

**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
<u>101-02-01-02.1</u>	<u>Denial of Application</u>
101-02-01-03	Filing Fees
101-02-01-04	Payment of Permit Fees
101-02-01-05	Replacement License or Certificate Fee [Repealed]

**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 \_\_\_\_\_.

**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 annual application fees must will be charged:

a.	Apprentice appraiser permit	<u>\$225100</u>
b.	Licensed appraiser permit	<u>\$225400</u>
c.	Certified <u>residential</u> appraiser permit	<u>\$225400</u>
d.	<u>Inactive status Certified general appraiser permit</u>	<u>\$50400</u>
e.	<u>Late filing fee (per month)</u>	<u>\$50</u>

2. The following annual renewal fees will be charged:

a.	<u>Apprentice, licensure, or certification appraiser permit</u>	<u>\$275350</u>
b.	<u>Licensed appraiser permit</u>	<u>\$350 + national registry fee</u>
c.	<u>Certified residential permit</u>	<u>\$350 + national registry fee</u>
d.	<u>Certified general permit</u>	<u>\$350 + national registry fee</u>
e.	<u>Inactive status</u>	<u>\$100</u>
f.	<u>Late filing fee (per month)</u>	<u>\$100</u>

3. Other fees:

a.	Temporary practice permit-per contract	\$150
eb.	Approval of prelicensing or precertification educational courses	\$ <del>100</del> <u>150</u>
ec.	Approval of continuing educational courses:	
	(1) Courses two to eight hours in length	\$ <del>25</del> <u>50</u>
	(2) Courses over eight hours in length	\$ <del>50</del> <u>100</u>
ed.	Appraiser list on disk	\$ <del>20</del> <u>25</u>
f.	<del>Appraiser list on labels</del>	\$20
ge.	Pocket card replacement	\$ <del>20</del> <u>25</u>
hf.	Wall certificate replacement	\$ <del>20</del> <u>25</u>
g.	<u>Change of name or address</u>	\$ <u>25</u>

**History:** Effective October 1, 1992; amended effective January 1, 1995; October 1, 1998; February 1, 2003; January 1, 2008; \_\_\_\_\_.

**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.
2. **~~Property appraisal limitations.~~ 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. **Examination.** ~~There is no examination required for the apprentice appraiser~~ An applicant must pass an open book examination covering North Dakota Century Code chapter 43-23.3 and title 101.

4. **Education.**

a. An applicant for an apprentice appraiser permit must have successfully completed 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. Coverage must include a minimum of all of the following:

(1) Thirty hours of basic appraisal principles.

(2) Thirty hours of basic appraisal procedures.

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

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

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

d. 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. The prescribed number of class hours includes time for examinations.

f. 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. 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) Providers approved by the board.
  - (7) The appraisal foundation or its boards.
- h. ~~Qualifying education must have been obtained within the five-year period immediately preceding application for a permit~~ 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 college or university approved by the American association 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 apprentice level who are awarded graduate 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.
- i. ~~Forty~~ All hours may be ~~from~~ 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) 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) 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) Obtain course delivery mechanism approval from one of the following sources:
    - (a) Appraisal 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) Require the student to successfully complete a written examination proctored by an official approved by the presenting college or university, or sponsoring organization.
  - (5) Meet the requirements for qualifying education established by the appraisal qualifications board of the appraisal foundation.
  - (6) Be equivalent to at least fifteen class hours.
- j. 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. 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. Courses taken to meet the seventy-five hour apprentice requirement can be credible toward the licensure and certification education requirement.
  - m. 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. The applicant must be familiar with North Dakota Century Code chapter 43-23.3 and title 101.

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

6. **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 and that the supervising appraiser is qualified to appraise.

bc. To obtain experience credit for appraisals, the apprentice must sign the report, sign the certification, or be given credit in the certification for as having provided significant professional assistance.

ed. 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. 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 work hours points per assignment.

(6) Signature and state license or certification number of the supervising appraiser.

d. ~~The apprentice appraiser is permitted to have more than one 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. **Supervisor responsibilities.** ~~The supervising appraiser is responsible for the training, guidance, and direct supervision of the apprentice appraiser~~ 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 must pass an open book examination covering North Dakota Century Code chapter 43-23.3 and title 101.

d. The supervising appraiser is responsible for the training, guidance, and direct supervision of the apprentice appraiser. Training, guidance, and direct supervision of the apprentice appraiser 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 25 appraisals.
- e. A supervising appraiser registration may be disciplined if the board determines that the supervisor has failed to directly supervise an apprentice appraiser.
  - bf. A supervising appraiser must have a license or certified permit in good standing and not subject to any disciplinary action within the last two years.
  - eg. A supervising appraiser is limited to supervising no more than three apprentice appraisers at one time.
  - dh. 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; \_\_\_\_\_.

