

**NORTH CAROLINA ADMINISTRATIVE CODE  
TITLE 21 CHAPTER 57**

**SUBCHAPTER 57A – REGISTRATION, CERTIFICATION AND PRACTICE**

**SECTION 57A.0100  
APPLICATION FOR REAL ESTATE APPRAISER REGISTRATION OR  
CERTIFICATE**

**57A .0101 Form**

A person who wishes to file an application for a real estate trainee registration or an appraiser certificate may obtain the required form upon request to the Board. The form calls for information such as the applicant's name and address, the applicant's social security number, a passport size photograph of the applicant, places of residence and employment, education, and such other information as may be necessary to identify the applicant and determine his qualifications and fitness for registration or certification.

*History Note: Authority G.S. 93E-1-6(a); 93E-1-10;  
Eff. July 1, 1994;  
Amended Eff. September 1, 2008; April 1, 1999.*

**57A .0102 Filing and Fees**

(a) Each application for registration or certification shall be accompanied by the required application fee. An additional fee may be charged to defray the cost of any competency examination administered by a private testing service. This additional fee shall be no more than the fee set by the private testing agency. The Board may reject and return to the applicant any application which is incomplete or not accompanied by the required fee or fees. Application fees accompanying complete applications are not refundable.

(b) The application fee shall be that prescribed in G.S. 93E-1-6(b).

(c) Payment of application fees shall be made by certified check, bank check or money order payable to the North Carolina Appraisal Board.

*History Note: Authority G. S. 93E-1-6; 93E-1-10;  
Eff. July 1, 1994;  
Amended Eff. September 1, 2008; January 1, 2008; August 1, 2002; April 1, 1999.*

**SECTION 57A.0200  
TRAINEE REGISTRATION AND APPRAISER CERTIFICATION**

**SECTION .0200 – TRAINEE REGISTRATION AND APPRAISER CERTIFICATION**

**57A .0201 Qualifications for Trainee Registration and Appraiser Certification**

(a) Applicants for trainee registration and for certification as a certified real estate appraiser must satisfy the qualification requirements stated in G.S. 93E-1-6 and in this Section.

(b) Applicants for trainee registration shall have completed, within the five-year period immediately preceding the date application is made, 90 hours of education as set forth in 21

NCAC 57B .0101 or education found by the Board to be equivalent to such courses. Applicants for trainee registration must possess a high school diploma or a GED.

(c) Applicants for certification as a certified residential real estate appraiser shall have completed, within the five-year period immediately preceding the date application is made, 200 hours of education as set forth in 21 NCAC 57B .0102 or education found by the Board to be equivalent to such courses. In addition, applicants for certification as a certified residential real estate appraiser must hold an Associate's degree, or higher, from an accredited college, junior college, community college, or university. In lieu of the Associate's degree requirements, applicants shall have successfully completed 21 semester credit hours in the following collegiate subject matter courses from an accredited college or university: English composition; principles of economics (macro or micro); finance; algebra; geometry or higher mathematics; statistics; introduction of computers, including word processing and spreadsheets; and business or real estate law. Applicants shall have obtained at least 2,500 hours of appraisal experience acquired within the five-year period immediately preceding the date application is made and over a minimum period of two calendar years. Applicants must have been engaged in real estate appraising for at least two calendar years prior to the date application is made. At least 50 percent of this appraisal experience must have been of one to four family residential properties in which the sales comparison approach was utilized in the appraisal process.

(d) Applicants for certification as a certified general real estate appraiser shall have completed 300 hours of education as set forth in 21 NCAC 57B .0103 or education found by the Board to be equivalent to such courses. In addition, applicants for certification as a certified general estate appraiser must hold a Bachelor's degree or higher from an accredited college or university. In lieu of the Bachelor's degree requirements, applicants shall have successfully completed 30 semester credit hours in the following collegiate subject matter courses from an accredited college university: English composition, micro economics, macro economics, finance, algebra, geometry or higher mathematics, statistics, introduction of computers, including word processing and spreadsheets, business or real estate law, and two elective courses in accounting, geography, business management or real estate. Applicants shall have obtained at least 3,000 hours of appraisal experience acquired within the five-year period immediately preceding the date application is made and over a minimum period of two and a half calendar years of which at least 50 percent must have been in appraising non-residential real estate. Applicants must have been engaged in real estate appraising for at least two and one-half calendar years prior to the date application is made. At least 50 percent of the non-residential appraisal experience must have been of special use properties such as schools, churches, or hospitals in which the income approach is not applicable or of improved properties in which the income approach was utilized in the appraisal process.

(e) Applicants for certification who are currently registered trainees must submit a copy of their complete appraisal log. Applicants for certification who are currently licensed or certified appraisers must submit an appraisal log showing that they possess the requisite amount and length of experience as set forth in Paragraphs (c) and (d) of this Rule. All applicants shall provide to the Board copies of appraisal reports in support of experience credit. In order for an appraisal to be given experience credit, it must comply with the Uniform Standards of Professional Appraisal Practice (USPAP) and with any applicable state statutes or rules.

(f) When a trainee or a licensed real estate appraiser becomes a certified real estate appraiser, his previous registration or licensure shall be immediately canceled by the Board. When a certified residential real estate appraiser becomes certified as a general real estate appraiser, his previous certification shall be immediately canceled by the Board.

(g) In the event that the Board asks an applicant to submit updated information or provide further information necessary to complete the application and the applicant fails to submit such information within 90 days following the Board's request, the Board shall cancel the applicant's application and the application fee shall be retained by the Board. An applicant whose application has been cancelled and who wishes to obtain a registration or certificate must start the licensing process over by filing a complete application with the Board and paying all required fees.

(h) An applicant may request that his or her application be withdrawn at any time before final action is taken by the Appraisal Board on the application.

(i) If an application is withdrawn, cancelled or denied, the applicant must wait six months from the date the application is withdrawn, cancelled or denied to file a new application.

(j) If an applicant has a current open complaint before the North Carolina Appraisal Board or an appraiser licensing board from any other state, or if the applicant has pending criminal charges in this or any state, the application shall be accepted but no further action shall be taken on the application until the complaint or criminal charges are resolved. For the purposes of this Section, criminal charges do not include speeding tickets or traffic infractions.

*History Note: Authority G.S. 93E-1-6(a); 93E-1-10;  
Eff. July 1, 1994;  
Amended Eff. July 1, 2010; September 1, 2008; January 1, 2008; March 1, 2007; April 1, 2006,  
July 1, 2005; August 1, 2002; April 1, 1999.*

#### **57A .0202 Fitness for Registration or Certification**

(a) The Appraisal Board shall consider the fitness for registration or certification of each applicant who has passed the appropriate examination. When the fitness of an applicant is in question, action by the Board shall be deferred until the applicant has affirmatively demonstrated that the applicant possesses the requisite competency, truthfulness, honesty and integrity.

(b) When the application is deferred, the Board shall notify the applicant and the applicant shall be entitled to demonstrate his or her competency or fitness for registration or certification at a hearing before the Board.

(c) The inquiry into fitness for registration or certification may include consideration of whether the applicant has had any disciplinary action taken against any professional license in North Carolina or any other state, or whether the applicant has committed or done any act which, if committed or done by any real estate trainee or appraiser, would be grounds under the provisions hereinafter set forth for disciplinary action including the suspension or revocation of registration, licensure, or certification, whether the applicant has been convicted of or pleaded guilty to any criminal act, or whether any such actions or charges are pending.

(d) All applicants for registration or certification shall obtain a criminal records check from Carolina Investigative Research, Inc., an agency designated by the Appraisal Board to provide criminal record reports. This records check must have been performed within 60 days of the date the completed application for registration or certification is received by the Board. Applicants shall pay the designated reporting service for the cost of these reports.

(e) Notice to the applicant that his or her competency or fitness for registration or certification is in question shall be in writing, sent by certified mail, return receipt requested, to the address shown upon the application. The applicant shall have 60 days from the date of receipt of this notice to request a hearing before the Board. Failure to request a hearing within this time constitutes a waiver of the applicant's right to a hearing on his or her application for

registration or certification, and the application shall be deemed denied. Nothing in this Rule shall be interpreted to prevent an applicant from reapplying for registration or certification.

*History Note:* Authority G.S. 93E-1-10;  
Eff. July 1, 1994;  
Amended Eff. September 1, 2008; July 1, 2005; August 1, 2002; April 1, 1999.

### **57A .0203 Registration, License and Certificate Renewal**

(a) All registrations, licenses and certificates expire on June 30 of each year unless renewed before that time.

(b) A holder of a trainee registration, an appraiser license or certificate desiring the renewal of such registration, license or certificate shall apply for same in writing upon the form provided by the Board and shall forward the renewal fee as prescribed in G.S. 93E-1-7(a). Forms are available upon request to the Board. The renewal fee is not refundable under any circumstances.

(c) All trainees, licensees and certificate holders, either resident or non-resident, who are required by G.S. 93E-1-7 to complete continuing education as a condition of renewal, must satisfy the continuing education requirements set forth in Rule .0204 of this Section.

(d) An applicant for renewal who initially obtained his license or certificate by reciprocity may keep that license or certificate even if the applicant has moved to a different state, as long as the North Carolina license or certificate is continuously renewed pursuant to this section. Such an applicant for renewal does not have to maintain licensure with the appraiser regulatory authority of the state upon whose qualification requirements the reciprocal license or certificate was granted.

(e) Any person who acts or holds himself out as a registered trainee, licensed or certified real estate appraiser while his trainee registration, appraiser license or certificate is expired shall be subject to disciplinary action and penalties as prescribed in G.S. 93E.

*History Note* Authority G.S. 93E-1-7(a),(b); 93E-1-10;  
Eff. July 1, 1994;  
Amended Eff. January 1, 2008; March 1, 2007; March 1, 2006; August 1, 2002; April 1, 1999.

### **57A .0204 Continuing Education**

(a) All registered trainees, real estate appraiser licensees and certificate holders shall, upon the renewal of their registration, license or certificate in every odd-numbered year, present evidence satisfactory to the Board of having obtained continuing education as required by this Section. Trainees and appraisers who initially registered with the Board after January 1 of an odd numbered year are not required to show continuing education credit for renewal of their registration in that odd numbered year.

(b) Each trainee, licensee and certificate holder who must complete continuing education pursuant to .0204(a) must complete 28 hours of continuing education before June 1 of every odd numbered year. Except as provided in Paragraphs (g) and (h) of this Rule, such education must have been obtained by taking courses approved by the Board for continuing education purposes, at schools approved by the Board to offer such courses. Such education must relate to real estate appraisal and must contribute to the goal of improving the knowledge, skill and competence of trainees, and licensed and certified real estate appraisers. There is no exemption from the continuing education requirement for trainees or appraisers whose registered, licensed or certified status has been upgraded to the level of licensed residential, certified residential or

certified general appraiser since the issuance or most recent renewal of their registration, license or certificate, and courses taken to satisfy the requirements of a higher level of certification shall not be applied toward the continuing education requirement. Trainees, licensees and certificate holders shall not take the same continuing education course more than once during the two year continuing education cycle.

(c) Each appraisal continuing education course must involve a minimum of three and one-half classroom hours of instruction on real estate appraisal or related topics such as the application of appraisal concepts and methodology to the appraisal of various types of property; specialized appraisal techniques; laws, rules or guidelines relating to appraisal; standards of practice and ethics; building construction; financial or investment analysis; land use planning or controls; feasibility analysis; statistics; accounting; or similar topics. The trainee, license or certificate holder must have attended at least 90 percent of the scheduled classroom hours for the course in order to receive credit for the course.

(d) Each trainee, licensee and certificate holder who is required to complete continuing education pursuant to .0204(a) must, as part of the 28 hours of continuing education required in .0204(b) of this section, complete the seven hour National USPAP update course, as required by the Appraiser Qualifications Board of the Appraisal Foundation, or its equivalent, prior to June 1 of every even numbered year.

(e) A licensee who elects to take approved continuing education courses in excess of the requirement shall not carry over into the subsequent years any continuing education credit.

(f) Course sponsors must provide a certificate of course completion to each trainee, licensee and certificate holder satisfactorily completing a course. In addition, course sponsors must send directly to the Board a certified roster of all who successfully completed the course. This roster must be sent within 15 days of completion of the course, but not later than June 15 of each year. In order to renew a registration, license or certificate in a timely manner, the Board must receive proper proof of satisfaction of the continuing education requirement prior to processing a registration, license or certificate renewal application. If proper proof of having satisfied the continuing education requirement is not provided, the registration, license or certificate shall expire and the trainee, licensee or certificate holder shall be subject to the provisions of Rules .0203(e) and .0206 of this Section.

(g) A current or former trainee, licensee or certificate holder may request that the Board grant continuing education credit for a course taken by the trainee, licensee or certificate holder that is not approved by the Board, or for appraisal education activity equivalent to a Board-approved course, by making such request and submitting a non-refundable fee of fifty dollars (\$50.00) as set out in G.S. 93E-1-8(d) for each course or type of appraisal education activity to be evaluated. Continuing education credit for a non-approved course shall be granted only if the trainee, licensee or certificate holder provides satisfactory proof of course completion and the Board finds that the course satisfies the requirements for approval of appraisal continuing education courses with regard to subject matter, course length, instructor qualifications, and student attendance. Appraisal education activities for which credit may be awarded include, but are not limited to, teaching appraisal courses, authorship of appraisal textbooks, and development of instructional materials on appraisal subjects. Up to 14 hours of continuing education credit may be granted in each continuing education cycle for participation in appraisal education activities. Trainees or licensed or certified appraisers who have taught an appraisal course or courses approved by the Board for continuing education credit shall be deemed to have taken an equivalent course and shall not be subject to the fee prescribed in G.S. 93E-1-8 (d), provided they submit verification satisfactory to the Board of having taught the course(s). A

trainee, licensee or certificate holder who teaches a Board-approved continuing education course may not receive continuing education credit for the same course more than once every two years, regardless of how often he teaches the course. Requests for equivalent approval for continuing education credit must be received before June 15 of an odd-numbered year to be credited towards the continuing education requirement for that odd-numbered year. Equivalent approval shall be granted only for courses that are 7 hours or longer, and will only be granted for a minimum of 7 hours.

