

# **REDLINE VERSION**

**(see page two for rule redline)**

**DEPARTMENT OF REGULATORY AGENCIES  
DIVISION OF REAL ESTATE  
BOARD OF REAL ESTATE APPRAISERS  
4 CCR 725-2**

**RULES GOVERNING THE PRACTICE OF REAL ESTATE APPRAISERS OF THE BOARD OF REAL ESTATE  
APPRAISERS**

**NOTICE OF PROPOSED PERMANENT RULEMAKING HEARING  
November 5, 2020 at 9:00 AM MST**

**Division of Real Estate Office  
1560 Broadway  
Denver, CO 80202**

**VIRTUAL MEETING REGISTRATION LINK:**

<https://attendee.gotowebinar.com/register/4040110803279660044>

Pursuant to and in compliance with Title 12, Article 10 and Title 24, Article 4, C.R.S., as amended, notice of proposed rulemaking is hereby given, including notice to the Attorney General of the State of Colorado and to all persons who have requested to be advised of the intention of the Colorado Board of Real Estate Appraisers (“Board”) to promulgate rules, or to amend, repeal, or repeal and re-enact the present rules of the Board.

Due to the State’s COVID-19 response, the hearing more than likely will only be conducted in a virtual setting. All interested parties are urged to attend this public hearing by registering for the webinar on the Division’s website at [www.dora.colorado.gov/dre](http://www.dora.colorado.gov/dre) and to submit written comments concerning the proposed amended rules in advance if possible for consideration.

In order to facilitate the review of comments by the Board, all interested parties are strongly encouraged to submit their written comments to Eric Turner via email at [eric.turner@state.co.us](mailto:eric.turner@state.co.us) on or before 5:00 p.m. on October 23, 2020. Any written comments not received by October 23, 2020 may be submitted via public testimony at the hearing on November 5, 2020.

## **STATEMENT OF BASIS**

The statutory basis for the rules titled Rules of the Colorado Board of Real Estate Appraisers is Part 6 of Title 12, Article 10, Colorado Revised Statutes, as amended. The specific authority under which the Board shall establish these rules is set forth in section 12-10-604(1)(a)(I), C.R.S.

## **STATEMENT OF PURPOSE**

The purpose of this rule is to effectuate the legislative directive to promulgate necessary and appropriate rules in conformity with the statute and the provisions of the federal Financial Institutions Reform, Recovery and Enforcement Act of 1989 as amended.

## **SPECIFIC PURPOSE OF RULEMAKING**

The specific purpose of this rule is to amend existing rules with respect to the applicable version of The Real Property Appraiser Qualification Criteria. Recent actions within the lending industry have changed the levels at which an appraisal must be performed by a state licensed or certified appraiser. Federal

financial regulatory agencies have increased the de minimus threshold amount in which lending institutions may utilize evaluations that do not require compliance with Uniformed Standards of Professional Appraisal Practice (USPAP) and can be performed by individuals who are not state licensed or certified appraisers. As a result, the Appraisers Qualifications Board (AQB) adopted revisions to the scope of practice for licensed residential real property appraiser classification.

### PROPOSED NEW, AMENDED AND REPEALED RULES

Deleted material shown ~~struck through~~; new material is indicated by underline. Rules, or portions of rules, which are unaffected are reproduced. Readers are advised to obtain a copy of the complete rules of the Commission at [www.dora.colorado.gov/dre](http://www.dora.colorado.gov/dre).

#### Proposed New, Amended, Repealed, or Repealed and Re-Enacted Rules

#### **Rule Redline:**

#### **CHAPTER 1: DEFINITIONS**

- 1.13 Licensed Appraiser: A person who has been granted a license pursuant to section 12-10-606(1)(b)(IV), C.R.S. as a Licensed Appraiser by the Board as a result of meeting the real estate appraisal education, experience, and examination requirements established by Board Rule 2.2, the AQB, or as a result of licensure through endorsement from another jurisdiction as provided by Chapter 9 of these Rules. The scope of practice for the Licensed Appraiser is limited to, if competent for the assignment, appraisal of non-complex one to four unit residential properties having a transaction value of less than \$1,000,000 and complex one to four unit residential properties having a transaction value of less than ~~\$250,000~~400,000, or as allowed by section 12-10-606(4), C.R.S. For non-federally related transactions, the scope of practice may include vacant or unimproved land that is to be used for development for a one to four unit residential property, or vacant or unimproved land for which the highest and best use is a one to four unit residential property. In compliance with Board Rule 1.16, the scope of practice does not include vacant or unimproved land that has the potential for subdivision development for which the subdivision development analysis method of land valuation is necessary and applicable.
- 1.32 Real Property Appraiser Qualification Criteria: Pursuant to section 12-10-606(1) and (2), C.R.S. as amended, the Board incorporates by reference in compliance with section 24-4-103(12.5), C.R.S., the ~~2018~~ Real Property Appraiser Qualification Criteria adopted by the AQB of TAF on ~~February 1, 2018~~May 15, 2020, including the Required Core Curricula, Guide Notes, and Interpretations relating to the real property appraiser classifications described in Board Rules 1.13, 1.14, and 1.15. This Board Rule 1.32 excludes and does not incorporate by reference the following: the trainee real property appraiser classification and qualification requirements, the supervisory appraiser requirements, and supervisory appraiser/trainee appraiser course objectives and outline. A certified copy of the ~~2018~~ Real Property Appraiser Qualification Criteria is on file and available for public inspection at the Office of the Board at 1560 Broadway, Suite 925, Denver, Colorado 80202. Copies of the ~~2018~~ Real Property Appraiser Qualification Criteria may be examined at the Internet website of TAF at [www.appraisalfoundation.org](http://www.appraisalfoundation.org), and copies may be ordered through that mechanism. TAF may also be contacted at 1155 15th Street, NW, Suite 1111, Washington, DC 20005, or by telephone at (202) 347-7722 or telefax at (202) 347-7727. The ~~2018~~ Real Property Appraiser Qualification Criteria is effective as of ~~May 1, 2018~~January 1, 2021.

A hearing on the above subject matter will be held on Wednesday, November 5, 2020 at the Colorado Division of Real Estate, 1560 Broadway, Colorado 80202 beginning at 9:00 a.m. Also, the virtual webinar of the meeting may be accessed at the following link:

<https://attendee.gotowebinar.com/register/4040110803279660044>

Any interested person may participate in the rule making through submission of written data, views and arguments to the Division of Real Estate. Persons are requested to submit data, views and arguments to the Division of Real Estate in writing no less than ten (10) days prior to the hearing date and time set forth above. However, all data, views and arguments submitted prior to or at the rulemaking hearing or prior to the closure of the rulemaking record (if different from the date and time of hearing), shall be considered.

Please be advised that the rule being considered is subject to further changes and modifications after public comment and formal hearing.