23.3 and North Dakota Administrative Code title 101.
 - de. The supervising appraiser is responsible for the training, guidance, and direct supervision of the apprentice appraiser. Training, guidance, and direct supervision means:
 - (1) Each supervising appraiser must accept responsibility for the appraisal report by signing and certifying that the report complies with generally accepted appraisal procedures and is in compliance with the uniform standards of professional appraisal practice.
 - (2) Each supervising appraiser must review and sign the apprentice appraisal reports.
 - (3) Each supervising appraiser must personally inspect each appraised property's interior and exterior with the apprentice appraiser on at least the first twenty-five appraisal assignments requiring inspection and until the supervising Appraiser determines the apprentice appraiser is competent in accordance with the competency provision of the uniform standards of professional appraisal practice for the property

type. A separate log must be maintained for these twenty-five appraisals.

- ef. A supervising appraiser registration may be disciplined if the board determines that the supervisor has failed to directly supervise an apprentice appraiser.
- g. A supervising appraiser shall be certified and in good standing in the jurisdiction in which the apprentice appraiser practices for a period of at least three years.
- fh. A supervising appraiser must have a ~~license or~~ certified permit in good standing and not subject to any disciplinary action within the last ~~two~~ three years that affects the supervising appraiser's legal eligibility to engage in appraisal practice.
- i. A supervisory appraiser subject to disciplinary action would be considered to be in good standing three years after the successful completion or termination of the sanction imposed against the appraiser.
- j. A supervising appraiser must comply with the competency rule of the uniform standards of professional appraisal practice for the property type and geographic location the apprentice is being supervised.
- g k. A supervising appraiser is limited to supervising no more than three apprentice appraisers at one time.
- h-l. A supervising appraiser shall keep copies of appraisal reports for a period of five years or at least two years after final disposition of any judicial proceedings in which testimony was given, whichever period expires last.

History: Effective October 1, 1992; amended effective October 1, 1998; February 1, 2003; January 1, 2008; July 1, 2012; January 1, 2015.

General Authority: NDCC 43-23.3-03

Law Implemented: NDCC 43-23.3-03, 43-23.3-06, 43-23.3-08, 43-23.3-09, 43-23.3-17, 43-23.3-18

101-02-02-05. Licensed appraiser.

1. **Definitions.** A licensed appraiser permit must be issued to an individual who successfully meets all of the board requirements for such a permit.

2. **Competency.** The licensed appraiser is allowed to appraise noncomplex, one-to-four family residential properties that have a transaction value of up to one million dollars and complex one-to-four family residential properties that have a transaction value of up to two hundred fifty thousand dollars. In addition, a licensed appraiser is allowed to appraise noncomplex, nonresidential properties, that have a transaction value of up to two hundred fifty thousand dollars. The licensed appraiser is bound by the competency provisions of the uniform standards of professional appraisal practice.

3. **Background check.** An applicant for a licensed appraiser permit must undergo background screening to ensure that the applicant does not possess a background that could call into question public trust. The applicant shall submit finger prints and any appropriate identifying information for submission to the federal bureau of investigation and/or government agency or entity authorized to receive such information in connection with a state and national background check.
 - a. All costs associated with obtaining a background check are the responsibility of the applicant.

 - b. An applicant will not be considered for a licensed permit if:
 - (1) The applicant has had an appraiser apprentice, license or certification permit revoked in any governmental jurisdiction within the five year period immediately preceding the date of application.

 - (2) The applicant has been convicted of, or pled guilty or nolo contendere to, a felony in domestic or foreign court:
 - (a) during the five year period immediately preceding the date of the application for licensure.

 - (b) at any time preceding the date of application, if such felony involved an act of fraud, dishonesty, or a breach of trust, or money laundering.

 - (3) The applicant has failed to demonstrate character and general fitness such as to command the confidence of the community and to warrant a determination that the appraiser will operate honestly, fairly, and efficiently within the purposes of these criteria.

c. The following additional background issues will be evaluated and considered prior to issuing a licensed permit:

- (1) Convictions of any criminal offense involving dishonesty, breach of trust, or money laundering against the applicant or organizations controlled by the applicant, or agreements to enter into a pretrial diversion or similar program in connection with the prosecution for such an offense.
- (2) Civil judicial actions against the individual in connection with financial services-related activities, dismissals with settlements, or judicial findings that the individual violated financial services-related statutes or regulations, except for actions dismissed without a settlement agreement.
- (3) Actions or orders by a state or federal regulatory agency or foreign financial regulatory authority that:
 - (a) Found the applicant to have made a false statement or omission or been dishonest, unfair or unethical; to have been involved in a violation of a financial services-related regulation or statute; or to have been a cause of a financial services-related business having its authorization to do business denied, suspended, revoked, or restricted.
 - (b) Are entered against the applicant in connection with a financial services-related activity.
 - (c) Denied, suspended, or revoked the applicant's apprentice, license or certification permit to engage in a financial-services-related business or restricted the applicant activities.
 - (d) Barred the applicant from association with an entity or its officers regulated by the agency or authority of from engaging in a financial services-related business.
- (4) Final orders issued by a state or federal regulatory agency or foreign financial regulatory authority based on violations of any law or regulation that prohibits fraudulent, manipulative, or deceptive conduct.

- (5) Revocation or suspension of the applicant's authorization to act as an attorney, accountant, or state or federal contractor.
- (6) Customer-initiated financial services-related arbitration or civil action against the applicant that required action, including settlements, or which resulted in a judgment.

3 4. **Examination.** An applicant for a licensed appraiser permit must have successfully completed the board-approved uniform licensing examination or its equivalent. The only alternative to the licensure examination is successful completion of the certified residential examination or certified general examination. Successful completion of the examination is valid for a period of twenty-four months. The licensure permit must be obtained within twenty-four months of successful completion of the examination or the examination must be retaken. An applicant for the uniform licensure examination as a licensed appraiser must shall furnish proof to the board that the applicant has:

- a. successfully completed the applicable education required by subsection 4 5.
- b. met the applicable experience, in hours and years, as required by subsection 6.

4-5. **Education.** An applicant for a licensed appraiser permit shall meet all of the following education requirements:

- a. Thirty semester hours of college level education or higher from an accredited college, junior college, community college or university.
 - (1) The college or university must be a degree-granting institution accredited by the commission on colleges, a regional or national accreditation association, or an accrediting agency that is recognized by the United States secretary of education. If the college or university accepts the college-level examination program and examinations and issues a transcript for the examinations, showing its approval, it will be considered as credit for the college course. For college-level courses taken in a quarterly system, one quarter credit hour is equivalent to two-thirds semester credit hour.
 - (2) College-level education completed at a foreign college or university will be acceptable provided the education has been evaluated and deemed equivalent by one of the following:

- (a) An accredited degree-granting domestic college or university.
- (b) The American association of collegiate registrars and admissions officers.
- (c) A foreign degree credential evaluation service company that is a member of the national association of credential evaluation services.
- (d) A foreign degree credential evaluation service company that provides equivalency evaluation reports accepted by an accredited degree-granting domestic college or university or by a state licensing board that issues a credential in another discipline.

a b. In addition to thirty hours of college level education an applicant for licensure must complete One one hundred fifty class hours in subjects related to real estate appraisal which cover the required core curriculum as established by the appraisal qualifications board of the appraisal foundation and approved as such, by the board.

(1) Coverage must include a minimum of all of the following:

~~(1)~~(a) Thirty hours of basic appraisal principles.

~~(2)~~(b) Thirty hours of basic appraisal procedures.

~~(3)~~(c) The fifteen-hour national uniform standards of appraisal practice course or its equivalent.

~~(4)~~(d) Fifteen hours of residential market analysis and highest and best use.

~~(5)~~(e) Fifteen hours of residential appraiser site valuation and cost approach.

~~(6)~~(f) ~~Fifteen~~ Thirty hours of residential sales comparison and income approaches.

~~(7)~~(g) Fifteen hours of residential report writing and case studies.

[1] An apprentice appraiser may satisfy the educational requirements for the licensed level

by completing the following additional educational hours:

i Fifteen hours of residential market analysis and highest and best use.

ii Fifteen hours of residential appraiser site valuation and cost approach.

iii Thirty hours of residential sales comparison and income approaches.

iv Fifteen hours of residential report writing and case studies.

~~b.~~(2) Class hours will be credited only for educational offerings with content that follows the required core curriculum.

~~c.~~(3) A class hour is defined as sixty minutes, of which at least fifty minutes are instruction attended by the student.

~~d.~~(4) Credit toward the class hour requirement may only be granted when the length of the educational offering is at least fifteen hours, and the individual successfully completes a closed-book examination pertinent to that educational offering.

~~e.~~(5) The prescribed number of class hours includes time for examinations.

~~f.~~ (6) Uniform standards of professional appraisal practice education credit shall only be awarded when the class is instructed by at least one appraisal qualifications board-certified instructor who is state-certified.

~~g.~~(7) Credit for the class hour requirement may be obtained from the following:

~~(1)~~ (a) Colleges or universities.

~~(2)~~ (b) Community or junior colleges.

~~(3)~~ (c) Real estate appraisal or real estate-related organizations.

~~(4)~~ (d) State or federal agencies or commissions.

