

CHAPTER 543D

REAL ESTATE APPRAISALS AND APPRAISERS

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transferred from chapter 117B in Code 1993

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543D.1 Short title.

[This chapter](#) shall be known and may be cited as the “Iowa Voluntary Appraisal Standards and Appraiser Certification Law”.

89 Acts, ch 290, §1

CS89, §117B.1

C93, §543D.1

543D.2 Definitions.

As used in [this chapter](#), unless the context otherwise requires:

1. “Appraisal” or “real estate appraisal” means an analysis, opinion, or conclusion relating to the nature, quality, value, or utility of specified interests in, or aspects of, identified real estate. An appraisal may be classified by subject matter into either a valuation or an analysis. A “valuation” is an estimate of the value of real estate or real property. An “analysis” is a study of real estate or real property other than estimating value.

2. “Appraisal assignment” means an engagement for which an appraiser is employed or retained to act, or would be perceived by third parties or the public as acting as a disinterested third party in rendering an appraisal, valuation, or analysis.

3. “Appraisal foundation” means the appraisal foundation incorporated as an Illinois not-for-profit corporation on November 30, 1987.

4. “Appraisal report” means any communication of an appraisal.

5. “Associate real estate appraiser” means a person who may not yet fully meet the requirements for certification but who is providing significant input into the appraisal development under the direction of a certified appraiser.

6. “Board” means the real estate appraiser examining board established pursuant to [this chapter](#).

7. “Certified appraisal or certified appraisal report” means an appraisal or appraisal report given or signed and certified as an appraisal or appraisal report by an Iowa certified real estate appraiser.

8. A “certified real estate appraiser” means a person who develops and communicates real estate appraisals and who holds a current, valid certificate for appraisals of types of real estate which may include residential, commercial, or rural real estate, as may be established under [this chapter](#).

9. “Review appraiser” means a person who is responsible for the administrative approval of the appraised value of real property or assures that appraisal reports conform to the requirements of law and policy, or that the value of real property estimated by appraisers represents adequate security, fair market value, or other defined value.

10. “*Specialized services*” means a hypothetical or other special valuation, or an analysis or an appraisal which does not fall within the definition of an appraisal assignment.

89 Acts, ch 290, §2

CS89, §117B.2

C93, §543D.2

2001 Acts, ch 49, §1

543D.3 Purposes.

1. The purpose of [this chapter](#) is to establish standards for real estate appraisals and a procedure for the voluntary certification of real estate appraisers and the mandatory registration of associate real estate appraisers.

2. A person who is not a certified real estate appraiser under [this chapter](#) may appraise real estate for compensation if certification is not required by [this chapter](#) or by federal or state law, rule, or policy. However, an employee of the state department of transportation whose duties include appraisals of property pursuant to [chapter 6B](#) must be a certified real estate appraiser under [this chapter](#) or a registered associate real estate appraiser acting under the direct supervision of a certified real estate appraiser.

89 Acts, ch 290, §3

CS89, §117B.3

C93, §543D.3

99 Acts, ch 171, §39, 42; 2007 Acts, ch 72, §1

543D.4 Iowa real estate appraiser board.

A real estate appraiser examining board is established within the professional licensing and regulation bureau of the banking division of the department of commerce. The board consists of seven members, two of whom shall be public members and five of whom shall be real estate appraisers.

1. The governor shall appoint the members of the board who are subject to confirmation by the senate. The governor may remove a member for cause.

2. Appointees shall possess or maintain at least those standards of ethics, education, and experience required by federal regulations.

3. Each real estate appraiser member of the board appointed after January 1, 1992, must be a certified real estate appraiser. The governor shall attempt to represent each class of certified appraisers in making the appointments.

4. The term of each member is three years; except that, of the members first appointed, two shall be appointed for two years and two shall be appointed for one year.

5. Upon expiration of their terms, members of the board shall continue to hold office until the appointment and qualification of their successors. A person shall not serve as a member of the board for more than two consecutive terms.

