

REAL ESTATE APPRAISER EXAMINING BOARD[193F]

Adopted and Filed

Rulemaking related to certified real estate appraiser

The Real Estate Appraiser Examining Board hereby adopts new Chapter 5, “Certified Real Estate Appraiser,” and rescinds Chapter 6, “Certified General Real Property Appraiser,” Iowa Administrative Code.

Legal Authority for Rulemaking

This rulemaking is adopted under the authority provided in Iowa Code section 543D.5.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code chapter 543D and Executive Order 10 (January 10, 2023).

Purpose and Summary

Chapter 5 establishes the pathway for those seeking a certified real estate appraiser license in Iowa. This allows individuals an avenue to provide services to Iowans. This chapter guides individuals as required by the Appraiser Qualifications Board (AQB) of The Appraisal Foundation (TAF).

Public Comment and Changes to Rulemaking

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on January 24, 2024, as **ARC 7262C**. Public hearings were held on February 13, 2024, and February 14, 2024, at 10:40 a.m. at 6200 Park Avenue, Des Moines, Iowa, and virtually. No one attended the public hearings. No public comments were received. No changes from the Notice have been made.

Adoption of Rulemaking

This rulemaking was adopted by the Board on March 19, 2024.

Fiscal Impact

This rulemaking has no fiscal impact to the State of Iowa.

Jobs Impact

After analysis and review of this rulemaking, no impact on jobs has been found.

Waivers

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Department of Inspections, Appeals, and Licensing for a waiver of the discretionary provisions, if any, pursuant to 481—Chapter 6.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking 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 rulemaking will become effective on May 22, 2024.

The following rulemaking action is adopted:

ITEM 1. Adopt the following **new** 193F—Chapter 5:

**CHAPTER 5
CERTIFIED REAL ESTATE APPRAISER**

193F—5.1(543D) General.

5.1(1) Iowa Code chapter 543D regulates appraisal services performed in this state when appraiser certification is needed under federal law. Iowa recognizes two types of certification: certified residential real estate appraiser and certified general real estate appraiser. Iowa does not provide licenses for the “licensed real estate appraiser” category recognized under federal law. More information can be found in 12 CFR Section 34.43. Therefore, appraisal services involving federally related transactions in the state have to be performed by an Iowa certified real estate appraiser with the appropriate certification for the property at issue, or by a person holding an appropriate license or certification from a foreign jurisdiction who also has been issued a temporary practice permit under Iowa Code section 543D.11(2).

5.1(2) The chart below outlines the differences between two certifications issued by the board.

	Certified Residential Real Estate Appraiser	Certified General Real Estate Appraiser
Property type that can be appraised	Residential units ranging from one to four tenants	All real estate, including commercial and agricultural
Qualifying education core curriculum	200 hours	300 hours
Qualifying education	Bachelor’s degree or higher from an accredited college, junior college, community college, or university; or, an associate’s degree in specific fields, 30 semester hours of college-level course working in specific areas, 30 semester hours of CLEP examinations, or any combination CLEP/college-level covering appropriate hours and topics	Bachelor’s degree or higher from an accredited college, junior college, community college, or university
Experience	1,500 hours accumulated in no less than 12 months	3,000 hours with a minimum of 1,500 hours general accumulated in no less than 18 months
Examination	Certified residential real property appraiser examination or the certified general real property appraiser examination	Certified general real property appraiser examination

5.1(3) All appraisers performing services regulated by the board are obligated to comply with USPAP.

193F—5.2(543D) Education. Applicants for certification by the board have to meet the educational obligations of the AQB criteria.

193F—5.3(543D) Examination. The prerequisites for taking the AQB-approved examination are collegiate education, experience, work product review, and completion of all creditable course hours as specified in this chapter. The core criteria hours, collegiate education, and all experience have to be completed as specified in this chapter. Equivalency will be determined in accordance with the AQB. USPAP qualifying education will be awarded only when the class is instructed by at least one

AQB-certified USPAP instructor who holds a state-issued certified appraiser credential in active status and good standing.