~~(5)~~ (e) Proprietary schools.

~~(6)~~ (f) Providers approved by the board.

~~(7)~~ (g) The appraisal foundation or its boards.

~~h-~~(8) There is no time limit regarding when qualifying education credit must have been obtained.

~~i-~~(9) All hours may be by distance education. Distance education is an educational process in which the student and instructor are geographically separated. Distance education includes online learning, internet-based instruction, CD-ROM instruction, correspondence courses, and videoconferencing. An acceptable distance education course must meet all of the following requirements:

~~(1)~~(a) Provide interaction between the student and the instructor. Interaction is a reciprocal environment when the student has verbal or written communication with the instruction.

~~(2)~~(b) Be approved for content by the board, the appraisal qualifications board of the appraisal foundation, or an accredited college, community college, or university, that offers distance education programs and is approved or accredited by the commission on colleges, a regional or national accreditation association, or by an accrediting agency that is recognized by the United States secretary of education. Nonacademic credit college courses provided by a college shall be approved by the appraisal qualifications board of the appraisal foundation, or the board.

~~(a)~~(c) Obtain course delivery mechanism approval from one of the following sources:

[1] Appraisal qualifications board-approved organizations providing approval of course design and delivery.

- [2] A college that qualifies for content approval in paragraph b that awards academic credit for the distance education course.
 - [3] A qualifying college or university for content approval with a distance education delivery program that approves the course design and delivery that incorporate interactivity.
- ~~(b)~~(d) Require the student to successfully complete a written examination proctored by an official approved by the presenting college, university, or sponsoring organization. Written exam refers to an exam written on paper or administered electronically on a computer work station or other device.
- ~~(e)~~(e) Meet the requirements for qualifying education established by the appraisal qualifications board of the appraisal foundation.
- ~~(d)~~(f) Be equivalent to at least fifteen class hours.
- ~~j~~(10) Courses that have received approval by the appraiser qualifications board of the appraisal foundation through the appraiser qualifications course approval program may be acceptable to the board without additional state review.
- ~~k~~(11) Courses taken to satisfy the qualifying education requirements must not be repetitive. Uniform standards of professional appraisal practice courses taken in different years are not repetitive. Courses shall foster problem-solving skills in the education process by utilizing case studies as a major teaching method when applicable.
- ~~l~~(12) Courses taken for the class hour requirement when an individual seeks a different classification than that held may also be counted for the continuing education requirement of the classification held.
- ~~m~~(13) Credit toward qualifying education requirements may also be obtained by the completion of a graduate (master or doctoral) degree in real estate from an accredited degree-granting college or university approved by the American association to advance of collegiate schools of business, or a regional or national accreditation agency recognized by the

United States secretary of education, provided that the college or university has had its curriculum reviewed and approved by the appraisal qualifications board. Applicants for the licensed level who are awarded degrees from approved institutions are required to complete all additional education required for the credential in which the approved degree is judged to be deficient by the appraisal qualifications board.

(14) Applicants for the licensed level who are awarded degrees from approved institutions are required to complete all additional education required for the permit in which the approved degree is judged to be deficient by the appraisal qualifications board.

~~a.~~(15) The applicant must be familiar with North Dakota Century Code chapter 43-23.3 and North Dakota Administrative Code title 101.

~~e.~~(16) Experience may not be substituted for education.

56. **Experience.** A licensed appraiser must have the equivalent of two thousand hours of credible appraisal experience prior to obtaining the licensing permit. The experience requirements must be satisfied by time spent on the appraisal process. The appraisal process consists of analyzing factors that affect value, defining the problem, gathering and analyzing data, applying the appropriate analysis and methodology, and arriving at an opinion and correctly reporting the data, analysis, and opinion in compliance with the uniform standards of professional appraisal practice. The applicant for licensure must submit a log from which the board will select for review a minimum of three ~~summary or self-contained~~ residential appraisal reports. All three of the reports must meet the current uniform standards of professional appraisal practice as of the effective date of the appraisal and must reflect that the applicant has an acceptable level of competency and understanding of the principles, practices, and procedures consistent with the body of knowledge for the licensed level.

a. Adequate experience will be determined by the actual hours spent on an assignment, subject to a maximum established by the board.

(1) Maximum hours are based on the types of appraisals performed and the types of properties appraised.

(2) Types of appraisals performed include standard appraisal, review appraisal, and condemnation appraisal.

- (a) A standard appraisal is the process of developing an appraisal using those methods commonly accepted by real estate appraisers as constituting the appraisal process and preparing a written appraisal report or file memorandum describing the appraisal and reporting the estimate of value. The appraisal process consists of an analysis of factors that affect value, definition of the problem, gathering and analyzing data, applying the appropriate value approaches and methodology, arriving at an opinion of value, and correctly reporting the opinion of value in compliance with the uniform standards of professional appraisal practice.
- (b) A review appraisal is the process of critically reviewing an appraisal report prepared by another appraiser and preparing a separate written report or file memorandum setting forth the results of the review process. The review appraiser reviews the report and forms an opinion as to the adequacy of the report, the appropriateness of the methods used by the appraiser, and the reasonableness of the appraiser's conclusions. A review appraiser may or may not perform a field review. A field review includes inspecting the subject and comparables to verify data, to determine the appropriateness of the comparables selected and adjustments made, and to assist in determining the reasonableness of the value estimate. Review appraisal experience must conform to standard three of the uniform standards of professional appraisal practice. Review appraisal experience should be given credit to the extent that it demonstrates proficiency in appraisal principles, techniques, or skills used by appraisers practicing under applicable uniform standards of professional appraisal practice standards.
- (c) A condemnation appraisal is an appraisal of real property for condemnation purposes, including situations where a partial taking is involved and the appraiser must develop both a before taking value estimate and an after taking value estimate. The appraiser uses those methods commonly accepted by real estate appraisers as constituting the appraisal process including a field inspection and preparation of a written appraisal report or file memorandum describing the appraisal and reporting the before and after value estimates.

- (3) Types of property appraised may include the following:
- (a) Land may include farms of one hundred acres [40.47 hectares] or more in size, undeveloped tracts, residential multifamily sites, commercial sites, industrial sites, and land in transition.
 - (b) Residential multifamily, five-12 units may include apartments, condominiums, townhouses, and mobile home parks.
 - (c) Residential multifamily, thirteen-plus units may include apartments, condominiums, townhouses, and mobile home parks.
 - (d) Commercial single-tenant may include office building, retail store, restaurant, service station, bank, and day care center.
 - (e) Commercial multitenant may include office building, shopping center, and hotel.
 - (f) Industrial may include warehouse and manufacturing plant.
 - (g) Institutional may include rest home, nursing home, hospital, school, church, and government building.
- (4) The number of allowable hours assigned for each appraisal type are assigned by the board and are included on the application for licensure and certification. A copy of this form can be obtained by contacting the board office.
- b. The two thousand hours of experience must be obtained using at least one year of appraisal practice gained over a period of at least twelve months.
 - c. There is no other time limit regarding when qualifying experience may be obtained.
 - d. Hours may be treated as cumulative in order to achieve the necessary two thousand hours of appraisal experience.

- e. Acceptable appraisal experience includes, but is not limited to, the following:
- (1) Fee and staff appraisal, ad valorem tax appraisal, condemnation appraisal, technical review appraisal, appraisal analysis, real estate consulting (excludes related fields such as real estate lending), highest and best use analysis, and feasibility analysis or study.
 - (a) Mass appraisal experience must conform to standard six of the uniform standards of professional appraisal practice. Mass appraisal experience claimed by the applicant should be given credit to the extent that it demonstrates proficiency in appraisal principles, techniques, or skills used by appraisers practicing under applicable standards of the uniform standards of professional appraisal practice.
 - (b) Review of real estate appraisals or real property consulting services, including market analysis, cash flow and investment analysis, and feasibility analysis, must conform to standards three, four, and five of the uniform standards of professional appraisal practice. Experience involving these functions should be given credit to the extent that it demonstrates proficiency in appraisal principles, techniques, or skills used by appraisers practicing under standard one of the uniform standards of professional appraisal practice.
 - (c) A market analysis typically performed by a real estate broker or sales person should be awarded experience credit when the analysis is prepared in conformity with standards one and two of the uniform standards of professional appraisal practice, the individual can demonstrate that the individual is using techniques and methods consistent with those used by appraisers to value property and the individual is effectively utilizing the appraisal process.
 - (d) Real property appraisal experience should be awarded for appraisals of real estate components, estates, or interests unless the appraiser has not complied with standards one, two, and six of the uniform standards of professional appraisal practice.

