

CHAPTER 5  
CERTIFIED RESIDENTIAL REAL PROPERTY APPRAISER

[Prior to 2/20/02, see rule 193F—3.4(543D) and 193F—Chapter 4]

**193F—5.1(543D) General.**

**5.1(1)** The certified residential real property appraiser classification qualifies the appraiser to appraise one- to four-unit residential properties without regard to value or complexity. The classification includes the appraisal of vacant or unimproved land that is utilized for one- to four-unit residential properties or for which the highest and best use is for one- to four-unit residential properties. The classification does not include the appraisal of subdivisions for which a development analysis/appraisal is necessary.

**5.1(2)** Certification is composed of three parts: education, examination, and experience, which includes work product review.

**5.1(3)** All certified residential real property appraisers must comply with USPAP.  
[ARC 7774B, IAB 5/20/09, effective 6/24/09; ARC 1731C, IAB 11/12/14, effective 12/17/14]

**193F—5.2(543D) Education.** Education requirements for an applicant to obtain a certificate as a certified residential real property appraiser shall be in compliance with the criteria as set forth by the Appraiser Qualifications Board (AQB) of the Appraisal Foundation. If an accredited college or university (accredited by the Commission on Colleges, by a regional or national accreditation association, or by an accrediting agency that is recognized by the U.S. Secretary of Education) accepts the College-Level Examination Program<sup>©</sup> (CLEP) examination(s) and issues a transcript for the examination(s) showing the college's or university's approval, the CLEP credit will be considered as credit for the college course.

**5.2(1) Collegiate education.** There are five options toward certification as a certified residential real property appraiser. An applicant must meet at least one of the five options identified in paragraphs 5.2(1) "a" through 5.2(1) "e," below, in order to be eligible for certification as a residential real property appraiser.

*a.* An applicant holds a bachelor's degree in any field of study from an accredited college or university.

*b.* An applicant holds an associate's degree in a field of study from an accredited college, junior college, community college, or university that relates to:

- (1) Business administration;
- (2) Accounting;
- (3) Finance;
- (4) Economics; or
- (5) Real estate.

*c.* Successful completion of 30 semester hours of college-level courses from an accredited college, junior college, community college, or university that cover each of the following specific areas and hours:

- (1) English composition (3 hours);
- (2) Microeconomics (3 hours);
- (3) Macroeconomics (3 hours);
- (4) Finance (3 hours);
- (5) Algebra, geometry, or higher math (3 hours);
- (6) Statistics (3 hours);
- (7) Computer science (3 hours);
- (8) Business law or real estate law (3 hours);
- (9) Two electives in any of the above topics or in accounting, geography, agriculture, economics, business management, or real estate (3 hours each).

*d.* Successful completion of at least 30 semester hours of College-Level Examination Program<sup>©</sup> (CLEP) examinations that cover each of the following specific areas and hours:

- (1) College algebra (3 semester hours);
- (2) College composition (6 semester hours);

- (3) College composition modular (3 semester hours);
- (4) College mathematics (6 semester hours);
- (5) Principles of macroeconomics (3 semester hours);
- (6) Principles of microeconomics (3 semester hours);
- (7) Introductory business law (3 semester hours); and
- (8) Information systems (3 semester hours).

*e.* Any combination of paragraphs 5.2(1)“*c*” and 5.2(1)“*d*,” above, that ensures coverage of all of the topics and hours identified in paragraph 5.2(1)“*c*.” For purposes of determining whether coverage of the topics and hours identified in paragraph 5.2(1)“*c*” has occurred:

(1) The college algebra CLEP examination may be considered for satisfying the algebra, geometry, or higher math requirement of paragraph 5.2(1)“*c*.”

(2) The college composition CLEP examination may be considered for satisfying the English composition requirement of paragraph 5.2(1)“*c*.”

(3) The college composition modular CLEP examination may be considered for satisfying the English composition requirement of paragraph 5.2(1)“*c*.”

(4) The college mathematics CLEP examination may be considered for satisfying the algebra, geometry, or higher math requirement of paragraph 5.2(1)“*c*.”

(5) The principles of macroeconomics CLEP examination may be considered for satisfying the macroeconomics or finance requirement of paragraph 5.2(1)“*c*.”

(6) The principles of microeconomics CLEP examination may be considered for satisfying the microeconomics or finance requirement of paragraph 5.2(1)“*c*.”