5.3(1) In order to qualify to sit for the appropriate certified real estate appraiser examination, the applicant has to complete the board's application form and provide copies of documentation of completion of all courses claimed that qualify the applicant to sit for the examination.

a. A sufficient application within the meaning of Iowa Code section 17A.18(2) has to:

- (1) Be through the board's online system;
- (2) Be signed by the applicant, be certified as accurate, or display an electronic signature by the applicant if submitted electronically;
- (3) Be fully completed;
- (4) Reflect, on its face, full compliance with all applicable continuing education obligations; and
- (5) Be accompanied by the fee specified in 193F—Chapter 11.

b. The core criteria, collegiate education, experience, and work product review have to be completed and documentation submitted to the board at the time of application to sit for the examination.

5.3(2) The board may verify educational credits claimed. Undocumented credits will be sufficient cause to invalidate the examination results.

5.3(3) Responsibility for documenting the educational credits claimed rests with the applicant.

5.3(4) An applicant has to supply a true and accurate copy of the original examination scores when applying for certification.

5.3(5) If an applicant who has passed an examination does not obtain the related appraiser credential within 24 months after passing the examination, that examination result loses its validity to support issuance of an appraiser credential. To regain eligibility for the credential, the applicant has to retake and pass the examination. This obligation applies to individuals obtaining an initial certified credential or upgrading from an associate credential.

193F—5.4(543D) Supervised experience needed for initial certification. Except as otherwise permitted herein, all experience needed to obtain certification has to be obtained consistent with Iowa Code section 543D.9.

5.4(1) *Acceptable experience.* The board will accept as qualifying experience the documented experience attained while the applicant for initial certification was in an educational program recognized by the Appraiser Qualifications Board and Appraisal Subcommittee as providing qualifying experience for certification, whether or not the applicant was registered as an associate real estate appraiser at the time the educational program was completed. Such programs approved by federal authorities (e.g., practical applications of real estate appraisal (PAREA)) will incorporate direct supervision by a certified real estate appraiser and such additional program features as to satisfy the purpose of requiring that qualifying experience be attained by the applicant as a real estate appraiser.

5.4(2) *Exceptions.* Applicants for certified real estate appraiser certification in Iowa may utilize experience obtained in the absence of registration as an associate real estate appraiser under the following circumstances:

a. Subject to any obligations or limitations established by applicable federal authorities, including the AQB and appraisal subcommittee (ASC), or applicable federal law, rule, or policy, hours qualifying for experience in any jurisdiction will be considered qualifying hours for experience in Iowa without board approval or authorization, as long as the applicant is able to establish by clear and convincing evidence all of the following:

- (1) The qualifying hours obtained were completed in another jurisdiction under the direct supervision of an appropriate active certified real estate appraiser in that jurisdiction in accordance with the AQB and the jurisdiction's laws, rules, or policies.

- (2) The nature of the experience attained in another jurisdiction is qualitatively and substantially equivalent to the experience an associate real estate appraiser would receive under the direct supervision of a certified real estate appraiser in this state.

b. Reserved.

193F—5.5(543D) Demonstration of experience. The board applies the dictates of Iowa Code section 543D.9 and the AQB criteria in determining whether the experience necessary for certification has been met.

5.5(1) An applicant is obligated to appear before the board to supplement or verify evidence of experience.

5.5(2) The board may inspect documentation relating to an applicant's claimed experience.

193F—5.6(543D) Work product review.

5.6(1) An applicant will submit a complete appraisal log at the time of application for examination and experience consistent with the AQB criteria. Three appraisal reports will be selected by the board from the log. The applicant will submit electronically one copy of each report and work file for each of the selected appraisals along with the appropriate fee. The work product submission will not be redacted by the applicant. The board reserves the right to request additional appraisals if those submitted by the applicant raise issues concerning the applicant's competency or compliance with applicable appraisal standards or the degree to which the submitted appraisals are representative of the applicant's work product.

5.6(2) The board will treat all appraisals received as confidential pursuant to USPAP. While applicants are encouraged to submit appraisals actually performed for clients, applicants may submit demonstration appraisals if based on factual information and clearly marked as demonstration appraisals.