- (2) No more than two hundred hours of the total experience credit may be in related areas. Related experience includes consulting.
- f. Documentation in the form of reports, certifications, and file memoranda must be provided to support the experience claimed. If reports and file memoranda are unavailable for good cause, the board may accept other evidence of compliance with the uniform standards of professional appraisal practice.
 - g. The verification for the two thousand hours of experience credit claimed by an applicant shall be on forms prescribed by the board which shall include all of the following:
 - (1) Type of property.
 - (2) Date of report.
 - (3) Address of appraised property.
 - (4) Description of work performed by the applicant and scope of the review and supervision of the supervising appraiser.
 - (5) Number of actual work hours ~~per~~ on the assignment.
 - (6) The signature and permit number of the supervising appraiser, if applicable.
 - ~~(7)~~h. Separate appraisal logs must be maintained for each supervising appraiser, if applicable.
 - hi. There need not be a client in order for an appraisal to qualify for experience. Appraisals made without clients can fulfill up to fifty percent of the total experience requirement.
 - h.j. Case studies or practicum courses that are approved by the board or through the appraisal qualifications board of the appraisal foundation course approval program can satisfy the nonclient experience requirement.
 - (1) A practicum course must include the generally applicable methods of appraisal practice for the credential permit category. Content includes all of the following:

- (a) Requiring the student to produce credible appraisals that utilize an actual subject property.
 - (b) Performing market research containing sales analysis.
 - (c) Applying and reporting the applicable appraisal approaches in conformity with the uniform standards of professional appraisal practice.
- (2) Assignments must require problem-solving skills for a variety of property types for the ~~credential~~ permit category.
 - (3) Experience credit shall be granted for the actual class hours of instruction and hours of documented research and analysis as awarded from the practicum course approval process.
- j k. All experience must be obtained after January 30, 1989, and must be uniform standards of professional appraisal practice compliant, where the appraiser demonstrates proficiency in appraisal principles, methodology, procedures (development), and reporting conclusions.
 - k l. After accumulating a minimum of fifty percent of the required appraisal experience, an applicant for licensure may voluntarily submit work product to the board to be reviewed by a board reviewer for educational purposes only. A maximum of two reports may be submitted for review. The board will not initiate a complaint for violations identified in this review.

History: Effective October 1, 1992; amended effective January 1, 1995; October 1, 1998; February 1, 2003; January 1, 2008; July 1, 2012; January 1, 2015.

General Authority: NDCC 43-23.3-03, 43-23.3-09

Law Implemented: NDCC 43-23.3-03, 43-23.3-06, 43-23.3-07, 43-23.3-08, 43-23.3-09, 43-23.3-17, 43-23.3-18

101-02-02-05.1. Certified residential appraiser.

- 1. **Permit.** A certified residential appraiser permit must be issued to an individual who successfully meets all of the board requirements for such a permit.
- 2. **Competency.** The certified residential appraiser may appraise one-family to four-family family residential properties without regard to value or complexity. In addition, a certified residential appraiser may appraise

noncomplex, nonresidential properties, that have a transaction value of up to two hundred fifty thousand dollars. The certified residential appraiser is bound by the competency provision of the uniform standards of professional appraisal practice.

3. **Background check.** An applicant for a certified residential appraiser permit must undergo background screening to ensure that the applicant does not possess a background that could call into question public trust. The applicant shall submit finger prints and any appropriate identifying information for submission to the federal bureau of investigation and/or government agency or entity authorized to receive such information in connection with a state and national background check.

a. All costs associated with obtaining a background check are the responsibility of the applicant.

b. An applicant will not be considered for the certified residential permit if:

(1) The applicant has had an appraiser apprentice, license or certification permit revoked in any governmental jurisdiction within the five year period immediately preceding the date of application.

(2) The applicant has been convicted of, or pled guilty or nolo contendere to, a felony in domestic or foreign court:

(a) during the five year period immediately preceding the date of the application for certification.

(b) at any time preceding the date of application, if such felony involved an act of fraud, dishonesty, or a breach of trust, or money laundering.

(3) The applicant has failed to demonstrate character and general fitness such as to command the confidence of the community and to warrant a determination that the appraiser will operate honestly, fairly, and efficiently within the purposes of these criteria.

c. The following additional background issues will be evaluated and considered prior to issuing a certified residential permit:

(1) Convictions of any criminal offense involving dishonesty, breach of trust, or money laundering against the applicant or

organizations controlled by the applicant, or agreements to enter into a pretrial diversion or similar program in connection with the prosecution for such an offense.

- (2) Civil judicial actions against the individual in connection with financial services-related activities, dismissals with settlements, or judicial findings that the individual violated financial services-related statutes or regulations, except for actions dismissed without a settlement agreement.
- (3) Actions or orders by a state or federal regulatory agency or foreign financial regulatory authority that:
 - (a) Found the applicant to have made a false statement or omission or been dishonest, unfair or unethical; to have been involved in a violation of a financial services-related regulation or statute; or to have been a cause of a financial services-related business having its authorization to do business denied, suspended, revoked, or restricted.
 - (b) Are entered against the applicant in connection with a financial services-related activity.
 - (c) Denied, suspended, or revoked the applicant's apprentice, licensed or certification permit to engage in a financial-services-related business or restricted the applicant activities.
 - (d) Barred the applicant from association with an entity or its officers regulated by the agency or authority of from engaging in a financial services-related business.
- (4) Final orders issued by a state or federal regulatory agency or foreign financial regulatory authority based on violations of any law or regulation that prohibits fraudulent, manipulative, or deceptive conduct.
- (5) Revocation or suspension of the applicant's authorization to act as an attorney, accountant, or state or federal contractor.
- (6) Customer-initiated financial services-related arbitration or civil action against the applicant that required action, including settlements, or which resulted in a judgment.

34. **Examination.** An applicant for a certified residential appraiser permit must have successfully completed the board-approved uniform state-certified residential examination or its equivalent. The only alternative to the certified residential examination is successful completion of the certified general examination. Successful completion of the examination is valid for a period of twenty-four months. The certified residential permit must be obtained within twenty-four months of successful completion of the examination or the examination must be retaken. An applicant for the uniform certified residential examination as a certified residential appraiser ~~must~~ shall furnish proof to the board that the applicant has:

a. successfully completed the applicable education required by subsection 4 5.

b. met the applicable experience, in hours and years, as required by subsection 6.

45. **Education.** An applicant for a certified residential appraiser permit shall meet all of the following education requirements:

a. ~~An associate~~ A bachelor's degree, or higher from an accredited college or university.

(1) ~~In lieu of the associate degree, an applicant for the certified residential permit shall successfully complete a minimum of three semester credit hours in each of the following collegiate level subject matter courses:~~

(a) ~~English composition.~~

(b) ~~Principles of economics (micro or macro).~~

(c) ~~Finance.~~

(d) ~~Algebra, geometry, or higher mathematics.~~

(e) ~~Statistics.~~

(f) ~~Computer science.~~

(g) ~~Business or real estate law.~~

~~All courses used in lieu of the required degree must have been completed at a college or university that is an~~

~~accredited degree-granting institution. The accreditation must have been obtained from the commission on colleges, a regional or national accreditation association, or an accrediting agency that is recognized by the United States secretary of education. If the college or university accepts the college-level examination program, and issues a transcript for the examinations, showing its approval, it will be considered as credit for the college course. For college-level courses taken in a quarterly system, one quarter credit hour is equivalent to two-thirds semester credit hour.~~

- (1) The college or university must be a degree-granting institution accredited by the commission on colleges, a regional or national accreditation association, or an accrediting agency that is recognized by the United States secretary of education. If the college or university accepts the college-level examination program and examinations, and issues a transcript for the examinations, showing its approval, it will be considered as credit for the college course. For college-level courses taken in a quarterly system, one quarter credit hour is equivalent to two-thirds semester credit hour.

- (2) College-level education completed at a foreign college or university will be acceptable provided the education has been evaluated and deemed equivalent by one of the following:
 - (a) An accredited degree-granting domestic college or university.
 - (b) The American association of collegiate registrars and admissions officers.
 - (c) A foreign degree credential evaluation service company that is a member of the national association of credential evaluation services.
 - (d) A foreign degree credential evaluation service company that provides equivalency evaluation reports accepted by an accredited degree-granting domestic college or university or by a state licensing board that issues a credential in another discipline.

b. In addition to ~~an associate~~ a bachelor's degree or higher, an applicant for certified residential must complete two hundred class hours in subjects related to real estate appraisal which cover the required core curriculum as established by the appraisal qualifications board of the appraisal foundation and approved as such by the board.

(1) Coverage must include a minimum of all of the following:

- (a) Thirty hours of basic appraisal principles.
- (b) Thirty hours of basic appraisal procedures.
- (c) The fifteen-hour national uniform standards of appraisal practice course or its equivalent.
- (d) Fifteen hours of residential market analysis and highest and best use.
- (e) Fifteen hours of residential appraiser site valuation and cost approach.
- (f) Thirty hours of sales comparison and income approaches.
- (g) Fifteen hours of residential report writing and case studies.
- (h) Fifteen hours of statistics, modeling, and finance.
- (i) Fifteen hours of advanced residential applications and case studies.
- (j) Twenty hours of appraisal subject matter electives.

[1] An apprentice appraiser may satisfy the educational requirements for the certified residential level by completing the following additional educational hours:

- i. Fifteen hours of residential appraiser market analysis and highest and best use.

- ii. Fifteen hours of residential appraiser site valuation and cost approach.
- iii. Thirty hours of residential sales comparison and income approaches.
- iv. Fifteen hours of residential report writing and case studies.
- v. Fifteen hours of statistics, modeling and finance.
- vi. Fifteen hours of advanced residential applications and case studies.
- vii. Twenty hours of appraisal subject matter electives.

