

21 NCAC 57A .0211 is amended with changes as published in 30:14 NCR 1520 as follows:

21 NCAC 57A .0211 APPLICANTS CERTIFIED IN ANOTHER STATE

(a) Applicants for certification who are not residents of North Carolina ~~must~~ shall file an application as stated in Rule .0101 of this Subchapter. The application may be found on the Board's website at www.ncappraisalboard.org. The application requires the name, contact information, educational background of the applicant, an experience log when required for licensure or certification, answers to questions regarding character (regarding both disciplinary matters and criminal offenses), and a sworn statement that the information in the application is correct. In addition, nonresident applicants ~~must~~ shall also consent to service of process in this ~~state~~ 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~~ shall also file with the application a letter of good standing from the appraiser licensing board of the ~~resident state, which resident state that~~ resident state that was issued ~~under seal~~ by that licensing board no later than 30 days prior to the date application is made in this ~~state~~. State.

(b) Applicants for certification who are residents of North Carolina and who are certified in another state ~~may~~ shall file an application as stated in Rule .0101 of this Subchapter. The application may be found on the Board's website at www.ncappraisalboard.org. The applicant ~~must~~ shall file a letter of good standing from the other ~~state, which state that~~ state that that was issued ~~under seal~~ by that licensing board no later than 30 days prior to the date application is made in this ~~state~~. State.

(c) 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.~~ that complies with the requirements of Rule .0202(e) of this Subchapter. This records check ~~must~~ shall 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.

(d) An appraiser whose certification is suspended in North Carolina ~~may~~ shall not apply for certification in this ~~state~~ State under this Rule while the certification is suspended. An appraiser whose certification was revoked in North Carolina ~~may~~ shall not apply for certification in this ~~state~~ 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. July 1, 2016; January 1, 2013; September 1, 2008; January 1, 2008.

1 21 NCAC 57A .0501 is amended with changes as published in 30:14 NCR 1521 as follows:

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3 **21 NCAC 57A .0501 APPRAISAL STANDARDS**

4 (a) Every registered ~~trainee, trainee~~ and licensed and certified real estate appraiser shall, in performing the acts
5 and services of a registered ~~trainee, trainee~~ or licensed or certified real estate appraiser, comply with the following
6 provisions of the "Uniform Standards of Professional Appraisal Practice" (USPAP) promulgated by the Appraisal
7 Standards Board of the Appraisal ~~Foundation: Definitions, Preamble, Ethics Rule, Record Keeping Rule,~~
8 ~~Competency Rule, Scope of Work Rule, Jurisdictional Exception Rule, Statements on Appraisal Standards, and~~
9 ~~Standards Rules 1, 2 and 3, all of which are hereby incorporated by reference. This incorporation by reference~~
10 ~~includes subsequent amendments and editions of those provisions.— Foundation, all of which are incorporated by~~
11 ~~reference;] reference including subsequent amendments and editions:~~

- 12 (1) Definitions;
- 13 (2) Preamble;
- 14 (3) Ethics Rule;
- 15 (4) Record Keeping Rule;
- 16 (5) Competency Rule;
- 17 (6) Scope of Work Rule;
- 18 (7) Jurisdictional Exception Rule, and
- 19 (8) Standards Rules 1, 2 and 3.

20 ~~[(b).— This incorporation by reference includes subsequent amendments and editions of those provisions.]~~

21 ~~[(c)]~~ (b) A copy of [the Uniform Standards] USPAP may be obtained from the Appraisal Foundation at
22 <https://www.appraisalfoundation.org>. The cost for a copy of the Standards ranges from \$65.00 to \$99.00, depending
23 upon whether a hard copy or a digital version is purchased.

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25 *History Note:* Authority G.S. 93E-1-10;
26 Eff. July 1, 1994;
27 Amended Eff. July 1, 2016; January 1, 2013; January 1, 2008; July 1, 2005; August 1, 2002; April
28 1, 1999.

