

## Burgos, Alexander N

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**Subject:** FW: [External] Rules Review Commission Meeting

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**From:** Hall, Vanessa <[Vanessa.Hall@colliers.com](mailto:Vanessa.Hall@colliers.com)>

**Sent:** Tuesday, June 14, 2022 9:17 AM

**To:** Duke, Lawrence <[lawrence.duke@oah.nc.gov](mailto:lawrence.duke@oah.nc.gov)>; rrc.comments <[rrc.comments@oah.nc.gov](mailto:rrc.comments@oah.nc.gov)>

**Cc:** Jim Lynch <[Jim.Lynch@cushwake.com](mailto:Jim.Lynch@cushwake.com)>

**Subject:** [External] Rules Review Commission Meeting

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Good morning,

As 2022 President of the North Carolina Chapter of the Appraisal Institute, I would like to give brief testimony at the June 16<sup>th</sup> Rules Review Commission Meeting. If you would please send the virtual meeting link and agenda, I plan to attend and make a few comments.

Thank you,

**Vanessa Hall, MAI**

Valuation Services Director

Valuation & Advisory Services

[vanessa.hall@colliers.com](mailto:vanessa.hall@colliers.com)

Direct: +1 704 409 2377 | Mobile: +1 773 315 3155

300 West Summit Avenue, Suite 200 | Charlotte, NC 28203 | United States



[fr@hwifrp](#); #Yhz #Sulydf|#SroE|#

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## Burgos, Alexander N

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**Subject:** FW: [External] June 16 Rules Review Commission Meeting  
**Attachments:** Appraisal Institute Letter to North Carolina Rules Review Commission 06092022.pdf

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**From:** Dibiasio, Scott <sdibiasio@appraisalinstitute.org>  
**Sent:** Thursday, June 9, 2022 3:59 PM  
**To:** Duke, Lawrence <lawrence.duke@oah.nc.gov>  
**Cc:** Burgos, Alexander N <alexander.burgos@oah.nc.gov>  
**Subject:** RE: [External] June 16 Rules Review Commission Meeting

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Mr. Duke,

Attached are the comments of the Appraisal Institute regarding the North Carolina Appraisal Board's package of proposed rules that will be before the Rules Review Commission on June 16.

Please let me know if you have any questions.

Regards,

Scott W. DiBiasio  
Manager, State & Industry Affairs  
Appraisal Institute  
200 West Madison Street, Suite 1500  
Chicago, IL 60606  
(202) 298-5593  
[sdibiasio@appraisalinstitute.org](mailto:sdibiasio@appraisalinstitute.org)

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**From:** Duke, Lawrence <[lawrence.duke@oah.nc.gov](mailto:lawrence.duke@oah.nc.gov)>  
**Sent:** Thursday, June 9, 2022 12:50 PM  
**To:** Dibiasio, Scott <[sdibiasio@appraisalinstitute.org](mailto:sdibiasio@appraisalinstitute.org)>  
**Cc:** Burgos, Alexander N <[alexander.burgos@oah.nc.gov](mailto:alexander.burgos@oah.nc.gov)>  
**Subject:** RE: [External] June 16 Rules Review Commission Meeting

Mr. DiBiasio,

Thank you for reaching out regarding the upcoming Rules Review Commission meeting. You are welcome to provide testimony remotely via WebEx. I look forward to reading your written comments and will provide them to the Commission before the meeting. I have CC'd Alexander Burgos on this email. He will provide the electronic invitation to and more details for the Commission meeting.

If you have any questions or need anything else, please let me know.

**Lawrence Duke**

Counsel, NC Rules Review Commission  
Office of Administrative Hearings  
(984) 236-1938

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**From:** Dibiasio, Scott <[sdibiasio@appraisalinstitute.org](mailto:sdibiasio@appraisalinstitute.org)>  
**Sent:** Thursday, June 9, 2022 8:50 AM  
**To:** Duke, Lawrence <[lawrence.duke@oah.nc.gov](mailto:lawrence.duke@oah.nc.gov)>  
**Subject:** [External] June 16 Rules Review Commission Meeting

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Mr. Duke,

The Appraisal Institute would like to provide comments to the Rules Review Commission in support of the package of rules from the North Carolina Appraisal Board being considered at the Commission's June 16 meeting.

Can this testimony to the Commission be provided virtually or is in-person attendance at the Commission meeting required?

We will also be submitting written comments before the deadline at the end of the day today.

Please advise and thanks in advance.