[2] A licensed appraiser may satisfy the educational requirements for the certified residential level by completing the following additional educational hours:

- i. Fifteen hours of statistics, modeling and finance.
- ii. Fifteen hours of advanced residential applications and case studies.
- iii. Twenty hours of appraisal subject matter electives.

- (2) Class hours will be credited only for educational offerings with content that follows the required core curriculum.
- (3) A class hour is defined as sixty minutes, of which at least fifty minutes are for instruction attended by the student.
- (4) Credit toward the class hour requirement may only be granted when the length of the educational offering is at least fifteen hours, and the individual successfully completes a closed-book examination pertinent to that educational offering.

- (5) The prescribed number of class hours includes time for examinations.
- (6) Uniform standards of professional appraisal practice education credit shall only be awarded when the class is instructed by at least one appraisal qualifications board-certified instructor who is state-certified.
- (7) Credit for the class requirement may be obtained from the following:
 - (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) Providers approved by the board.
 - (g) The appraisal foundation or its boards.
- (8) There is no time limit regarding when qualifying education credit must have been obtained.
- (9) All hours may be by distance education. Distance education is an educational process in which the student and instructor are geographically separated. Distance education includes online learning, internet-based instruction, CD-ROM instruction, correspondence courses, and videoconferencing. An acceptable distance education course must meet all of the following requirements:
 - (a) Provide interaction between the student and the instructor. Interaction is a reciprocal environment where the student has verbal or written communication with the instructor.
 - (b) Be approved for content by the board, the appraisal qualifications board of the appraisal foundation, or an accredited college, community college, or university

that offers distance education programs and is approved or accredited by the commission on colleges, a regional or national accreditation association, or by an accrediting agency that is recognized by the United States secretary of education. Nonacademic credit college courses provided by a college shall be approved by the appraisal qualifications board of the appraisal foundation or the board.

- (c) Obtain course delivery mechanism approval from one of the following sources:
 - [1] Appraisal qualifications board-approved organizations providing approval of course design and delivery.
 - [2] A college that qualifies for content approval in subparagraph b and that awards academic credit for the distance education course.
 - [3] A qualifying college or university for content approval with a distance education delivery program that approves the course design and delivery that incorporates interactivity.
 - (d) Require the student to successfully complete a written examination proctored by an official approved by the presenting college, university, or sponsoring organization. Written exam refers to an exam written on paper or administered electronically on a computer work station or other device.
 - (e) Meet the requirements for qualifying education established by the appraisal qualifications board of the appraisal foundation.
 - (f) Be equivalent to at least fifteen class hours.
- (10) Courses that have received approval by the appraiser qualifications board of the appraisal foundation through the appraiser qualifications course approval program may be acceptable to the board without additional state review.

- (11) Courses taken to satisfy the qualifying education requirements must not be repetitive. Uniform standards of professional appraisal practice courses taken in different years are not repetitive. Courses shall foster problem-solving skills in the education process by utilizing case studies as a major teaching method when applicable.
- (12) Courses taken for the class hour requirement when an individual seeks a different classification than that held may also be counted for the continuing education requirement of the classification held.
- (13) Credit toward qualifying education requirements may also be obtained by the completion of a ~~graduate~~ degree in real estate from an accredited degree-granting college or university approved by the ~~American association to advance~~ of collegiate schools of business or a regional or national accreditation agency recognized by the United States secretary of education, provided that the college or university has had its curriculum reviewed and approved by the appraisal qualifications board.
- (14) Applicants for the certified residential level who are awarded ~~graduate~~ degrees from approved institutions are required to complete all additional education required for the ~~credential~~ permit in which the approved degree is judged to be deficient by the appraisal qualifications board.
- (15) The applicant must be familiar with North Dakota Century Code chapter 43-23.3 and North Dakota Administrative Code title 101.
- (16) Experience may not be substituted for education.

56. **Experience.** A certified residential appraiser must have the equivalent of two thousand five hundred hours of credible appraisal experience prior to obtaining the certified residential appraiser certification permit. The experience requirements must be satisfied by time spent on the appraisal process. The appraisal process consists of analyzing factors that affect value, defining the problem, gathering and analyzing data, applying the appropriate analysis and methodology, and arriving at an opinion and correctly reporting the data, analysis, and opinion in compliance with the uniform standards of professional appraisal practice. The applicant for certified residential appraiser must submit a log from which the board will select for review a minimum of three ~~summary or self-contained~~ appraisal

reports. Collectively the reports must include and demonstrate competence and a working knowledge of all three approaches to value. The reports submitted must meet the current uniform standards of professional appraisal practice as of the effective date of the appraisal and must reflect that the applicant has an acceptable level of competency and understanding of the principles, practices, and procedures consistent with the body of knowledge for the certified residential level.

- a. Adequate experience will be determined by the actual hours spent on an assignment, subject to a maximum established by the board.
 - (1) Maximum hours awarded are based on the types of appraisals performed and the types of properties appraised.
 - (2) Types of appraisals performed include standard appraisal, review appraisal, and condemnation appraisal.
 - (a) A standard appraisal is the process of developing an appraisal using those methods commonly accepted by real estate appraisers as constituting the appraisal process and preparing a written appraisal report or file memorandum describing the appraisal and reporting the estimate of value. The appraisal process consists of an analysis of factors that affect value, definition of the problem, gathering and analyzing data, applying the appropriate value approaches and methodology, arriving at an opinion of value, and correctly reporting the opinion of value in compliance with the uniform standards of professional appraisal practice.
 - (b) A review appraisal is the process of critically reviewing an appraisal report prepared by another appraiser and preparing a separate written report or file memorandum setting forth the results of the review process. The review appraiser reviews the report and forms an opinion as to the adequacy of the report, the appropriateness of the methods used by the appraiser, and the reasonableness of the appraiser's conclusions. A review appraiser may or may not perform a field review. A field review includes inspecting the subject and comparables to verify data, to determine the appropriateness of the comparables selected and adjustments made, and to assist in determining the reasonableness of the value estimate. Review appraisal experience must conform

to standard three of the uniform standards of professional appraisal practice. Review appraisal experience should be given credit to the extent that it demonstrates proficiency in appraisal principles, techniques, or skills used by appraisers practicing under applicable uniform standards of professional appraisal practice standards.

- (c) A condemnation appraisal is an appraisal of real property for condemnation purposes, including situations where a partial taking is involved and the appraiser must develop both a before taking value estimate and an after taking value estimate. The appraiser uses those methods commonly accepted by real estate appraisers as constituting the appraisal process, including a field inspection and preparation of a written appraisal report or file memorandum describing the appraisal and reporting the before and after value estimates.

(3) Types of property appraised may include the following:

- (a) Land may include farms of one hundred acres [40.47 hectares] or more in size, undeveloped tracts, residential multifamily sites, commercial sites, industrial sites, and land in transition.
- (b) Residential multifamily, five-12 units may include apartments, condominiums, townhouses, and mobile home parks.
- (c) Residential multifamily, thirteen-plus units may include apartments, condominiums, townhouses, and mobile home parks.
- (d) Commercial single-tenant may include office building, retail store, restaurant, service station, bank, and day care center.
- (e) Commercial multitenant may include office building, shopping center, and hotel.
- (f) Industrial may include warehouse and manufacturing plant.

- (g) Institutional may include rest home, nursing home, hospital, school, church, and government building.
- (4) The number of allowable hours assigned for each appraisal type are assigned by the board and are included on the application for licensure and certification. A copy of this form can be obtained by contacting the board office.
- b. The two thousand five hundred hours of experience must be obtained using at least two years of appraisal practice gained over a period of at least twenty-four months.
 - c. There is no other time limit regarding when qualifying experience may be obtained.
 - d. Hours may be treated as cumulative in order to achieve the necessary two thousand five hundred hours of appraisal experience.
 - e. Acceptable appraisal experience includes the following:
 - (1) Fee and staff appraisal, ad valorem tax appraisal, condemnation appraisal, technical review appraisal, appraisal analysis, real estate consulting (excludes related fields such as real estate lending), highest and best use analysis, and feasibility analysis or study.
 - (a) Mass appraisal experience must conform to standard six of the uniform standards of professional appraisal practice. Mass appraisal experience claimed by the applicant should be given credit to the extent that it demonstrates proficiency in appraisal principles, techniques, or skills used by appraisers practicing under applicable uniform standards of professional appraisal practice standards.
 - (b) Review of real estate appraisals or real property consulting services, including market analysis, cash flow and investment analysis, and feasibility analysis must conform to standards three, four, and five of the uniform standards of professional appraisal practice. Experience involving these functions should be given credit to the extent that it demonstrates proficiency in appraisal principles, techniques, or skills used by

appraisers practicing under standard one of the uniform standards of professional appraisal practice.

