

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

**NOTICE OF PROPOSED PERMANENT RULEMAKING HEARING  
November 3, 2011**

**CHAPTER 7: CONTINUING EDUCATION REQUIREMENTS**

Pursuant to and in compliance with Title 12, Article 61 and Title 24, Article 4, C.R.S. as amended, notice of proposed rulemaking is hereby given, including notice to the Attorney General of the State of Colorado and to all persons who have requested to be advised of the intention of the Colorado Board of Real Estate Appraisers (the "Board") to promulgate rules, or to amend, repeal or repeal and re-enact the present rules of the Board.

**STATEMENT OF BASIS**

The statutory basis for the rules titled Rules of the Board of Real Estate Appraisers is Chapter 7 of Title 12, Article 61, Colorado Revised Statutes, as amended. The General Assembly passed Senate Bill 90-34, effective July 1, 1990, which created the Board and mandated the licensing of real estate appraisers under the statutory terms and conditions. The General Assembly has variously amended the statutes by passing House Bill 92-1177, House Bill 96-1080, Senate Bill 97-90, House Bill 97-1056, House Bill 00-1137 and House Bill 02-1130.

**STATEMENT OF PURPOSE**

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

**SPECIFIC PURPOSE OF THIS RULEMAKING**

The specific purpose of this rule is to amend or repeal existing rules with respect to appraiser continuing education requirements.

**Proposed New, Amended and Repealed Rules**

[Deleted material shown ~~struck through~~, new material shown ALL CAPS. Rules, or portions of rules, which are unaffected are reproduced. Readers are advised to obtain a copy of the complete rules of the Board at [www.dora.state.co.us/real-estate/rulemaking/BOREA/index.htm](http://www.dora.state.co.us/real-estate/rulemaking/BOREA/index.htm)]

**CHAPTER 7: CONTINUING EDUCATION REQUIREMENTS**

- 7.2 Except as provided under Board Rule 7.1, each applicant for renewal of a license shall complete at least 42 ~~classroom~~ hours of real estate appraisal continuing education during the three-year period preceding expiration of the license to be renewed. All licensees renewing a license at the end of a three-year licensing period shall complete the National Uniform Standards of Professional Appraisal Practice Update Courses set forth in Board Rule 7.19. ~~All National Uniform Standards of Professional Appraisal Practice Update Courses begun on and after January 1, 2003 must comply with Board Rule 7.19.~~ Continuing education requirements must be completed after the effective date of the license to be renewed and prior to the expiration of such license. Upon written request and receipt of the supporting documentation established by the Board, the

Board may grant a deferral for continuing education compliance for licensees returning from active military duty. Credential holders returning from active military duty may be placed on active status for up to 90 days pending completion of all continuing education requirements established pursuant to eChapter 7.

7.3 Continuing REAL ESTATE appraisal education ~~programs and courses~~ shall be taken from providers approved by the Board. In order to be approved by the Board, ~~programs~~ CONTINUING EDUCATION shall meet the following standards:

- A. ~~The program~~ IT shall have been developed by persons qualified in the subject matter and instructional design;
- B. ~~The program~~ IT shall be current;
- C. The instructor shall be qualified with respect to ~~course~~ content and teaching methods; AND
- D. The number of participants and the physical facilities are consistent with the teaching method(s).

The Board, at its discretion, may require an evaluation in a manner determined by the Board of an educational offering to ensure compliance with the above standards. BY OFFERING REAL ESTATE APPRAISAL CONTINUING EDUCATION IN COLORADO, EACH PROVIDER AGREES TO COMPLY WITH RELEVANT STATUTES AND BOARD RULES AND TO PERMIT BOARD AUDIT OF SAID COURSES AT ANY TIME AND AT NO COST. If the Board determines that the offering fails to comply with the standards set above, the Board will notify the provider of such deficiency and work with the provider to correct such deficiency prior to the next class offering. If such deficiency is not corrected, then the Board may withdraw approval of the provider, instructor and or the class.