**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. **~~Property appraisal limitations~~ 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. **Examination.** An applicant for a licensed appraiser permit must have successfully completed the board-approved uniform licensing examination or its equivalent. 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 examination as a licensed appraiser must furnish proof to the board that the applicant has successfully completed the applicable education required by subsection 4.

4. **Education.**

- a. ~~An applicant for a licensed appraiser permit who meets the education requirements before January 1, 2008, and makes application by July 1, 2009, must successfully complete ninety classroom hours of real estate appraisal education. Fifteen of the ninety hours must include the successful completion of the national uniform standards of professional appraisal practice course, or its equivalent. Equivalency must be determined through the appraisal qualifications board course approval program or by an alternate method established by the appraisal qualifications board. Sixty of the ninety hours must be comprised of appraisal-specific education related to the valuation of real estate, and fifteen hours may be comprised of appraisal-related subject matter, as approved as such, by the board.~~

- (1) ~~A classroom hour is defined as fifty minutes out of each sixty-minute segment.~~
- (2) ~~Credit toward the classroom hour requirement may only be granted where the length of the educational offering is at least fifteen hours, and the individual successfully completes an examination pertinent to that educational offering.~~
- (3) ~~Open-book examinations are not acceptable in qualifying education courses.~~
- (4) ~~Uniform standards of professional appraisal practice education credit shall only be awarded when the class is instructed by an appraisal qualifications board certified instructor.~~

- (5) ~~Credit for the classroom 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) ~~Other providers approved by the board.~~
- (6) ~~There is no time limit regarding when qualifying education credit must have been obtained.~~
- (7) ~~Various appraisal courses may be credited toward the ninety classroom hour education requirement. Applicants must demonstrate that their education involved substantially equivalent coverage of the topics listed below, with particular emphasis on the appraisal of one to four unit residential properties.~~
- (a) ~~Influences on real estate value.~~
    - [1] ~~Physical and environmental.~~
    - [2] ~~Economic.~~
    - [3] ~~Governmental and legal.~~
    - [4] ~~Social.~~
  - (b) ~~Legal considerations in appraisal.~~
    - [1] ~~Real estate versus real property.~~
    - [2] ~~Real property versus personal property.~~
    - [3] ~~Limitations on real estate ownership.~~
    - [4] ~~Legal rights and interests.~~

[5] Forms of property ownership.

[6] Legal descriptions.

[7] Transfer of title.

(c) Types of value.

[1] Market value or value in exchange.

[2] Price.

[3] Cost.

[4] Investment value.

[5] Value in use.

[6] Assessed value.

[7] Insurable value.

(d) Economic principles.

[1] Anticipation.

[2] Balance.

[3] Change.

[4] Competition.

[5] Conformity.

[6] Contribution.

[7] Increasing and decreasing returns.

[8] Substitution.

[9] Supply and demand.

[10] Surplus and productivity.

- (e) Real estate markets and analysis.
  - [1] Characteristics of real estate markets.
  - [2] Absorption analysis.
  - [3] Role of money and capital markets.
  - [4] Real estate financing.
- (f) Valuation process.
  - [1] Definition of the problem.
  - [2] Collection and analysis of data.
  - [3] Analysis of highest and best use.
  - [4] Application and limitations of each approach to value.
  - [5] Reconciliation and final value estimate.
  - [6] The appraisal report.
- (g) Property description.
  - [1] Site description.
  - [2] Improvement description.
  - [3] Basic construction and design.
- (h) Highest and best use analysis.
  - [1] Four tests.
  - [2] Vacant site or as if vacant.
  - [3] As improved.
  - [4] Interim use.
- (i) Appraisal statistical concepts.

- [1] Mean.
- [2] Median.
- [3] Mode.
- [4] Range.
- [5] Standard deviation.

(j) Sales-comparison approach.

- [1] Research and selection of comparables.
- [2] Elements of comparison.
- [3] Adjustment process.
- [4] Application of sales-comparison approach.

(k) Site value.

