

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

NOTICE OF PROPOSED PERMANENT RULEMAKING HEARING
May 2, 2019

CHAPTER 18: PROFESSIONAL STANDARDS - APPRAISAL MANAGEMENT COMPANIES

Pursuant to and in compliance with Title 12, Article 61 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 (the "Board") to promulgate rules, or to amend, repeal or repeal and re-enact the present rules of the Board.

STATEMENT OF BASIS

The statutory basis for the rules titled the Board of Real Estate Appraisers is Part 7 of Title 12, Article 61, Colorado Revised Statutes, as amended.

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 THIS RULEMAKING

The specific purpose of this rule is to modify the professional standards for appraisal management companies pursuant to SB18-210.

Proposed New, Amended and Repealed Rules

Deleted material is shown by ~~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 Board at www.dora.colorado.gov/dre.

CHAPTER 18: PROFESSIONAL STANDARDS - APPRAISAL MANAGEMENT COMPANIES

18.2 For each Colorado appraisal assignment, an appraisal management company must maintain the following documents or records for a period of at least five (5) years, or at least two (2) years after the final disposition of any judicial proceeding in which a representative of the appraisal management company provided testimony related to the assignment, whichever period expires last:

- A. Contractual agreements with clients.
- B. Any documents associated with the engagement of an appraiser used to appraise Colorado real estate.
- C. All correspondence with a client or an appraiser regarding a specific assignment, including an accounting of payments received from the client and paid to the appraiser.
- D. Appraisals, appraisal reviews, appraisal updates, recertifications of value, certificates of completion, broker price opinions or competitive market analyses, comparable property checks, rent schedules or income analyses, measurements, building sketches, and any client approved forms (Colorado Real Estate only).
- E. A list of all licensed or certified appraisers on the appraisal management company's Panel. ~~approved appraisers for Colorado real property appraisals, including a list of all appraisers engaged during each calendar year.~~
- F. Copies of final appraisal reports reviewed in accordance with Board Rule 18.1, findings and any subsequent correspondence with the appraiser, client, or Board.
- G. Copies of all processes and controls pursuant to section 12-61-714(1)(a)(II), C.R.S.

Records may be maintained in electronic format, but must be produced upon request by the Board and must be in a format that has the continued capability to be retrieved and legibly printed. Upon request by the Board, printed records must be produced.

A hearing on the above subject matter will be held on Thursday, May 2, 2019, at the Colorado Division of Real Estate, 1560 Broadway, Suite 1250-C, Denver, Colorado 80202 beginning at 9:00 a.m.

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.