(h) A trainee, licensee or certificate holder may receive continuing education credit by taking any of the Board-approved precertification courses, other than Basic Appraisal Principles and Basic Appraisal Procedures, or their approved equivalents. These courses cannot be used for both continuing education credit and for credit for licensing purposes. Trainee, licensees and certificate holders who wish to use a precertification course for continuing education credit must comply with the provisions of 21 NCAC 57B .0604.

(i) A trainee, licensee or certificate holder who resides in another state and is currently licensed by the appraiser certification board of that state may satisfy the requirements of this section by providing a current letter of good standing from the resident state showing that the licensee has met all continuing education requirements in the resident state. A trainee, licensee or certificate holder who became licensed in North Carolina by reciprocity and now resides in North Carolina may renew by letter of good standing for his or her first renewal as a resident of North Carolina only if the trainee or appraiser moved to North Carolina on or after January 1 of an odd numbered year. If a trainee or appraiser was a resident of this state before January 1 of an odd-numbered year, the trainee or appraiser must comply with the requirements of this section regardless of how the registration, license or certificate was obtained.

(j) A trainee, licensee or certificate holder who returns from active military duty on or after February 1 of an odd-numbered year will be allowed to renew his or her registration, license or certificate in that odd-numbered year even if the required continuing education is not completed before June 1 of that year. All required continuing education must be completed within 180 days of when the trainee, licensee or certificate holder returns from active duty. Failure to complete the required continuing education within 180 days will be grounds for revocation. This rule applies to an individual who is serving in the armed forces of the United States and to whom G.S. 105-249.2 grants an extension of time to file a tax return.

*History Note: Authority G.S. 93E-1-7(a); 93E-1-10;  
Eff. July 1, 1994;  
Amended Eff. July 1, 2010; January 1, 2008; March 1, 2007; March 1, 2006; July 1, 2005; July 1, 2003; August 1, 2002; April 1, 1999.*

#### **57A .0205 Inactive Status**

*Repealed effective August 1, 2002*

#### **57A .0206 Expired Registration, License or Certificate**

(a) Expired registrations, licenses and certificates may be reinstated within 12 months after expiration upon proper application, payment to the Board of the renewal and late filing fees as set out in G.S. 93E-1-7 and provision of proof of having obtained the continuing education that would have been required had the registration, license or certificate been continuously renewed.

(b) If a registration or certificate has been expired for more than 12 months, but less than 24 months, an applicant may apply for reinstatement. In order to be considered for reinstatement, the applicant must pay the filing fee as set out in G.S. 93E-1-7 and include in the application proof that the applicant has obtained the continuing education that would have been required had the registration or certificate been continuously renewed. In addition, the Board may consider whether the applicant for reinstatement has any prior or current disciplinary actions, and may examine the applicant's fitness for registration or certification before granting the request for reinstatement. A completed application for reinstatement must be received by June 1 of the second 12 months or it shall not be accepted.

(c) An application for reinstatement shall not be granted if the registration or certificate has been expired for more than 24 months.

(d) Reinstatement is effective the date it is issued by the Board. It is not retroactive.

(e) A trainee or appraiser whose registration or certification has expired and who is returning from active military duty may renew his or her registration or certificate when the trainee or appraiser returns from active duty without payment of a late filing fee as long as the trainee or certificate holder renews the registration or certificate within 180 days of when the trainee or certificate holder returns from active duty.

(f) A license holder whose license has been expired for more than 12 months may not apply for reinstatement.

*History Note* Authority G.S. 93E-1-6(b); 93E-1-7; 93E-1-10;  
Eff. July 1, 1994;  
Amended Eff. January 1, 2011; September 1, 2008; March 1, 2007; July 1, 2005; August 1, 2002;  
April 1, 1999.

#### **57A .0207 Payment of Registration, License and Certificate Fees**

Checks given the Board in payment of registration, license and certificate fees which are returned unpaid shall be cause for registration, license or certificate denial, suspension or revocation.

*History Note:* Authority G. S. 93E-1-10; 93E-1-12(a)(9);  
Eff. July 1, 1994;  
Amended Eff. August 1, 2002; April 1, 1999.

#### **57A .0208 Replacement Registration, License and Certificate Fees**

A trainee, licensee or certificate holder may, by paying the fee prescribed in G.S. 93E-1-7(d) to the Board, obtain a duplicate trainee registration, appraiser license or certificate or pocket card to replace an original registration, license, certificate or pocket card which has been lost, damaged or destroyed or if the name of the trainee, licensee or certificate holder has been lawfully changed. The Board, at its discretion, may require a trainee, licensee or certificate holder requesting a duplicate registration, license or certificate to submit an affidavit stating the reason for the request.

*History Note:* Authority G. S. 93E-1-7(d); 93E-1-10;  
Eff. July 1, 1994;  
Amended Eff. January 1, 2008; August 1, 2002; April 1, 1999.

#### **57A .0209 National Appraiser Registry**

Licenses and certificate holders who are qualified for enrollment in the national registry of licensed and certified real estate appraisers may apply for enrollment or for the renewal or reinstatement of such enrollment upon a Board form. The application form must be accompanied by the fee specified in G.S. 93E-1-11(d) plus any additional fee that may be required by the appropriate federal agency or instrumentality.

*History Note: Authority G.S. 93E-1-10; 93E-1-11(d);  
Eff. July 1, 1994;  
Amended Eff. January 1, 2008; March 1, 2007; August 1, 2002.*

### **57A .0210 Temporary Practice**

(a) A real estate appraiser who does not reside in North Carolina and who is licensed or certified by the appraiser licensing or certifying agency in another state may apply to receive temporary appraiser licensing or certification privileges in this State by filing a notarized application with the Board.

(b) Upon filing a completed application accompanied by the fee prescribed in G.S. 93E-1-9(c) and otherwise satisfying the Appraisal Board as to his or her qualifications and eligibility for temporary licensing or certification privileges, an applicant shall be granted a temporary practice permit by the Board authorizing the applicant to perform in this State the appraisal assignment described in such application, provided that the length of time projected by the applicant for completion of the assignment is reasonable given the scope and complexity of the assignment. The fee must be paid by money order, certified check or cashier's check. The Board may consider whether an applicant's trainee registration or appraiser license or certification is or has been subject to discipline in their resident state or any other state, and may consider all other information outlined in Rule .0202 of this Section.

(c) Privileges granted under the provisions of this Rule shall expire upon the expiration date set forth in the temporary practice permit. However, upon a showing by the permittee satisfactory to the Appraisal Board that, notwithstanding the permittee's attention to the appraisal assignment, additional time is needed to complete the assignment, the Board shall extend the temporary practice privileges granted under the permittee's temporary practice permit to afford him additional time to complete the appraisal assignment. Such request for extension must be received before the original temporary practice permit expires or it shall not be granted.

(d) Persons granted temporary practice privileges under this Rule shall not advertise or otherwise hold themselves out as being a North Carolina trainee or licensed or certified appraiser.

(e) A trainee may apply for a temporary practice permit and the provisions of Sections (a), (b), (c) and (d) above apply. The supervising appraiser for the trainee must be a North Carolina licensed or certified appraiser. If not, the supervising appraiser must be licensed or certified as a real estate appraiser in another state and must also receive a temporary practice permit for the same assignment as the trainee. The term "trainee" shall include apprentices and others who are licensed and regulated by a state agency to perform real estate appraisals under the supervision of a licensed or certified appraiser. The supervisor is not required to comply with the provisions of 21 NCAC 57A .0407 in order to supervise a trainee who is appraising in this state pursuant to the temporary practice permit. The supervisor shall actively and personally supervise the trainee on the assignment, and must accompany the trainee on all inspections of property located in this state for the assignment.

(f) An applicant for a temporary practice permit shall not begin performing any appraisal work in this State until the temporary practice permit has been issued by the Board. If an applicant does begin work before the permit is issued, the temporary practice permit shall be denied.

*History Note:* Authority G.S. 93E-1-9(c) and (d); 93E-1-10; Title XI, Section 1122(a); 12 U.S.C. 3351(a); Eff. July 1, 1994; Amended Eff. September 1, 2008; January 1, 2008; March 1, 2007; July 1, 2005; July 1, 2003; August 1, 2002; April 1, 1999.

#### **57A .0211 Applicants Certified in Another State**

(a) Applicants for registration, licensure or certification who are not residents of North Carolina must file an application as stated in Rule .0101 of this Subchapter. In addition, nonresident applicants must also consent to service of process in this state and file an affidavit of residency with the application. If the applicant is licensed by the appraiser licensing board of the applicant's resident state, the applicant must also file with the application a letter of good standing from the appraiser licensing board of the resident, which was issued under seal by that licensing board no later than 30 days prior to within 30 days of the date application is made in this state.

(b) Applicants for registration or certification shall obtain a criminal records check from Carolina Investigative Research, Inc., an agency designated by the Appraisal Board to provide criminal record reports. This records check must have been performed within 60 days of the date the completed application for registration or certification is received by the Board. Applicants shall pay the designated reporting service for the cost of these reports.

(c) An appraiser whose certification is suspended in North Carolina may not apply for certification in this state under this Rule while the certification is suspended. An appraiser whose certification was revoked in North Carolina may not apply for certification in this state under this Rule for five years after the date of revocation.

*History Note:* Authority G.S. 93E-1-9(a) and (b); 93E-1-10; Title XI, Section 1122(a); 12 U.S.C. 3351(a); Eff. March 1, 2007; Amended Eff. September 1, 2008; January 1, 2008.

### **SECTION 57A.0300 APPRAISER EXAMINATIONS**

#### **57A .0301 Time and Place**

(a) Applicants who have completed the education and experience requirements as set forth in 21 NCAC 57A .0201 shall be issued an examination approval form. The examination approval form is valid for three attempts at the examination or for one year from date of issuance, whichever comes first.

(b) Examinations for real estate trainee registrations and appraiser certificates shall be scheduled at such times and places as determined by the Executive Director and the Board-approved private testing service. Applicants for the examination shall be scheduled for examination based on their successful completion of appraiser educational qualification requirements stated in G.S. 93E-1-6 and filing an application with the Board. Violation of

examination procedures and instructions is grounds for denial, suspension or revocation of a registration or certificate.

(c) Examination results are valid for 24 months from the date the examination is successfully completed.

*History Note: Authority G.S. 93E-1-6(c); 93E-1-10  
Eff. July 1, 1994  
Amended Eff. September 1, 2008; January 1, 2008; April 1, 2006; July 1, 2005; August 1, 2002;  
April 1, 1999.*

### **57A .0302 Subject Matter and Passing Scores**

(a) The examination for trainee registration and for certification as a certified residential real estate appraiser shall test applicants on the following subject areas:

- (1) Influences on Real Estate Value;
- (2) Legal Considerations in Appraisal;
- (3) Types of Value;
- (4) Economic Principles;
- (5) Real Estate Markets and Analysis;
- (6) Valuation Process;
- (7) Property Description;
- (8) Highest and Best Use Analysis;
- (9) Appraisal Statistical Concepts;
- (10) Sales Comparison approach;
- (11) Site Value;
- (12) Cost Approach;
- (13) Income Approach (Gross Rent Multipliers, Estimation of Income and Expenses, Operating Expense ratios);
- (14) Valuation of Partial Interests; and
- (15) Appraisal Standards and Ethics.

(b) In addition to the subject areas listed in Paragraph (a) of this Rule, the examination for certification as a certified general real estate appraiser shall test applicants on the following subject areas:

- (1) Direct Capitalization;
- (2) Cash Flow Estimates;
- (3) Measures of Cash Flow; and
- (4) Discounted Cash Flow Analysis.

(c) The testing service shall inform applicants whether they have passed the examination, and shall inform them of their actual score only if they fail the examination.

*History Note: Authority G.S. 93E-1-6(c); 93E-1-10;  
Eff. July 1, 1994;  
Amended Eff. September 1, 2008; March 1, 2007; April 1, 1999.*

### **57A .0303 Re-examination**

(a) Applicants for a trainee registration or an appraiser certificate who fail to pass or appear for any examination for which the applicant has been scheduled by the Board-approved private testing service, may schedule a subsequent examination and shall pay the prescribed examination testing fees to the Board-approved private testing service.

(b) Applicants may take the examination no more than three times per application. If an applicant fails the examination, the applicant must wait a minimum of 30 days before retaking the examination. If the applicant does not pass the examination by the third attempt at the examination or within one year of the date of issuance of the examination approval form, the application is cancelled. If the application is cancelled, the applicant must wait six months before filing a new application for registration or certification and must meet all the qualification requirements for original approval.

*History Note:* Authority G.S. 93E-1-6; 93E-1-10;  
Eff. July 1, 1994;  
Amended Eff. September 1, 2008; July 1, 2005; August 1, 2002; April 1, 1999.

