

**REAL ESTATE APPRAISER EXAMINING BOARD[193F]**

**Adopted and Filed**

**Rule making related to alternative experience pathways  
and distance education delivery authorizations**

The Real Estate Appraiser Examining Board hereby amends Chapter 1, “Organization and Administration,” Chapter 5, “Certified Residential Real Property Appraiser,” Chapter 6, “Certified General Real Property Appraiser,” and Chapter 11, “Continuing Education,” Iowa Administrative Code.

*Legal Authority for Rule Making*

This rule making is adopted under the authority provided in Iowa Code chapter 543D.

*State or Federal Law Implemented*

This rule making implements, in whole or in part, Iowa Code chapter 543D.

*Purpose and Summary*

This rule making amends Chapters 1, 5, 6, and 11 to adopt the Practical Applications of Real Estate Appraisal (PAREA) program alternative path toward experience credit and to update the rules to match the January 1, 2022, Appraiser Qualifications Board (AQB) criteria regarding distance educational offerings.

*Public Comment and Changes to Rule Making*

Notice of Intended Action for this rule making was published in the Iowa Administrative Bulletin on March 23, 2022, as **ARC 6254C**. A public hearing was held on April 13, 2022, at 8:30 a.m. in the Small Conference Room, Third Floor, 200 East Grand Avenue, Des Moines, Iowa.

Members of a large appraisal firm in Iowa attended the public hearing. Questions were asked about the PAREA program, but no comments regarding the rules were made.

Changes from the Notice have been made to add a sentence to rules 193F—5.8(543D) and 193F—6.8(543D) to clarify that “in the event a deficiency in the prerequisites is found, the applicant may be provided an opportunity to correct the deficiency prior to any denial of the application.”

*Adoption of Rule Making*

This rule making was adopted by the Board on May 25, 2022.

*Fiscal Impact*

The cost to attend a PAREA program is unknown at this time. A participant in a PAREA program must complete all qualifying education prior to starting the program, which will require additional up-front costs that are typically spread out over a year or more during the current supervisory appraiser model. Operating costs are expected to slightly decrease for program providers since they will no longer need to obtain approval from the International Distance Education Certification Center (IDECC) for offering synchronous courses. None of these costs have been or will be collected by the State; all costs and fees are paid to private entities such as IDECC and course providers such as the Appraisal Institute, McKissock, and the Columbia Institute. PAREA program fees will be paid to the PAREA provider, most likely the Appraisal Institute, Clear Capital, or another private entity.

### *Jobs Impact*

After analysis and review of this rule making, a benefit to jobs has been found. This rule making allows for an alternative experience path into the appraisal profession, thus making it easier for an applicant to become a certified appraiser.

### *Waivers*

Any person who believes that the application of the discretionary provisions of this rule making would result in hardship or injustice to that person may petition the Board for a waiver of the discretionary provisions, if any, pursuant to 193F—Chapter 18.

### *Review by Administrative Rules Review Committee*

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rule making by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rule making at its [regular monthly meeting](#) or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

### *Effective Date*

This rule making will become effective on August 3, 2022.

The following rule-making actions are adopted:

ITEM 1. Amend rule 193F—1.19(543D) as follows:

#### **193F—1.19(543D) May 1, 2018, criteria AQB criteria.**

~~1.19(1) Effective on and after May 1, 2018, the AQB has changed the criteria for eligibility for certification as a certified appraiser. No person may be certified as a certified appraiser on or after May 1, 2018, unless the person is eligible under the most recent January 1, 2022, AQB criteria.~~

~~1.19(2) The May 1, 2018, criteria were adopted by the AQB in 2018 and have been widely disseminated, including on the board's website at: [idob.state.ia.us/reap/](http://idob.state.ia.us/reap/). The May 1, 2018, January 1, 2022, AQB criteria modify outline the conditions under which applicants for certification are eligible to take the required examinations.~~

ITEM 2. Amend subrule 5.6(2) as follows:

