

South Carolina Real Estate Appraisers Board  
Regular Meeting  
February 10, 2005  
10:00 AM

Members attending: Herb Sass, Chairman; Charles Stone, Vice Chairman; Carlton Segars; and Nancy Johnson. Absent: Rhonnie Newton

Staff attending: Robert L. Selman, ADD, POL, Labor, Licensing and Regulation; Jay Pitts, Administrator; Ed Coleman, OIE; Ed Farnell, OIE, Charles Ido, OIE, Ann Parris; Administrative Assistant; Laura Smith, OIE; Beau Tiller, Education; and Rick Wilson, LLR Advice Counsel

Visitors: Kelli Kline, Appraisal Institute, Columbia, SC; Mark Chapman, Greenville

Call to Order – Freedom of Information Statement

Chairman Sass called the meeting to order at 10:20 AM and read into the record the following Freedom of Information statement. Public notice of this meeting was properly posted at the South Carolina Real Estate Appraisers Board office, Synergy Business Park, Kingstree Building, Columbia, South Carolina, and provided to all requesting persons, organizations, and news media in compliance with Section 30-4-80 of the South Carolina Freedom of Information Act. A quorum was present at all times.

Approval of Minutes – September 29, 2004

Motion: Mr. Segars moved to approve the minutes of the September 29, 2004, meeting as written. Motion was seconded by Mr. Stone and unanimously carried.

Management Update – Jay Pitts, Administrator

Legislation - review of proposed changes to the practice act and regulations. Beau Tiller will review these changes and answer questions.

Role of administrator – Mr. Pitts stated he is excited about being named Administrator for the Real Estate Appraisers Board and the Real Estate Commission. He said he relies heavily on Beau Tiller for direction in handling day-to-day operations and Mr. Selman in learning all about the Appraisers Board.

E-Bulletin – Staff is working on publishing an e-bulletin by the end of March, which will be on the web site. Licensees will be notified by email that an edition has been posted.

Renewals/licensure – Licensing for appraisers has been moved under the direction of Robbie Boland, Licensing Manager, for the boards that Mr. Selman oversees. Laura McDaniels has been relocated to the licensing section but licensees will not experience any change in procedures.

Apprentice/Supervisors Workshops – Mr. Pitts attended the January Apprentice/Supervisors workshop and said he was really impressed. He stated Mr. Coleman is doing an excellent job with this program.

The Office of Investigations and Enforcement (OIE) has been in operation now for several months and seems to be working well. There have been some growing pains but obstacles are being worked out.

Carlton Segars stated he receives calls from appraisers stating that they call the Board office regarding USPAP questions and do not get answers to their questions. Mr. Tiller said when he gets these calls he reminds them they are furnished a free USPAP copy each year and it is their responsibility to read the USPAP. Mr. Tiller said he advises callers to call back if there is still some question about the correct answer and staff will work with them to try and get the question answered. Mr. Sass stated he understands exactly what Mr. Tiller is saying and that he agrees. He said the caller might be seeking a quick answer rather than taking the time to read USPAP and also could be seeking confirmation that his/her interpretation is correct.

Mark Chapman, Access Real Estate Loan Services, Greenville

Mr. Chapman addressed the Board regarding the use of electronic signatures attached to appraisals. Mr. Chapman stated he had spoken to Ed Coleman, Laura Smith and Danny Wiley, ASB, regarding this matter. Mr. Chapman stated that several of the appraisers that work for Access work out of their homes. They transmit reports to Access electronically. He said from time-to-time it is necessary to correct a report (to change typographical or other minor errors but not to change any substantive portion of the report or to make any change affecting value) before submitting the report to lender, etc. Mr. Chapman stated his company is asking the Commission to grant authority to allow the Access Company to make these changes and re-attach the signature without the appraiser having to review the changes. The company has designed an agreement for all appraisers within the company to sign which gives permission for these procedures to be used. (Copy attached.)