5.6(3) An applicant seeking original certification as a certified general real estate appraiser will submit one residential appraisal and two nonresidential appraisals for review. An applicant seeking an upgrade certification to a certified general real estate appraiser will submit two nonresidential appraisals for review.

5.6(4) The board will submit the appraisals to a peer review consultant for an opinion on the appraiser's compliance with applicable appraisal standards.

5.6(5) The work product review process is not intended as an endorsement of an applicant's work product. No applicant or appraiser will represent the results of work product review in communications with a client or in marketing to potential clients in a manner that falsely portrays the board's work product review as an endorsement of the appraiser or the appraiser's work product. Failure to comply may be grounds for discipline.

5.6(6) The board views work product review, in part, as an educational process. While the board may deny an application based on an applicant's failure to adhere to appraisal standards or otherwise demonstrate a level of competency upon which the public interest can be protected, the board will attempt to work with applicants deemed in need of assistance to arrive at a mutually agreeable remedial plan. A remedial plan may include additional education, desk review, a mentoring program, or additional precertification experience.

5.6(7) An applicant who is denied certification based on the work product review described in this rule, or on any other ground, will be entitled to a contested case hearing. Notice of denial will specify the grounds for denial, which may include any of the work performance-related grounds for discipline against a certified appraiser.

5.6(8) If probable cause exists, the board may open a disciplinary investigation based on the work product review of an applicant. A potential disciplinary action could arise, for example, if the applicant is a certified residential real estate appraiser seeking an upgrade to a certified general real estate appraiser, or where the applicant is uncertified and is working under the supervision of a certified real estate appraiser who cosigned the appraisal report.

5.6(9) After accumulating a minimum of 500 hours of appraisal experience, an applicant may voluntarily submit work product to the board to be reviewed by a peer reviewer for educational purposes only. A maximum of three reports may be submitted for review during the experience portion of the certification process. Work product submitted for educational purposes only will not result in disciplinary action on either the associate appraiser or the associate appraiser's supervisor so long as the appraisal review did not reveal negligent or egregious errors or omissions. The fee for voluntary submissions of work product for review is provided in 193F—Chapter 11.

5.6(10) The board will retain the appraisals for as long as needed as documentation of the board's actions for the Appraisal Subcommittee or as needed in a pending proceeding involving the work product of the applicant or the applicant's supervisor. When no longer needed for such purposes, the work product may be retained or destroyed at the board's discretion.

193F—5.7(543D) PAREA. PAREA utilizes simulated experience training and serves as an alternative to the traditional supervisor/trainee experience model. PAREA programs have to be AQB-approved and meet all the applicable 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 obligations 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.

Applicants claiming PAREA experience credit are not allowed partial credit for PAREA training (rules 193F—5.1(543D) through 193F—5.7(543D)).

193F—5.8(543D) Upgrade from a certified residential real estate appraiser to a certified general real estate appraiser. To upgrade from a certified residential real estate appraiser to a certified general real estate appraiser, an applicant has to satisfy all obligations of this rule, which include work product review and a state and national criminal history check as provided in Iowa Code section 543D.22.

5.8(1) Education.

a. Collegiate education. Certified residential real estate appraisers have to satisfy the college-level education obligations of the AQB.

b. Core criteria. In addition to the formal education and core criteria educational obligations originally needed to obtain a certified residential credential, an applicant has to meet the current AQB obligations before taking the AQB-approved examination.

5.8(2) Examination. An applicant has to satisfy the examination obligations.

5.8(3) Supervision and experience.

a. Experience. An applicant has to satisfy all of the experience obligations while in active status and in accordance with AQB criteria.

b. Supervision. Subject to applicable exceptions, all nonresidential experience obtained and applied toward obtaining a certified general credential as part of the upgrade process will be performed under the tutelage of a certified general real property appraiser, subject to AQB-required coursework.

These rules are intended to implement Iowa Code sections 543D.5, 543D.8, 543D.9, and 543D.22.

ITEM 2. Rescind and reserve **193F—Chapter 6.**

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EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 4/17/24.