- (c) A market analysis typically performed by a real estate broker or salesperson should be awarded experience credit when the analysis is prepared in conformity with standards one and two of the uniform standards of professional appraisal practice, and the individual can demonstrate that the individual is using techniques and methods consistent with those used by appraisers to value property and the individual is effectively utilizing the appraisal process.
 - (d) Real property appraisal experience should be awarded for appraisals of real estate components, estates, or interests unless the appraiser has not complied with standards one, two, and six of the uniform standards of professional appraisal practice.
- (2) No more than two hundred fifty hours of the total experience credit may be in related areas. Related experience includes consulting.
- f. Documentation in the form of reports, certifications, and file memoranda must be provided to support the experience claimed. If reports and memoranda are unavailable for good cause, the board may accept other evidence of compliance with the uniform standards of professional appraisal practice.
- g. The verification for the two thousand five hundred hours of experience credit claimed by an applicant shall be on forms prescribed by the board which shall include all of the following:
- (1) Type of property.
 - (2) Date of report.
 - (3) Address of appraised property.
 - (4) Description of work performed by the applicant and scope of the review and supervision of the supervising appraiser.
 - (5) Number of actual work hours ~~per~~ on the assignment.

- (6) The signature and permit number of the supervising appraiser, if applicable.
- ~~(7)~~h. Separate appraisal logs must be maintained for each supervising appraiser, if applicable.
- hi. There need not be a client in order for an appraisal to qualify for experience. Appraisals made without clients can fulfill up to fifty percent of the total experience requirement.
- i.j. Case studies or practicum courses that are approved by the board or through the appraisal qualifications board of the appraisal foundation course approval program can satisfy the nonclient experience requirement.
- (1) A practicum course must include the generally applicable methods of appraisal practice for the ~~credential~~ permit category. Content includes all of the following:
 - (a) Requiring the student to produce credible appraisals that utilize an actual subject property.
 - (b) Performing market research containing sales analysis.
 - (c) Applying and reporting the applicable appraisal approaches in conformity with the uniform standards of professional appraisal practice.
- (2) Assignments must require problem-solving skills for a variety of property types for the ~~credential~~ permit category.
- (3) Experience credit shall be granted for the actual class hours of instruction and hours of documented research and analysis as awarded from the practicum course approval process.
- jk. All experience must be obtained after January 30, 1989, and must be uniform standards of professional appraisal practice compliant, where the appraiser demonstrates proficiency in appraisal principles, methodology, procedures (development), and reporting conclusions.
- ~~k.~~l. After accumulating a minimum of fifty percent of the required appraisal experience, an applicant for certified residential may

voluntarily submit work product to the board to be reviewed by a board reviewer for educational purposes only. A maximum of two reports may be submitted for review. The board will not initiate a complaint for violations identified in this review.

History: Effective January 1, 2008; amended effective July 1, 2012; January 1, 2015.

General Authority: NDCC 43-23.3-03

Law Implemented: NDCC 43-23.3-03, 43-23.3-06, 43-23.3-07, 43-23.3-08, 43.23.3-09, 43-23.3-17, 43-23.3-18

101-02-02-06. Certified general appraiser.

1. **Definitions.** A certified general appraiser permit must be issued to an individual who successfully meets all of the board requirements for such a permit.
2. **Competency.** The certified general appraiser may appraise all types of properties. The certified general appraiser is bound by the competency provision of the uniform standards of professional appraisal practice.
3. **Background check.** An applicant for a certified general appraiser permit must undergo background screening to ensure that the applicant does not possess a background that could call into question public trust. The applicant shall submit finger prints and any appropriate identifying information for submission to the federal bureau of investigation and/or government agency or entity authorized to receive such information in connection with a state and national background check.
 - a. All costs associated with obtaining a background check are the responsibility of the applicant.
 - b. An applicant will not be considered for an certified general permit if:
 - (1) The applicant has had an appraiser apprentice, license or certification permit revoked in any governmental jurisdiction within the five year period immediately preceding the date of application.
 - (2) The applicant has been convicted of, or pled guilty or nolo contendere to, a felony in domestic or foreign court:
 - (a) during the five year period immediately preceding the date of the application for licensing or certification.

- (b) at any time preceding the date of application, if such felony involved an act of fraud, dishonesty, or a breach of trust, or money laundering.
 - (3) The applicant has failed to demonstrate character and general fitness such as to command the confidence of the community and to warrant a determination that the appraiser will operate honestly, fairly, and efficiently within the purposes of these criteria.
- c. The following additional background issues will be evaluated and considered prior to issuing a certified general permit:
 - (1) Convictions of any criminal offense involving dishonesty, breach of trust, or money laundering against the applicant or organizations controlled by the applicant, or agreements to enter into a pretrial diversion or similar program in connection with the prosecution for such an offense.
 - (2) Civil judicial actions against the individual in connection with financial services-related activities, dismissals with settlements, or judicial findings that the individual violated financial services-related statutes or regulations, except for actions dismissed without a settlement agreement.
 - (3) Actions or orders by a state or federal regulatory agency or foreign financial regulatory authority that:
 - (a) Found the applicant to have made a false statement or omission or been dishonest, unfair or unethical; to have been involved in a violation of a financial services-related regulation or statute; or to have been a cause of a financial services-related business having its authorization to do business denied, suspended, revoked, or restricted.
 - (b) Are entered against the applicant in connection with a financial services-related activity.
 - (c) Denied, suspended, or revoked the applicant's apprentice, licensed or certification permit to engage in a financial-services-related business or restricted the applicant activities.

(d) Barred the applicant from association with an entity or its officers regulated by the agency or authority of from engaging in a financial services-related business.

(4) Final orders issued by a state or federal regulatory agency or foreign financial regulatory authority based on violations of any law or regulation that prohibits fraudulent, manipulative, or deceptive conduct.

(5) Revocation or suspension of the applicant's authorization to act as an attorney, accountant, or state or federal contractor.

(6) Customer-initiated financial services-related arbitration or civil action against the applicant that required action, including settlements, or which resulted in a judgment.

34. **Examination.** An applicant for a certified general appraiser permit must have successfully completed the board approved uniform state certification examination or its equivalent. There is no alternative to successful completion of the exam. Successful completion of the examination is valid for a period of twenty-four months. The certified general permit must be obtained within twenty-four months of successful completion of the examination or the examination must be retaken. An applicant for the uniform certified general examination as a certified appraiser must shall furnish proof to the board that the applicant has:

a. successfully completed the applicable education required by subsection-45.

b. met the applicable experience, in hours and years, as required by subsection 6.

45. **Education.** An applicant for a certified general appraiser permit shall meet all of the following education requirements:

a. A bachelor's degree or higher from an accredited college or university.

~~(1) In lieu of the bachelor's degree, an applicant for the certified general permit shall successfully complete a minimum of three semester credit hours in each of the following collegiate level subject matter courses:~~

~~(a) English composition.~~

- (b) — Micro economics.
- (c) — Macro economics.
- (d) — Finance.
- (e) — Algebra, geometry, or higher mathematics.
- (f) — Statistics.
- (g) — Computer science.
- (h) — Business or real estate law.
- (i) — Two elective courses in accounting, geography, agriculture economics, business management, or real estate.

All courses used in lieu of the required degree must have been completed at a college or university that is an accredited degree-granting institution. The accreditation must have been obtained from the commission on colleges, a regional or national accreditation association, or an accrediting agency that is recognized by the United States secretary of education. If the college or university accepts the college-level examination program, and issues a transcript for the examination, showing its approval, it will be considered as credit for the college course. For college level courses taken in a quarterly system, one quarter credit hour is equivalent to two-thirds semester credit hour.

- (1) The college or university must be a degree-granting institution accredited by the commission on colleges, a regional or national accreditation association, or an accrediting agency that is recognized by the United States secretary of education. If the college or university accepts the college-level examination program and examinations, and issues a transcript for the examinations, showing its approval, it will be considered as credit for the college course. For college-level courses taken in a quarterly system, one quarter credit hour is equivalent to two-thirds semester credit hour.

- (2) College-level education completed at a foreign college or university will be acceptable provided the education has been evaluated and deemed equivalent by one of the following:
 - (a) An accredited degree-granting domestic college or university.
 - (b) The American association of collegiate registrars and admissions officers.
 - (c) A foreign degree credential evaluation service company that is a member of the national association of credential evaluation services.
 - (d) A foreign degree credential valuation service company that provides equivalency evaluation reports accepted by an accredited degree-granting domestic college or university or by a state licensing board that issues credentials in another discipline.
- b. In addition to a bachelor's degree or higher, an applicant for certified general must complete three hundred class hours in subjects related to real estate appraisal which cover the required core curriculum as established by the appraisal qualifications board of the appraisal foundation, and approved as such, by the board.
 - (1) Coverage must include a minimum of all of the following:
 - (a) Thirty hours of basic appraisal principles.
 - (b) Thirty hours of basic appraisal procedures.
 - (c) The fifteen-hour national uniform standards of appraisal practice course or its equivalent.
 - (d) Thirty hours of general appraiser market analysis and highest and best use.
 - (e) Fifteen hours of statistics, modeling, and finance.
 - (f) Thirty hours of general appraiser sales comparison approach.

- (g) Thirty hours general appraiser site valuation and cost approach.
- (h) Sixty hours of general appraiser income approach.
- (i) Thirty hours of general appraiser report writing and case studies.
- (j) Thirty hours of appraisal subject matter electives.

[1] An apprentice appraiser may satisfy the educational requirements for the certified general level by completing the following additional educational hours:

- i. Thirty hours of general appraiser market analysis and highest and best use.
- ii. Fifteen hours of statistics, modeling and finance.
- iii. Thirty hours of general appraiser sales comparison approach.
- iv. Thirty hours of general appraiser site valuation and cost approach.
- v. Sixty hours of general appraiser income approach.
- vi. Thirty hours of general appraiser report writing and case studies.
- vii. Thirty hours of appraisal subject matter electives.