(7) The introductory business law CLEP examination may be considered for satisfying the business law or real estate law requirement of paragraph 5.2(1)“*c*.”

(8) The information systems CLEP examination may be considered for satisfying the computer science requirement of paragraph 5.2(1)“*c*.”

**5.2(2) Core criteria.** In addition to the formal education in subrule 5.2(1), an applicant must complete 200 creditable class hours before taking the AQB-approved examination. All courses must be AQB-approved current core criteria to be considered creditable. The required courses and 200 hours consist of the following:

<i>a.</i>	Basic appraisal principles	30 hours
<i>b.</i>	Basic appraisal procedures	30 hours
<i>c.</i>	The 15-hour USPAP course or equivalent	15 hours
<i>d.</i>	Residential market analysis and highest and best use	15 hours
<i>e.</i>	Residential appraiser site valuation and cost approach	15 hours
<i>f.</i>	Residential sales comparison and income approaches	30 hours
<i>g.</i>	Residential report writing and case studies	15 hours
<i>h.</i>	Statistics, modeling and finance	15 hours
<i>i.</i>	Advanced residential applications and case studies	15 hours
<i>j.</i>	Appraisal subject matter electives	20 hours

**5.2(3) Degree program.** Credit toward core criteria qualifying education requirements may also be obtained via the completion of a degree in real estate from an accredited degree-granting college or university, provided that the college or university has had its curriculum reviewed and approved by the AQB.

[ARC 7774B, IAB 5/20/09, effective 6/24/09; ARC 1731C, IAB 11/12/14, effective 12/17/14; ARC 4169C, IAB 12/5/18, effective 1/9/19]

**193F—5.3(543D) Examination.** The prerequisite for taking the AQB-approved examination is completion of 200 creditable course hours as specified in subrule 5.2(2). The 200 creditable course hours, collegiate education, and all experience must be completed as specified in subrules 5.2(1) and 5.2(2) and rule 193F—5.4(543D) prior to the examination. For 5.2(2)“*c*,” equivalency shall be determined through the AQB Course Approval Program or by an alternate method established by the AQB. USPAP qualifying education shall be awarded only when the class is instructed by at least

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

**5.3(1) Qualification.**

*a.* In order to qualify to sit for the certified residential real property appraiser examination, the applicant must:

(1) 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.

(2) Pay the fee specified in 193F—Chapter 12.

*b.* The core criteria, collegiate education, and experience must be completed and the 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 pursuant to 193F—paragraph 3.3(2) “c.”

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

**5.3(4)** An applicant must supply the original examination scores when applying for certification. Copies of the scores will not be accepted.

**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 must retake and pass the examination. This requirement applies to individuals obtaining an initial certified credential or upgrading from an associate credential.

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**193F—5.4(543D) Supervised experience required for initial certification.** All experience required for initial certification pursuant to Iowa Code section 543D.9 shall be performed as a registered associate real property appraiser under the direct supervision of a certified real property appraiser pursuant to the provisions of 193F—Chapter 15.

**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 initial certification, whether or not the applicant was registered as an associate real property appraiser at the time the educational program was completed. Such programs, if approved by federal authorities, will incorporate direct supervision by a certified real property appraiser and such additional program features as to satisfy the purpose of requiring that qualifying experience be attained by the applicant as an associate real property appraiser.

**5.4(2) Exceptions.**

*a.* Applicants for initial certification in Iowa who request that the board approve experience performed in the absence of registration as an associate real property appraiser may file an application for approval on a form provided by the board. The burden shall be on the applicant to establish by clear and convincing evidence all of the following:

(1) The experience is qualifying experience under the substantive and documentation standards of the Appraiser Qualifications Board and Appraisal Subcommittee.

(2) Denial of the application would impose an undue hardship on the applicant.

(3) The nature of the experience attained is qualitatively and substantially equivalent to the experience an associate real property appraiser would receive under the direct supervision of a certified real property appraiser pursuant to the standards established in 193F—Chapter 15.

(4) Approval of the application would foster the board's goal of fair and consistent treatment of applicants.

(5) A basis exists beyond the individual control of the applicant to explain why the experience at issue could not have been attained by the applicant as an associate real property appraiser under the direct supervision of a certified real property appraiser.

*b.* Among the circumstances the board may consider favorably in ruling on an application for approval of unsupervised experience or experience attained by the applicant in the absence of registration as an associate real property appraiser are:

(1) The experience was attained in a jurisdiction that, at the time, did not register associate real property appraisers or otherwise offer an associate, trainee or equivalent category of certification.