- [1] Sales comparison.
- [2] Land residual.
- [3] Allocation.
- [4] Extraction.
- [5] Plottage and assemblage.

(l) Cost approach.

- [1] Steps in cost approach.
- [2] Application of the cost approach.

(m) Income approach.

- [1] Gross rent multiplier analysis.
- [2] Estimation of income and expenses.
- [3] Operating expense ratios.

~~(n) Valuation of partial interests.~~

~~[1] Life estates.~~

~~[2] Undivided interests in commonly held property.~~

~~[3] Easements.~~

~~[4] Timeshares.~~

~~[5] Cooperatives.~~

~~[6] Leased fee estate.~~

~~[7] Leasehold estate.~~

~~(o) Appraisal standards and ethics.~~

~~(8) Forty hours may be distance education. Distance education is an educational process in which the student and instructor are geographically separated. Distance education includes on line learning, internet based instruction, CD-ROM instruction, correspondence courses, and videoconferencing. An acceptable distance education course must:~~

~~(a) Provide interaction between the student and the instructor.~~

~~(b) Meet one of the following requirements:~~

~~[1] The course is presented by a college or university, accredited by the commission on colleges or a regional accreditation association, which offers distance education programs in other disciplines.~~

~~[2] The course is approved for design and delivery mechanism by the international distance education certification center and for content by the appraiser qualifications board or the board.~~

~~(c) Require the student to successfully complete a written examination proctored by an official approved by the presenting college, university, or sponsoring organization.~~

- ~~(d) Meet the requirements for qualifying education established by the appraiser qualifications board.~~
- ~~(e) Be equivalent to at least fifteen classroom hours.~~
- ~~(9) Credit awarded for the classroom hour requirement when an individual seeks a different classification than that held may also be awarded for the continuing education requirement of the classification held.~~
- ~~(10) Courses taken in satisfying the qualifying education requirements should not be repetitive in nature. Each course credited toward the required number of qualifying education hours should represent a progression in which the appraiser's knowledge is increased.~~
- ~~(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.~~
- ~~b. An applicant for a licensed appraiser permit who completes education after December 31, 2007, or applies after July 1, 2009, must apply under shall meet all of the following education requirements:~~
  - ~~(4)a. 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. Coverage must include a minimum of all of the following:
    - ~~(a)1) Thirty hours of basic appraisal principles.~~
    - ~~(b)2) Thirty hours of basic appraisal procedures.~~
    - ~~(e)3) The fifteen-hour national uniform standards of appraisal practice course or its equivalent.~~
    - ~~(d)4) Fifteen hours of residential market analysis and highest and best use.~~
    - ~~(e)5) Fifteen hours of residential appraiser site valuation and cost approach.~~~~

- ~~(f)~~(6) Fifteen hours of residential sales comparison and income approaches.
- ~~g~~(7) Fifteen hours of residential report writing and case studies.
- ~~(2)~~b. Class hours will be credited only for educational offerings with content that follows the required core curriculum.
- ~~(3)~~c. A class hour is defined as sixty minutes, of which at least fifty minutes are instruction attended by the student.
- ~~(4)~~d. 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)~~e. The prescribed number of class hours includes time for examinations.
- ~~(6)~~f. 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)~~g. Credit for the class hour requirement may be obtained from the following:
  - ~~(a)~~(1) Colleges or universities.
  - ~~(b)~~(2) Community or junior colleges.
  - ~~(c)~~(3) Real estate appraisal or real estate-related organizations.
  - ~~(d)~~(4) State or federal agencies or commissions.
  - ~~(e)~~(5) Proprietary schools.
  - ~~(f)~~(6) Providers approved by the board.
  - ~~(g)~~(7) The appraisal foundation or its boards.
- ~~(8)~~h. There is no time limit regarding when qualifying education credit must have been obtained.



~~(9)~~i. ~~Seventy-five~~ All hours may be from 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)~~(1) Provide interaction between the student and the instructor. Interaction is a reciprocal environment when the student has verbal or written communication with the instruction.

~~(b)~~(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.

~~1~~(a) 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 subparagraph b that awards academic credit for the distance education course.

~~c~~3. A qualifying college for content approval with a distance education delivery program that approves the course design and delivery that incorporate interactivity.

~~2~~(b) Require the student to successfully complete a written examination proctored by an official approved by the presenting college, university, or sponsoring organization.

{3}(c) Meet the requirements for qualifying education established by the appraisal qualifications board of the appraisal foundation.