Mr. Wilson stated since this item was not on the agenda today, the Board could receive this as information only and would have to delay action until a later meeting. Board members expressed several concerns about this type function and would like some time to discuss it. Mr. Sass said the Board would look at this issue and hopefully, would have a decision by the next meeting.

Unfinished Business – Proposed amendments to practice act and regulations

Mr. Tiller reviewed the proposed changes to the practice act. (Copy attached) Sections reviewed:

Chapter 60 – Practice Act		
Page 3 of 13	lines 45-46	deletion of reference to licensee employed by the State
Page 4 of 13	line 26	qualifications - education
Page 5 of 13	line 10	qualifications hours for CR

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Page 6 of 13	line 9	apprentice supervisors (CR-CG)
Page 6 of 13	line 17	supervisors – limited to 3 apprentices
Page 6 of 13	lines 28-29	apprentice appraiser (permit for 5 years)
Page 7 of 13	line 8	renewal; continuing education
Page 8 of 13	line 24	Adoption of USPAP

Chairman Sass stated he would like to see a general section added either in the Statute or the Regulations that all licensees must have on file with the Board their current address and phone number at all times. Mr. Farnell suggested this information should include a physical address, not just a post office box number. Mr. Tiller said this language could be added without any difficulty.

Motion: Mr. Segars moved to approve the amendments to the Statute as presented with language being added to require that all licensees keep a current physical address on file with the Board. Mr. Stone seconded and the motion unanimously passed.

#### Chapter 137 – Regulations

Mr. Tiller reviewed the proposed changes to the regulations. (Copy attached) Sections reviewed are as follows:

Page 7 of 27	two-year period after passing exam to obtain CR license
Page 13 of 27	137-300.01 Responsibilities of an Appraiser Apprentice 137.300.02 Responsibilities of a Supervising Appraiser
Page 18 of 27	Struck registered category
Page 20 of 27	Curriculum – AQB curriculum outline. Verbatim
Page 26 of 27	Distance education – must adhere to Board’s standards

Mr. Tiller discussed the criteria implementation. He said the AQB has offered two scenarios for implementing the new requirements. They are: firm scenario and segmented scenario. He explained the difference in the two options.

Firm scenario – Under this scenario, education, exam and experience must be met prior to January 1, 2008; if the credential is issued after January 1, 2008, the applicant must meet the requirements for all components of the new criteria.

Segmented Scenario – The requirements are broken down into three segments or components-education, exam, and experience. An applicant would have to meet the criteria in effect at the time he/she completes a particular segment or component. Any component completed prior to January 1, 2008, would satisfy the current criteria, while any component not completed by January 1, 2008, would have to conform to the new criteria.

Mr. Tiller stated the staff recommends that the Board choose the segmented scenario. Board members concurred.

Motion: Mr. Segars moved that the Board accept the segmented scenario as recommended. Mr. Stone seconded the motion and it unanimously carried.

There was discussion on accepting changes to Regulations as presented. It was agreed that the strategy for handling the Regulations should be to wait until the Statute goes through and then promulgate the Regulations.

Motion: Mr. Stone moved to authorize staff to promulgate Regulations as presented after the Statute has been enacted. Mr. Segars seconded the motion and it unanimously passed.

Mr. Wilson commented on the amount of work that Mr. Tiller had done on this legislation. Chairman Sass stated he knew first-hand how much work Mr. Tiller as he had worked with Mr. Tiller and Lewis Spearman in this endeavor. He thanked Mr. Tiller on behalf of the Board.

Robert Selman – Assistant Deputy Director (ADD)

Mr. Selman discussed the steps and strategy that would go into getting this legislation introduced. He said once it was introduced (most likely in the House) it would probably be assigned to the LCI where there would be hearings. Mr. Selman stated that Kelli Kline representing the Appraisal Institute said they would help where they could. He said Board members might be called on to attend a subcommittee hearing to help explain the importance of this legislation to the appraisal industry in South Carolina. Mr. Selman stated this is the first year of a two-year session, so it is not critical that it pass this year but if not, there would have to be a major push next year to get it through since the federal changes become effective in January 2008.