#### **57A .0304 Cheating and Related Misconduct**

Applicants shall not cheat or attempt to cheat on an examination by any means, including both giving and receiving assistance, and shall not communicate in any manner for any purpose with any person other than an examination supervisor during an examination. Violation of this Rule shall be grounds for dismissal from an examination, invalidation of examination scores, and denial of a trainee registration, appraiser license or certificate, as well as for disciplinary action if the applicant holds a trainee registration, an appraiser license or certificate.

*History Note:* Authority G. S. 93E-1-6(c); 93E-1-10;  
Eff. July 1, 1994;  
Amended Eff. August 1, 2002; April 1, 1999.

### **SECTION 57A.0400 GENERAL APPRAISAL PRACTICE**

#### **57A .0401 Use of Titles**

(a) A trainee shall utilize either the term "registered trainee" or the term "trainee real estate appraiser" when performing an appraisal of real estate or any interest therein, and when referring to himself as a trainee.

(b) A licensed residential real estate appraiser shall utilize the term "licensed residential real estate appraiser" and a certified residential real estate appraiser shall utilize the term "certified residential real estate appraiser" when performing an appraisal of real estate or any interest therein, and when referring to himself or herself as an appraiser. A certified general real estate appraiser shall utilize the term "certified general real estate appraiser" when performing appraisals of all types of real estate or any interest therein, and when referring to himself or herself as an appraiser.

(c) Trainee registration, licensure or certification as a real estate appraiser is granted only to persons and does not extend to a business entity operated by a trainee, licensed or certified real estate appraiser.

*History Note:* Authority G.S. 93E-1-10;  
Eff. July 1, 1994;  
Amended Eff. January 1, 2008; July 1, 2005; July 1, 2003; August 1, 2002; April 1, 1999.

#### **57A .0402 Display of Registrations, Licenses and Certificates**

(a) The original or a copy of the trainee registration, real estate appraiser license or certificate of a trainee, licensed or certified real estate appraiser shall be prominently displayed at each of the trainee's or appraiser's places of business.

(b) The annual registration, license or certificate renewal pocket card issued by the Board to each trainee, licensed or certified real estate appraiser shall be retained by the trainee, licensee or certificate holder as evidence of registration, licensure or certification.

*History Note:* Authority G.S. 93E-1-10;  
Eff. July 1, 1994;  
Amended Eff. March 1, 2006; August 1, 2002; April 1, 1999.

#### **57A .0403 Advertising**

(a) When advertising or otherwise holding himself out as a trainee or real estate appraiser, a trainee shall identify himself or herself either as a "registered trainee" or as a "trainee real estate appraiser," a licensed residential real estate appraiser shall identify himself or herself as a "licensed residential real estate appraiser," a certified residential real estate appraiser shall identify himself or herself as a "certified residential real estate appraiser," and a certified general real estate appraiser shall identify himself or herself as a "certified general real estate appraiser".

(b) A registered trainee, licensed or certified real estate appraiser doing business as a partnership, association, corporation or other business entity shall not represent in any manner to the public that the partnership, association, corporation or other business entity is registered, licensed or certified by the State of North Carolina to engage in the business of real estate appraising.

(c) In the event that any trainee, licensee or certificate holder shall advertise in any manner using a firm name, corporate name, or an assumed name which does not set forth the surname of the trainee, licensee or certificate holder, he shall first notify the Board in writing of such name and furnish the Board with a copy of each registration of assumed name certificate filed with the office of the county register of deeds in compliance with Section 66-68, North Carolina General Statutes.

*History Note:* Authority G.S. 93E-1-10;  
Eff. July 1, 1994;  
Amended Eff. January 1, 2008; July 1, 2005; July 1, 2003; August 1, 2002; April 1, 1999.

#### **57A .0404 Change of Name or Address**

All trainees, licensees and certificate holders shall notify the Board in writing of each change of business address, residence address, or trade name within ten days of said change. The address shall be sufficiently descriptive to enable the Board to correspond with and physically locate the trainee, licensee or certificate holder.

*History Note:* Authority G.S. 93E-1-10;  
Eff. July 1, 1994;  
Amended Eff. August 1, 2002; April 1, 1999.

#### **57A .0405 Appraisal Reports**

(a) Each written appraisal report prepared by or under the supervision of a licensed or certified real estate appraiser shall bear the signature of the licensed or certified appraiser, the license or certificate number of the licensee or certificate holder in whose name the appraisal

report is issued, and the designation "licensed residential real estate appraiser," "certified residential real estate appraiser," or "certified general real estate appraiser," as applicable. Each such appraisal report shall also indicate whether or not the licensed or certified appraiser has personally inspected the property, and shall identify any other person who assists in the appraisal process other than by providing clerical assistance. Such identification must be placed in the body of the report. Appraisers shall personally affix their signature to their appraisal reports and shall not allow any other person or entity to affix their signature. Trainees are not required to affix their signatures to appraisal reports, but if they do so, they must personally affix their signature and shall not allow any other person or entity to affix their signature. Trainees and appraisers shall sign their reports with the same name and in the same manner as it printed on their pocket cards.

(b) Every licensed and certified real estate appraiser shall affix or stamp to all appraisal reports a seal which shall set forth the name and license or certificate number of the appraiser in whose name the appraisal report is issued and shall identify the appraiser as a "licensed residential real estate appraiser", a "certified residential real estate appraiser", or as a "certified general real estate appraiser", as applicable. The seal must be legible, must conform to the seal authorized by the Board at time of initial licensure or certification, and must be a minimum of 1 inch in diameter. Appraisers shall personally affix their seal to their appraisal reports and shall not allow any other person or entity to affix their seal. Registered trainees are prohibited from using a seal on appraisal reports.

(c) A licensed or certified real estate appraiser who signs an appraisal report prepared by another person, in any capacity, is responsible for the content and conclusions of the report.

(d) A written appraisal report shall be issued on all real estate appraisals performed in connection with federally related transactions as defined in 12 U.S.C. 3350(4).

(e) Appraisers shall keep a log of all appraisals performed. The log shall, contain the appraiser's license or certificate number, the street address of the subject property, the date the report was signed, the name of anyone assisting in the preparation of the report and the name of the client. These logs shall be updated at least every 30 days.

(f) Any appraiser who signs an appraisal report is entitled to make or retain a copy of that appraisal report, as long as the copy is made at the time the report is prepared. Any appraiser who signs an appraisal report must be given a copy of the appraisal report and the work file upon request for the purpose of submission of the report and work file to the Appraisal Board, compliance with due process of law, such as a subpoena, submission to a peer review committee, or in accordance with retrieval arrangements made by the appraiser and the person or entity retaining the report and work file.

(g) Appraisal reports transmitted electronically to clients shall be sent in a secure format, such as Adobe PDF.

*History Note: Authority G.S. 93E-1-10;  
Eff. July 1, 1994;  
Amended Eff. January 1, 2011; July 1, 2010; September 1, 2008; January 1, 2008; March 1, 2007; March 1, 2006; July 1, 2003; August 1, 2002; April 1, 1999.*

#### **57A .0406 Business Practices**

Each trainee or appraiser who has an ownership interest in an appraisal firm must assure that:

- (1) notification according to 21 NCAC 57A .0404 is given to the Board of any change of business address or trade name of the firm and the registration of any assumed business name adopted by the firm for its use; and
- (2) advertising of appraisal services by or in the name of the firm is conducted as set out in 21 NCAC 57A .0403.

*History Note: Authority G.S. 93E-1-3(b); 93E-1-10;  
Eff. July 1, 1994;  
Amended Eff. July 1, 2005; August 1, 2002; April 1, 1999.*

#### **57A .0407 Supervision of Trainees**

(a) A licensed or certified real estate appraiser may engage a registered trainee to assist in the performance of real estate appraisals, provided that the licensed or certified real estate appraiser:

- (1) has been licensed or certified for at least two years;
- (2) has no more than one trainee working under his or her supervision at any one time, if the supervisor is a licensed real estate appraiser. A certified residential appraiser may have two trainees working under his or her supervision at any one time. Once at least one of those trainees has completed 50 percent of the required appraisal experience to upgrade, a certified residential appraiser may add another trainee. At no time may a certified residential appraiser have more than three trainees working under his or her supervision. A certified general appraiser may have three trainees working under his or her supervision. Prior to the date any trainee begins performing appraisals under his or her supervision, the supervisor must inform the Board of the name of the trainee. The supervisor must also inform the Board when a trainee is no longer working under his or her supervision;
- (3) actively and personally supervises the trainee on all appraisal reports and appraisal related activities until the trainee is no longer under his or her supervision;
- (4) reviews all appraisal reports and supporting data used in connection with appraisals in which the services of a trainee is utilized, and assures that research of general and specific data has been adequately conducted and properly reported, application of appraisal principles and methodologies has been properly applied, that the analysis is sound and adequately reported, and that any analysis, opinions, or conclusions are adequately developed and reported so that the appraisal report is not misleading;
- (5) complies with all provisions of Rule .0405 of this Section regarding appraisal reports;
- (6) prepares and furnishes to each trainee, whose services were utilized in connection with the appraisal, a report describing the nature and extent of assistance rendered by the trainee in connection with the appraisal, and places a copy of such report in the supporting file for the appraisal within 30 days of the date the appraisal report was signed. In addition, the supervisor must make available to the trainee a copy of every appraisal

report where the trainee performs more than 75 percent of the work on the appraisal; and

- (7) has not received any disciplinary action regarding his or her appraisal license or certificate from the State of North Carolina or any other state within the previous two years. For the purposes of this Section, disciplinary action means an active suspension or a revocation.

(b) Active and personal supervision includes direction, guidance, and support from the supervisor. The supervising appraiser shall have input into and full knowledge of the appraisal report prior to its completion, and shall make any necessary and appropriate changes to the report before it is transmitted to the client. In addition, the supervisor must accompany the trainee on the inspections of the subject property on the first 50 appraisal assignments or the first 1500 hours of experience, whichever comes first, for which the trainee will perform more than 75 percent of the work. After that point, the trainee may perform the inspections without the presence of the supervisor provided that the trainee is competent to perform those inspections, and provided that the subject property is less than 50 miles from the supervisor's primary business location. The supervisor must accompany the trainee on all inspections of subject properties that are located more than 50 miles from the supervisor's primary business location.

(c) The trainee must maintain a log on a form that includes each appraisal performed by the trainee, the type of property appraised, type of appraisal performed, complete street address of the subject property, the date the report was signed, the points claimed, the name of the supervisor for that appraisal, the supervisor's license or certificate number, and whether the supervisor accompanied the trainee on the inspection of the subject. The log must show all appraisals performed by the trainee and must be updated at least every 30 days.

(d) An appraiser who wishes to supervise a trainee must attend an education program offered by the Appraisal Board regarding the role of a supervisor either before such supervision begins, or within 90 days after such supervision begins. If the supervisor does not take the class within 90 days after the supervision begins, a trainee may no longer work under the supervision of that supervisor until the class is taken.

(e) Trainees must assure that the supervisor has completed and sent the Supervisor Declaration Form to the Appraisal Board on or before the day the trainee begins assisting the supervising appraiser. Trainees shall not receive appraisal experience credit for appraisals performed in violation of this Paragraph.

(f) Supervising appraisers shall not be employed by a trainee or by a company, firm or partnership in which the trainee has a controlling interest.

(g) If a trainee signs an appraisal report or provides significant professional assistance in the appraisal process and thus is noted in the report as having provided such assistance, all licensed and certified appraisers signing that appraisal report must have notified the Appraisal Board before the appraisal is signed that they are supervisors for the trainee.

*History Note: Authority G.S. 93E-1.6.1; 93E-1-10;  
Eff. July 1, 1994;  
Amended Eff. July 1, 2010; September 1, 2008; January 1, 2008; March 1, 2007; March 1, 2006;  
July 1, 2005; August 1, 2002; April 1, 1999.*

**57A .0408 Supervision of Licensed and Certified Residential Appraisers**  
*Repealed effective August 1, 2002*

**57A .0409 Reporting Required Actions**

Whenever any of the actions outlined in G.S 93E-1-12(b)(1), (2), (4), (5) or (6) are taken against a trainee, licensee or certificate holder, the registration/license/certificate holder must report those actions to the Board within 60 days of the final judgment or final order.

*History Note:* Authority G.S. 93E-10; 93E-1-12(b)(7);  
Eff. August 1, 2002.

**57A .0410 Appraisal Management Companies**

An appraiser who performs an appraisal for an appraisal management company shall assure that the company is properly registered with the North Carolina Appraisal Board pursuant to G.S. 93E-2-3 before accepting the assignment.

*History Note:* Authority G.S. 93E-2-1; 93E-2-4; 93E-2-4(a)  
Eff. January 1, 2011.

**SECTION 57A.0500  
STANDARDS OF APPRAISAL PRACTICE**

**57A .0501 Appraisal Standards**

Every registered trainee, and licensed and certified real estate appraiser shall, in performing the acts and services of a registered trainee, or licensed or certified real estate appraiser, comply with the following provisions of the "Uniform Standards of Professional Appraisal Practice" promulgated by the Appraisal Standards Board of the Appraisal Foundation: Definitions, Preamble, Ethics Rule, Competency Rule, Scope of Work Rule, Jurisdictional Exception Rule, Statements on Appraisal Standards, and Standards Rules 1, 2 and 3, all of which are hereby incorporated by reference. This incorporation by reference includes subsequent amendments and editions of those provisions.