~~5.6(2) The board shall treat all appraisals received as public records unless the applicant notifies the board at the time of submission that a submitted appraisal is subject to the confidentiality provisions of appraisal standards or is otherwise confidential under state or federal law. While applicants are encouraged to submit appraisals actually performed for clients, applicants may submit one or more demonstration appraisals if the appraisals are prepared based on factual information in the same manner as applicable to actual appraisal assignments and are clearly marked as demonstration appraisals. Experience gained for work without a traditional client (i.e., a client hiring an appraiser for a business purpose), for example a demonstration appraisal, cannot exceed 50 percent of the total experience requirement.~~

ITEM 3. Adopt the following new rule 193F—5.8(543D):

**193F—5.8(543D) Practical Applications of Real Estate Appraisal (PAREA).** PAREA utilizes simulated experience training and serves as an alternative to the traditional supervisor/trainee experience model. PAREA programs must be AQB-approved and meet all the required elements found in the PAREA section of the most recent AQB criteria. Applicants who met the prerequisites of a PAREA program prior to commencement of training, and who receive a valid certificate of completion from an AQB-approved PAREA program, have met the allotted experience requirements as outlined in the

AQB criteria for that specific PAREA program. PAREA program experience allotment will be awarded per the AQB criteria at the time of program completion.

EXAMPLE: An applicant who has completed an AQB-approved licensed residential real property PAREA program may receive 67 percent of the required experience hours toward the certified residential real property credential. Applicants claiming PAREA experience credit may not receive partial credit for PAREA training.

An applicant who did not fulfill the prerequisites of the PAREA training program prior to commencement but received a certificate of completion of that program has not fulfilled the experience requirements of the AQB criteria. In the event that a deficiency in the prerequisites is found, the applicant may be provided an opportunity to correct the deficiency prior to any denial of an application. Applicants may not receive a certificate of completion until all required components of a PAREA program have been successfully completed and approved by a program mentor. A certificate of completion must be signed by an individual from the training entity qualified to verify the applicant's successful completion. An applicant wishing to utilize PAREA experience must still comply with rules 193F—5.1(543D) through 193F—5.3(543D), subrules 5.5(4) and 5.5(5), and rules 193F—5.6(543D) and 193F—5.7(543D).

ITEM 4. Amend subrule 6.6(2) as follows:

**6.6(2)** The board shall treat all appraisals received as public records unless the applicant notifies the board at the time of submission that a submitted appraisal is subject to the confidentiality provisions of appraisal standards or is otherwise confidential under state or federal law. While applicants are encouraged to submit appraisals actually performed for clients, applicants may submit one or more demonstration appraisals if the appraisals are prepared based on factual information in the same manner as applicable to actual appraisal assignments and are clearly marked as demonstration appraisals. ~~Experience gained for work without a traditional client (i.e., a client hiring an appraiser for a business purpose), for example a demonstration appraisal, cannot exceed 50 percent of the total experience requirement.~~

ITEM 5. Renumber rule **193F—6.8(543D)** as **193F—6.9(543D)**.

ITEM 6. Adopt the following new rule 193F—6.8(543D):

**193F—6.8(543D) Practical Applications of Real Estate Appraisal (PAREA).** PAREA utilizes simulated experience training and serves as an alternative to the traditional supervisor/trainee experience model. PAREA programs must be AQB-approved and meet all the required elements found in the PAREA section of the most recent AQB criteria. An applicant who meets the prerequisites of a PAREA program prior to commencement of training, and who receives a valid certificate of completion from an AQB-approved PAREA program, has met the allotted experience requirements as outlined in the AQB criteria for that specific PAREA program. PAREA program experience allotment will be awarded per the AQB criteria at the time of program completion.

EXAMPLE: An applicant who has completed an AQB-approved certified residential real property PAREA program may receive 50 percent of the required experience hours toward the certified general real property credential. However, these hours are not eligible toward the nonresidential real property required experience hours.