{4}(d) Be equivalent to at least fifteen class hours.

(10)j. 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)k. 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)l. 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. 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 college or university approved by the American association 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 graduate 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.

(13)n. The applicant must be familiar with North Dakota Century Code chapter 43-23.3 and title 101.

(14)o. Experience may not be substituted for education.

5. **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 a ~~value~~ an opinion and ~~correctly~~ reporting the value 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 on a point system by the number of hours assigned by the board for a particular appraisal assignment.

(1) ~~The point system awards points~~ Hours are based on the types of appraisals performed, and the types of properties appraised, ~~and the number of appraisals performed by the individual.~~

(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) Points 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. ~~A total of two hundred forty points is equivalent to the two thousand hour requirement. These two hundred forty points (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 (~~two hundred forty points~~) 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 seventy-five points of the total experience credit may be in related areas. Related experience includes consulting.
- f. Documentation in the form of reports ~~or~~ certifications, and file memoranda must be provided to support the experience claimed. If reports ~~or~~ 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 (~~two hundred forty points~~) 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 work hours (points) per assignment.
  - (6) The signature and permit number of the supervising appraiser, if applicable.
  - (7) Separate appraisal logs maintained for each supervising appraiser, if applicable.
- h. 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. 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 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 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. 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. 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; \_\_\_\_\_.

**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. ~~Property appraisal limitations~~ **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. **Examination.** An applicant for a certified residential appraiser permit must have successfully completed the board-approved uniform state-certified residential examination or its equivalent. 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 examination as a certified residential appraiser must furnish proof to the board that the applicant has successfully completed the applicable education required by subsection 4.
4. **Education.**
  - a. ~~An applicant for a certified residential appraiser permit who meets the education requirements before January 1, 2008, and makes 20 application by July 1, 2009, must successfully complete one hundred twenty hours of real estate appraisal education. Fifteen of the one hundred twenty hours must include the successful~~



~~completion of the national uniform standards of professional appraisal practice course or its equivalent. Equivalency must be determined through the appraisal qualifications board of the appraisal foundation course approval program or by an alternate method established by the appraisal qualifications board of the appraisal foundation. Ninety of the one hundred twenty hours must be comprised of appraisal specific education related to the valuation of real estate and fifteen hours may be comprised of appraisal related subject matter as approved as such by the board.~~

- ~~(1) A classroom hour is defined as fifty minutes out of each sixty-minute segment.~~
- ~~(2) Credit toward the classroom hour requirement may only be granted when the length of the educational offering is at least fifteen hours, and the individual successfully completes an examination pertinent to that educational offering.~~
- ~~(3) Open book examinations are not acceptable in qualifying education courses.~~
- ~~(4) Uniform standards of professional appraisal practice education credit shall only be awarded when the classroom is instructed by an appraisal qualifications board certified instructor.~~
- ~~(5) Credit for the classroom 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) Other providers approved by the board.~~~~
- ~~(6) There is no time limit regarding when qualifying education credit must have been obtained.~~
- ~~(7) Various appraisal courses may be credited toward the one hundred twenty classroom hour education requirement.~~

~~Applicants must demonstrate that their education involved substantially equivalent coverage of the topics listed below, with particular emphasis on the appraisal of one-unit to four-unit residential properties.~~

~~(a) Influences on real estate value.~~

~~[1] Physical and environmental.~~

~~[2] Economic.~~

~~[3] Governmental and legal.~~

~~[4] Social.~~

~~(b) Legal considerations in appraisal.~~

~~[1] Real estate versus real property.~~

~~[2] Real property versus personal property.~~

~~[3] Limitations on real estate ownership.~~

~~[4] Legal rights and interests.~~

~~[5] Forms of property ownership.~~

~~[6] Legal descriptions.~~

~~[7] Transfer of title.~~

~~(c) Types of value.~~

~~[1] Market value or value in exchange.~~

~~[2] Price.~~

~~[3] Cost.~~

~~[4] Investment value.~~

~~[5] Value in use.~~

~~[6] Assessed value.~~

[7] Insurable value.

(d) Economic principles.

[1] Anticipation.

[2] Balance.

[3] Change.

[4] Competition.

[5] Conformity.

[6] Contribution.

[7] Increasing and decreasing returns.

[8] Opportunity cost.

[9] Substitution.

[10] Supply and demand.

[11] Surplus and productivity.

(e) Real estate markets and analysis.