[2] A licensed appraiser may satisfy the educational requirements for the certified general level by completing the following additional educational hours:

- i. Fifteen hours of general appraiser market analysis and highest and best use.

- ii. Fifteen hours of statistics, modeling and finance.
- iii. Fifteen hours of general appraiser sales comparison approach.
- iv. Fifteen hours of general appraiser site valuation and cost approach.
- v. Forty five hours of general appraiser income approach.
- vi. Fifteen hours of general appraiser report writing and case studies.
- vii. Thirty hours of appraisal subject matter electives.

[3] A certified residential appraiser may satisfy the educational requirements for the certified general level by completing the following additional educational hours:

- i. Fifteen hours of general appraiser market analysis and highest and best use.
- ii. Fifteen hours of general appraiser sales comparison approach.
- iii. Fifteen hours of general appraiser site valuation and cost approach.
- iv. Forty five hours of general appraiser income approach.
- v. Ten hours of general appraiser report writing and case studies.

- (2) Class hours will be credited only for educational offerings with content that follows the required core curriculum.
- (3) A class hour is defined as sixty minutes, of which at least fifty minutes are for instruction attended by the student.

- (4) Credit toward the class hour requirement may only be granted when the length of the educational offering is at least fifteen hours, and the individual successfully completes a closed-book examination pertinent to that educational offering.
- (5) The prescribed number of class hours includes time for examinations.
- (6) Uniform standards of professional appraisal practice education credit shall only be awarded when the class is instructed by at least one appraisal qualifications board-certified instructor who is state-certified.
- (7) Credit for the class requirement may be obtained from the following:
 - (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) Providers approved by the board.
 - (g) The appraisal foundation or its boards.
- (8) There is no time limit regarding when qualifying education credit must have been obtained.
- (9) All hours may be by distance education. Distance education is an educational process in which the student and instructor are geographically separated. Distance education includes online learning, internet-based instruction, CD-ROM instruction, correspondence courses, and videoconferencing. An acceptable distance education course must meet all of the following requirements:
 - (a) Provide interaction between the student and the instructor. Interaction is a reciprocal environment

where the student has verbal or written communication with the instructor.

- (b) Be approved for content by the board, the appraisal qualifications board of the appraisal foundation, or an accredited college, community college, or university, that offers distance education programs and is approved or accredited by the commission on colleges, a regional or national accreditation association, or by an accrediting agency that is recognized by the United States secretary of education. Nonacademic credit college courses provided by a college shall be approved by the appraisal qualifications board of the appraisal foundation or the board.
- (c) Obtain course delivery mechanism approval from one of the following sources:
 - [1] Appraisal qualifications board-approved organizations providing approval of course design and delivery.
 - [2] A college that qualifies for content approval in subparagraph b that awards academic credit for the distance education course.
 - [3] A qualifying college or university for content approval with a distance education delivery program that approves the course design and delivery that incorporates interactivity.
- (d) Require the student to successfully complete a written examination proctored by an official approved by the presenting, college, university, or sponsoring organization. Written exam refers to an exam written on paper or administered electronically on a computer work station or other device.
- (e) Meet the requirements for qualifying education established by the appraisal qualifications board of the appraisal foundation.
- (f) Be equivalent to at least fifteen class hours.

- (10) Courses that have received approval by the appraiser qualifications board of the appraisal foundation through the appraiser qualifications course approval program may be acceptable to the board without additional state review.
- (11) Courses taken to satisfy the qualifying education requirements must not be repetitive. Uniform standards of professional appraisal practice courses taken in different years are not repetitive. Courses shall foster problem-solving skills in the education process by utilizing case studies as a major teaching method when applicable.
- (12) Courses taken for the class hour requirement when an individual seeks a different classification than that held may also be counted for the continuing education requirement of the classification held.
- (13) Credit toward qualifying education requirements may also be obtained by the completion of a ~~graduate~~ degree in real estate from an accredited degree-granting college or university approved by the ~~American~~ association of to advance collegiate schools of business or a regional or national accreditation agency recognized by the United States secretary of education, provided that the college or university has had its curriculum reviewed and approved by the appraisal qualifications board.
- (14) Applicants for the certified general level who are awarded ~~graduate~~ degrees from approved institutions are required to complete all additional education required for the credential permit in which the approved degree is judged to be deficient by the appraisal qualifications board.
- (15) The applicant must be familiar with North Dakota Century Code chapter 43-23.3 and North Dakota Administrative Code title 101.
- (~~n~~) (16) Experience may not be substituted for education.

56. **Experience.** A certified general appraiser must have the equivalent of three thousand hours of credible appraisal experience prior to obtaining the certified general appraiser certification permit. The experience requirements must be satisfied by time spent on the appraisal process. The appraisal process consists of analyzing factors that affect value,

defining the problem, gathering and analyzing data, applying the appropriate analysis and methodology, and arriving at an opinion and correctly reporting the data, analysis and opinion in compliance with the uniform standards of professional appraisal practice. The applicant for certification must submit a log from which the board will select for review a minimum of three ~~summary or self-contained~~ nonresidential appraisal reports. Collectively the reports must include and demonstrate competence and a working knowledge of all three approaches to value. The reports submitted must meet the current uniform standards of professional appraisal practice as of the effective date of the appraisal and must reflect that the applicant has an acceptable level of competency and understanding of the principles, practices, and procedures consistent with the body of knowledge for the certified general level.

- a. Adequate experience will be determined by the actual hours spent on an assignment, subject to a maximum established by the board.
 - (1) Maximum hours awarded are based on the types of appraisals performed and the types of properties appraised.
 - (2) Types of appraisals performed include standard appraisal, review appraisal, and condemnation appraisal.
 - (a) A standard appraisal is the process of developing an appraisal using those methods commonly accepted by real estate appraisers as constituting the appraisal process and preparing a written appraisal report or file memorandum describing the appraisal and reporting the estimate of value. The appraisal process consists of an analysis of factors that affect value, definition of the problem, gathering and analyzing data, applying the appropriate value approaches and methodology, arriving at an opinion of value, and correctly reporting the opinion of value in compliance with the uniform standards of professional appraisal practice.
 - (b) A review appraisal is the process of critically reviewing an appraisal report prepared by another appraiser and preparing a separate written report or file memorandum setting forth the results of the review process. The review appraiser reviews the report and forms an opinion as to the adequacy of the report, the appropriateness of the methods used by the appraiser, and the reasonableness of the appraiser's conclusions. A review appraiser may or

may not perform a field review. A field review includes inspecting the subject and comparables to verify data, to determine the appropriateness of the comparables selected and adjustments made, and to assist in determining the reasonableness of the value estimate. Review appraisal experience must conform to standard three of the uniform standards of professional appraisal practice. Review appraisal experience should be given credit to the extent that it demonstrates proficiency in appraisal principles, techniques, or skills used by appraisers practicing under applicable uniform standards of professional appraisal practice standards.

- (c) A condemnation appraisal is an appraisal of real property for condemnation purposes, including situations where a partial taking is involved and the appraiser must develop both a before taking value estimate and an after taking value estimate. The appraiser uses those methods commonly accepted by real estate appraisers as constituting the appraisal process including a field inspection and preparation of a written appraisal report or file memorandum describing the appraisal and reporting the before and after value estimates.

(3) Types of property appraised may include the following:

- (a) Land may include farms of one hundred acres [40.47 hectares] or more in size, undeveloped tracts, residential multifamily sites, commercial sites, industrial sites, and land in transition.
- (b) Residential multifamily, five-12 units may include apartments, condominiums, townhouses, and mobile home parks.
- (c) Residential multifamily, thirteen-plus units may include apartments, condominiums, townhouses, and mobile home parks.
- (d) Commercial single-tenant may include office building, retail store, restaurant, service station, bank, and day care center.

- (e) Commercial multitenant may include office building, shopping center, and hotel.
 - (f) Industrial may include warehouse and manufacturing plant.
 - (g) Institutional may include rest home, nursing home, hospital, school, church, and government building.
- (4) The number of allowable hours assigned for each appraisal type are assigned by the board and are included on the application for licensure or certification. A copy of this form can be obtained by contacting the board office.
- b. The three thousand hours of experience must be obtained using at least two and one-half years of appraisal practice gained over a period of at least thirty months.
 - c. There is no other time limit regarding when qualifying experience may be obtained.
 - d. Hours may be treated as cumulative in order to achieve the necessary three thousand hours of appraisal experience.
 - e. Acceptable appraisal experience includes the following:
 - (1) Fee and staff appraisal, ad valorem tax appraisal, condemnation appraisal, technical review appraisal, appraisal analysis, real estate consulting (excludes related fields such as real estate lending), highest and best use analysis, and feasibility analysis or study.
 - (a) Mass appraisal experience must conform to standard six of the uniform standards of professional appraisal practice. Mass appraisal experience claimed by the applicant should be given credit to the extent that it demonstrates proficiency in appraisal principles, techniques, or skills used by appraisers practicing under applicable uniform standards of professional appraisal practice standards.
 - (b) Review of real estate appraisals or real property consulting services, including market analysis, cash flow and investment analysis, and feasibility analysis must conform to standards three, four, and five of the

uniform standards of professional appraisal practice. Experience involving these functions should be given credit to the extent that it demonstrates proficiency in appraisal principles, techniques, or skills used by appraisers practicing under standard one of the uniform standards of professional appraisal practice.