6. The public members of the board shall not engage in the practice of real estate appraising.

7. The board shall meet at least once each calendar quarter to conduct its business.

8. The members of the board shall elect a chairperson from among the members to preside at board meetings.

9. A quorum of the board is four members. At least three of the four members shall be appraiser members.

89 Acts, ch 290, §4

CS89, §117B.4

C93, §543D.4

2006 Acts, ch 1177, §40

Referred to in [§546.10](#)

Confirmation, see [§2.32](#)

543D.5 Powers of the board.

1. The board shall adopt rules establishing uniform appraisal standards and appraiser certification requirements and other rules necessary to administer and enforce [this chapter](#) and its responsibilities under [chapter 272C](#). The board shall consider and may incorporate

any standards recommended by the appraisal foundation, or by a professional appraisal organization, or by a public authority or organization responsible to review appraisals or for the oversight of appraisers.

2. The uniform appraisal standards shall meet all of the following requirements:

a. Require compliance with federal law and appraisal standards adopted by federal authorities as they apply to federally covered transactions. This paragraph does not require that an appraiser invoke a jurisdictional exception to the uniform standards of professional appraisal practice in order to comply with federal law and appraisal standards adopted by federal authorities as they apply to federally covered transactions, unless federal law requires that the exception be invoked.

b. Develop standards for the scope of practice for certified real estate appraisers.

3. Appraiser certification requirements shall require a demonstration that the applicant has a working knowledge of current appraisal theories, practices, and techniques which will provide a high degree of service and protection to members of the public dealt with in a professional relationship under authority of the certification. The board shall establish the examination specifications for each category of certified real estate appraiser, provide or procure appropriate examinations, establish procedures for grading examinations, receive and approve or disapprove applications for certification, and issue certificates.

4. The board shall maintain a registry of the names and addresses of appraisers certified under [this chapter](#) and retain records and application materials submitted to the board.

89 Acts, ch 290, §5

CS89, §117B.5

C93, §543D.5

99 Acts, ch 171, §40, 42

543D.6 Fees.

1. The board shall establish and collect fees for certification, examination, reexamination, renewal of certification, and delinquency at an amount necessary to pay the administrative costs of sustaining the board and implementing [this chapter](#). The fees shall include, but are not limited to, amounts to cover the costs for the following items:

a. Per diem, expenses, and travel expenses for board members, peer review committee persons, or disciplinary panel members.

b. Salary, per diem, and expenses of staff.

c. Office facilities, supplies, and equipment.

2. Fees collected by the board shall be transmitted to the treasurer of state who shall deposit the fees in the general fund of the state.

89 Acts, ch 290, §6; 90 Acts, ch 1168, §21; 90 Acts, ch 1261, §39

CS89, §117B.6

C93, §543D.6

94 Acts, ch 1107, §90

543D.7 Certification process.

Applications for original certification, renewal certification, and examinations shall be made in writing to the board on forms approved by the board.

89 Acts, ch 290, §7

CS89, §117B.7

C93, §543D.7

2003 Acts, ch 43, §1

543D.8 Examination requirement.

An original certification as a certified real estate appraiser shall not be issued to a person who has not demonstrated through a written examination that the person possesses the following knowledge and understanding:

1. Appropriate knowledge of technical terms commonly used in or related to real estate appraising, appraisal report writing, and economic concepts applicable to real estate.

2. Understanding of the principles of land economics, real estate appraisal processes, and

problems likely to be encountered in gathering, interpreting, and processing data in carrying out appraisal assignments.

3. Knowledge of theories of depreciation, cost estimating, methods of capitalization, and the mathematics of real estate appraisal that are appropriate for each classification of certificate applied for.

4. Knowledge of other appropriate principles and procedures for the classifications applied for.

5. Basic understanding of Iowa real estate, property tax, and eminent domain laws.

6. Understanding of the types of misconduct for which disciplinary proceedings may be initiated against a certified real estate appraiser.

89 Acts, ch 290, §8

CS89, §117B.8

C93, §543D.8

543D.9 Education and experience requirement.