*History Note:* Authority G.S. 93E-1-10;  
Eff. July 1, 1994;  
Amended Eff. January 1, 2008; July 1, 2005; August 1, 2002; April 1, 1999.

**SUBCHAPTER 57B – REAL ESTATE APPRAISAL EDUCATION**

**SECTION 57B.0100  
COURSES REQUIRED FOR REGISTRATION OR CERTIFICATION**

**57B .0101 Registered Trainee Course Requirements**

(a) Each applicant for registration as a trainee shall complete a minimum of 90 hours of precertification education, consisting of the following;

- (1) A minimum of 30 hours in Basic Appraisal Principles;
- (2) A minimum of 30 hours in Basic Appraisal Procedures;
- (3) A minimum of 15 hours in Residential Market Analysis and Highest and Best Use; and

- (4) A minimum of 15 hours in The Uniform Standards of Professional Appraisal Practice (USPAP).

(b) Credit for these courses must be earned from a Board-approved course sponsor or school and all course content shall be approved by the Appraisal Board in accordance with the rules in this Subchapter. These courses must be completed within the five-year period immediately preceding the date when application for registration is made to the Board.

(c) Basic Appraisal Principles shall be a prerequisite to taking Basic Appraisal Procedures, and Basic Appraisal Procedures shall be a prerequisite to taking Residential Market Analysis and Highest and Best Use. The 15 hour USPAP course may be taken any time after the successful completion of Basic Appraisal Procedures.

(d) These four courses must have been obtained in a classroom setting. No credit will be given for these courses taken by any other method, such as correspondence school courses or on-line courses.

*History Note: Authority G.S. 93E-1-6(a); 93E-1-8(a); 93E-1-10; Eff. July 1, 1994; Amended Eff. July 1, 2010; September 1, 2008; January 1, 2008; July 1, 2005; July 1, 2003; August 1, 2002.*

#### **57B .0102 Certified Residential Real Estate Appraiser Course Requirements**

(a) Each applicant for certification as a certified residential real estate appraiser shall complete a minimum of 200 hours of precertification education, consisting of the following:

- (1) A minimum of 30 hours in Basic Appraisal Principles;
- (2) A minimum of 30 hours in Basic Appraisal Procedures;
- (3) A minimum of 15 hours in Residential Market Analysis and Highest and Best Use;
- (4) A minimum of 15 hours in Residential Appraiser Site Valuation and Cost Approach;
- (5) A minimum of 30 Hours in Residential Sales Comparison and Income Approaches;
- (6) A minimum of 15 hours in Residential Report Writing and Case Studies; and
- (7) A minimum of 15 hours in The Uniform Standards of Professional Appraisal Practice (USPAP).
- (8) A minimum of 15 hours in Statistics, Modeling and Finance;
- (9) A minimum of 15 hours in Advanced Residential Applications and Case Studies; and
- (10) A minimum of 20 hours of appraisal subject matter electives.

Credit for these courses must be earned from a Board-approved course sponsor or school.

b) An applicant who is currently registered with the Board as a trainee shall satisfy the educational requirements to become a certified residential real estate appraiser by completing the following education:

- (1) A minimum of 15 hours in Residential Appraiser Site Valuation and Cost Approach;
- (2) A minimum of 30 Hours in Residential Sales Comparison and Income Approaches;
- (3) A minimum of 15 hours in Residential Report Writing and Case Studies;
- (4) A minimum of 15 hours in Statistics, Modeling and Finance;

(5) A minimum of 15 hours in Advanced Residential Applications and Case Studies; and

(6) A minimum of 20 hours of appraisal subject matter electives.

(c) An applicant who is currently a licensed residential appraiser shall satisfy the educational requirements to become a certified residential real estate appraiser by completing the following education:

(1) A minimum of 15 hours in Statistics, Modeling and Finance;

(2) A minimum of 15 hours in Advanced Residential Applications and Case Studies; and

(3) A minimum of 20 hours of appraisal subject matter electives.

(d) An applicant who is not currently registered by the Board as a trainee or who is not currently licensed by the Board as a licensed residential real estate appraiser must have completed all required courses within the five-year period immediately preceding the date application is made to the Board.

(e) An applicant who is currently registered by the Board as a trainee or who is currently licensed by the Board as a licensed residential real estate appraiser must have completed all courses required beyond those required for his current registration, licensure or certification within the five-year period immediately preceding the date application is made to the Board.

(f) The Basic Appraisal Principles, Basic Appraisal Procedures, Residential Market Analysis, USPAP and Residential Sales Comparison and Income Approach classes must have been obtained in a classroom setting. All other courses in this section may be taken on-line via the Internet.

*History Note: Authority G.S. 93E-1-6(b); 93E-1-8(a); 93E-1-10; Eff. July 1, 1994; Amended Eff. July 1, 2010; September 1, 2008; January 1, 2008; March 1, 2007; July 1, 2003; August 1, 2002.*

### **57B .0103 Certified General Real Estate Appraiser Course Requirements**

(a) An applicant for certification as a certified general real estate appraiser shall complete the following precertification courses;

(1) A minimum of 30 hours in Basic Appraisal Principles;

(2) A minimum of 30 hours in Basic Appraisal Procedures;

(3) A minimum of 30 hours in General Appraiser Market Analysis and Highest and Best Use;

(4) A minimum of 15 hours in Statistics, Modeling and Finance;

(5) A minimum of 30 hours in General Appraiser Sales Comparison Approach;

(6) A minimum of 30 hours in General Appraiser Site Valuation and Cost Approach;

(7) A minimum of 60 hours in General Appraiser Income Approach;

(8) A minimum of 30 hours in General Appraiser Report Writing and Case Studies;

(9) A minimum of 30 hours of appraisal subject matter electives; and

(10) A minimum of 15 hours in The Uniform Standards of Professional Appraisal Practice (USPAP).

Credit for all courses must be earned from a Board-approved course sponsor or school, and all courses shall comply with the course content standards prescribed in Rule .0302 of this Subchapter.

(b) An applicant who is currently registered with the Board as a trainee shall satisfy the educational requirements to become a general real estate appraiser by completing the following education:

- (1) A minimum of 30 hours in General Appraiser Market Analysis and Highest and Best Use;
- (2) A minimum of 15 hours in Statistics, Modeling and Finance;
- (3) A minimum of 30 hours in General Appraiser Sales Comparison Approach;
- (4) A minimum of 30 hours in General Appraiser Site Valuation and Cost Approach;
- (5) A minimum of 60 hours in General Appraiser Income Approach; and
- (6) A minimum of 30 hours in General Appraiser Report Writing and Case Studies; and
- (7) A minimum of 30 hours of appraisal subject matter electives.

(c) An applicant who is currently licensed with the Board as a licensed residential real estate appraiser shall satisfy the educational requirements to become a general real estate appraiser by completing the following education:

- (1) A minimum of 15 hours in General Appraiser Market Analysis and Highest and Best Use;
- (2) A minimum of 15 hours in Statistics, Modeling and Finance;
- (3) A minimum of 15 hours in General Appraiser Sales Comparison Approach;
- (4) A minimum of 15 hours in General Appraiser Site Valuation and Cost Approach;
- (5) A minimum of 45 hours in General Appraiser Income Approach;
- (6) A minimum of 15 hours in General Appraiser Report Writing and Case Studies; and
- (7) A minimum of 30 hours of appraisal subject matter electives.

(d) An applicant who is currently certified with the Board as a certified residential real estate appraiser shall satisfy the educational requirements to become a general real estate appraiser by completing the following education:

- (1) A minimum of 15 hours in General Appraiser Market Analysis and Highest and Best Use;
- (2) A minimum of 15 hours in General Appraiser Sales Comparison Approach;
- (3) A minimum of 15 hours in General Appraiser Site Valuation and Cost Approach;
- (4) A minimum of 45 hours in General Appraiser Income Approach; and
- (5) A minimum of 10 hours in General Appraiser Report Writing and Case Studies.

(e) An applicant who is not currently registered by the Board as a trainee or who is not currently licensed or certified by the Board as a licensed residential or certified residential real estate appraiser must have completed all the required courses within the five-year period immediately preceding the date application is made to the Board.

(f) An applicant who is currently registered by the Board as a trainee or who is not currently licensed or certified by the Board as a licensed residential or certified residential real estate appraiser must have completed all courses required beyond those required for his current registration, licensure or certification within the five-year period immediately preceding the date application is made to the Board.

(g) The Basic Appraisal Principles, Basic Appraisal Procedures, USPAP, and General Appraiser Income Approach classes must have been obtained in a classroom setting. All other courses in this section may be taken on-line via the Internet.

*History Note:* Authority G.S. 93E-1-6(c); 93E-1-8(a); 93E-1-10;  
Eff. July 1, 1994;  
Amended Eff. July 1, 2010; September 1, 2008; January 1, 2008; March 1, 2007; July 1, 2003;  
August 1, 2002.

#### **57B .0104 Course Exemptions for Equivalent Education**

A person desiring an exemption from the course requirements stated in Rules. 0101, .0102, and .0103 of this Section must make application for exemption upon a form prescribed by the Board. The Board will grant exemptions only upon a finding that the person requesting the exemption possesses education determined by the Board to be equivalent to the course or courses for which exemption is requested.

*History Note:* Authority G.S. 93E-1-6(a); 93E-1-10;  
Eff. July 1, 1994.

### **SECTION 57B.0200 COURSE SPONSOR STANDARDS FOR PRECERTIFICATION EDUCATION**

#### **57B .0201 Purpose and Applicability**

This Section establishes criteria for approval and operational requirements for all real estate appraisal precertification course sponsors and schools. These standards shall be satisfied in order for course sponsors and schools to obtain and maintain approval of their courses for appraiser precertification education credit. Schools and course sponsors shall obtain course approval from the Board prior to conducting precertification courses and prior to advertising or otherwise representing that a course is or may be approved for credit in North Carolina.

*History Note:* Authority G.S. 93E-1-8(a); 93E-1-10;  
Eff. July 1, 1994;  
Amended Eff. September 1, 2008.

#### **57B .0202 Application For Approval**

Schools and other course sponsors seeking approval to conduct real estate appraisal precertification courses shall make written application to the Board.

*History Note:* Authority G.S. 93E-1-8(a); 93E-1-10;  
Eff. July 1, 1994;  
Amended Eff. September 1, 2008.

#### **57B .0203 Criteria For Approval**

Approval to conduct real estate appraisal precertification courses shall be granted to a school or course sponsor when it is shown to the satisfaction of the Board that:

- (1) the school or course sponsor has submitted all information required by the Board.
- (2) the school or course sponsor complies with the standards described in this Section; and
- (3) the courses to be conducted comply with the standards described in Section .0300 of this Subchapter.

*History Note:* Authority G.S. 93E-1-8(a); 93E-1-10;  
Eff. July 1, 1994;  
Amended Eff. September 1, 2008.

#### **57B .0204 Facilities and Equipment**

(a) Classrooms shall be of sufficient size to accommodate comfortably all students enrolled in a course, shall have adequate light, heat, cooling and ventilation and shall be free of distractions which would disrupt class sessions.

(b) Classrooms shall contain a student desk or worktable space for each student that contains sufficient area for each student.

(c) Sponsors are required to comply with all applicable local, state and federal laws and regulations regarding safety, health and sanitation. Sponsors shall furnish the Board with inspection reports from appropriate local building, health and fire inspectors upon the request of the Board.

(d) Sponsors must supply separate restroom facilities for males and females.

(e) Classes may not be held in a personal residence under any circumstances.

*History Note:* Authority G.S. 93E-1-8(a); 93E-1-10;  
Eff. July 1, 1994;  
Amended Eff. January 1, 2008; August 1, 2002.

#### **57B .0205 Enrollment Contracts**

Schools and course sponsors shall execute a written contract with each student enrolled and shall provide a copy of such contract to the student. Such contract shall state the amount of tuition and fees paid, the school's policy regarding refund of tuition and fees, and the title and dates of the courses for which the student is enrolled.

*History Note:* Authority G.S. 93E-1-8(a); 93E-1-10;  
Eff. July 1, 1994.

#### **57B .0206 Admissions Policy and Practice**

Schools and course sponsors shall not discriminate in their admissions policy, practice or general operations against any person on the basis of age, sex, race, color, creed, national origin, religious preferences or handicap. A statement to this effect shall be included in all bulletins, catalogues or similar official publications.

*History Note:* Authority G.S. 93E-1-8(a); 93E-1-10;  
Eff. July 1, 1994;  
Amended Eff. August 1, 2002.

### **57B .0207 Administration**

One person shall be designated as the Director for each approved school or course sponsor and shall be responsible for administrative matters such as program development, scheduling of classes, advertising, maintenance of facilities and equipment, record keeping and general supervision of the instruction program. The director shall ensure that the policies and general operations of the school or course sponsor comply with the provisions of Sections .0200 and .0300 of this Subchapter. The Director shall possess a good character and reputation and must also meet the fitness standards for applicants for trainee registration or appraiser certification. The Director shall:

- (1) have a baccalaureate or higher degree in the field of education; or
- (2) have at least two years full time experience within the past 10 years as an instructor or school administrator; or
- (3) meet the minimum appraisal education and experience qualifications listed in 21 NCAC 57B .0306 to teach either the residential or general appraisal precertification courses; or
- (4) possess qualifications which are found by the Board to be substantially equivalent to Item (1), (2), or (3) of this Rule.