1 21 NCAC 57A .0601 is adopted with changes as published in 30:14 NCR 1521 as follows:

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SECTION .0600 - EXPERIENCE CREDIT

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21 NCAC 57A .0601 EXPERIENCE CREDIT TO UPGRADE

6 As required by Rule .0201 of this Subchapter, applicants for licensure or residential certification shall possess 2,500

7 hours of appraisal experience and applicants for general certification shall possess 3,000 hours of appraisal

8 experience as ~~outlined~~ defined in this Section. All experience shall have been obtained by performing or reviewing

9 appraisals using appraisal methods and processes that are employed by real estate ~~appraisers~~. ~~In order to receive~~

10 ~~experience credit for an appraisal, the appraisal appraisers and~~ shall comply with the edition of the Uniform

11 ~~Standard of Professional Appraisal Practice (USPAP)~~ USPAP in effect at the time of the ~~appraisal~~. appraisal, in

12 addition to meeting the applicable requirements set forth in this Section.

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14 *History Note: Authority G.S. 93E-1-10;*

15 *Eff. July 1, 2016*

1 21 NCAC 57A .0602 is adopted as published in 30:14 NCR 1521 as follows:

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3 **21 NCAC 57A .0602 ACCEPTABLE EXPERIENCE – RESIDENTIAL CATEGORY**

4 Appraising the following types of properties qualifies as residential appraisal experience:

5 (a) residential single-family;

6 (b) residential multi-family of 2 – 4 units;

7 (c) residential vacant lot (1 – 4 family property); and

8 (d) farm properties consisting of less than 100 acres and a homestead.

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10 *History Note: Authority G.S. 93E-1-10;*

11 *Eff. July 1, 2016*

1 21 NCAC 57A .0603 is adopted with changes as published in 30:14 NCR 1520 as follows:

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3 **21 NCAC 57A .0603 ACCEPTABLE EXPERIENCE – GENERAL CATEGORY**

4 Appraising the following types of properties qualifies as general appraisal experience:

5 (1) land such as farms of 100 acres or more in size, undeveloped tracts, residential multi-family sites,
6 sites other than those listed in Rule .0602 of this Section, commercial sites, industrial sites, or land
7 in transition;

8 (2) residential multi-family properties (5 or more units) such as apartments, condominiums, town-
9 houses, or mobile home parks;

10 (3) commercial single-tenant properties such as ~~an office building, retail store, restaurant, service~~
11 ~~station, bank, or day care center;~~ office buildings, retail stores, restaurants, service stations,
12 banks, or day care centers;

13 (4) commercial multi-tenant properties such as ~~an office building, hotel, or shopping center;~~ office
14 buildings, hotels, or shopping centers;

15 (5) industrial properties such as ~~a warehouse or manufacturing plant;~~ warehouses or manufacturing
16 plants; and

17 (6) institutional properties such as ~~an assisted living facility, nursing home, hospital, school, church,~~
18 ~~or government building;~~ assisted living facilities, nursing homes, hospitals, schools, churches, or
19 government buildings.

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21 *History Note: Authority G.S. 93E-1-10;*
22 *Eff. July 1, 2016*

1 21 NCAC 57A .0604 is adopted with changes as published in 30:14 NCR 1521 as follows:

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3 **21 NCAC 57A .0604 TYPES OF APPRAISAL EXPERIENCE**

4 (a) An applicant may receive experience credit for standard appraisals, supervising appraiser’s reviews, review
5 appraisals, and condemnation appraisals.

6 (b) If the applicant performed at least 75% of the work associated with an appraisal (~~including appraisal, including a~~
7 field inspection and preparation of the appraisal ~~report~~), report, full credit shall be given for that appraisal. Except as
8 provided in Paragraphs (d) and (e) of this Rule, no credit shall be awarded if the applicant performed less than 75%
9 of the work on an appraisal.