(2) The applicant attained the experience while employed in a county assessor's office engaged in mass appraisals, and the experience would otherwise qualify under applicable federal standards.

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**193F—5.5(543D) Demonstration of experience.** The experience necessary for certification pursuant to Iowa Code section 543D.9 must meet the requirements of this rule. The objective of the demonstration of experience is to ensure that, before the applicant is issued a certificate, the applicant has obtained sufficient diversified experience to perform an appraisal.

**5.5(1)** The applicant shall provide to the board an appraisal log that includes all information required by the AQB as a precondition for certification and shall maintain the log contemporaneously with the performance of supervised real property appraisal services. The appraisal log shall, at a minimum, include all information as described in 193F—subrule 4.2(4).

**5.5(2)** The applicant shall accumulate a total of 1,500 hours of residential appraisal experience in no fewer than 12 months while in active status. While the hours may be cumulative, the 12 months must have elapsed before the applicant can apply to take the examination. Experience claimed must have been performed in compliance with USPAP in which the appraiser demonstrates proficiency in appraisal principles methodology, procedures and reporting conclusions. Acceptable appraisal experience includes, but is not limited to, the following:

- a.* Fee and staff appraisal;
- b.* Ad valorem tax appraisal;
- c.* Review appraisal;
- d.* Appraisal analysis;
- e.* Appraisal consulting;
- f.* Highest and best use analysis;
- g.* Feasibility analysis/study; and
- h.* Mass appraisal.

**5.5(3)** The types of experience set out in 5.5(2) are intended neither to exclude other sorts of appraisal experience nor to prescribe a specified minimum array of experience. However, an applicant who cannot demonstrate a background of experience of the diversity manifested by this rule shall bear the burden of showing that the applicant's experience is of sufficient quality and diversity to fulfill the objective of the demonstration of experience. A diversity of experience includes, but is not limited to, the following:

- a.* Performing all approaches to value (i.e., cost, income, sales);
- b.* Various reporting types;
- c.* Appropriate use of various forms (e.g., gPAR, 1004) and formats;
- d.* Various property types (e.g., vacant land, condominium, manufactured home, and rental);
- e.* Various assignments that include varying scopes of work (e.g., as is, as completed or proposed, foreclosure, rural properties, estates, use of extraordinary assumption or hypothetical conditions); and
- f.* Diversity in value ranges.

**5.5(4)** An applicant may be required to appear before the board or its representative to supplement or verify evidence of experience, which shall be in the form of written reports or file memoranda.

**5.5(5)** The board may require inspection, by the board itself or by its representatives, of documentation relating to an applicant's claimed experience. Such inspection may be made at the board's offices or such other place as the board may designate.

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**193F—5.6(543D) Work product review.**

**5.6(1)** An applicant shall submit a complete appraisal log at the time of application for examination and work product review. The board will select three appraisals for work product review and request that the applicant submit four paper copies of each report and four paper copies of each work file in addition to an electronic format requested by the board for each of the selected appraisals along with the appropriate form and fee. The fee for work product review of the appraisals is provided in 193F—Chapter 12. The board may select the appraisals at random from the entire log or within certain types of appraisals. The board reserves the right to request one or more 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. Such additional appraisals may be selected at random from the applicant's log or may be selected specifically to provide an example of the applicant's work product regarding a particular type of appraisal.

**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.

**5.6(3)** An applicant seeking to upgrade to a certified residential real property appraiser shall submit three residential 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 shall represent the results of work product review in communications with a client or in marketing to potential clients in a manner which falsely portrays the board's work product review as an endorsement of the appraiser or the appraiser's work product. Failure to comply with this prohibition may be grounds for discipline as a practice harmful or detrimental to the public.

**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, shall be entitled to a contested case hearing as provided in rule 193F—20.39(546,543D,272C). Notice of denial shall 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 against a certificate holder 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 property appraiser seeking an upgrade to a certified general real property appraiser, or where the applicant is uncertified and is working under the supervision of a certified real property 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. The fee for voluntary submissions of work product for review is provided in 193F—Chapter 12.