The board shall determine what real estate appraisal or real estate appraisal review experience and what education shall be required to provide appropriate assurance that an applicant for certification is competent to perform the certified appraisal work which is within the scope of practice defined by the board. All experience required for initial certification shall be performed as a registered associate real estate appraiser acting under the direct supervision of a certified real estate appraiser, except as the board may provide by rule. The board shall prescribe a required minimum number of tested hours of education relating to the provisions of [this chapter](#), the uniform appraisal standards, and other rules issued in accordance with [this chapter](#).

89 Acts, ch 290, §9

CS89, §117B.9

C93, §543D.9

2007 Acts, ch 72, §2

543D.10 Nonresident certification.

1. An applicant for certification as a real estate appraiser who is not a resident of Iowa shall submit, with the application for certification, an irrevocable consent that service of process upon the applicant may be made by delivery of the process to the secretary of state if, in an action against the applicant in a court of this state arising out of the applicant's activities as a certified real estate appraiser, the plaintiff cannot, in the exercise of due diligence, effect personal service upon the applicant.

2. A nonresident of Iowa who has complied with [subsection 1](#) may obtain a certificate as a certified real estate appraiser by complying with the certification requirements in [this chapter](#).

89 Acts, ch 290, §10

CS89, §117B.10

C93, §543D.10

543D.11 Certification by reciprocity.

If, in the determination by the board, another state is deemed to have substantially equivalent certification requirements, an applicant who is certified under the laws of the other state may obtain a certificate as a certified real estate appraiser upon terms and conditions as determined by the board.

89 Acts, ch 290, §11

CS89, §117B.11

C93, §543D.11

543D.12 Basis for denial.

The board may deny the issuance of a certificate as a certified real estate appraiser to an applicant on any of the grounds listed in [this chapter](#) or in [chapter 272C](#).

89 Acts, ch 290, §12

CS89, §117B.12
C93, §543D.12

543D.13 Principal place of business.

1. Each certified real estate appraiser shall advise the board of the address of the appraiser's principal place of business and all other addresses at which the appraiser is currently engaged in the business of preparing real estate appraisal reports.

2. When a certified real estate appraiser changes the appraiser's principal place of business, the appraiser shall immediately give written notification of the change to the board and apply for an amended certificate.

3. Each certified real estate appraiser shall notify the board of the appraiser's current residence address. Residence addresses on file with the board are exempt from disclosure as public records.

89 Acts, ch 290, §13
CS89, §117B.13
C93, §543D.13

543D.14 Certificate.

A certificate issued under [this chapter](#) shall bear the signature or facsimile signature of the member or members of the board as designated by the board and a certificate number assigned by the board.

89 Acts, ch 290, §14
CS89, §117B.14
C93, §543D.14
2001 Acts, ch 49, §2

543D.15 Use of term.

1. The term "*certified real estate appraiser*" shall only be used to refer to individuals who hold the certificate and shall not be used in connection with or as part of the name or signature of a firm, partnership, corporation, or group, or in a manner that it may be interpreted as referring to a firm, partnership, corporation, group, other business entity, or anyone other than an individual holder of the certificate.

2. The term "*associate real estate appraiser*" shall only be used to refer to individuals who do not yet fully meet the requirements for certification but who provide significant input into the appraisal development under the direction of a certified appraiser.

3. A certificate shall not be issued under [this chapter](#) to a firm, corporation, partnership, group, or other business entity.

89 Acts, ch 290, §15
CS89, §117B.15
C93, §543D.15
Referred to in [§543D.21](#)

543D.16 Continuing education.

1. As a prerequisite to renewal of a certification, a certified real estate appraiser shall present evidence satisfactory to the board of having met continuing education requirements.

2. The basic continuing education requirement for renewal of certification shall be the completion, before June 30 of the year in which the appraiser's certificate expires, of the number of hours of instruction required by the board in courses or seminars which have received the preapproval of the board. Instructional hours by correspondence and home study courses claimed by an appraiser shall not exceed fifty percent of the required hours of instruction necessary for renewal.

3. The provisions of [section 272C.2, subsection 4](#), shall only apply to a certified real estate appraiser or an associate real estate appraiser to the extent consistent with the policies adopted by the appraisal qualifications board of the appraisal foundation.