10 (c) A “standard appraisal” means the process of developing an appraisal in accordance with Standard Rule 1 of
11 USPAP and preparing a written appraisal report or file memorandum describing the appraisal and reporting the
12 estimate of value.

13 (d) A “supervising appraiser’s review” means the process of reviewing an appraisal report prepared by an affiliated
14 appraiser and signing the appraisal ~~report (including report, including~~ signing as “review appraiser” on a Uniform
15 Residential Appraisal Report ~~form~~) form. It shall not include signing a report that a real estate appraiser trainee has
16 prepared.

17 (e) A “review appraisal” means the process of ~~critically~~ reviewing an appraisal report prepared by another
18 appraiser and preparing a separate written appraisal report or file memorandum setting forth the results of the review
19 process. No more than 50% of an applicant’s appraisal experience credit shall be from preparing review appraisals.

20 (f) A “condemnation appraisal” means an appraisal of real property for eminent domain proceedings where a partial
21 taking is involved and the appraiser must develop both a “before taking” and an “after taking” value.

22 (g) A “demonstration appraisal” means an appraisal performed without a client. No more than 25% of the
23 applicant’s experience shall be from preparing demonstration appraisals. If a trainee performs a demonstration
24 appraisal, the trainee’s supervisor shall sign the appraisal in order for the trainee to receive experience credit for it.

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26 *History Note: Authority G.S. 93E-1-10;*
27 *Eff. July 1, 2016*

1 21 NAC 57A .0605 is adopted with changes as published in 30:14 NCR 1522 as follows:

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3 **21 NCAC 57A .0605 REPORTING APPRAISAL EXPERIENCE**

4 (a) Applicants shall use the Appraisal Board's Appraisal Experience Log to report appraisal experience. The log is
5 available on the Board's website at <http://www.ncappraisalboard.org/forms-html/forms.htm>.

6 (b) The Log shall contain ~~all~~ of the following:

7 (1) the applicant's name and signature;

8 (2) the supervisor's name and signature;

9 (3) the supervisor's certificate number;

10 (4) the date the supervisor signed the log;

11 (5) the subject property address;

12 (6) the date the appraisal report was signed;

13 (7) the report ~~type~~, type such as an appraisal report, a restricted appraisal report, or the type of
14 reporting form used;

15 (8) the client's name;

16 (9) the applicant's file number for the appraisal assignment, if any;

17 (10) the number of hours requested for appraisal experience;

18 (11) whether the supervisory appraiser accompanied the applicant on the inspection of the subject
19 property; and

20 (12) a description of the work performed by the applicant and his or her supervisor on each assignment.

21 (c) Applicants shall ~~have~~ retain copies of all appraisals and their associated work files in accordance with the
22 Record Keeping Rule of USPAP to support all appraisal experience reported on the log.

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24 *History Note: Authority G.S. 93E-1-6.1; 93E-1-10;*
25 *Eff. July 1, 2016*

1 21 NCAC 57B .0303 is amended with changes as published in 30:14 NCR 1522 as follows:

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21 NCAC 57B .0303 COURSE COMPLETION STANDARDS

(a) Academic standards for course completion shall 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~~ examinations, ~~and on graded homework~~ homework, and class work assignments.

(b) Course completion requirements shall include a comprehensive final ~~course~~ examination ~~which covers all prescribed subject areas which~~ that accounts for at least 50 percent of a student's grade for the course. Take-home or open-book final ~~course~~ examinations ~~are~~ shall be 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 ~~makeup~~ make up examination shall be different from those used in the initial examination.

(c) The final examination shall be proctored. The proctor shall:

- (1) require photographic identification from the applicant, such as a driver's license or a passport;
- (2) not allow a student to bring a personal items such as a backpack, purse, ~~or~~ briefcase, or ~~a~~ device that would enable the student to access the internet during the ~~[examination into the testing area;]~~ examination;
- and
- (3) be the school or course sponsor director, an employee of the school or course sponsor, or the instructor for the course. If a director, employee, or instructor is not available to proctor the examination, the school or course sponsor shall employ an official to serve as a proctor. Officials that may serve as proctors include a public librarian, notary public, attorney, police officer, or teacher. Proctors shall not be a family member or friend of ~~[the]~~ a student unless that person is the director, an employee, or an instructor of the school or the course sponsor.