[1] Characteristics of real estate markets.

[2] Absorption analysis.

[3] Role of money and capital markets.

[4] Real estate financing.

(f) Valuation process.

[1] Definition of the problem.

[2] Collection and analysis of data.

[3] Analysis of highest and best use.

- [4] Application and limitations of each approach to value.
- [5] Reconciliation and final value estimate.
- [6] The appraisal report.
- (g) Property description.
  - [1] Site description.
  - [2] Improvement description.
  - [3] Basic construction and design.
- (h) Highest and best use analysis.
  - [1] Four tests.
  - [2] Vacant site or as if vacant.
  - [3] As improved.
  - [4] Interim use.
- (i) Appraisal mathematics and statistics.
  - [1] Compound interest concepts.
  - [2] Statistical concepts used in appraisal.
- (j) Sales comparison approach.
  - [1] Research and selection of comparables.
  - [2] Elements of comparison.
  - [3] Adjustment process.
  - [4] Application of sales comparison approach.
- (k) Site value.
  - [1] Sales comparison.

- {2} Land residual.
- {3} Allocation.
- {4} Extraction.
- {5} Plottage and assemblage.

(l) Cost approach.

- {1} Steps-in-cost approach.
- {2} Application of the cost approach.

(m) Income approach.

- {1} Estimation of income and expenses.
- {2} Operating expense ratios.
- {3} Direct capitalization.
- {4} Gross rent multiplier analysis.

(n) Valuation of partial interests.

- {1} Life estates.
- {2} Undivided interests in commonly held property.
- {3} Easements.
- {4} Timeshares.
- {5} Cooperatives.
- {6} Leased fee estate.
- {7} Leasehold estate.

(o) Appraisal standards and ethics.

(p) Narrative report writing.

(8) ~~Sixty hours may be for 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.~~
  - (b) ~~Meet one of the following requirements:~~
    - [1] ~~The course is presented by a college or university, accredited by the commission on colleges or a regional accreditation association, which offers distance education programs in other disciplines.~~
    - [2] ~~The course is approved for design and delivery mechanism by the international distance education certification center and for content by the appraiser qualifications board or the board.~~
  - (c) ~~Require the student to successfully complete a written examination proctored by an official approved by the presenting college, university, or sponsoring organization.~~
  - (d) ~~Meet the requirements for qualifying education established by the appraiser qualifications board.~~
  - (e) ~~Be equivalent to at least fifteen classroom hours.~~
  - (9) ~~Credit awarded for the classroom hour requirement when an individual seeks a different classification than that held may also be awarded for the continuing education requirement of the classification held.~~
  - (10) ~~Courses taken in satisfying the qualifying education requirements should not be repetitive in nature. Each course credited toward the required number of qualifying education hours should represent a progression in which the appraiser's knowledge is increased.~~
  - (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 by the board without additional state review.~~
- b. An applicant for a certified residential appraiser who completes education after December 31, 2007, or applies after July 1, 2009, must apply under permit shall meet all of the following education requirements:

(1)a. An associate 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 ~~twenty-one~~ three semester credit hours in all each of the following collegiate level subject matter courses ~~from an accredited college, junior college, community college, or university:~~

(a) English composition.

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

(c) Finance.

(d) Algebra, geometry, or higher mathematics.

(e) Statistics.

(f) ~~Introduction to computers, word processing and spreadsheets~~ 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 hour credit is equivalent to two thirds semester credit hours.

(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 credential in another discipline.

~~(2)~~b. Two In addition to an associate 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.

(a1) 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.
- (f) Thirty hours of sales comparison and income approaches.
- ~~{6}~~(g) Fifteen hours of residential report writing and case studies.
- ~~{7}~~(h) Fifteen hours of statistics, modeling, and finance.
- ~~{8}~~(i) Fifteen hours of advanced residential applications and case studies.



~~[9]~~(j) ~~Fifteen~~ Twenty hours of appraisal subject matter electives.

(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 for 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 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~~) ~~One hundred~~ All hours may be ~~from~~ 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 where 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:

[a1] Appraisal qualifications board-approved organizations providing approval of course design and delivery.

[b2] A college that qualifies for content approval in item 2 (b) and that awards academic credit for the distance education course.

[e3] A qualifying college 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, university, or sponsoring organization.

{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.

(j10) 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.

(k11) 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.

(l12) 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 college or university approved by the American association 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 in which the approved degree is judged to be deficient by the appraisal qualifications board.