89 Acts, ch 290, §16
CS89, §117B.16

C93, §543D.16

97 Acts, ch 80, §1; 2008 Acts, ch 1059, §5

543D.17 Disciplinary proceedings.

1. The rights of a holder of a certificate as a certified real estate appraiser may be revoked or suspended, or the holder may be otherwise disciplined in accordance with [this chapter](#). The board may investigate the actions of a certified real estate appraiser and may revoke or suspend the rights of a holder or otherwise discipline a holder for violation of a provision of [this chapter](#), or [chapter 272C](#), or of a rule adopted under [this chapter](#) or commission of any of the following acts or omissions:

a. Procurement or attempt to procure a certificate under [this chapter](#) by knowingly making a false statement, submitting false information, refusing to provide complete information in response to a question in an application for certification, or participating in any form of fraud or misrepresentation.

b. Failure to meet the minimum qualifications established by [this chapter](#).

c. A conviction, including a conviction based upon a plea of guilty or nolo contendere, of a crime which is substantially related to the qualifications, functions, and duties of a person developing real estate appraisals and communicating real estate appraisals to others.

d. Violation of any of the standards for the development or communication of real estate appraisals as provided in [this chapter](#).

e. Failure or refusal without good cause to exercise reasonable diligence in developing an appraisal, preparing an appraisal report, or communicating an appraisal.

f. Negligence or incompetence in developing an appraisal, in preparing an appraisal report, or in communicating an appraisal.

g. Willful disregard or violation of a provision of [this chapter](#) or a rule of the board of the administration and enforcement of [this chapter](#).

2. In a disciplinary proceeding based upon a civil judgment a certified real estate appraiser shall be given an opportunity to present matters in mitigation and extenuation, but not to collaterally attack the civil judgment.

3. Notwithstanding the limitations of [section 272C.3, subsection 2](#), paragraph “e”, the board shall adopt a rule providing for civil penalties in amounts and for the reasons authorized by federal law where federal law requires the board to have the authority to impose the civil penalties in order to obtain or to retain the board’s designation as a qualified state appraiser certifying agency.

89 Acts, ch 290, §17

CS89, §117B.17

C93, §543D.17

Referred to in [§543D.20](#)

543D.18 Standards of practice.

1. A certified real estate appraiser shall comply with the uniform appraisal standards adopted under [this chapter](#). The reliance of the public in general and of the financial business community in particular on sound, reliable real estate appraisal practices imposes on persons engaged in the practice of real estate appraising as certified real estate appraisers or as registered associate real estate appraisers certain obligations both to their clients and to the public. These obligations include the obligation to maintain independence in thought and action, to adhere to the uniform appraisal standards adopted under [this chapter](#), and to maintain high standards of personal conduct in all matters impacting one’s fitness to practice real estate appraising. A certified real estate appraiser and a registered associate real estate appraiser acting under the direct supervision of a certified real estate appraiser shall perform all appraisal assignments in an honest, disinterested and impartial manner, with objectivity and independence, and without accommodation to the personal interests or objectives of the appraiser, the client, or any third person.

2. A certified real estate appraiser shall not accept an appraisal assignment or a fee for an appraisal assignment if the employment itself is contingent upon the appraiser reporting a predetermined estimate, analysis, or opinion or if the fee to be paid is contingent upon

the opinion, conclusion, or valuation reached, or upon the consequences resulting from the appraisal assignment.

3. A certified real estate appraiser may provide specialized services to facilitate the client's or employer's objectives. Specialized services shall not be communicated as a certified appraisal or as a certified appraisal report. Regardless of the intention of the client or employer, if the appraiser would be perceived by third parties or the public as acting as a disinterested third party in rendering an unbiased analysis or opinion or conclusion, the work is an appraisal assignment rather than an assignment for specialized services. Communication of a valuation under oath is an appraisal assignment.

4. A certified real estate appraiser who enters into an agreement to perform specialized services may be paid a fixed fee or a fee that is contingent on the results achieved by the specialized services.