*History Note: Authority G.S. 93E-1-8(a); 93E-1-10;  
Eff. July 1, 1994;  
Amended Eff. September 1, 2008; August 1, 2002.*

### **57B .0208 Accommodations For Persons With Disabilities**

The Board may suspend, revoke or deny renewal of approval of a real estate school or course sponsor to conduct appraiser precertification courses upon finding that any court of competent jurisdiction has found the school or course sponsor official or instructor in the employ of the school or course sponsor to be in violation of any applicable federal or state law or regulation prohibiting discrimination on the basis of disability, requiring that courses related to certification for professional or trade purposes be offered in a place and manner accessible to persons with disabilities.

*History Note: Authority G.S. 93E-1-8(a); 93E-1-10;  
Eff. July 1, 1994;  
Amended Eff. September 1, 2008; August 1, 2002*

### **57B .0209 Certification of Course Completion**

Approved schools or course sponsors must provide each passing student with a course completion certificate. Certificates of course completion shall be on a document bearing the letterhead or insignia of the school or course sponsor and shall have the signature or signature stamp of the school or course sponsor director. A student who has taken a precertification course, other than the 15 hour National USPAP course, for continuing education credit and who does not pass the examination shall not be given a course completion certificate, but shall be given a certificate of attendance for the course, provided that the student complies with the provisions of 21 NCAC 57B .0303. Either certificate is valid to obtain continuing education credit, in accordance with 21 NCAC 57B .0604.

*History Note: Authority G.S. 93E-1-8(a); 93E-1-10;  
Eff. July 1, 1994;  
Amended Eff. September 1, 2008; January 1, 2008; July 1, 2005; August 1, 2002.*

### **57B .0210 Course Records**

Schools and course sponsors must:

- (1) retain on file for five years copies of all grade and attendance records for each approved course and must make such records available to the Board upon request;
- (2) retain on file for two years a master copy of each final course examination, and such file copy shall indicate the answer key, course title, course dates and name of instructor. Examination file copies shall be made available to the Board upon request;
- (3) within 15 days of course completion, but not later than June 15 of each year, submit to the Board a roster of all students who satisfactorily completed the course along with the course evaluations. Rosters and evaluations must be sent together by mail, not by fax or other electronic means; and
- (4) participate in the Board's course and instructor evaluation program. Schools and course sponsors shall provide each student with a course evaluation form upon completion of the course, and shall tally the results of the evaluation forms onto one form. Schools and course sponsors shall send the completed course evaluation forms and the tally to the Board within 15 days of course completion.

*History Note: Authority G.S. 93E-1-8(a); 93E-1-10;  
Eff. July 1, 1994;  
Amended Eff. January 1, 2008; March 1, 2007; July 1, 2005; July 1, 2003; August 1, 2002.*

### **57B .0211 Program Changes**

Approved schools and course sponsors must notify the Board of any changes to be made with respect to course content, course completion standards, instructors, school director or textbooks as prescribed in Section .0300 of this Subchapter. Requests for approval of such changes must be in writing, and must be sent to the Board at least 15 calendar days before the proposed change would take effect.

*History Note: Authority G.S. 93E-1-8(a); 93E-1-10;  
Eff. July 1, 1994;  
Amended Eff. March 1, 2006; August 1, 2002.*

### **57B .0212 Withdrawal or Denial of Board Approval**

The Board may deny or withdraw approval of any school or course sponsor upon finding that:

- (1) the school or course sponsor director has refused or failed to comply with any of the provisions of Sections .0200 and .0300 of this Subchapter;
- (2) the school or course sponsor has made any false statements or presented any false information in connection with an application for Board approval or renewal of the sponsor or its courses; or
- (3) the school or course sponsor director has performed any act which constitutes improper, fraudulent, or dishonest conduct.

*History Note:* Authority G.S. 93E-1-8(a); 93E-1-10;  
Eff. July 1, 1994.

## **SECTION 57B.0300**

### **COURSE STANDARDS FOR PRECERTIFICATION EDUCATION**

#### **57B .0301 Purpose**

This Section establishes minimum standards for real estate appraisal precertification courses prescribed by G.S. 93E-1-6(a).

*History Note:* Authority G.S. 93E-1-8(a); 93E-1-10;  
Eff. July 1, 1994;  
Amended Eff. September 1, 2008.

#### **57B .0302 Course Content**

(a) All courses shall consist of instruction in the subject areas outlined in the Appraiser Qualification Board's Guide Note 1.

(b) Courses may also include coverage of additional related subject areas; however, any such course must provide additional class time above the minimum required classroom hours specified in 57B .0101, .0102, and .0103 and the minimum requirement of 15 hours for USPAP for the coverage of such additional subject areas.

(c) On or before the first class meeting day of the Basic Appraisal Principles course, the instructor shall give to each student material prepared by the Board regarding the trainee registration process and the process to upgrade to a certified appraiser.

*History Note:* Authority G.S. 93E-1-6; 93E-1-8(a); 93E-1-10;  
Eff. July 1, 1994;  
Amended Eff. September 1, 2008; January 1, 2008; July 1, 2005; August 1, 2002.

#### **57B .0303 Course Completion Standards**

(a) Academic standards for course completion shall reasonably assure that students receiving a passing grade possess knowledge and understanding of the subject areas prescribed for the course. A student's grade shall be based solely on his or her performance on examinations and on graded homework and class work assignments.

(b) Course completion requirements shall include a comprehensive final course examination which covers all prescribed subject areas and which accounts for at least 50 percent of a student's grade for the course. Take-home or open-book final course examinations are prohibited. Schools and course sponsors may, within 90 days of the course ending date, allow a student one opportunity to make up any missed course examination or to retake any failed course examination without repeating the course, however any make up examination shall be comparable to the initial examination with regard to the number of questions and overall difficulty, and at least 75 percent of the questions in the make up examination shall be different from those used in the initial examination.

(c) The minimum attendance required for satisfactory course completion is 90 percent of all scheduled classroom hours for the course.

(d) The instructor may offer additional hours of instruction so that students can make up lost hours of instruction.

(e) Students who are taking a precertification course, other than the 15 hour National USPAP course, for continuing education credit may sit for the final course examination, but they are not required to pass the examination in order to receive continuing education credit. Students who take and pass the examination and who comply with the provisions of this Rule shall be given a course completion certificate. Students who do not take and pass the examination but who otherwise comply with the provisions of this Rule shall be given a certificate of attendance. Students who are taking the course as a result of a conditional dismissal, consent order or order of the Board after a hearing must take and pass the examination.

*History Note:* Authority G.S. 93E-1-8(a); 93E-1-10;  
Eff. July 1, 1994;  
Amended Eff. July 1, 2010; September 1, 2008; July 1, 2005; August 1, 2002.

### **57B .0304 Course Scheduling**

(a) All courses must have fixed beginning and ending dates, and schools and course sponsors shall not utilize a scheduling system that allows students to enroll late for a course and then complete their course work in a subsequently scheduled course. Late enrollment is permitted only if the enrolling student can satisfy the minimum attendance requirement set forth in Paragraphs (c) and (d) of Rule .0303 of this Section.

(b) Courses may be scheduled in a manner that provides for class meetings of up to eight classroom hours in any given day; however credit for courses shall be limited to 30 classroom hours per seven-day period.

(c) A classroom hour consists of 50 minutes of classroom instruction and ten minutes of break time. For any class meeting that exceeds 50 minutes in duration, breaks at the rate of 10 minutes per hour must be scheduled and taken at reasonable times.

(d) Instruction must be given for the minimum hours specified in 57B .0101, .0102, and .0103. Instructors shall not accumulate unused break time to end the class early.

(e) All courses, except those taught on-line via the Internet, must have a minimum number of five students enrolled in order for the course to be held.

*History Note:* Authority G.S. 93E-1-8(a); 93E-1-10;  
Eff. July 1, 1994;  
Amended Eff. July 1, 2010; January 1, 2008; July 1, 2005; August 1, 2002.

### **57B .0305 Textbooks**

Each course must utilize a textbook or course materials which are approved by the Board as well as any additional instructional materials which may be prescribed by the Board for such course.

*History Note:* Authority G.S. 93E-1-8(a); 93E-1-10;  
Eff. July 1, 1994.

### **57B .0306 Instructor Requirements**

(a) Except as indicated in Paragraph (b) of this Rule, all precertification courses or courses deemed equivalent by the Board shall be taught by instructors who possess the fitness for licensure required of applicants for trainee registration or real estate appraiser certification and

either the minimum appraisal education and experience qualifications listed in this Rule or other qualifications that are found by the Board to be equivalent to those listed. These qualification requirements shall be met on a continuing basis. The minimum qualifications are as follows:

- (1) Residential appraiser courses: 200 classroom hours of real estate appraisal education equivalent to the residential appraiser education courses prescribed in Rules .0101 and .0102 of this Subchapter and two years' full-time experience as a certified residential or general real estate appraiser within the previous five years. At least one-half of such experience must be in residential property appraising.
- (2) General appraiser courses: 300 classroom hours of real estate appraisal education equivalent to the general appraiser education courses prescribed in Rules .0101, .0102 and .0103 of this Subchapter and three years' full-time experience as a general real estate appraiser within the previous five years. At least one-half of such experience must be in income property appraising. Instructors must also be a certified general real estate appraiser and have been so certified for at least five years.
- (3) USPAP: certification by the Appraiser Qualifications Board of the Appraisal Foundation as an instructor for the National USPAP Course. The instructor must be a certified residential or a certified general appraiser. If a USPAP instructor fails to renew or loses his or her certification by the Appraiser Qualifications Board, the instructor must immediately stop teaching and notify the Appraisal Board of the loss of certification.
- (4) Statistics, modeling and finance: must have previously completed this class, or must have completed 3 semester hours of statistics in an accredited college or university.

(b) Guest lecturers who do not possess the qualifications stated in Paragraph (a) of this Rule may be utilized to teach collectively up to one-fourth of any course, provided that each guest lecturer possesses education and experience directly related to the particular subject area the lecturer is teaching.

(c) Instructors shall conduct themselves in a professional manner when performing their instructional duties and shall conduct their classes in a manner that demonstrates knowledge of the subject matter being taught and mastery of the following basic teaching skills:

- (1) The ability to communicate effectively through speech, including the ability to speak clearly at an appropriate rate of speed and with appropriate grammar and vocabulary;
- (2) The ability to present instruction in an accurate, logical, orderly, and understandable manner, to utilize illustrative examples as appropriate, and to respond appropriately to questions from students;
- (3) The ability to effectively utilize varied instructive techniques other than straight lecture, such as class discussion or other techniques;
- (4) The ability to effectively utilize instructional aids to enhance learning;
- (5) The ability to maintain an effective learning environment and control of a class; and
- (6) The ability to interact with adult students in a manner that encourages students to learn, that demonstrates an understanding of students'

backgrounds, that avoids offending the sensibilities of students, and that avoids personal criticism of any other person, agency or organization.

(d) Upon request of the Board, an instructor or proposed instructor must submit to the Board a videotape or DVD in a manner and format which depicts the instructor teaching portions of a precertification course specified by the Board and which demonstrates that the instructor possesses the basic teaching skills described in Paragraph (c) of this Rule.

(e) The inquiry into fitness shall include consideration of whether the instructor has ever had any disciplinary action taken on his or her appraisal license or certificate or any other professional license or certificate in North Carolina or any other state, or whether the instructor has ever been convicted of or pleaded guilty to any criminal act. This inquiry may include consideration of whether disciplinary action or criminal charges are pending.

(f) Instructors shall not have received any disciplinary action regarding his or her appraisal license or certificate from the State of North Carolina or any other state within the previous two years. For the purposes of this Section, disciplinary action means a reprimand, suspension (whether active or inactive) or a revocation.

(g) Proposed precertification instructors who do not meet the minimum appraisal education and experience qualifications listed in Paragraph (a) of this Rule, and who seek to have their qualifications determined by the Board to be equivalent to the qualifications listed in Paragraph (a) of this Rule, must supply the Board with copies of sample appraisal reports or other evidence of experience.

(h) Persons desiring to become instructors for precertification courses must file an application for approval with the Board. There is no fee for application for instructor approval. Once an instructor has been approved to teach a specific precertification course, that person may teach the course at any school or for any course sponsor approved by the Appraisal Board to offer precertification courses.

(i) Current Appraisal Board members shall not be eligible to teach precertification courses during their term of office on the Board.

*History Note: Authority G.S. 93E-1-8(a); 93E-1-10; Eff. July 1, 1994; Amended Eff. July 1, 2010; September 1, 2008; March 1, 2007; March 1, 2006; July 1, 2005; July 1, 2003; August 1, 2002.*

### **57B .0307 Criteria for Course Recognition**

(a) Schools and course sponsors seeking to offer appraiser precertification courses shall make written application to the Board and pay applicable fees as required by G.S. 93E-1-8(b).

(b) Appraisal subject matter electives offered for precertification credit shall meet all other requirements of this Chapter. The content of these electives shall be directly related to the appraisal of real property to be approved for precertification credit. Appraisal subject matter elective courses shall contain a minimum of 15 hours.

(c) Various combinations of courses may be recognized as equivalent to the appraiser precertification courses specified in 57B .0101, .0102 and .0103.

(d) The 15 hour USPAP course shall be the 15-hour National USPAP Course approved by the Appraiser Qualifications Board of the Appraisal Foundation, or its equivalent.