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

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

~~(f)~~ (f) Students who are taking a qualifying course, other than the 15 hour National USPAP course, for continuing education credit may sit for the final course examination, but they ~~are not~~ shall not be required to pass the examination in order to receive continuing education credit. Students who take and pass the ~~examination~~ 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 [shall] take and pass the examination.~~ The requirements set forth

1 in a conditional dismissal, consent order, or order of the Board after a hearing shall not be modified by the
2 provisions of this Paragraph.

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4 *History Note: Authority G.S. 93E-1-8(a); 93E-1-10;*
5 *Eff. July 1, 1994;*
6 *Amended Eff. July 1, 2016; July 1, 2014; July 1, 2010; September 1, 2008; July 1, 2005;*
7 *August 1, 2002.*

1 21 NCAC 57B .0304 is amended with changes as published in 30:14 NCR 1523 as follows:

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3 **21 NCAC 57B .0304 COURSE SCHEDULING**

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

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

12 (c) A classroom hour consists of 50 minutes of classroom ~~instruction and ten minutes of break time. For~~
13 ~~any class meeting that exceeds 50 minutes in duration, breaks at the rate of 10 minutes per hour must~~
14 ~~[shall] be scheduled and taken at reasonable times.~~ instruction. Classroom breaks at the rate of 10
15 minutes per classroom hour shall be scheduled and taken at reasonable times; however, instructors shall
16 not use accumulated, unused break time to end the class early.

17 (d) Instruction ~~must~~ shall be given for the minimum hours specified in ~~57B Rules~~ Rules .0101, .0102, and
18 ~~.0103. .0103 of this [section.] Section. Instructors shall not accumulate unused break time to end the class~~
19 ~~early.~~

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

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23 *History Note:* Authority G.S. 93E-1-8(a); 93E-1-10;

24 Eff. July 1, 1994;

25 Amended Eff. July 1, 2016; July 1, 2010; January 1, 2008; July 1, 2005; August 1, 2002.

1 21 NCAC 57B .0614 is amended with changes as published in 30:14 NCR 1520 as follows:

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3 **21 NCAC 57B .0614 INSTRUCTORS FOR THE TRAINEE/SUPERVISOR COURSE REQUIRED BY**
4 **G.S. 93E-1-6.1**

5 (a) Instructors for the ~~trainee/supervisor~~ trainee supervision course ~~required by 21 NCAC 57A .0407(e)~~ set forth in
6 G.S. 93E-1-6.1 shall be real estate appraisers who have been certified residential or certified general appraisers for at
7 least three years.

8 (b) Instructors shall not have received any disciplinary action regarding their appraisal certificate from the State of
9 North Carolina or any other state within the previous three years. In addition, instructors shall not have been
10 convicted of or pleaded guilty to any criminal act. "Criminal act" ~~does~~ shall not include speeding tickets or traffic
11 infractions.

12 (c) All applicants for instructor of the ~~trainee/supervisor~~ trainee supervision course shall obtain a criminal records
13 ~~check that is satisfactory to the Board check.~~ This records check must have been performed within 60 days of the
14 date the completed application for approval as an instructor is received by the Board. Applicants shall pay the
15 vendor directly for the cost of these reports. ~~In order to be satisfactory to the Board, the~~ The records check ~~must~~
16 shall comply with the provisions of 21 NCAC 57A .0202(e).

17 (d) Persons who wish to ~~instruct teach~~ the ~~trainee/supervisor~~ trainee supervision course shall be approved by the
18 Board before they may teach this course. ~~Approval~~ Such approval of a ~~trainee/supervisor~~ trainee supervision course
19 instructor authorizes the instructor to teach the course for any approved course sponsor.