(m15) The applicant must be familiar with North Dakota Century Code chapter 43-23.3 and title 101.

(n16) Experience may not be substituted for education.

5. **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 ~~one-family to four-family residential~~ appraisal reports. ~~One report~~ 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 ~~on a point system~~ by the number of hours assigned by the board for a particular appraisal assignment.

(1) ~~The point system awards points~~ Hours awarded are based on the types of appraisals performed, and the types of properties appraised, and the number of appraisals performed by the individual.

(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) Points 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. ~~A total of three hundred points is equivalent to the two thousand five hundred hour requirement. These three hundred points (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 ~~not~~ 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 ~~(three hundred points)~~ 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 ~~seventy-five points~~ 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 ~~or~~ certifications, and file memoranda must be provided to support the experience claimed. If reports ~~or~~ 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 (~~three hundred points~~) 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 work hours (~~points~~) per assignment.
  - (6) The signature and permit number of the supervising appraiser, if applicable.
  - (7) Separate appraisal logs maintained for each supervising appraiser, if applicable.
- h. 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. 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 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 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. 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. 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 \_\_\_\_\_.

**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. **~~Property appraisal limitations~~ 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. **Examination.** An applicant for a certified general appraiser permit must have successfully completed the board approved uniform state certification examination or its equivalent. 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 examination as a certified appraiser must furnish proof to the board that the applicant has successfully completed the applicable education required by subsection 4.

#### 4. Education.

- a. ~~An applicant for a certified general appraiser permit who meets the education requirements before January 1, 2008, and makes application by July 1, 2009, must successfully complete one hundred eighty hours of real estate appraisal education. Fifteen of the one hundred eighty hours must include the successful completion of the national uniform standards of professional appraisal practice course, or its equivalent. Equivalency shall be determined through the appraisal qualifications board course approval program or by an alternate method established by the appraisal qualifications board. One hundred fifty hours of the one hundred eighty hours must be comprised of appraisal-specific education related to the valuation of real estate, and fifteen hours may be comprised of appraisal-related subject matter, as approved as such, by the board.~~
- ~~(1) A classroom hour is defined as fifty minutes out of each sixty-minute segment.~~
  - ~~(2) Credit toward the classroom hour requirement may only be granted where the length of the educational offering is at least fifteen hours, and the individual successfully completes an examination pertinent to that educational offering.~~
  - ~~(3) Open book examinations are not acceptable in qualifying education courses.~~
  - ~~(4) Uniform standards of professional appraisal practice education credit shall only be awarded when the class is instructed by an appraisal qualifications board-certified instructor.~~
  - ~~(5) Credit for the classroom 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 commission.~~
    - ~~(e) Proprietary schools.~~~~

- (f) ~~Other providers approved by the state certification or licensing board.~~
- (6) ~~There is no time limit regarding when qualifying education credit must have been obtained.~~
- (7) ~~Various appraisal courses may be credited toward the one hundred eighty classroom hour education requirement. Applicants must demonstrate that their education involved substantially equivalent coverage of topics listed below with particular emphasis on the appraisal of nonresidential properties. Residential is defined as one to four residential units.~~
  - (a) ~~Influence on real estate value.~~
    - [1] ~~Physical and environmental.~~
    - [2] ~~Economic.~~
    - [3] ~~Governmental and legal.~~
    - [4] ~~Social.~~
  - (b) ~~Legal considerations in appraisal.~~
    - [1] ~~Real estate versus real property.~~
    - [2] ~~Real property versus personal property.~~
    - [3] ~~Limitations on real estate ownership.~~
    - [4] ~~Legal rights and interests.~~
    - [5] ~~Forms of property ownership.~~
    - [6] ~~Legal descriptions.~~
    - [7] ~~Transfer of title.~~
  - (c) ~~Types of value.~~
    - [1] ~~Market value or value in exchange.~~
    - [2] ~~Price.~~

- [3] Cost.
- [4] Investment value.
- [5] Value in use.
- [6] Assessed value.
- [7] Insurable value.

(d) Economic principles.

- [1] Anticipation.
- [2] Balance.
- [3] Change.
- [4] Competition.
- [5] Conformity.
- [6] Contribution.
- [7] Increasing and decreasing returns.
- [8] Substitution.
- [9] Supply and demand.
- [10] Surplus and productivity.

(e) Real estate markets and analysis.