SD

Scott W. DiBiasio  
Manager, State & Industry Affairs  
Appraisal Institute  
200 West Madison Street, Suite 1500  
Chicago, IL 60606  
(202) 298-5593  
[sdibiasio@appraisalinstitute.org](mailto:sdibiasio@appraisalinstitute.org)

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200 W. Madison  
Suite 1500  
Chicago, IL 60606

T 312-335-4100  
F 312-335-4400  
www.appraisalinstitute.org

June 9, 2022

North Carolina Rules Review Commission  
1711 New Hope Church Road  
Raleigh, NC 27609

**RE: Support for North Carolina Appraisal Board Proposed Rules**

Members of the Commission:

On behalf of the over 16,000 members of the Appraisal Institute (AI), including 419 members in North Carolina, we are writing to strongly support the North Carolina Appraisal Board's (NCAB) package of proposed rules that will be considered at the June 16, 2022 meeting of the Rules Review Commission (RRC). We are aware that the RRC has received written requests for legislative review of some of the proposed rules. However, we urge the RRC to grant its approval to all of the rules in the package so that the rules for which no objections have been filed can go into effect immediately, while those for which objections have been filed undergo the required legislative review.

We support each of the proposed rules in the package and believe that each meets the requirements of G.S. § 150B-21.9 for statutory authority, necessity, and compliance with the Administrative Procedures Act.

Further, we would like to point out for the RRC why we support the proposed rules for which objections have been filed - 21 NCAC 57A.0201, .0405, .0407, .0601, .0604, and .0605 (hereinafter, the "proposed rules" or "proposed changes"). These rules adopt and implement the allowance for the use of the Practical Applications of Real Estate Appraisal (PAREA) as an alternative way to satisfy the appraisal experience requirements to obtain licensure or certification as a North Carolina Licensed Residential or Certified Residential Real Estate Appraiser.

**Background**

Under current North Carolina regulations, an aspiring appraiser must find a supervisor to work with for anywhere from six to eighteen months. However, many aspiring appraisers have encountered difficulty in finding a supervisor. History shows us that the inability to find a supervisor is one of the highest barriers to entry into the appraisal profession. This has resulted in a significant decline in the number of people interested in pursuing real estate appraisal as a career. Further, research has shown that the inability to find a supervisor disproportionately impacts people of color. As such, the supervisor/trainee model has contributed to the profession being 98% white.

PAREA was incorporated into the Real Property Appraiser Qualification Criteria (RPAQC) by the Appraiser Qualifications Board effective on January 1, 2021. PAREA provides another pathway for aspiring appraisers to fulfill their experience requirements to become an appraiser by taking advantage of innovative technology. PAREA is designed to offer practical experience in a virtual environment combining appraisal theory and methodology in real-world simulations. This experience can be provided through a wide range of online and virtual reality technologies. To meet the experience requirements for the Licensed Residential and the Certified Residential credential level, a participant can now choose between PAREA or the supervisor/trainee model.

### **Statutory Authority; Clear and Unambiguous**

In 2019, North Carolina enacted a law to adopt by reference all of the education, experience and examination requirements contained in the RPAQC. PAREA is part of the RPAQC. As such, AI believes that the proposed rules to adopt and implement PAREA are consistent with the requirements in G.S. §93E-1-6 for an aspiring appraiser to “successfully complete education, experience, and examination as required by The Appraisal Foundation’s Appraiser Qualifications Board.” Further, AI believes that the NCAB is well within its statutory authority, and may even have a statutory mandate, to promulgate rules that are reasonably necessary to implement, administer, and enforce the use of PAREA as a way to satisfy the AQB’s experience requirements. There is nothing in the proposed rules related to PAREA that is inconsistent with the North Carolina Appraiser’s Act. The proposed rules are clear and unambiguous.

### **Necessity**

The proposed changes to 21 NCAC 57A.0201, .0405, 0407, .0601, .0604, and .0605 are necessary to provide an alternative way for aspiring appraisers in North Carolina to overcome a significant barrier to entry into the appraisal profession. The proposed rules are also necessary to address the fact that people of color have a disproportionately more difficult time entering the appraisal profession. The proposed rules will help to make the profession look more demographically like North Carolina and will help to ensure the long-term viability of the appraisal profession.

### **Compliance with the North Carolina Administrative Procedures Act**

While we are not experts in its application, all indications are that the NCAB has fully complied with the Administrative Procedures Act during the rulemaking process on this package of proposed rules. The AI offered comments in support of the proposed rules package, including the proposed PAREA rules for which objections have been filed, during a rulemaking hearing that was held by the NCAB on March 3, 2022.

For these reasons, the Appraisal Institute believes that each of the NCAB’s proposed rules satisfy the standards for review contained in G.S. § 150B-21.9, and the proposed rules should be approved by the RRC.

AI Letter to the Rules Review Commission

June 9, 2022

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If the Commission has any questions or needs further information, please do not hesitate to contact the Scott DiBiasio, Manager of State and Industry Affairs at (202) 298-5593 or [sdibiasio@appraisalinstitute.org](mailto:sdibiasio@appraisalinstitute.org)

Regards,

Appraisal Institute

Cc: Mr. Lawrence Duke, Commission Counsel