5. If a certified real estate appraiser enters into an agreement to perform specialized services for a contingent fee, this fact shall be clearly stated in each written and oral report. In each written report, this fact shall be clearly stated in a prominent location in the report, each letter of transmittal, and the certification statement made by the appraiser in the report.

6. A certified real estate appraiser making a significant contribution to the valuation or analysis process in completing an appraisal assignment shall sign the final written report or acknowledge the appraiser's contribution in a verbal report.

7. A certified real estate appraiser who receives significant real property appraisal assistance in the development or reporting of an appraisal assignment shall disclose such assistance in accordance with the uniform appraisal standards adopted under [this chapter](#).

89 Acts, ch 290, §18

CS89, §117B.18

C93, §543D.18

2007 Acts, ch 72, §3, 4

Referred to in [§543D.18A](#)

543D.18A Penalties for improper influence of an appraisal assignment.

1. A mortgage lender, mortgage broker or originator, real estate broker or salesperson, client, party, appraiser, or any other person with an interest in a real estate transaction or the financing of any loan secured by real estate involving an appraisal assignment shall not improperly influence or attempt to improperly influence the development, reporting, result, or review of a real estate appraisal through coercion, extortion, or bribery, or by the withholding or threatened withholding of payment for an appraisal fee, or the conditioning of the payment of an appraisal fee upon the opinion, conclusion, or valuation to be reached, or a request that the appraiser report a predetermined opinion, conclusion, or valuation, or the desired valuation of any person, or by any other act or practice that impairs or attempts to impair an appraiser's independence, objectivity, and impartiality, as required by [section 543D.18, subsections 1 and 2](#).

2. A violation of [this section](#) is an unlawful practice under [section 714.16, subsection 2, paragraph "a"](#).

3. A violation of [this section](#) is a ground for discipline against any person holding a certificate of registration under [this chapter](#) or another license issued under the laws of the state of Iowa, as license is defined in [section 17A.2, subsection 6](#), if the practice of the profession, occupation, or business regulated by the license relates to real estate transactions or the financing of loans secured by real estate.

4. A person does not violate [this section](#) solely by asking an appraiser to consider additional, appropriate property information, or to provide further detail, substantiation, or explanation for the appraiser's value conclusion, or to correct errors in the appraisal report, or by withholding payment of an appraisal fee based on a bona fide dispute regarding the appraiser's compliance with the appraisal standards adopted by the board under [this chapter](#). A person does not violate [this section](#) solely by retaining appraisers from panels or lists on a rotating basis, or by supplying an appraiser with information the appraiser is

required to analyze under the appraisal standards adopted by the board under [this chapter](#), such as agreements of sale, options, or listings of the property to be valued.

2007 Acts, ch 72, §5

Referred to in [§543D.21](#)

543D.19 Retention of records.

1. A certified real estate appraiser shall retain for five years, originals or true copies of all written contracts engaging the appraiser's services for real estate appraisal work and all reports and supporting data assembled and formulated for use by the appraiser or the associate appraiser in preparing the reports.

2. An appraiser must retain all work files for a period of at least five years after preparation or at least two years after final disposition of any judicial proceeding in which testimony was given, whichever period expires last, and either maintain custody of the appraiser's work file or make appropriate work file retention, access, and retrieval arrangements with a party having custody of the work file.

3. All records required to be maintained under [this chapter](#) shall be made available by a certified real estate appraiser for inspection and copying by the board on reasonable notice to the appraiser.

89 Acts, ch 290, §19

CS89, §117B.19

C93, §543D.19

2003 Acts, ch 43, §2, 3

543D.20 Registration of associate real estate appraisers.

1. A person shall not assist a certified real estate appraiser in the development or reporting of an appraisal assignment that is required by [this chapter](#), or by federal or state law, rule, or policy to be performed by a certified real estate appraiser, unless the person meets one or more of the following conditions:

a. The person is certified under [this chapter](#).

b. The person is registered as an associate real estate appraiser and is acting under the direct supervision of a certified real estate appraiser.

c. The person is solely providing administrative services, such as taking photographs, preparing charts, or typing reports, and is not providing real estate appraisal assistance in developing the analysis, valuation, opinions, or conclusions associated with the appraisal assignment.

d. The person is providing professional consultation that does not constitute real property appraisal assistance, such as the assistance of a professional engineer or certified public accountant.