- [1] Characteristics of real estate markets.
- [2] Absorption analysis.
- [3] Role of money and capital markets.
- [4] Real estate financing.

(f) Valuation process.

- [1] Definition of the problem.
  - [2] Collection and analysis of data.
  - [3] Analysis of highest and best use.
  - [4] Application and limitations of each approach to value.
  - [5] Reconciliation and final value estimate.
  - [6] The appraisal report.
- (g) Property description.
- [1] Site description.
  - [2] Improvement description.
  - [3] Basic construction and design.
- (h) Highest and best use analysis.
- [1] Four tests.
  - [2] Vacant site or as if vacant.
  - [3] As improved.
  - [4] Interim use.
- (i) Appraisal mathematics and statistics.
- [1] Compound interest concepts.
  - [2] Statistical concepts used in appraisal.
- (j) Sales comparison approach.
- [1] Research and selection of comparables.
  - [2] Elements of comparison.
  - [3] Adjustment process.

- [4] Application of sales comparison approach.
- (k) Site value.
  - [1] Sales comparison.
  - [2] Land residual.
  - [3] Allocation.
  - [4] Extraction.
  - [5] Plottage and assemblage.
- (l) Cost approach.
  - [1] Steps in cost approach.
  - [2] Application of the cost approach.
- (m) Income approach.
  - [1] Estimation of income and expenses.
  - [2] Operating ratios.
  - [3] Direct capitalization.
  - [4] Gross rent multiplier analysis.
- (n) Valuation of partial interests.
  - [1] Life estates.
  - [2] Undivided interests in commonly held property.
  - [3] Easements.
  - [4] Timeshares.
  - [5] Cooperatives.
  - [6] Leased fee estate.
  - [7] Leasehold estate.

- (o) Appraisal standards and ethics.
- (p) Narrative report writing.
- (8) Eighty hours may be distance education. Distance education is an educational process in which the student and instructor are geographically separated. Distance education includes, but is not limited to, online learning internet based instruction, CD-ROM instruction, correspondence courses, and videoconferencing. An acceptable distance education course must:
  - (a) Provide interaction between the student and the instructor.
  - (b) Meet one of the following requirements:
    - [1] The course is presented by a college or university, accredited by the commission on colleges or a regional accreditation association, that offers distance education programs in other disciplines.
    - [2] The course is approved for design and delivery mechanism by the international distance education certification center, and for content by the appraiser qualifications board or the board.
  - (c) Require the student to successfully complete a written examination proctored by an official approved by the presenting college, university, or sponsoring organization.
  - (d) Meet the requirements for qualifying education established by the appraisal qualifications board.
  - (e) Be equivalent to at least fifteen classroom hours.
- (9) Credit awarded for the classroom hour requirement when an individual seeks a different classification than that held may also be awarded for the continuing education requirement of the classification held.
- (10) Courses taken in satisfying the qualifying education requirements should not be repetitive in nature. Each course

~~credited toward the required number of qualifying education hours should represent a progression in which the appraiser's knowledge is increased.~~

~~(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 by the board without additional state review.~~

b. An applicant for a certified general appraiser ~~who completes education after December 31, 2007, or applies after July 1, 2009,~~ must apply under permit shall meet all of the following education requirements:

~~(1)a.~~ a. A bachelor's degree or higher from an accredited college or university.

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

(a) English composition.

(b) Micro economics.

(c) Macro economics.

(d) Finance.

(e) Algebra, geometry, or higher mathematics.

(f) Statistics.

(g) ~~Introduction to computers, word processing and spreadsheets~~ 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 hour credit 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.

(2)b. In addition to a bachelor's degree or higher, an applicant for certified general must complete Three 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.

(a<sub>1</sub>) 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) Thirty hours of general appraiser market analysis and highest and best use.

[5](e) Fifteen hours of statistics, modeling, and finance.

[6](f) Thirty hours of general appraiser sales comparison approach.

[7](g) Thirty hours general appraiser site valuation and cost approach.

[8](h) Sixty hours of general appraiser income approach.

[9](i) Thirty hours of general appraiser report writing and case studies.

[10](j) Thirty hours of appraisal subject matter electives.

(b2) Class hours will be credited only for educational offerings with content that follows the required core curriculum.

(e3) A class hour is defined as sixty minutes, of which at least fifty minutes are for instruction attended by the student.

(d4) 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.

(e5) The prescribed number of class hours includes time for examinations.

(f6) 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.