**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.

[ARC 7774B, IAB 5/20/09, effective 6/24/09; ARC 1731C, IAB 11/12/14, effective 12/17/14; ARC 4169C, IAB 12/5/18, effective 1/9/19; ARC 4379C, IAB 3/27/19, effective 5/1/19; ARC 4707C, IAB 10/9/19, effective 11/13/19; ARC 5237C, IAB 10/21/20, effective 11/25/20]

**193F—5.7(543D) Upgrade to a certified general real property appraiser.** To upgrade from a certified residential real property appraiser to a certified general real property appraiser, an applicant must complete the following additional education, examination, supervision, and experience requirements and a state and national criminal history check as provided in Iowa Code section 543D.22. For all intents and purposes, a certified residential appraiser seeking to upgrade to a certified general status will be considered an associate appraiser as it relates to differences between the scope of practice of the two licensure categories, and the upgrade process will generally follow the same registration requirements, supervisory identification and maintenance requirements, and processes and procedures generally applicable to associate appraisers set forth in 193F—Chapter 4.

**5.7(1) Education.**

*a. Collegiate education.* Certified residential real property appraisers must satisfy the college-level education requirements as specified in rule 193F—6.2(543D).

*b. Core criteria.* In addition to the formal education and core criteria educational requirements originally required to obtain a certified residential credential, an applicant must complete the following additional 100 creditable, core criteria class hours before taking the AQB-approved examination. All courses must be AQB-approved under current core criteria to be considered creditable. The required courses and 100 hours consist of the following:

- |  |          |
|--|----------|
| (1) General appraiser market analysis and highest and best use | 15 hours |
| (2) General appraiser sales comparison approach                | 15 hours |
| (3) General appraiser site valuation and cost approach         | 15 hours |
| (4) General appraiser income approach                          | 45 hours |
| (5) General appraiser report writing and case studies          | 10 hours |

**5.7(2) Examination.** An applicant must satisfy the examination requirements as specified in rule 193F—6.3(543D).

**5.7(3) Supervision and experience.**

*a. Experience.* An applicant must satisfy all of the experience requirements as specified in rules 193F—6.4(543D) and 193F—6.5(543D). In obtaining and documenting the 3,000 total experience hours required by 193F—subrule 6.5(2), as is the case for initial licensure, such hours must be accumulated in no fewer than 18 months while in active status as, in effect, a registered associate appraiser pursuing an upgrade pursuant to this rule and subject to the supervision of an Iowa-certified appraiser. Notwithstanding the foregoing:

(1) To the extent residential appraisal experience may be counted towards licensure in accordance with 193F—subrule 6.5(2), residential appraisal experience obtained as a certified residential appraiser prior to initiating the upgrade process may be included on the appraisal log and, subject to the work product review process, counted towards the experience-hours requirement for purposes of upgrading from a certified real property appraiser to a certified general real property appraiser; provided that such residential appraisal experience obtained prior to initiating the upgrade process shall not apply toward the 18-month requirement.

(2) Applicants may request that the board approve experience hours performed in the absence of registration as an associate real property appraiser by filing an application for approval on a form provided by the board, which application will be subject to and governed by the same processes and standards set forth in rule 193F—6.4(543D).

*b. Supervision.* Subject to applicable exceptions, all nonresidential experience obtained and applied toward obtaining a certified general credential as part of the upgrade process shall be performed under the direct supervision of a certified general real property appraiser pursuant to the provisions of 193F—Chapter 15 and shall be subject to the identification, notification, maintenance, approval, scope-of-practice, log, and monitoring requirements set forth in 193F—Chapter 4. Both the applicant

and the applicant's supervisor(s) must complete a supervisor/trainee course within the five years prior to the board's receipt of the associate registration application identifying a supervisor with the board or prior to the applicant's obtaining or claiming any experience hours under the supervision of that supervisor.

**5.7(4) *Work product review.*** An applicant must satisfy the work product review requirements as specified in rule 193F—6.5(543D).

**5.7(5) *Background check.*** A state and national criminal history check shall be performed on any appraiser upgrading to a certified general real property appraiser. The applicant shall authorize release of the results of the criminal history check to the board. If the criminal history check was not completed within 180 calendar days prior to the date the license application is received by the board, the board may perform a new state and national criminal history check or may reject and return the application to the applicant.

[ARC 7774B, IAB 5/20/09, effective 6/24/09; ARC 1731C, IAB 11/12/14, effective 12/17/14; ARC 3084C, IAB 5/24/17, effective 6/28/17; ARC 4169C, IAB 12/5/18, effective 1/9/19; ARC 5237C, IAB 10/21/20, effective 11/25/20]

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

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