7.4 The following may be approved as providers of continuing appraisal education ~~and training~~ provided the standards set forth in Rule 7.3 are maintained and provided they have complied with all other requirements of the State of Colorado:

- A. Universities, colleges, junior colleges or community colleges accredited by a regional accrediting body accredited by the Council on Post Secondary Accreditation;
- B. Professional appraisal and real estate related organizations;
- C. State or federal government agencies;
- D. Proprietary schools holding valid certificates of approval from the Colorado Division of Private Occupational Schools, Department of Higher Education
- E. ~~As to courses~~ CONTINUING EDUCATION completed in other jurisdictions, providers approved by such other jurisdiction, provided that the jurisdiction's appraiser regulation program has been determined to be in compliance with Title XI, FIRREA;
- F. ~~As to courses~~ THE PROVIDERS OF CONTINUING EDUCATION approved under the eCourse aApproval pProgram of The Appraisal Foundation, ~~the providers of such courses~~; and
- G. Such other providers as the Board may approve upon petition of the ~~course~~ EDUCATION provider or the applicant in a form acceptable to the Board.

7.5 ~~In order to be approved by the Board, each eContinuing education providerS shall, at its~~ THEIR OWN expense, maintain, and provide to the Board on request, information regarding the ~~program~~ EDUCATIONAL offerings including, but not limited to the following:

- A. ~~Course e~~Outline or syllabus;
- B. All texts, workbooks, hand outs or other ~~course~~ materials;
- C. Instructors and their qualifications, including selection, training and evaluation criteria;
- D. ~~Course e~~Examinations (if any);
- E. Dates AND LOCATIONS of ~~course~~ offerings; AND
- F. ~~Location of course offerings~~;
- G. Record of participation;

7.6 ~~In order to be approved as a~~ Continuing appraisal education ~~a program or course~~ shall be at least 2 classroom hours in duration including examination time (if any). Continuing appraisal education programs and courses are intended to maintain and improve the appraiser's skill, knowledge and competency. Continuing appraisal education courses and programs may include, without limitation, these real estate and real estate appraisal related topics::

- A. Ad valorem taxation;
- B. Arbitration;
- C. Business courses related to practice of real estate appraisal;
- D. Construction cost estimating;
- E. Ethics and standards of professional practice;
- F. Land use planning, zoning and taxation;
- G. Management, leasing, brokerage and timesharing;
- H. Property development;
- I. Real estate appraisal (valuation/evaluation);
- J. Real estate law;
- K. Real estate litigation;
- L. Real estate financing and investment;
- M. Real estate appraisal related computer applications;
- N. Real estate securities and syndication;
- O. Real property exchange; and
- P. Such other topics as the Board may approve, upon its own motion or upon petition by the course provider or the licensee in a form acceptable to the Board.

FAILURE TO REQUEST AND RECEIVE APPROVAL OF CONTINUING REAL ESTATE APPRAISAL EDUCATION PRIOR TO COMMENCEMENT OF THE COURSE MAY RESULT IN BOARD REFUSAL TO ACCEPT THE OFFERING FOR CONTINUING EDUCATION CREDIT.

7.8 The Board may consider alternatives to continuing REAL ESTATE appraisal education ~~programs and courses~~ such as teaching, authorship of textbooks or articles, educational programs development or similar activities for up to one-half of the required continuing education. Licensees desiring continuing appraisal education credit for alternative activities must petition the Board for approval in WRITING AND PRIOR TO COMMENCEMENT OF THE ALTERNATIVE ACTIVITY ~~a form acceptable to the Board. Such petition for approval of alternatives to continuing appraisal education programs and courses shall be submitted to the Board in writing for review and possible approval prior to commencement of the alternative activity.~~

7.10 With the exception of the 7-hour National Uniform Standards of Professional Appraisal Practice USPAP Update Course(s), OR ITS EQUIVALENT, required pursuant to Board Rule 7.19, applicants for renewal of a license may complete the required hours of continuing REAL ESTATE appraisal education at any time during the licensing period preceding expiration.

7.11 ~~To complete continuing education requirements a~~An appraiser may repeat courses or programs previously completed, subject to the limitation that no course or program may be repeated more frequently than once every two (2) years, except as authorized by the Board. ~~Courses or programs~~ EDUCATION in appraisal ethics and the Uniform Standards of Professional Appraisal Practice are not subject to this limitation.