(e) The application shall state the name of the instructor for the course. All instructors shall be approved by the Board pursuant to 57B .0306(h). After the course is approved, if a school or course sponsor wishes to change instructors, the school shall notify the Board of the name of the new instructor at least seven calendar days before the proposed change would take

effect. If the proposed instructor is not currently approved in accordance with 57B .0306(h), the instructor shall be approved by the Board before the school or course sponsor may change instructors.

(f) Course sponsors may offer classes on-line via the Internet. The Board must be provided access to the course via the internet at a date and time satisfactory to the Board and shall not be charged any fee for such access. To be approved for credit, an on-line precertification education course must meet all of the conditions imposed by the Rules in this Subchapter in advance, except where otherwise noted. The course must be interactive, permitting the participant to communicate, via telephone, electronic mail, or a website bulletin board, with the presenter and other participants. The sponsor of an on-line course must have a reliable method for recording and verifying attendance. A participant may periodically log on and off of an on-line course provided the total time spent participating in the course is equal to or exceeds the credit hours assigned to the program. The course design and delivery mechanism for an on-line course offered on the Internet must have received approval from the International Distance Education Certification Center (IDECC). A course completion certificate must be forwarded to the student as stated in Rule .0303(e) of this Section.

*History Note:* Authority G.S. 93E-1-8(a); 93E-1-10;  
Eff. July 1, 1994;  
Amended Eff. July 1, 2010; September 1, 2008; January 1, 2008; August 1, 2002.

## **SECTION 57B.0400 COURSE SPONSOR FEES FOR PRECERTIFICATION EDUCATION**

### **57B .0401 Applicability**

This Section applies to private real estate appraisal schools offering precertification courses, appraisal trade organizations and to all other course sponsors other than North Carolina colleges, universities, junior colleges, community or technical colleges accredited by the Southern Association of Colleges and Schools, and agencies of the federal, State or local government.

*History Note:* Authority G.S. 93E-1-8(a), (b); 93E-1-10;  
Eff. July 1, 1994;  
Amended Eff. September 1, 2008; January 1, 2008; August 1, 2002.

### **57B .0402 Original Course Approval Fee**

The original application fee shall be that specified in G.S. 93E-1-8(b). The fee shall be paid by certified check, bank check or money order payable to the North Carolina Appraisal Board and is non-refundable. Schools and course sponsors may offer approved courses as frequently as is desired during the period for which approval is granted without paying additional course fees.

*History Note:* Authority G.S. 93E-1-8(b); 93E-1-10;  
Eff. July 1, 1994;  
Amended Eff. January 1, 2008.

### **57B .0403 Fee for Renewal of Course Approval**

(a) Board approval of courses expires on the next December 31 following the date of issuance. In order to assure continuous approval of courses, applications for renewal of Board

approval, accompanied by the renewal fee specified in G.S. 93E-1-8(b), must be filed with the Board annually on or before December 1. Applications which are incomplete, as well as all applications for renewal of course approval submitted after December 1, shall be treated as original course approval applications.

(b) The fee is non-refundable.

*History Note:* Authority G.S. 93E-1-8(a),(b); 93E-1-10;  
Eff. July 1, 1994;  
Amended Eff. January 1, 2008; March 1, 2006; August 1, 2002.

## **SECTION .0500 - PRIVATE REAL ESTATE APPRAISAL SCHOOL FEES FOR PRELICENSING AND PRECERTIFICATION EDUCATION**

*History Note:* Authority G.S. 93E-1-8(a),(b); 93E-1-10;  
Repealed Eff. January 1, 2008.

### **SECTION 57B.0600 CONTINUING EDUCATION COURSES**

#### **57B .0601 Purpose and Applicability**

This Section establishes minimum standards for appraisal continuing education courses authorized by G.S. 93E-1-8(c) and required by Rule .0204 of Subchapter 57A. These standards must be satisfied in order for course sponsors to obtain and maintain approval of their courses for appraiser continuing education credit. Except as provided in Rule .0602(a) of this Section, any school, organization, agency, individual, or other entity is eligible to become a continuing education course sponsor. Course sponsors must obtain course approval from the Board prior to conducting the course for continuing education credit and prior to advertising or otherwise representing that a course is or may be approved for continuing education credit in North Carolina. To request credit for a continuing education course which has not been approved by the Board, a trainee, licensee or certificate holder must follow the procedure set forth in 21 NCAC 57A.0204(f).

*History Note:* Authority G.S. 93E-1-8(c); 93E-1-10;  
Eff. July 1, 1994;  
Amended Eff. August 1, 2002.

#### **57B .0602 Application And Fee**

(a) Course sponsors seeking approval of their courses as appraisal continuing education courses must make written application to the Board. A course sponsor must be the owner of the proprietary rights to the course for which approval is sought or must have the permission of the course owner to seek course approval. If the course for which approval is sought is one that may be offered outside North Carolina, and the course owner wants the Board to approve such course when it is conducted outside North Carolina, application must be made by the course owner. After receipt of a properly completed application, the Board will review the application pursuant to the criteria set forth in 21 NCAC 57B .0603 and shall notify the sponsor of its decision.

(b) The original application fee shall as prescribed in G.S. 93E-1-8(d) for each course for which approval is sought, provided that no fee is required if the course sponsor is an accredited North Carolina college, university, junior college, or community or technical college, or if the

course sponsor is an agency of the federal, state or local government. The fee is non-refundable. A course sponsor may offer approved courses as frequently as is desired during the period for which approval is granted without paying additional fees.

(c) Each application must be accompanied by copies of all course materials, including handbooks, slides, overheads, and other non-published materials. The application must also include the title, author, publisher and edition for each published textbook. Each application must also have a timed outline for the course.

(d) The application must state the name of the instructor for the course.

*History Note: Authority G.S. 93E-1-8(c),(d);  
Eff. July 1, 1994;  
Amended Eff. January 1, 2008; March 1, 2006; August 1, 2002.*

### **57B .0603 Criteria for Course Approval**

The following requirements must be satisfied in order for course sponsors to obtain approval of a course for appraiser continuing education credit:

- (1) The subject matter of the course must comply with the requirements of Rule .0204 of Subchapter 57A and the information to be provided in the course must be both accurate and current.
- (2) The course must involve a minimum of three and one-half classroom hours of instruction on acceptable subject matter. A classroom hour consists of 50 minutes of classroom instruction and 10 minutes of break time. Instruction must be given for the full number of hours for which credit is given. Instructors may not accumulate unused break time to end the class early.
- (3) The course instructor(s) must:
  - (a) possess the fitness for licensure required of applicants for trainee registration, real estate appraiser licensure or certification; and
  - (b) either:
    - (i) two years' full-time experience that is directly related to the subject matter to be taught;
    - (ii) a baccalaureate or higher degree in a field that is directly related to the subject matter to be taught;
    - (iii) two years' full-time experience teaching the subject matter to be taught;
    - (iv) an equivalent combination of such education and experience; or
    - (v) be approved by the Board pursuant to 57B. 0606(11).
- (4) If two or more instructors shall be utilized to teach a course during the approval period and the course shall be taught in states other than North Carolina, it is sufficient for the course sponsor to show that it has minimum instructor requirements comparable to these requirements. The inquiry into fitness shall include consideration of whether the instructor has had any disciplinary action taken on his or her appraisal license or any other professional license in North Carolina or any other state, or whether the instructor has been convicted of or pleaded guilty to any criminal act.

- (5) The course must be one involving a qualified instructor who, except as noted in Item (6) of this Rule, shall be physically present in the classroom at all times and who shall personally provide the instruction for the course. The course instructor may utilize videotape instruction, remote television instruction or similar types of instruction by other persons to enhance or supplement his personal instruction; however, such other persons shall not be considered to be the course instructor and the course instructor must be physically present when such indirect instruction by other persons is being utilized. No portion of the course may consist of correspondence instruction. The instructor must comply with Rule .0306(c) of this Subchapter. Instructors for the National USPAP courses must be certified by the Appraiser Qualifications Board of the Appraisal Foundation. Current Appraisal Board members shall not teach continuing education courses during their term of office on the Board.
- (6) A trainee or appraiser may receive up to 14 hours of credit every two years in the period ending on June 1 of each odd numbered year for participation in a course offered on-line via the Internet. A sponsor seeking approval of a computer-based education course must provide the Board access to the course via the internet at a date and time satisfactory to the Board and the Board shall not be charged any fee for such access. To be approved for credit, an on-line course must meet all of the conditions imposed by the Rules in this Subchapter in advance, except where otherwise noted. The course must be interactive, permitting the participant to communicate, via telephone, electronic mail, or a website bulletin board, with the presenter and other participants. The sponsor of an on-line course must have a reliable method for recording and verifying attendance. A participant may periodically log on and off of an on-line continuing education course provided the total time spent participating in the course is equal to or exceeds the credit hours assigned to the program. The course design and delivery mechanism for an on-line course offered on the Internet must have received approval from the International Distance Education Certification Center (IDECC). A course completion certificate must be forwarded to the student as stated in Rule .0607 of this Section, and a course roster must be sent to the Appraisal Board in accordance with Rule .0608 of this Section.
- (7) The course must be an educational program intended to improve the knowledge, skill and competence of trainees, and licensed and certified real estate appraisers. Activities not eligible for approval as a continuing education course include in-house training programs of a firm, organization or agency, trade conferences or similar activities.
- (8) The course sponsor must certify that the course shall be conducted in accordance with the operational requirements stated in Rule .0606 of this Section and that the course sponsor will comply with all other applicable rules contained in this Section.
- (9) The course title may not include the words "Uniform Standards of Professional Appraisal Practice" or "USPAP" unless the course is either the 15 hour National USPAP course or the 7 hour National USPAP update course. If the course is the 7 hour National USPAP course, the course title must state which edition of USPAP will be taught in that specific course.

- (10) Each course must utilize a textbook or course materials that have been approved by the Board.
- (11) If the course content is related to technology, such as software, hardware, electronic devices, manuals, or databases, the course shall be developed specifically for utilization in the real estate appraisal business in order to be approved for continuing education credit. Such courses shall not require the student to purchase specific products, and shall not use the course to sell or advertise particular products or software.

*History Note:* Authority G.S. 93E-1-8(c); 93E-1-10;  
Eff. July 1, 1994;  
Amended Eff. July 1, 2010; January 1, 2008; March 1, 2007; March 1, 2006; July 1, 2005; July 1, 2003; August 1, 2002.

#### **57B .0604 Precertification Courses**

(a) Appraisal precertification courses conducted by North Carolina approved schools or by appraisal trade organizations which are approved as equivalent to the North Carolina precertification courses may be separately approved as appraisal continuing education courses. Trainees, licensed and certified appraisers may obtain continuing education credit for these courses only to the extent permitted by Rule .0204 of Subchapter 57A. Appraisal trade organizations must at all times assure compliance with Rules .0606, .0607, and .0608 of this Section in order to retain such approval for these courses.

(b) It is presumed that any person taking any of the precertification courses is doing so for registration or certification purposes. If the person wishes to obtain continuing education credit for the course, he or she shall request such credit in writing and shall send the original course completion certificate or course attendance certificate with the request.

*History Note:* Authority G.S. 93E-1-8(c); 93E-1-10;  
Eff. July 1, 1994;  
Amended Eff. September 1, 2008; March 1, 2007; July 1, 2005; August 1, 2002.

#### **57B.0605 Continuing Education Credit Hours**

The course approval issued to a course sponsor shall include the number of hours of continuing education credit that will be awarded for the course. The minimum number of continuing education credit hours awarded for a course shall be three and one-half hours, and the maximum number of continuing education credit hours awarded for a course, regardless of its length, shall be thirty hours. Continuing education credit hours shall not be carried forward into subsequent licensing periods.

*History Note:* Authority G.S. 93E-1-8(c); 93E-1-10;  
Eff. July 1, 1994;  
Amended Eff. August 1, 2002.

#### **57B .0606 Course Operational Requirements**

Course sponsors must at all times assure compliance with the criteria for course approval stated in Rule .0603 of this Section and must also comply with the following requirements relating to scheduling, advertising and conducting approved appraisal continuing education courses:

- (1) Courses must be scheduled and conducted in a manner that limits class sessions to a maximum of eight classroom hours in any given day and that includes appropriate breaks for each class session. A classroom hour consists of 50 minutes of classroom instruction and ten minutes of break time. For any class meeting that exceeds 50 minutes in duration, breaks at the rate of ten minutes per hour must be scheduled and taken at reasonable times.
- (2) Course sponsors must not utilize advertising of any type that is false or misleading in any respect. If the number of continuing education credit hours awarded by the Board for a course is less than the number of scheduled classroom hours for the course, any course advertisement or promotional materials which indicate that the course is approved for appraiser continuing education credit in North Carolina must specify the number of continuing education credit hours awarded by the Board for the course.
- (3) Course sponsors must, upon request, provide any prospective student a description of the course content sufficient to give the prospective student a general understanding of the instruction to be provided in the course.
- (4) Courses must be conducted in a facility that provides an appropriate learning environment. At a minimum, the classroom must be of sufficient size to accommodate comfortably all enrolled students, must contain a student desk or sufficient worktable space for each student, must have adequate light, heat, cooling and ventilation, and must be free of distractions that would disrupt class sessions. Sponsors are required to comply with all applicable local, state and federal laws and regulations regarding safety, health and sanitation. Sponsors shall furnish the Board with inspection reports from appropriate local building, health and fire inspectors upon the request of the Board. Sponsors must supply separate restroom facilities for males and females. Classes may not be held in a personal residence under any circumstances.
- (5) The course sponsor must require students to attend at least 90 percent of the scheduled classroom hours in order to satisfactorily complete the course, even if the number of continuing education credit hours awarded by the Board for the course is less than the number of scheduled classroom hours. Attendance must be monitored during all class sessions to assure compliance with the attendance requirement. Instruction must be given for the number of hours for which credit is given. Instructors may not accumulate unused break time to end the class early.
- (6) Instructors must require reasonable student attentiveness during class sessions. Students must not be permitted to engage in activities that are not related to the instruction being provided.
- (7) Course sponsors for which an application fee is required by Rules .0602(b) and .0611(b) of this Section must fairly administer course cancellation and fee refund policies. In the event a scheduled course is canceled, reasonable efforts must be made to notify preregistered students of the cancellation and all prepaid fees received from such preregistered students must be refunded within 30 days of the date of cancellation or, with the student's permission, applied toward the fees for another course.
- (8) Upon request of the Board, the course sponsor must submit to the Board a videotape in a manner and format which depicts the instructor teaching portions of any continuing education course specified by the Board and which

demonstrates that the instructor possesses the basic teaching skills described in Rule .0306(c) of this Section.