2. The board shall establish by rule the terms and conditions of the registration of associate real estate appraisers, including the educational and other prerequisites to registration, the fees for registration and the renewal of registration, and the continuing education requirements for renewal of registration. The board shall consider and may incorporate any guidelines recommended by the appraisal qualifications board of the appraisal foundation relating to associate real estate appraisers.

3. The board shall adopt rules governing the manner in which certified real estate appraisers shall directly supervise associate real estate appraisers, the standards of conduct for associate real estate appraisers, and the grounds for imposing discipline against an associate real estate appraiser which shall include all of the grounds provided in [section 543D.17](#).

4. Associate real estate appraisers shall be bound by the uniform appraisal standards adopted by the board under [this chapter](#).

5. Persons who appraise real estate where certification is not required by [this chapter](#) or by federal or state law, rule, or policy, and who are not assisting a certified real estate appraiser in the development or reporting of an appraisal assignment that is required by [this](#)

chapter, or by federal or state law, rule, or policy to be performed by a certified real estate appraiser, are not required to register with the board.

2007 Acts, ch 72, §6

Referred to in §543D.21

543D.21 Violations — injunctions — civil penalties.

1. If, as the result of a complaint or otherwise, the board believes that a person has engaged, or is about to engage, in an act or practice that constitutes or will constitute a violation of [this chapter](#), the board may make application to the district court for an order enjoining such act or practice. Upon a showing by the board that such person has engaged, or is about to engage, in any such act or practice, an injunction, restraining order, or other order as may be appropriate shall be granted by the district court.

2. The board may investigate complaints or initiate complaints against persons who are not certified or registered under [this chapter](#) solely to determine whether grounds exist to make application to the district court pursuant to [subsection 1](#) or to issue an order pursuant to [subsection 3](#), and in connection with such complaints or investigations may issue subpoenas to compel witnesses to testify or persons to produce evidence consistent with the provisions of [section 272C.6, subsection 3](#), as needed to determine whether probable cause exists to initiate proceedings under [this section](#) or to make application to the district court for an order enjoining violations of [this chapter](#).

3. In addition to or as an alternative to making application to the district court for an injunction, the board may issue an order to a person who is not certified or registered under [this chapter](#) to require compliance with [this chapter](#) and may impose a civil penalty against such person for any violation of [subsection 4](#) in an amount up to one thousand dollars for each violation. All civil penalties collected pursuant to [this subsection](#) shall be deposited in the housing trust fund created in [section 16.181](#). An order issued pursuant to [this section](#) may prohibit a person from applying for certification or registration under [this chapter](#).

4. The board may impose civil penalties against a person who is not certified or registered under [this chapter](#) for any of the following acts:

- a. A violation of [section 543D.15](#).
- b. A violation of [section 543D.18A, subsection 1](#).
- c. A violation of [section 543D.20, subsection 1](#).
- d. Fraud, deceit, or deception, through act or omission, in connection with an application for certification or registration under [this chapter](#).

5. The board, before issuing an order under [this section](#), shall provide the person written notice and the opportunity to request a hearing. The hearing must be requested within thirty days after receipt of the notice and shall be conducted in the same manner as provided for disciplinary proceedings involving a licensee under [this chapter](#).

6. A person aggrieved by the imposition of a civil penalty under [this section](#) may seek judicial review pursuant to [section 17A.19](#).

7. If a person fails to pay a civil penalty within thirty days after entry of an order imposing the civil penalty, or if the order is stayed pending an appeal, within ten days after the court enters a final judgment in favor of the board, the board shall notify the attorney general. The attorney general may commence an action to recover the amount of the penalty, including reasonable attorney fees and costs.

8. An action to enforce an order under [this section](#) may be joined with an action for an injunction.

2007 Acts, ch 72, §7