New Business - None

Chairman Sass thanked Mr. Selman for everything he has done for the Board while he was the Administrator and for his continued assistance. He stated it has been a pleasure working with Mr. Selman and the Board welcomes the opportunity to work with Mr. Pitts.

There being no further business, Mr. Segars moved to adjourn the meeting at 11:20 a.m.

Attachments

A BILL  
CHAPTER 60.  
REAL ESTATE APPRAISERS

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5 ~~SECTION 40-60-2. Short title.~~

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7 SECTION 40-60-5. Short title; Application of chapter; conflict of laws.

8 ~~(A)~~ This chapter may be cited as the "South Carolina Real Estate Appraiser License and Certification Act".

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10 ~~(B)~~ Unless otherwise provided for in this chapter, Article 1, Chapter 1 of Title 40 applies to real estate appraisers; however, if there is a conflict between this chapter and Article 1, Chapter 1 of Title 40, the provisions of this chapter control.

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14 ~~SECTION 40-60-10. South Carolina Real Estate Appraisers Board. Board creation and purpose; membership and qualifications; compensation; officers; meetings; quorum; attendance; removal; powers and duties.~~

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17 (A) There is created the South Carolina Real Estate Appraisers Board under the administration of the Department of Labor, Licensing and Regulation. The purpose of this board is to regulate the real estate appraisal industry so as to protect the public's interest regarding real estate appraisal transactions.

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20 (B) The South Carolina Real Estate Appraisers Board consists of seven members who must be residents of this State and appointed by the Governor, with the advice and consent of the Senate and with consideration given to appropriate geographic representation and to areas of appraisal expertise as follows:

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24 (1) One member must be a public member who may not be connected in any way with the practice of real estate appraisal, real estate brokerage, or mortgage lending. ~~(C) Board~~ The members from the general public may be nominated by an individual, group, or association and must be appointed by the Governor in accordance with Section 40-1-45.

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28 (2) One member must be a licensed real estate broker who is not a real estate appraiser.

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32 (3) One member must be actively engaged in mortgage lending, representing supervised financial institutions, who is not a real estate licensee or a real estate appraiser and who also must not be connected in any way with the brokerage of real estate, the appraisal of real estate, or the review of real estate appraisals.

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34 (4) Four members must be licensed or certified appraisers, actively engaged in real estate appraisal for at least three years, at least two of whom must be certified general appraisers.

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36 In appointing real estate appraisers to the board, while not automatically excluding other appraisers, the Governor shall give preference to real estate appraisers whose primary source of income is derived from appraising real estate and not real estate brokerage.

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38 ~~(D)~~ ~~(C)~~ Members shall serve terms of three years and until their successors are appointed and qualified. In the event of a vacancy, the Governor shall appoint a person to fill the vacancy for the unexpired portion of the term.

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41 ~~(G)~~ ~~(D)~~ Members of the board are entitled to per diem, subsistence, and mileage as is provided by law for state boards, committees, and commissions.

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43 ~~(F)~~ ~~(E)~~ The board shall meet at least once each calendar quarter, or as often as is necessary, and remain in session as long as the chairman considers it necessary to give full consideration to the business before the board.

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46 ~~(E)~~ ~~(F)~~ The board annually shall elect from its total membership a chairman, vice-chairman, and other officers the board determines necessary. The board may adopt an official seal and shall adopt rules and procedures reasonably necessary for the performance of its duties and the governance of its operations and proceedings.

1 (G) A board member is required to attend meetings or to provide proper notice and justification of  
2 inability to do so. Unexcused absences from meetings may result in removal from the board as provided  
3 for in Section 1-3-240.

4 (H) The Governor may remove a member of the board pursuant to Section 1-3-240. Vacancies on the  
5 board must be filled for the unexpired portion of the term in the manner of the original appointment.