- (9) Course sponsors shall provide the Board with the dates and locations of all classes the sponsor is or will be offering in the State of North Carolina at least 30 calendar days before such class is offered, unless circumstances beyond the control of the course sponsor require that the course be rescheduled. If the dates or location of the classes change after such information is provided to the Board, the course sponsor must notify the Board of such changes.
- (10) Course sponsors must participate in the Board's course and instructor evaluation program. Course sponsors must require that students complete a course evaluation form upon completion of the course, and shall tally the results of the evaluations onto one form. Course sponsors must also send the completed course evaluation forms and the tally to the Board together with the roster required pursuant to 21 NCAC 57B .0608.
- (11) If an instructor has any disciplinary action taken on his or her appraisal license or any other professional license in North Carolina or any other state, or if the instructor has been convicted of or pleaded guilty to any criminal act, the school or course sponsor must report that fact to the Board within 15 business days.
- (12) All courses, except those taught on-line via the Internet, must have a minimum number of five students enrolled in the course.

*History Note:* Authority G.S. 93E-1-8(c); 93E-1-10;  
Eff. July 1, 1994;  
Amended Eff. July 1, 2010; January 1, 2008; March 1, 2007; July 1, 2005; August 1, 2002.

#### **57B .0607 Certification of Course Completion**

Course sponsors must issue a certificate of course completion within 15 days of completion of the course to all students who satisfactorily complete an approved course. If the course sponsor is located in North Carolina, the certificate, which the student must retain for a period of 5 years, must bear the signature or signature stamp of a person designated by the course sponsor to sign such certificate. North Carolina-based course sponsor must notify the Board in advance of the person(s) designated to sign certificates of course completion for courses conducted in North Carolina. If the course sponsor is not located in North Carolina, the certificate of course completion must show the name of the course sponsor, the name of the course, the number of classroom hours, the course dates, the state or city where the course was conducted, and the full name of the student.

*History Note:* Authority G.S. 93E-1-8(c); 93E-1-10;  
Eff. July 1, 1994;  
Amended Eff. January 1, 2008; July 1, 2003; August 1, 2002.

#### **57B .0608 Sponsor Reporting Of Continuing Education Credit**

Course sponsors must, within 15 days of course completion but no later than June 15 of each year, submit to the Board a roster of all North Carolina registered trainees, licensed and certified appraisers who satisfactorily completed the course.

*History Note:* Authority G.S. 93E-1-8(c); 93E-1-1;  
Eff. July 1, 1994;

*Amended Eff. July 1, 2010; January 1, 2008; July 1, 2005; August 1, 2002.*

**57B .0609 Changes During the Approval Period**

Course sponsors must obtain advance approval from the Board for any changes to be made in approved courses with regard to the number of classroom hours, course content or instructors. Requests for approval of such changes must be in writing, and must be sent to the Board at least 15 calendar days before the proposed changes would take effect.

*History Note: Authority G.S. 93E-1-8(c); 93E-1-10;  
Eff. July 1, 1994.  
Amended Eff. March 1, 2006*

**57B .0610 Course Records**

Course sponsors must retain on file for three years records of student registration and attendance for each approved course that is conducted and must make such records available to the Board upon request.

*History Note: Authority G.S. 93E-1-8(c); 93E-1-10;  
Eff. July 1, 1994.*

**57B .0611 Renewal of Approval and Fees**

(a) Board approval of appraisal continuing education courses expires on the next December 31 following the date of issuance. In order to assure continuous approval, applications for renewal of Board approval, accompanied by the prescribed renewal fee, must be filed with the Board annually on or before December 1. All applications for renewal of course approval received on or before December 1, which are incomplete as of that date, as well as all applications for renewal of course approval submitted after December 1, shall be treated as original applications for approval of continuing education courses. Schools and course sponsors must send a copy of all course materials every third renewal of a continuing education course.

(b) The annual fee for renewal of Board approval shall be that specified in G.S. 93E-1-8(d) for each course for which renewal of approval is requested, provided that no fee is required for course sponsors that are exempted from original application fees by Rule .0602(b) of this Section. The fee is non-refundable.

*History Note: Authority G.S. 93E-1-8(c),(d); 93E-1-10;  
Eff. July 1, 1994;  
Amended Eff. July 1, 2010; January 1, 2008; March 1, 2007; August 1, 2002.*

**57B .0612 Withdrawal Or Denial Of Approval**

- (1) the course sponsor has made any false statements or presented any false information in connection with an application for course approval or renewal of course approval;
- (2) the course sponsor has refused or failed to comply with any of the provisions of this Section;
- (3) the course sponsor has engaged in a pattern of consistently canceling scheduled courses;
- (4) the school or course sponsor has offered or held a continuing education course stating that the students will receive continuing education credit from the North Carolina Appraisal Board when it is not approved to do so;

- (5) the instruction provided in a course is of unsatisfactory quality; or
- (6) the instructor failed to demonstrate effective teaching skills.
- (7) the instructor has had disciplinary action taken on his or her appraisal license or any other professional license in North Carolina or any other state, or has been convicted of or pleaded guilty to any criminal act.

*History Note:* Authority G.S. 93E-1-8(c); 93E-1-10;  
 Eff. July 1, 1994;  
 Amended Eff. January 1, 2008; March 1, 2006; August 1, 2002.

**57B .0613 Payment of Fee Required by G.S. 93E-1-7(c)**

Schools and course sponsors who are required by G.S. 93E-1-7 to pay a fee to the Board for each licensee completing an approved continuing education course conducted by the school or course sponsor shall remit the fee to the Board along with the roster and evaluations required by Rule .0606(10) and .0608 of this Subchapter.

*History Note:* Authority G.S. 93E-1-8(c),(d); 93E-1-10;  
 Eff. September 1, 2008.

**SUBCHAPTER 57C  
 ADMINISTRATIVE LAW PROCEDURES**

**SECTION .0100 - APPRAISAL BOARD HEARINGS**

**57C. 0101 Form of Complaints and Other Pleadings**

(a) There shall be is no specific form required for complaints. To be sufficient, a complaint shall be in writing, identify the trainee, appraiser or appraisal management company and shall reasonably apprise the Board of the facts which form the basis of the complaint.

(b) When investigating a complaint, the scope of the investigation is not limited to the persons or transactions described or alleged in the complaint.

(c) Persons who make complaints are not parties to contested cases heard by the Board, but may be witnesses in the cases.

(d) There is no specific form required for answers, motions or other pleadings relating to contested cases before the Board, except they shall be in writing. To be sufficient, the document must identify the case to which it refers and reasonably apprise the Board of the matters it alleges, answers, or requests. In lieu of submission in writing, motions, requests and other pleadings may be made on the record during the course of the hearing before the Board.

(e) During the course of an investigation of a licensee, the Board, through its legal counsel or staff, may send a trainee, appraiser or appraisal management company one or more Letters of Inquiry requesting the trainee, appraiser or appraisal management company to respond. The initial Letter of Inquiry, or attachments thereto, shall set forth the subject matter being investigated. Upon receipt of a Letter of Inquiry, the trainee, appraiser or appraisal management company shall respond within thirty calendar days. The response shall include copies of all documents requested in a Letter of Inquiry.

(f) Hearings in contested cases before the Board are governed by the provisions of Article 3A of Chapter 150B of the General Statutes.

*History Note:* Authority G.S. 93E-1-10; G.S.93E-2-3, 93E-2-8

*Eff. July 1, 1994;*  
*Amended Eff. January 1, 2011; July 1, 2003; August 1, 2002.*

**57C .0102 Presiding Officer**

(a) The Appraisal Board may designate any of its members to preside over the hearing in a contested case. When no designation is made, the Chairman of the Board shall preside, or, in his absence, the Vice Chairman shall preside. The presiding officer shall rule on motions or other requests made in a contested case prior to the conduct of the hearing in that case except when the ruling on the motion would be dispositive of the case. When the ruling on a motion or request would be dispositive of the case, the presiding officer shall make no ruling and the motion or request shall be determined by a majority of the Board.

(b) The Chairman of the Board may allow the Board's Executive Director to grant the first request for a continuance of a hearing. Any subsequent requests for continuance shall be granted by the Chairman of the Board. The granting of a continuance is wholly discretionary.

*History Note: Authority G.S. 93E-1-10;*  
*Eff. July 1, 1994;*  
*Amended Eff. July 1, 2003; August 1, 2002.*

**57C .0103 Subpoenas**

(a) The Executive Director of the Appraisal Board and the Board's Legal Counsel shall have the authority to issue subpoenas in the name of the Board.

(b) The presiding officer in a contested case shall also have the authority to issue subpoenas relating to that contested case.

*History Note: Authority G.S. 93E-1-10;*  
*Eff. July 1, 1994.*

**57C .0104 Petition to Reopen Proceeding**

(a) After a final decision has been reached by the Board in a contested case, a party may petition the Board to reconsider a case. Petitions will not be granted except when the petitioner can show that the reasons for reconsidering the case are to introduce newly discovered evidence which was not presented at the initial hearing because of some justifiable, excusable or unavoidable circumstance. Upon the running of the 30 day period for seeking judicial review, such petitions will have no effect. Petitions for reopening the proceedings shall not toll the 30 days available for seeking judicial review, as provided in G.S. 150B-45.

(b) Decisions on petitions to reopen cases are within the discretion of the Board.

*History Note: Authority G.S. 93E-1-10;*  
*Eff. July 1, 1994.*

**SECTION .0200 - PETITIONS FOR RULES**

**57C .0201 Petition for Rulemaking Hearings**

(a) Any person wishing to file a petition requesting the adoption, amendment or repeal of a rule by the Board shall file a written petition with the Executive Director.

(b) The petition shall include the following information:

- (1) name, address and occupation of petitioner;
- (2) a summary of the proposed action (adoption, amendment or repeal of a rule or rules);

- (3) a draft of the proposed rule or other action;
  - (4) a complete statement of the reason for the proposed action; and
  - (5) an identification of the persons or class of persons most likely to be affected by the proposed action.
- (c) The Board shall decide whether to allow or deny a rule-making petition.

*History Note:* Authority G.S. 93E-1-10; 150B-20;  
Eff. July 1, 1994.

## **SECTION .0300 – RULE-MAKING**

### **57C .0301 Written Submissions**

Any person may file a written submission containing data, comments or arguments after publication of a rule-making notice and prior to the decision of the Board to adopt, amend or repeal the rule or rules in question. Written submissions shall be addressed to the Board and shall clearly state the rule or proposed rule to which the comments are directed.

*History Note:* Authority G.S. 93E-1-10; 150B-21.2(e);  
Eff. July 1, 1994.

### **57C .0302 Presiding Officer**

The presiding officer at any rule-making hearing shall have control of the proceedings, including: recognition of speakers, time allotments for presentations, the right to question speakers, direction of the discussion, and management of the hearing.

*History Note:* Authority G.S. 93E-1-10;  
Eff. July 1, 1994;  
Amended Eff. August 1, 2002.

### **57C .0303 Record of Proceedings**

A record of rule-making proceedings will be available for public inspection during regular office hours at the Board's office. This record will contain the original petition, if any, the notice, all written memoranda and information submitted, and a record or summary of oral presentations, if any, and, in any case where a proposal was rejected, the reason therefore.

*History Note:* Authority G.S. 93E-1-10; 150B-21;  
Eff. July 1, 1994.

## **SECTION .0400 - DECLARATORY RULINGS**

### **57C .0401 Requests for Rulings; Disposition of Requests**

- (a) All requests for declaratory rulings shall be written and filed with the Board. The request must contain the following information:
- (1) the name, address and signature of petitioner;

- (2) a concise statement of the manner in which petitioner is aggrieved by the rule or statute in question, or its potential application to him;
  - (3) a statement of the interpretation given the statute or rule in question by petitioner;
  - (4) a statement of the reasons, including any legal authorities, in support of the interpretation given the statute or rule by petitioner.
- (b) The Board shall either deny the request, stating the reasons therefore, or issue a declaratory ruling. When in its discretion, the Board determines that the issuance of a declaratory ruling is undesirable, it may refuse to issue such ruling.
- (c) The Board shall not issue a declaratory ruling when the petitioner or his or her request is the subject of, or materially related to, a matter under investigation by the Board or a contested case before the Board.