(g7) 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.

(h8) There is no time limit regarding when qualifying education credit must have been obtained.

(i9) ~~One hundred fifty~~ All hours may be from 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 where 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:

[a1] Appraisal qualifications board-approved organizations providing approval of course design and delivery.

[b2] A college that qualifies for content approval in item 2 (b) that awards academic credit for the distance education course.

[e3] A qualifying college 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, university, or sponsoring organization.

[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.

(j10) 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.

(k11) 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.

(l12) 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 college or university approved by the American association 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 general level who are awarded graduate 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.

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

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

5. **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. ~~One report~~ 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 ~~on a point system~~ by the number of hours assigned by the board for a particular appraisal assignment.

(1) ~~The point system awards points~~ Hours awarded are based on the types of appraisals performed, and the types of properties appraised, and the number of appraisals performed by the individual.

(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) Points 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. ~~A total of three hundred sixty points is equivalent to three thousand-hour requirement. These three hundred sixty points (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 (~~three hundred sixty points~~) 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 ~~seventy-five points~~ three hundred hours of the total experience credit may be in related areas. Related experience includes consulting.
- f. Documentation in the form of reports ~~or~~ certifications, and file memoranda must be provided to support the experience claimed. If reports ~~or~~ 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 (~~three hundred sixty points~~) 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 ~~work~~ hours (~~points~~) per assignment.
  - (6) The signature and permit number of the supervising appraiser, if applicable.
  - (7) Separate appraisal logs maintained for each supervising appraiser, if applicable.
- h. The applicant must have at least fifty percent (~~one thousand five hundred hours~~) of nonresidential appraisal experience. Residential is defined as one-unit to four-unit residential units.
- i. 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.
- 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 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 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. 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. 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; \_\_\_\_\_.

**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.—A , 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 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;\_\_\_\_\_.

**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]
<u>101-02-02.1-04</u>	<u>Denial of an application</u>

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

1. The board ~~may~~ 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:
  - 4.a. Submit an application on a form provided by the board.
  - 2.b. Certify that the applicant is licensed or certified in good standing in another state.
  - 3.c. Certify that disciplinary proceedings are not pending against the applicant in any jurisdiction.
  - 4.d. Provide documentation of the current requirements of the state in which the applicant was originally licensed or certified.
  - 5.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; \_\_\_\_\_.

**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:
  - 4.a. Submit an application on a form provided by the board.
  - 2.b. Certify that the applicant is licensed or certified in good standing in another state.
  - 3.c. Certify that disciplinary proceedings are not pending against the applicant in any jurisdiction.
  - 4.d. Submit a copy of the contract for appraisal services.
  - 5.e. Sign an irrevocable consent to service of process form.
  - 6.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; \_\_\_\_\_.

**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 \_\_\_\_\_.

**General Authority:** NDCC 43-23-03

**Law Implemented:** NDCC 43-23-03

## CHAPTER 101-02-04 RENEWAL

Section

101-02-04-01	Permit Renewal
<u>101-02-04-02</u>	<u>Denial of an application.</u>

### **101-02-04-01. Permit renewal.**

1. All permits expire on December thirty-first of each year.
- 4-2. 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.
- 2-3. 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.

- 3.4. 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;\_\_\_\_\_.

**General Authority:** NDCC 43-23.3-03

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

**101-02-04-02. 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 \_\_\_\_\_.

**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 upon request to the board for purchase through the appraisal foundation.

**History:** Effective October 1, 1992; amended effective January 1, 1995;\_\_\_\_\_.

**General Authority:** NDCC 43-23.3-03

**Law Implemented:** NDCC 43-23.3-08, 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
<u>101-03.1-01-04</u>	<u>Application of Standards</u>

**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; \_\_\_\_\_.

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

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

**101-03-01-04. 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 \_\_\_\_\_.

**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 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.
- 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. The attendee must attend the meeting in its entirety.
- mn. 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.
- no. 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.
- op. 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 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 course mechanisms required to demonstrate knowledge of the subject matter.

pg. A course with the same or substantially the same subject content may be claimed only once for credit within a two-year renewal cycle.

qr. Excess hours of education earned in one renewal period cannot be carried over to the next renewal period.

rs. 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.

st. Courses that are taken as a result of a disciplinary action may not be credited toward continuing education.

tu. 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.

uv. 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; \_\_\_\_\_.

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

**Law Implemented:** NDCC 43-23.3