6 (I) In addition to the powers and duties provided in Section 40-1-70, the board may: ~~The board shall set~~  
7 ~~general policy with regard to administering and enforcing this chapter and regulations promulgated under~~  
8 ~~this chapter. Powers and duties include, but are not limited to:~~

9 (1) ~~determining~~ determine the standards and qualifications for issuance of permits, licenses, and  
10 certifications;

11 (2) ~~conducting~~ conduct disciplinary hearings on alleged violations of this chapter and regulations  
12 promulgated under this chapter and deciding disciplinary actions as provided in this chapter for those  
13 found to be in violation;

14 (3) ~~recommending~~ changes in legislation and promulgating regulations pursuant to this chapter;

15 (4) ~~approving~~ approve and ~~regulating~~ regulate educational courses, providers, and instructors;

16 (5) ~~establishing~~ standards for real estate appraisals consistent with the standards recognized by the  
17 Appraisal Standards Board.

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19 SECTION 40-60-20. Definitions.

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21 In addition to the definitions provided in Section 40-1-20, as used in this chapter unless the context  
22 requires otherwise:

23 (1) "Analysis" means a study of real estate or real property other than one estimating value.

24 (2) "Appraisal" as a noun means the act or process of developing an opinion of value for or in expectation  
25 of compensation, fee, or other consideration; as an adjective, "appraisal" means of or pertaining to  
26 appraising and related functions including, but not limited to, appraisal practice and appraisal services.

27 (3) "Appraisal assignment" or "valuation assignment" means an engagement for which an appraiser is  
28 employed or retained to act, or would be perceived by third parties or the public as acting, as a  
29 disinterested third party in rendering an unbiased analysis, opinion, or conclusion that estimates the value  
30 of real estate.

31 (4) "Appraisal Foundation" means the Appraisal Foundation established on November 30, 1987, as a  
32 not-for-profit corporation under the laws of Illinois, containing the Appraisal Standards Board, Appraiser  
33 Qualifications Board, a board of trustees, and other advisory bodies.

34 (5) "Appraisal report" means any communication, written or oral, of an appraisal. The testimony of an  
35 appraiser dealing with the appraiser's analyses, conclusions, or opinions concerning identified real estate  
36 or real property is considered to be an oral appraisal report.

37 (6) "Appraisal subcommittee" means the designees of the heads of the federal financial institutions  
38 regulatory agencies established by the Federal Financial Institutions Examination Council Act of 1978  
39 (12 U.S.C. Section 3301, et seq.), as amended, as well as the secretary of the Department of Housing and  
40 Urban Development, or his designee, under the Department of Housing and Urban Development Reform  
41 Act of 1989 (12 U.S.C. Section 1708(e)).

42 (7) "Appraiser" means a person who holds a permit, license, or certification issued by the board that  
43 allows the person to appraise real property.

44 (8) "Appraiser apprentice" means an individual authorized by permit to assist a ~~licensed or state~~ certified  
45 appraiser in the performance of an appraisal if the apprentice is actively and personally supervised by the  
46 licensed or certified appraiser.

47 (9) "Board" means the South Carolina Real Estate Appraisers Board established pursuant to the  
48 provisions of this chapter.

49 (10) "Complex residential property appraisal" means one in which the property to be appraised, the form  
50 of ownership, or market conditions are atypical.

