



## **Notice of Proposed Changes to the Regulations of the Board of Certified Real Estate Appraisers**

### **Proposed Regulations - FAQ**

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*June 2020*

#### **1. 12 AAC 70.108. Work experience requirements for real estate appraiser certification.**

##### **What are the changes to the regulations being proposed?**

Under subsections (a) and (b), the version of the Uniform Standards of Professional Appraisal Practice (USPAP) used while obtaining the appraisal experience to apply for a license is being changed from the time in which the experience was obtained to the version of the USPAP that was in effect as of the date of the appraisal.

Subsection (c) requiring 1,500 hours of experience obtained in not less than 12 months is being repealed.

##### **Why are these changes being proposed?**

Subsections (a) and (b) are being amended for clarification purposes.

Subsection (c) is being amended because in 2019 subsections (a) and (b) were updated regarding the training, and (c) now conflicts with subsections (a) and (b). To clarify how many training hours can be obtained in a specific period of time, this subsection is being removed.

#### **2. 12 AAC 70.110. Verification of work experience.**

##### **What are the changes to the regulations being proposed?**

This section is being amended to remove the requirement of at least three individuals verifying the work experience for an applicant for a certification.

##### **Why are these changes being proposed?**

There is no requirement in the AQB Criteria that three individuals verify the work experience of a trainee. The AQB only requires that the supervisor verify the trainee's experience. The proposed changes will be more in-line with the AQB Criteria.

### **3. 12 AAC 70.150. Application deadline.**

#### **What are the changes being proposed?**

The current deadline to submit a complete application for certification or course approval is 15 days prior to the scheduled date of the board's application review. The proposed repeal of this section will remove the 15-day requirement.

#### **Why are these changes being proposed?**

The board is proposing to repeal this section as they do not feel it is necessary to have an application submitted at least 15 days before the board reviews it for approval.

### **4. 12 AAC 70.160. Real estate appraisal management company registration.**

#### **What are the changes being proposed?**

The proposed changes to this section are adding the term "for a substantive cause", in regards to qualifications for an owner or a controlling person of an appraisal management company (AMC) applying for a registration.

#### **Why are the changes being proposed?**

The current language requires that the owner and controlling person not have a real estate appraiser certificate denied, cancelled, suspended, revoked, put on probation, or surrendered, to qualify for an AMC registration. The proposed change will add the qualifier "for a substantive cause", so that a person who surrenders their license willfully, or allows their license to lapse, may still qualify for an AMC registration. The update to this section will be in-line with the current criteria required by the federal AMC rules.

### **5. 12 AAC 70.165. Real estate appraisal management company and panel standards.**

#### **What are the changes being proposed?**

Current (3)(C)-

The proposed change to this section is removing the requirement of a registered AMC to notify the department and pay a fee when there is a change of an employee.

New subsection (b)-

The proposed change is adding a new subsection outlining when the real estate management company may remove an appraiser from the appraiser panel. An AMC may not arbitrarily remove an appraiser from its panel without notifying the appraiser and the reason for removal.

The AMC may only remove an appraiser from the panel after they notify the appraiser in writing with an explanation and reason for termination from the appraiser panel; after receipt of written notice from the appraiser they would like to be removed from the panel; or when the AMC receives notice of death or incapacitation of an appraiser.

**Why are the changes being proposed?**

Current (3)(C)-

It has been determined that the term “employee” is vague and could mean general office staff. The board does not feel that it is necessary to know who each individual “employee” of the registered AMC is.

Subsection (b)-

The reason for the new section is to comply with the ASC and the federal AMC rules. This change will also provide guidelines for the proper termination of an agreement and mitigate any confusion of when, or if an appraiser was working on behalf of an AMC.

**6. 12 AAC 70.175. Annual reporting and federal registry requirements for appraisal management companies.**

**What are the changes being proposed?**

To ensure all transactions are being reported in accordance with the ASC rules, the proposed change to this section will replace “federal related transaction” with “covered transaction” when describing an appraisal performed by an appraiser on an appraiser panel.

**Why are the changes being proposed?**

The change will conform with the ASC federal AMC rules. The AMC rules require the AMC to report “covered” transactions, not just “federal” related transactions as not all transactions are considered federal transactions. The change will ensure all AMCs are adequately reporting when annual reports are due to the department.

**7. 12 AAC 70.200. application for continuing education course or seminar approval.**

**What are the changes being proposed?**

The proposed addition of a new subsection will allow approval of an AQB or IDECC continuing education course by submitting an application, the required fee, and verification of AQB or IDECC approval.

**Why are the changes being proposed?**

The purpose of the proposed change is to provide an easier route for the AQB or IDECC approved continuing education course to be approved by the board. This means that the requirements under

12 AAC 7.200(a)(3) are not required to be submitted for board approval of the AQB or IDECC approved course.

#### **8. 12 AAC 70.220. Hours of continuing education required.**

##### **What are the changes being proposed?**

The proposed changes to this section include updates to (a)(1) and (2) by adding “during the concluding licensing period”, and adding a new subsection (f).

The new subsection (f) is being proposed in response to the public health emergency declared by the governor March 11, 2020. The change will allow all continuing education taken during the July 1, 2019 through June 30, 2021 renewal period to be completed via distance education if needed. Currently subsection (d) limits the amount of distance or online continuing education to one half of the total required continuing education.

##### **Why are the changes being proposed?**

The changes to (a)(1) and (2) are to clarify for the licensee that the continuing education is to be completed during the appropriate renewal period by adding “concluding licensing period”.

Subsection (f) is being added because the board felt it would be too difficult to obtain “in person” continuing education during the COVID-19 pandemic. This will allow all continuing education to be done online or through distance education as defined in 12 AAC 70.990(9). If adopted, this change will be only for the current renewal period, July 1, 2019 through June 30, 2021.

#### **9. 12 AAC 70.935. Supervision of trainee appraisers.**

##### **What are the changes being proposed?**

The proposed change to this section is removing the requirement of a supervisor to complete and submit a form verifying competency of the trainee.

##### **Why are the changes being proposed?**

The changes are being proposed because verification of competency of the trainee is not required by the AQB Criteria. Removing the requirement will remove a barrier to licensure as often the supervisor does not submit the completed Determination of Competency form. In addition, the logs of the appraisals verify the experience the trainee has obtained. The supervisory appraiser must still determine the trainee is competent to perform appraisals, but they are not required to submit the verification form provided by the board.

#### **10. 12 AAC 70.990. Definitions.**

##### **What are the changes being proposed?**

The proposed change to this section is adding a definition for “covered transactions”.

### **Why are the changes being proposed?**

The change is being proposed to conform to the federal AMC rules.

### **5. When will the new regulations be effective?**

After the public comment deadline, comments received are compiled and given to the Board for consideration. The Board may adopt the regulation as written/publicly noticed, may amend and adopt them, or choose to take no action, or may withdraw the proposed regulations in part or in its whole. After Board action, the adopted regulations go to Department of Law (DOL) for final review/approval. DOL either approves or disapproves regulations. Once approved by DOL, it goes to the Lt. Governor for filing. Regulations take effect on the 30th day after they have been filed by the Lt. Governor.

Do you have a question that is not answered here? Please email [RegulationsAndPublicComment@alaska.gov](mailto:RegulationsAndPublicComment@alaska.gov) so it can be added.