20 (e) Applicants who wish to become instructors for the ~~trainee/supervisor~~ trainee supervision course shall attend an
21 educational workshop sponsored by the Board before they may be approved. Applicants may check the Board's
22 website for information regarding the date and location of the ~~workshop. class.~~ The website may be accessed at
23 www.ncappraisalboard.org.

24 (f) Approval of ~~trainee/supervisor~~ trainee supervision course instructors granted on or after July 1 shall expire on
25 June 30 of the following year. ~~shall run from July 1 to June 30 of the next year. Applicants whose approval is~~
26 ~~granted after July 1 will expire on June 30 of the next year.~~

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28 *History Note:* Authority G.S. 93E-1-6.1; 93E-1-8(c); 93E-1-10;
29 Eff. July 1, 2014.
30 Amended Eff. July 1, 2016.

1 21 NCAC 57D .0309 is amended with changes as published in 30:14 NCR 1523 as follows:

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3 **21 NCAC 57D .0309 COMPLAINTS AGAINST APPRAISERS**

4 (a) If an appraisal management company ~~has a good faith belief~~ believes that a real estate appraiser licensed in this
5 State has violated applicable law or the Uniform Standards of Professional Appraisal ~~Practice, Practice or has~~
6 engaged in unethical conduct, it shall file a complaint with the Board. ~~The complaint~~ If the complaint relates to an
7 appraisal, it shall be filed within 90 days of the date the appraisal is submitted to the appraisal management
8 company. The complaint form [shall] may be found on the Board's website at [www.ncappraisalboard.org]
9 www.ncappraisalboard.org.

10 (b) The complaint shall state the name and contact information for the person at the appraisal management company
11 who should be contacted during the investigation into the complaint. This person shall have knowledge of the basis
12 for the complaint and shall be able to produce [any] records required by the investigation.

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14 *History Note:* Authority G.S. 93E-2-3; 93E-2-4 (c);
15 Eff. January 1, 2011.
16 Amended Eff. July 1, 2016

1 21 NCAC 57D .0403 is adopted with changes as published in 30:14 NCR 1524 as follows:

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3 **21 NCAC 57D .0403 CRIMINAL BACKGROUND CHECKS**

4 (a) A criminal background check for the purpose of this Rule ~~consists of all of the following:~~

- 5 ~~—(1) a state court felony and misdemeanor criminal records search for each state lived in for the last seven years;~~
6 ~~—(2) a state probation and incarceration check for each state lived in for the last seven years;~~
7 ~~—(3) a federal court felony and misdemeanor criminal records check;~~
8 ~~—(4) a state sex offender search for each state lived in for the last seven years;~~
9 ~~—(5) a federal sex offender search; and~~
10 ~~—(6) an address trace on the applicant's Social Security number.~~

11 shall meet the requirements of 21 NCAC 57A.0202(e).

12 (b) If an appraisal management company requests a background check from an appraiser and that appraiser has
13 had a criminal background check performed within the preceding twelve months, it shall be the responsibility of the
14 appraiser to provide a complete copy of that background check to the appraisal management company.

15 (c) If an appraisal management company's client requires a background check that is more comprehensive than the
16 one required under G.S. 93E-1-6(c1) and codified in 21 NCAC 57A .0202(e), nothing in this Rule prohibits the
17 client from obtaining that background check as long as the appraiser is not required to pay for that background
18 check.

19 (d) An appraisal management company may obtain more than one background check on an appraiser in a 12 month
20 period as long as the appraiser is not required to pay for that additional background check.

21 (e) An appraiser who alters, amends, or otherwise changes the results of a criminal background check submitted to
22 an appraisal management company or a lender or who knowingly submits a background check that has been altered
23 shall be subject to discipline pursuant to G.S. 93E-1-12.

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25 History Note: Authority G.S. 93E-2-3; 93E-2-4(h)
26 Eff. July 1, 2016