- 1 (11) "Evaluation" means an analysis, opinion, or conclusion that relates to the nature, quality, or utility of  
2 identified real estate and does not estimate value.
- 3 (12) "Federally-related transaction" means any real estate-related financial transaction which a federal  
4 financial institution regulatory agency engages in, contracts for, or regulates.
- 5 (13) "Independent appraisal assignment" means an engagement for which an appraiser is employed or  
6 retained to act, or would be perceived by third parties or the public as acting, as a disinterested third party  
7 in rendering an unbiased analysis, opinion, or conclusion related to the nature, quality, value, or utility of  
8 identified real estate or identified real property.
- 9 (14) "Market analysis" means a study of real estate market conditions for a specific type of property.
- 10 (15) "Mass appraisal" means the process of valuing a universe of properties as of a given date using  
11 standard methodology, employing common data, and allowing for statistical testing.
- 12 (16) "Mass appraiser" means any appraiser who is employed in the office of a tax assessor to appraise real  
13 property for ad valorem tax purposes and who is licensed or certified as a mass appraiser.
- 14 (17) "Noncomplex residential property appraisal" means one in which the property to be appraised, the  
15 form of ownership, and market conditions are those which are typically found in the subject market.
- 16 (18) "Person" means an individual, corporation, partnership, or association, foreign and domestic.
- 17 (19) "Real estate" means an identified parcel or tract of land including improvements, if any.
- 18 (20) "Real estate appraisal activity" means the act or process of valuing real estate or real property and  
19 preparing an appraisal report.
- 20 (21) "Real property" means the interests, benefits, and rights inherent in the ownership of real estate.
- 21 (22) "Residential appraisal" is an appraisal of a vacant or improved parcel of land that is devoted to or  
22 available for use as a one-to-four family abode including, but not limited to, a single family home,  
23 apartment, or rooming house.
- 24 (23) "Specialized services" means services other than independent appraisal assignments which are  
25 performed by an appraiser. Specialized services may include marketing studies, financing studies, and  
26 feasibility studies, valuations, analyses, opinions, and conclusions given in connection with activities  
27 including, but not limited to, real estate brokerage, mortgage banking, real estate counseling, and real  
28 estate tax counseling.
- 29 (24) "Standards of professional appraisal practice" or "USPAP" means the National Uniform Standards of  
30 Professional Appraisal Practice as adopted by the Appraisal Standards Board of the Appraisal Foundation  
31 and adopted by the board.
- 32 (25) "State certified general appraiser" means an appraiser authorized to engage in the appraisal of all  
33 types of real property.
- 34 (26) "State certified general mass appraiser" means an appraiser authorized to engage in all types of real  
35 estate mass appraisal activity for ad valorem purposes.
- 36 (27) "State certified residential appraiser" means an appraiser authorized to engage in the appraisal of one  
37 to four residential units without regard to transaction value or complexity and nonresidential appraisals  
38 with a transaction value less than two hundred fifty thousand dollars.
- 39 (28) "State certified residential mass appraiser" means an appraiser authorized to engage in the mass  
40 appraisal of one to four residential units without regard to value or complexity and nonresidential  
41 appraisals with a transaction value less than two hundred fifty thousand dollars.
- 42 (29) "State licensed appraiser" means an appraiser authorized to engage in the appraisal of noncomplex  
43 one to four residential units having a transaction value less than one million dollars and complex one to  
44 four residential units and nonresidential appraisals having a transaction value less than two hundred fifty  
45 thousand dollars. ~~However, a state licensed appraiser employed by the State is authorized, in the scope of~~  
46 ~~duties as an employee of the State, to engage in any type of real estate appraisal activity involving~~  
47 ~~nonresidential appraisals.~~
- 48 (30) "State licensed mass appraiser" means an appraiser authorized to engage in the mass appraisal of  
49 noncomplex one to four residential units having a transaction value less than one million dollars and  
50 complex one to four residential units and nonresidential appraisals having a transaction value less than  
51 two hundred fifty thousand dollars.

- 1 (31) "Timberland" means forestland that is producing, or is capable of producing, timber as a crop.  
2 (32) "Valuation" means an estimate of the value of real estate or real property.

3  
4 SECTION 40-60-30. License required. Authorization to Practice; exempted persons.

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6 It is unlawful for an individual to assume or use a title, designation, or abbreviation likely to create the  
7 impression that the person is a real estate appraiser or to engage in appraisal activity or advertise as an  
8 appraiser without a valid license issued by the department. However, nothing in this chapter shall be  
9 construed to apply to:

10 (1) a real estate licensee licensed in accordance with Chapter 57 who performs a market analysis or gives  
11 an opinion as to the price of real estate on the condition that the market analysis or opinion is not referred  
12 to as an appraisal. Before performing a market analysis, the real estate licensee must disclose to the  
13 requesting party: "This market analysis may not be used for the purposes of obtaining financing in a  
14 federally-related transaction";

15 (2) a forester registered pursuant to Chapter 27 of Title 48 who appraises or evaluates standing or growing  
16 timber or timberland located in this State and issues an appraisal or evaluation on the timber or  
17 timberland; however, when an appraisal or evaluation is to be used in a federally-related transaction, the  
18 registered forester must be licensed or certified under this chapter if required by federal law;

19 ~~(3) a real estate appraisal or evaluation for real estate related financial transactions exempt from the~~  
20 ~~appraisal requirements under the regulations of federal banking agencies.~~

21  
22 SECTION 40-60-31. Qualifications.