*History Note: Authority G.S. 93E-1-10;  
Eff. July 1, 1994.*

## **SUBCHAPTER D**

### **APPRAISAL MANAGEMENT COMPANY RULES**

#### **21 NCAC 57D .0101 Form**

An appraisal management company that wishes to file an application for an appraisal management company certificate of registration may obtain the required form upon request to the Board. The form calls for information such as:

- (1) the legal name of the applicant;
- (2) the name under which the applicant will do business in North Carolina;
- (3) the type of business entity;
- (4) the address of its principal office;
- (5) the applicant's NC Secretary of State Identification Number if required to be registered with the Office of the NC Secretary of State;
- (6) a completed application for approval of the compliance manager;
- (7) any past criminal conviction of and any pending criminal charge against any person or entity that owns ten percent or more of the appraisal management company;
- (8) any past revocation, suspension or denial of an appraisal license of any person or entity that owns ten percent or more of the appraisal management company;
- (9) if a general partnership, a description of the applicant entity, including a copy of its written partnership agreement or if no written agreement exists, a written description of the rights and duties of the several partners;
- (10) if a business entity other than a corporation, limited liability company or partnership, a description of the organization of the applicant entity, including a copy of its organizational documents; and
- (11) if a foreign business entity, a certificate of authority to transact business in North Carolina and an executed consent to service of process and pleadings.

Incomplete applications shall not be acted upon by the Board.

*History Note: Authority G.S. 93E-2-4;  
Eff. January 1, 2011.*

### **21 NCAC 57D .0102 Filing and Fees**

(a) Each application for registration shall be accompanied by the required application fee. The Board shall reject and return to the applicant any application which is incomplete or not accompanied by the required fee or fees. Application fees accompanying complete applications are not refundable.

(b) The application fee shall be thirty five hundred dollars (\$3500).

(c) Payment of application fees shall be made by certified check, bank check or money order payable to the North Carolina Appraisal Board.

*History Note: Authority G.S. 93E-2-3; 93E-2-4; 93E-2-6;  
Eff. January 1, 2011.*

### **21 NCAC 57D .0201 Fitness for Registration**

(a) The Appraisal Board shall consider the fitness for registration of each applicant. When the fitness of an applicant is in question, action by the Board shall be deferred until the applicant has affirmatively demonstrated that the applicant possesses the requisite competency, truthfulness, honesty and integrity.

(b) When the application is deferred, the Board shall notify the applicant and the applicant shall be entitled to demonstrate his or her fitness for registration at a hearing before the Board.

(c) The inquiry into fitness for registration shall include consideration of whether the applicant has had any disciplinary action taken against any professional license in North Carolina or any other state, and whether the applicant has committed or done any act which would be grounds for disciplinary action including the suspension or revocation of registration, and whether the applicant has been convicted of or pleaded guilty to any criminal act, and whether any such actions or charges are pending.

(d) All applicants shall obtain a criminal records check pursuant to 93E-2-11. This records check must have been performed within 60 days of the date the completed application for registration is received by the Board. Applicants shall pay all required fees required to perform the check.

(e) Notice to the applicant that its competency or fitness for registration is in question shall be in writing, sent by certified mail, return receipt requested, to the address shown upon the application. The applicant has 60 days from the date of receipt of this notice to request a hearing before the Board. Failure to request a hearing within this time constitutes a waiver of the applicant's right to a hearing on its application for registration, and the application shall be deemed denied. Nothing in this Rule shall be interpreted to prevent an applicant from reapplying for registration.

(f) For the purposes of this Section, "applicant" shall mean any person owning 10 percent or more of the appraisal management company.

*History Note: Authority G. S. 93E-2-3; 93E-2-4; 93E-2-11;  
Eff. January 1, 2011.*

## **21 NCAC 57D .0202 Registration Renewal**

(a) All registrations expire on June 30, 2012 and every June 30 of each year thereafter unless renewed before that time.

(b) A holder of an appraisal management company registration desiring the renewal of such registration shall apply in writing upon the form provided by the Board and shall forward the renewal fee. The renewal fee shall be two thousand dollars (\$2000). Forms are available upon request to the Board. The renewal fee is not refundable under any circumstances.

(c) Any company who acts or holds itself out as a registered appraisal management company while its appraisal management company registration is expired is subject to disciplinary action and penalties as prescribed in G.S. 93E-2-8 and G.S. 93E-2-10.

*History Note: Authority G.S. 93E-2-3; 93E-2-6;  
Eff. January 1, 2011.*

## **21 NCAC 57D .0203 Expired Registration**

(a) Expired registrations may be reinstated within six months after expiration upon proper application and payment to the Board of the renewal fee of two thousand dollars (\$2000) and the late filing fee of twenty dollars (\$20.00) for each month or part thereof that the registration is lapsed, not to exceed one hundred twenty dollars (\$120.00).

(b) Reinstatement is not retroactive.

*History Note: Authority G.S. 93E-2-3; 93E-2-6;  
Eff. January 1, 2011.*

## **21 NCAC 57D .0204 Payment of Fees to the Board**

Checks given the Board in payment of fees that are returned unpaid are cause for registration denial, suspension or revocation.

*History Note: Authority G. S. 93E-2-3; 93E-2-8(a)(7);  
Eff. January 1, 2011.*

## **21 NCAC 57D .0301 Use of Registration Number**

A real estate appraisal management company shall state its North Carolina registration number on any appraisal order for a property located in North Carolina.

*History Note: Authority G.S. 93E-2-3;  
Eff. January 1, 2011.*

## **21 NCAC 57D .0302 Change of Name or Contact Information**

Appraisal management companies shall notify the Board in writing of each change of trade name, business address, telephone number, or email address within ten days of said change. The address shall be sufficiently descriptive to enable the Board to electronically correspond with and physically locate the appraisal management company.

*History Note: Authority G.S. 93E-2-3, 93E-2-9;  
Eff. January 1, 2011.*

## **21 NCAC 57D .0303 Compliance Manager**

(a) A compliance manager shall be designated with the Board for each appraisal management company. The compliance manager shall be a certified real estate appraiser certified under Article I of this chapter or in another state.

(b) An appraisal management company shall file an application with the Board for approval of the designated compliance manager. This application shall provide the Board with information such as the compliance manager's name, mailing and physical address, and phone and email contact information, and shall be signed by the designated compliance manager.

(c) The designated compliance manager shall obtain a criminal records pursuant to 93E-2-11. Applicants shall pay all required fees to perform the check. This records check must have been performed within 60 days of the date the completed application is received by the Board. The criminal records check results must be attached to the application for approval as a compliance manager.

(d) The designated compliance manager is responsible for:

(1) the notification to the Board of any change of trade name or contact information of the appraisal management company and the registration of any assumed business name adopted by the appraisal management company for its use;

(2) the retention and maintenance of records relating to appraisals conducted by or on behalf of the appraisal management company;

(3) the maintenance of a record of all appraisers in North Carolina who perform appraisals for the appraisal management company, including a log of payments to appraisers; and

(4) the conduct of advertising of appraisal management services by or in the name of the appraisal management company;

(e) If an appraisal management company intends to change its compliance manager, it must submit an application for approval of the new compliance manager at least 10 business days before the effective date of the change.

*History Note:* Authority G.S. 93E-2-3; 93E-2-4(b); 93E-2-5;  
Eff. January 1, 2011.

### **21 NCAC 57D .0304 Appraiser Qualifications**

An appraisal management company shall assure that any appraiser being added to its appraiser panel to appraise properties in North Carolina holds a license in good standing in this State pursuant to the North Carolina Appraisers Act. The appraisal management company shall verify the status of the appraiser by contacting the North Carolina Appraisal Board or by utilizing the National Registry of the Appraisal Subcommittee.

*History Note:* Authority G.S. 93E-2-3; 93E-2-4(f);  
Eff. January 1, 2011.

### **21 NCAC 57D .0305 Appraiser Competency**

Before an appraiser is added to a panel, an appraisal management company shall require the appraiser to declare in writing the appraiser's areas of geographic competency, the types of properties the appraiser is competent to appraise, and the methodologies the appraiser is competent to perform. The appraisal management company shall require the appraiser to update this information at least annually, and shall keep copies of all such declarations for a period of five years from the date they are submitted.

*History Note:* Authority G.S. 93E-2-3; 93E-2-4(b);  
Eff. January 1, 2011.

### **21 NCAC 57D .0306 Appraisal Review**

An appraisal management company shall review the work of all independent appraisers that are performing real estate appraisal services for the appraisal management company to validate that the real estate appraisal services are being conducted in accordance with USPAP. An appraisal management company is not required to review all appraisals performed by each appraiser, but may choose a representative sample of each appraiser's reports. An appraisal management company must review each appraiser's work at least once a year, and shall keep records of such reviews for a period of five years from the date they are done.

*History Note:* Authority G.S. 93E-2-3; 93E-2-4(b); 93E-2-9;  
Eff. January 1, 2011.

### **21 NCAC 57D .0307 Records**

(a) An appraisal management company shall maintain a record of each request it receives for its services in North Carolina. If an appraisal is ordered, the record shall include the name of the appraiser who performs the appraisal, the physical address or legal identification of the subject property, the name of the appraisal management company's client for the appraisal, and the amount paid to the appraiser.

(b) The Board shall maintain a list of all applicants for registration under this Article that includes for each applicant the date of application, the name and primary business location of the applicant, phone and email contact information, and whether the registration was granted or refused.

(c) A registered appraisal management company shall maintain the accounts, correspondence, memoranda, papers, books, and other records related to services provided by the appraisal management company. Such records may be maintained in electronic form. All records shall be preserved for five years.

(d) If the information contained in any document filed with the Board is or becomes inaccurate or incomplete in any material respect, the appraisal management company shall file a correcting amendment to the information contained in the document to the Board within 10 days of the change.

*History Note:* Authority G.S. 93E-2-3; 93E-2-9;  
Eff. January 1, 2011.

### **21 NCAC 57 D .0308 Production of Records**

If an appraisal management company is requested to produce books and records to the Appraisal Board pursuant to G.S. 93E-2-8(g) or 93E-2-8(i), the appraisal management company shall produce those records so that they may be viewed in the Appraisal Board's office in Raleigh, North Carolina. Books and records shall be produced in writing, by computer disc or by electronic delivery. If the appraisal management company is unable to comply, the company shall pay all costs associated with viewing the records in another location.

*History Note:* Authority G.S. 93E-2-3; 93E-2-8;  
Eff. January 1, 2011.

## **21 NCAC 57D .0309 Complaints Against Appraisers**

If an appraisal management company has a good faith belief that a real estate appraiser licensed in this State has violated applicable law or the Uniform Standards of Professional Appraisal Practice, or engaged in unethical conduct, it shall file a complaint with the Board. The complaint shall be filed within 90 days of the date the appraisal is submitted to the appraisal management company.

*History Note: Authority G.S. 93E-2-3; 93E-2-4 (c);  
Eff. January 1, 2011.*

## **21 NCAC 57D .0310 Payment of Fees to Appraisers**

If an appraisal management company decides that it will not pay a fee to an appraiser for an appraisal, the appraisal management company shall notify the appraiser in writing of the reason for nonpayment. Such notice shall be sent to the appraiser within thirty days after the date the appraiser transmits the appraisal to the appraisal management company. The notice shall be sent by registered mail, return receipt requested, to the appraiser's business address contained in the records of the Appraisal Board. The notice shall state the address of the subject property of the appraisal, the name of the appraiser(s) signing the report, and the reason why the fee shall not be paid. The notice shall also notify the appraiser of any dispute resolution process that the appraisal management company may have in place.

*History Note: Authority G.S. 93E-2-3; 93E-2-4(d);  
Eff. January 1, 2011.*

## **21 NCAC 57D. 0311 Removal of an Appraiser from an Appraisal Panel**

If an appraisal management company decides to remove an appraiser from its list of qualified appraisers, the appraisal management company shall notify the appraiser in writing of the reason for removal. Such notice shall be sent to the appraiser by registered mail, return receipt requested, to the appraiser's address business address contained in the records of the Appraisal Board. The notice shall include a description of the appraiser's illegal conduct, substandard performance, or otherwise improper or unprofessional behavior, or of any violation of the Uniform Standards of Professional Appraisal Practice or state licensing standards. It shall also notify the appraiser of any dispute resolution process that the appraisal management company may have in place through which the appraiser may dispute the removal.

*History Note: Authority G.S. 93E-2-3; 93E-2-7(a);  
Eff. January 1, 2011.*

## **21 NCAC 57D .0312 Requesting Additional Information from an Appraiser**

An appraisal management company may request that a real estate appraiser who performs an appraisal for the appraisal management company consider additional appropriate property information, provide further detail, substantiation, or explanation for the appraiser's value conclusion, or to correct errors in an appraisal report. If the appraisal management company requests that an appraiser consider additional information, such request shall be sent to the

appraiser in writing or by electronic means within 30 days of the date the appraisal is transmitted by the appraiser to the appraisal management company.

*History Note:* Authority G.S. 93E-2-3, 93E-2-7;  
Eff. January 1, 2011.

#### **21 NCAC 57D .0401 Business Practices**

An appraisal management company may not:

- (1) prohibit an appraiser from stating on an appraisal the fee the appraiser was paid by the company for the appraisal;
- (2) prohibit an appraiser from stating on an appraisal the appraiser's primary business address; or
- (3) prohibit an appraiser from informing a property owner, lender, or any other person or entity the appraiser's primary business address.

*History Note:* Authority G.S. 93E-2-3, 93E-7  
Eff. January 1, 2011.