- (c) A market analysis typically performed by a real estate broker or sales person should be awarded experience credit when the analysis is prepared in conformity with standards one and two of the uniform standards of professional appraisal practice, the individual can demonstrate that the individual is using techniques and methods consistent with those used by appraisers to value property and the individual is effectively utilizing the appraisal process.
 - (d) Real property appraisal experience should be awarded for appraisals of real estate components, estates, or interests unless the appraiser has not complied with standards one, two, and six of the uniform standards of professional appraisal practice.
- (2) No more than three hundred hours of the total experience credit may be in related areas. Related experience includes consulting.
- f. Documentation in the form of reports, certifications, and file memoranda must be provided to support the experience claimed. If reports and file memoranda are unavailable for good cause, the board may accept other evidence of compliance with the uniform standards of professional appraisal practice.
 - g. The verification for the three thousand hours of experience credit claimed by an applicant shall be on forms prescribed by the board which shall include all of the following:
 - (1) Type of property.
 - (2) Date of report.
 - (3) Address of appraised property.
 - (4) Description of work performed by the applicant and scope of the review and supervision of the supervising appraiser.

- (5) Number of actual work hours ~~per~~ on the assignment.
 - (6) The signature and permit number of the supervising appraiser, if applicable.
 - ~~(7)~~h. Separate appraisal logs must be maintained for each supervising appraiser, if applicable.
 - hi. The applicant must have at least fifty percent of nonresidential appraisal experience. Residential is defined as one-unit to four-unit residential units.
 - †j. There need not be a client in order for an appraisal to qualify for experience. Appraisals made without clients can fulfill up to fifty percent of the total experience requirement.
 - jk. Case studies or practicum courses that are approved by the board or through the appraisal qualifications board of the appraisal foundation course approval program can satisfy the nonclient experience requirement.
- (1) A practicum course must include the generally applicable methods of appraisal practice for the ~~credential~~ permit category. Content includes all of the following:
 - (a) Requiring the student to produce credible appraisals that utilize an actual subject property.
 - (b) Performing market research containing sales analysis.
 - (c) Applying and reporting the applicable appraisal approaches in conformity with the uniform standards of professional appraisal practice.
 - (2) Assignments must require problem-solving skills for a variety of property types for the ~~credential~~ permit category.
 - (3) Experience credit shall be granted for the actual class hours of instruction and hours of documented research and analysis as awarded from the practicum course approval process.

- k_l. All experience must be obtained after January 30, 1989, and must be uniform standards of professional appraisal practice compliant, where the appraiser demonstrates proficiency in appraisal principles, methodology, procedures (development), and reporting conclusions.
- l_m. After accumulating a minimum of fifty percent of the required appraisal experience, an applicant for certified general may voluntarily submit work product to the board to be reviewed by a board reviewer for educational purposes only. A maximum of two reports may be submitted for review during the experience portion of the certification process. The board will not initiate a complaint for violations identified in this review.

History: Effective October 1, 1992; amended effective January 1, 1995; October 1, 1998; February 1, 2003; January 1, 2008; July 1, 2012; January 1, 2015.

General Authority: NDCC 43-23.3-03, 43-23.3-09

Law Implemented: NDCC 43-23.3-03, 43-23.3-06, 43-23.3-07, 43-23.3-08, 43-23.3-09, 43-23.3-17, 43-23.3-18

101-02-02-07. Inactive status.

1. A licensed or certified appraiser may be assigned to inactive status upon written request.
2. A licensed or certified appraiser on inactive status may not directly or indirectly engage in, advertise, conduct the business of, or act in any capacity as a licensed or certified appraiser.
3. A licensed or certified appraiser on inactive status must renew a permit as required by North Dakota Century Code section 43-23.3-12 and section 101-02-04-01, except a licensed or certified appraiser on inactive status is not required to complete the continuing education required by North Dakota Century Code sections 43-23.3-12 and 43-23.3-19 and North Dakota Administrative Code section 101-04-01-01.
4. A licensed or certified appraiser on inactive status may be removed from inactive status upon written request and proof of completion of all the continuing education that would have been required if the licensed or certified appraiser was not on inactive status, including the most recent edition of the seven-hour national uniform standards of professional appraisal practice update course or its equivalent.

History: Effective October 1, 1992; amended effective January 1, 2008; July 1, 2012.

General Authority: NDCC 43-23.3-03, 43-23.3-12

Law Implemented: NDCC 43-23.3-12, 43-23.3-19, 43-23.3-20

**CHAPTER 101-02-02.1
NONRESIDENT AND TEMPORARY PERMITS**

Section

101-02-02.1-01	Issuance of Permits to Applicants Licensed or Certified by Another State
101-02-02.1-02	Temporary Permit
101-02-02.1-03	Nonresident Consent to Service of Process [Repealed]
101-02-02.1-04	Denial of an application

101-02-02.1-01. Issuance of permits to applicants licensed or certified by another state.

1. The board shall issue a permit to an applicant who is licensed or certified in good standing by another state if the other state's current requirements to be licensed or certified are at least substantially equivalent to the current requirements imposed by this state, and if grounds for denial of the applications under North Dakota Century Code section 43-23.3-22 do not exist. ~~If an applicant was licensed or certified by another state by reciprocity or a similar process, the current requirements of the state in which the applicant was originally licensed or certified must be at least substantially equivalent to the current requirements imposed by this state.~~
2. To qualify, the applicant must meet all of the following requirements:
 - a. Submit an application on a form provided by the board.
 - b. Certify that the applicant is licensed or certified in good standing in another state.
 - c. Certify that disciplinary proceedings are not pending against the applicant in any jurisdiction.
 - d. Provide documentation of the current requirements of the state in which the applicant was originally licensed or certified.
 - e. Pay the application fee.
3. The board may request work product from an applicant if the applicant has a history of disciplinary action.

History: Effective January 1, 1995; amended effective October 1, 1998; January 1, 2008; July 1, 2012; January 1, 2015.

General Authority: NDCC 43-23.3-03, 43-23.3-11

Law Implemented: NDCC 43-23.3-04.1

101-02-02.1-02. Temporary permit.

1. A nonresident of this state who has submitted an irrevocable consent to service of process may obtain a temporary permit to perform a contract relating to the appraisal of real estate in this state.
2. To qualify, the applicant must meet all of the following requirements:
 - a. Submit an application on a form provided by the board.
 - b. Certify that the applicant is licensed or certified in good standing in another state.
 - c. Certify that disciplinary proceedings are not pending against the applicant in any jurisdiction.
 - d. Submit a copy of the contract for appraisal services.
 - e. Sign an irrevocable consent to service of process form.
 - f. Pay the application fee.
3. A temporary permit issued under this section is expressly limited to the grant of authority to perform the appraisal work required by the contract for appraisal services.
4. An applicant may not complete more than six assignments per calendar year.
5. Each temporary permit expires upon the completion of the appraisal work required by the contract for appraisal services.

History: Effective January 1, 1995; amended effective October 1, 1998; January 1, 2008; July 1, 2012.

General Authority: NDCC 43-23.3-03, 43-23.3-11

Law Implemented: NDCC 43-23.3-11

101-02-02.1-04. Denial of an application. If an application is denied, the board will notify the applicant of the denial and specify the basis for the denial.

History: Effective July 1, 2012

General Authority: NDCC 43-23-03

Law Implemented: NDCC 43-23-03

**CHAPTER 101-02-04
RENEWAL**

Section

101-02-04-01 Permit Renewal
101-02-04-02 Denial of an application.

101-02-04-01. Permit renewal.

1. All permits expire on December thirty-first of each year.
2. A holder of an appraiser permit desiring the renewal of such permit shall, during the month preceding the expiration date of such permit, apply for same in writing upon a form approved by the board and shall forward the required fee. Forms are available upon request to the board.
3. Permits may be renewed up to ninety days after the date of expiration, with payment of late fee. The applicant who does not file a renewal application by the ninety-day deadline is subject to all requirements governing new applicants.
4. A person who, in any way, acts as an apprentice, licensed, or certified appraiser while that individual's permit is expired will be subject to disciplinary action and penalties as described in North Dakota Century Code chapter 43-23.3.

History: Effective October 1, 1992; amended effective February 1, 2003; January 1, 2008; July 1, 2012.

General Authority: NDCC 43-23.3-03

Law Implemented: NDCC 43-23.3-12, 43-23.3-23

101-02-04-02. Denial of an application. If an application is denied, the board will notify the applicant of the denial and specify the basis for the denial.

History: Effective July 1, 2012.

General Authority: NDCC 43-23-03

Law Implemented: NDCC 43-23-03

101-03-01-01. Copies of uniform standards of professional appraisal practice. Copies of the uniform standards of professional appraisal practice are available for purchase through the appraisal foundation.

History: Effective October 1, 1992; amended effective January 1, 1995; July 1, 2012.