7.12 ~~In order to receive credit, a~~Continuing REAL ESTATE appraisal education ~~courses and programs~~ shall be successfully completed by the holder of the license to be renewed. Successful completion means attendance at the ~~class or program~~ OFFERING and participation in class activities. Successful completion of courses undertaken through distance education requires compliance with the provisions of Board Rule 7.14. Teaching of continuing REAL ESTATE appraisal education ~~courses and programs~~ shall constitute successful completion, however credit shall be given for only one presentation of a particular ~~course or program~~ OFFERING during each renewal period.

- 7.13 The number of hours credited shall be equivalent to the actual number of contact hours of in class instruction and testing. An hour of appraisal education and training is defined as at least 50 minutes of instruction out of each 60-minute segment. For distance education ~~courses~~OFFERINGS, the number of hours credited shall be that number of hours allowed by the Course Approval Program of The Appraisal Foundation.
- 7.14 ~~To be acceptable for real estate appraisal continuing education, d~~Distance education offerings shall include methods and activities which promote active student engagement and participation in the learning process. Among those methods and activities acceptable are written exercises which are graded and returned to the student, required responses in ~~ed-rom, disk and on-line~~ computer based presentations, provision for students to submit questions during teleconferences, and examinations proctored by an independent third party. Simple reading, viewing or listening to materials is not sufficient engagement in the learning process to satisfy the requirements of this rule.
- 7.15 As to continuing education ~~courses and programs~~ completed in other jurisdictions with appraiser regulatory programs established in conformance with Title XI, FIRREA, the Board shall accept the number of ~~classroom~~ hours of continuing education accepted by that jurisdiction.
- 7.17 ~~Prior to enrolling in a continuing education course presenting topics other than those listed in Board Rule 7.6.A-O, a licensee shall request Board approval of such course or topic. Failure to request and receive approval of such course or topic prior to commencement of the course may result in Board refusal to accept the course for continuing education credit.~~REPEALED.
- 7.18 ~~To be acceptable for continuing education credit, c~~Continuing education ~~course~~ content must have a clear application to real estate appraisal practice. ~~The following topics or types of courses are not acceptable for satisfaction of the continuing education requirements established by these rules: m~~Motivational courses, personal growth or self-improvement courses, general business courses and general computing courses ARE UNACCEPTABLE TO SATISFY THE CONTINUING EDUCATION REQUIREMENTS ESTABLISHED BY THESE RULES.
- 7.19 All licensees shall ~~complete~~ successfully COMPLETE a 7-hour National USPAP~~Uniform Standards of Professional Appraisal Practice~~ Update Course, or its equivalent, every two calendar years. Such 7-hour National ~~Uniform Standards of Professional Appraisal Practice~~ USPAP Update Course shall be in the form of a course approved by the Appraiser Qualifications Board of The Appraisal Foundation, and taught by an instructor certified by the Appraiser Qualifications Board of The Appraisal Foundation and who is also a state certified appraiser. Equivalency shall be determined through the Appraiser Qualifications Board Course Approval Program or by an alternate method established by the Appraiser Qualifications Board.
- 7.22 Course providers shall provide each student who successfully completes a continuing education course in the manner prescribed in Board Rule 7.12 a course completion certificate. The Board will not mandate the exact form of course certificates, however, the following information shall be included:
- A. Name of course provider;
  - B. Course title, which shall describe topical content;
  - C. Course number, if any;
  - D. Course dates;
  - E. Number of ~~classroom~~ CONTINUING EDUCATION hours;
  - F. Statement that the required examination was successfully completed, if an examination is a regular part of the course;
  - G. Course location, which for distance education modalities shall be the principal place of business of the course provider;
  - H. Name of student; and
  - I. For Uniform Standards of Professional Appraisal Practice courses begun on and after January 1, 2003, the name and Appraiser Qualifications Board Uniform

Standards of Professional Appraisal Practice instructor certification number of the instructor.

- 7.23 The provisions of Board Rule 7.4 notwithstanding, real estate appraisal continuing education ~~courses begun on and after January 1, 2004 and offered through distance education modalities~~ must be approved through the Course Approval Program of The Appraisal Foundation. ~~The Board will not accept distance education courses begun on and after January 1, 2004 that have not been approved through the Course Approval Program of The Appraisal Foundation.~~

**A hearing on the above subject matter will be held on Thursday, November 3, 2011, at the Colorado Division of Real Estate, 1560 Broadway, Suite 1250C, Denver, Colorado 80202 beginning at 9:00 a.m.**

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

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