Applicants claiming PAREA experience credit may not receive partial credit for PAREA training. An applicant who did not fulfill the prerequisites of the PAREA training program prior to commencement but received a certificate of completion of that program has not fulfilled the experience requirements of the AQB criteria. In the event that a deficiency in the prerequisites is found, the applicant may be provided an opportunity to correct the deficiency prior to any denial of an application. An applicant may not receive a certificate of completion until all required components of a PAREA program have been successfully completed and approved by a program mentor. Certificates of completion must be signed by an individual from the training entity qualified to verify an applicant's successful completion. An applicant wishing to utilize PAREA experience must still comply with rules 193F—6.1(543D) through 193F—6.7(543D).

ITEM 7. Renumber renumbered subrule **6.9(5)** as **6.9(6)**.

ITEM 8. Adopt the following **new** subrule 6.9(5):

**6.9(5) Practical Applications of Real Estate Appraisal.** An applicant seeking to upgrade from a certified residential credential to a certified general credential may gain partial experience credit through an AQB-approved PAREA program pursuant to rule 193F—6.8(543D).

ITEM 9. Amend rule **193F—11.1(272C,543D)**, definition of “Distance education,” as follows:

“*Distance education*” means any education process based on the geographical separation of student and instructor. “Distance education” includes ~~computer-generated programs and webinars~~ asynchronous, synchronous, and hybrid educational offerings.

ITEM 10. Adopt the following **new** definitions of “Asynchronous,” “Hybrid” and “Synchronous” in rule **193F—11.1(272C,543D)**:

“*Asynchronous*” means that the instructor and student interaction in an educational offering is nonsimultaneous. Students progress at their own pace through structured course content and scheduled quizzes and examinations.

“*Hybrid*,” also known as a blended course, means a learning environment that allows for both in-person and online (synchronous or asynchronous) interaction.

“*Synchronous*” means that in an educational offering the instructor and student interact online simultaneously, as in a phone call, video chat or live webinar, or web-based meeting.

ITEM 11. Adopt the following **new** subrule 11.5(2):

**11.5(2)** Programs must be taught by instructors who have successfully completed an instructor development workshop within 24 months preceding board approval of the program. Certified USPAP instructors and instructors approved via a course delivery mechanism approval per the AQB criteria shall be considered to have met this requirement.

ITEM 12. Amend rule 193F—11.6(272C,543D) as follows:

**193F—11.6(272C,543D) Acceptable distance education courses.** Distance education is an education process based on the geographical separation of student and instructor. A distance education course is acceptable to meet class hour requirements if: it complies with the generic education criteria in the current AQB criteria.

**11.6(1)** The course provides interaction. Interaction is a reciprocal environment in which the student has verbal or written communication with the instructor; and

**11.6(2)** Content approval is obtained from the AQB, a state licensing jurisdiction, or an accredited college, community college, or university that offers distance education programs and is approved or accredited by the Commission on Colleges, a regional or national accreditation association, or by an accrediting agency that is recognized by the U.S. Secretary of Education. ~~Nonacademic credit college courses provided by a college shall be approved by the AQB or the state licensing jurisdiction; and~~

**11.6(3)** Course delivery mechanism approval is obtained from one of the following sources:

*a.*—AQB-approved organizations providing approval of course design and delivery; or

*b.*—A college or university that qualifies for content approval pursuant to subrule 11.6(2) that awards academic credit for the distance education course; or

*c.*—A qualifying college or university for content approval with a distance education delivery program that approves the course design and delivery that incorporate interactivity.

**11.6(4)** Distance education courses must include at least one of the following:

*a.*—A written examination proctored by an official approved by the college or university, or by the sponsoring organization. The term “written” in this subrule refers to an examination that may be written on paper or administered electronically on a computer or other device. Oral examinations are not acceptable.

*b.*—Successful completion of prescribed course mechanisms required to demonstrate knowledge of the subject matter.

ITEM 13. Amend subrule 11.7(1) as follows:

**11.7(1)** Approval must be obtained for each program separately. With the exception of hybrid courses, courses that are offered via more than one delivery method will require separate program approvals.

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EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 6/29/22.