General Authority: NDCC 43-23.3-03
Law Implemented: NDCC 43-23.3-18

**CHAPTER 101-03.1-01
UNPROFESSIONAL CONDUCT**

Section	
101-03.1-01-01	Unprofessional Conduct
101-03.1-01-02	Reporting Requirements
101-03.1-01-03	Conflict of Interest
101-03.1-01-04	Application of Standards

101-03.1-01-01. Unprofessional conduct. Any of the following acts and omissions constitute a violation of the standards of professional appraisal practice and are grounds for disciplinary action or denial of an application:

1. Violation or attempted violation of North Dakota Century Code chapter 43-23.3 or the rules adopted by the board.
2. Failure to comply with the standards of professional appraisal practice and ethical rules specified by the uniform standards of professional appraisal practice and all other standards and ethical requirements adopted by the appraisal foundation.
3. Engaging in the business of real estate appraising under an assumed or fictitious name.
4. Paying a finder's fee or referral fee to any person in connection with the appraisal of real estate, but an intracompany payment for business development is not unethical.
5. Making a false or misleading statement in that portion of a written appraisal report that deals with professional qualifications or in any testimony concerning professional qualification.
6. Violation of the confidential nature of individual, business, or governmental records to which a permittee gained access through employment or engagement as an appraiser.
7. Performance of appraisal services beyond the permittee's level of competence.
8. Having been disciplined in another state, territory, or country relating to a permit or the authorization to practice as an appraiser.

9. Negligence, refusal, or incompetence in developing an appraisal, preparing an appraisal report, or communicating an appraisal.
10. Failing as a licensed or certified appraiser to actively and personally supervise an apprentice appraiser or any person not licensed or certified under the provisions of North Dakota Century Code chapter 43-23.3 who assists the licensed or certified appraiser in performing real estate appraisals.
11. Having become permanently or temporarily unfit to engage in appraisal activity because of physical, mental, emotional, or other causes. Suspension of a permit in cases where the permittee is temporarily unfit to conduct appraisal activity shall only be for the period of unfitness.
12. Commission of any act involving moral turpitude or dishonesty, whether the act is committed in the course of the individual's activities as an appraiser or otherwise.
13. Engaging in conduct involving dishonesty, fraud, deceit, or misrepresentation.
14. Filing a frivolous complaint against a permitted appraiser.

History: Effective January 1, 1995; amended effective February 1, 2003; January 1, 2008; July 1, 2012.

General Authority: NDCC 43-23.3-03, 43-23.3-22

Law Implemented: NDCC 43-23.3-18, 43-23.3-22

101-03.1-01-04. Application of standards. The requirements of the uniform standards of professional appraisal practice shall not apply to the board, its agents, and employees when reviewing appraisals as part of the application or disciplinary processes.

History: Effective July 1, 2012.

General Authority: NDCC 43-23-03

Law Implemented: NDCC 43-23-22

101-04-01-01. Continuing education requirements.

1. **Purpose.** The purpose of continuing education is to ensure that the appraiser participates in a program that maintains and increases that individual's skill, knowledge, and competency in real estate appraising.

2. **Requirements.** All apprentice, licensed, and certified permittees must meet a minimum level of continuing education. This minimum level has been set at twenty-eight hours over a two-year education renewal period. Of the twenty-eight hours, appraisers must complete the seven-hour national uniform standards of professional appraisal practice update course, or its equivalent, every two years. Equivalency must be determined through the appraisal qualifications board course approval program or by an alternate method approved by the appraisal qualifications board. Fourteen hours of the twenty-eight hours must include appraisal-specific education related to the valuation of real estate, and seven hours may be comprised of appraisal-related subject matter, approved as such by the board.
- a. The necessary twenty-eight hours may be obtained at any time during the two-year renewal period, except for the required national uniform standards of professional appraisal practice requirement.
 - b. Verification of the necessary twenty-eight hours must be submitted by the end of the two-year renewal period.
 - c. Uniform standards of professional practice (USPAP) continuing education credit shall only be awarded when the class is instructed by at least one appraisal qualifications board-certified instructor who is state-certified.
 - d. All continuing education courses taken in this state must be approved by the board.
 - e. Courses taken out of this state may be approved for credit, provided the state in which the course was taken has approved the course for appraiser education.
 - f. A course which has not had prior approval may be approved on an individual basis.
 - g. All continuing education must be taken in blocks of at least two hours.
 - h. A ~~classroom~~ class hour is defined as fifty minutes out of each sixty-minute segment.
 - i. With the exception of distance education, no examination is required for continuing education courses.

- j. Credit for the class requirement may be obtained from the following:
- (1) Colleges or universities.
 - (2) Community or junior colleges.
 - (3) Real estate appraisal or real estate-related organizations.
 - (4) State or federal agencies or commissions.
 - (5) Proprietary schools.
 - (6) Other providers approved by the board.
- k. Credit may be granted for education offerings which are consistent with the purpose of continuing education stated in subsection 1 and cover real estate-related appraisal topics such as:
- (1) Ad valorem taxation.
 - (2) Arbitration and dispute resolution.
 - (3) Courses related to practice of real estate appraisal or consulting.
 - (4) Development cost estimating.
 - (5) Ethics and standards of professional practice.
 - (6) Land use planning and zoning.
 - (7) Management, leasing, and timesharing.
 - (8) Property development and partial interests.
 - (9) Real estate law, easements, and legal interests.
 - (10) Real estate litigation, damages, and condemnation.
 - (11) Real estate financing and investment.
 - (12) Real estate appraisal-related computer applications.
 - (13) Real estate securities and syndications.

(14) Developing opinions of real property value in appraisals that also include personal property and/or business value.

(15) Seller concessions and impact on value.

(16) Energy efficient items and green building appraisals.

- l. A professional real estate appraisal organization meeting may be granted credit, provided it is a formal education program of learning which contributes to the real estate appraisal profession.
- m. Three hours of continuing education credit, per continuing education cycle, may be granted for attendance at a face-to-face meeting of the board of at least three hours. The attendee must attend the meeting in its entirety.
- n. Real estate appraisal-related field trips may be granted credit. However, transit time to or from the field trip location should not be included when awarding credit if instruction does not occur.
- o. Up to one-half of an individual's continuing education credit may be granted for participation, other than as a student in appraisal educational processes and programs. Examples of activities for which credit may be granted are teaching, program development, authorship of textbooks, or similar activities which are determined to be equivalent to obtaining continuing education. Teaching of a course with the same, or substantially the same subject content may be claimed only once for credit within a two-year renewal cycle.
- p. Continuing education credit may be granted for distance education. Distance education is defined as any educational process based on the geographical separation of instructor and student. Distance education includes CD-ROM instruction, online learning, internet-based instruction, correspondence courses, and videoconferencing. Acceptable distance education courses must meet all of the following requirements:
 - (1) Provide interaction between the student and the instructor. Interaction is a reciprocal environment where the student has verbal or written communication with the instructor.
 - (2) Be approved for content by the board, the appraisal qualifications board of the appraisal foundation, or an

accredited college, community college, or university, that offers distance education programs and is approved or accredited by the commission on colleges, a regional or national accreditation association, or by an accrediting agency that is recognized by the United States secretary of education. Nonacademic credit college courses provided by a college shall be approved by the appraisal qualifications board of the appraisal foundation or the board.

- (3) Be approved for delivery mechanism by one of the following sources:
 - (a) Appraiser qualifications board-approved organizations providing approval of course design and delivery.
 - (b) A college that qualifies for content approval in paragraph 2 and that awards academic credit for the distance education course.
 - (c) A qualifying college for content approval with a distance education delivery program that approves the course design and delivery that incorporates interactivity.
 - (4) Be equivalent to a minimum of two ~~classroom~~ class hours in length and meet the requirements for real estate appraisal-related courses established by the appraiser qualifications board.
 - (5) If intended for use as continuing education, include at least one of the following:
 - (a) The student successfully completes a written examination proctored by an official approved by the presenting college or university or by the sponsoring organization.
 - (b) The student successfully completes the prescribed course mechanisms required to demonstrate knowledge of the subject matter.
- q. A course with the same or substantially the same subject content may be claimed only once for credit within a two-year renewal cycle.

- r. Excess hours of education earned in one renewal period cannot be carried over to the next renewal period.
- s. Courses that have received approval by the appraiser qualifications board of the appraisal foundation through the appraiser qualifications course approval program may be accepted by the board without additional state review.
- t. Courses that are taken as a result of a disciplinary action may not be credited toward continuing education.
- u. Courses taken for the class hour requirement when an individual seeks a different classification than that held may be simultaneously counted for the continuing education requirement of the classification held.
- v. Appraisers are required to complete continuing education for a partial year in a continuing education cycle as follows:
 - (1) For continuing education cycle periods of one hundred eighty-five days or more, fourteen hours of continuing education are required.
 - (2) For continuing education cycle periods of less than one hundred eighty-five days, no continuing education is required.

History: Effective October 1, 1992; amended effective October 1, 1998; February 1, 2003; January 1, 2008; July 1, 2012; January 1, 2015 .

General Authority: NDCC 43-23.3-12, 43-23.3-19

Law Implemented: NDCC 43-23.3