23  
24 To qualify as an appraiser, an applicant must:

25 (1) have attained the age of eighteen years;

26 (2) have graduated from high school or hold a certificate of equivalency to become an apprentice or  
27 licensed appraiser, an Associate degree or equivalent to become a certified residential appraiser,  
28 a Bachelors degree or equivalent to become a certified general appraiser;

29 (3) submit proof of completion of qualifying education and, if applicable, experience requirements as  
30 specified in this chapter;

31 (4) submit certificates of licensure from all jurisdictions where presently or previously certified;

32 (5) pass an examination, if applicable.

33  
34 SECTION 40-60-32. Application for examination, permit, licensure, or certification.

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36 An application for examination, permit, licensure, or certification must be ~~made~~ completed in writing on a  
37 form prescribed by the department.

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39 SECTION 40-60-33. Education and experience required.

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41 In addition to the requirements of Section 40-60-80, an applicant for a permit, license, or certification  
42 must provide proof of having met the following educational and applicable experience requirements:

43 ~~(1) (A)~~ To qualify as an appraiser apprentice, an applicant must:

44 ~~(a) (1)~~ furnish evidence that the applicant will be supervised by an appraiser who is ~~licensed or~~ state  
45 certified by the board;

46 ~~(b) (2)~~ furnish evidence that the applicant has successfully completed within the past five years at least  
47 seventy-five classroom hours of courses approved by the board.

48 ~~(2) (B)~~ To qualify as a state licensed appraiser, an applicant must:

49 ~~(a) (1)~~ furnish evidence that he has successfully completed within the past five years one hundred fifty  
50 (150) hours of education required for licensure by the board in approved appraisal courses.



1 (b) (2) demonstrate two thousand hours of appraisal experience since January 1, 1992, but in not less than  
2 twenty-four months including, but not limited to, fee and staff appraisal, ad valorem tax appraisal not to  
3 exceed forty percent of the total hours claimed, review appraisal, appraisal analysis, highest and best use  
4 analysis, and feasibility analysis/study. The verification for experience credit claimed by an applicant  
5 must be by affidavit on forms prescribed by the board;

6 (e) (3) pass an examination approved by the board. The only prerequisite to sit for the examination is  
7 completion of the educational requirements.

8 (3) (C) To qualify as a state certified residential appraiser, an applicant must:

9 (a) (1) furnish evidence that the applicant has successfully completed within the past five years two  
10 hundred (200) hours of education required for residential certification by the board in approved appraisal  
11 courses.

12 (b) (2) demonstrate two thousand five hundred hours of appraisal experience since January 1, 1992, but in  
13 not less than twenty-four months. Experience may include, but is not limited to, fee and staff appraisal, ad  
14 valorem tax appraisal not to exceed forty percent of the total hours claimed, review appraisal, appraisal  
15 analysis, highest and best use analysis, and feasibility analysis/study. The verification for experience  
16 credit claimed by an applicant must be by affidavit on forms prescribed by the board;

17 (e) (3) pass an examination approved by the board. The only prerequisite to sit for the examination is  
18 completion of the educational requirements.

19 (4) (D) To qualify as a state certified general appraiser an applicant must:

20 (a) (1) furnish evidence that the applicant has successfully completed within the past five years three  
21 hundred (300) hours of education required for general certification by the board in approved appraisal  
22 courses;

23 (b) (2) demonstrate three thousand hours of appraisal experience since January 1, 1992, but in not less  
24 than thirty months and of which at least fifty percent must be in nonresidential appraisal work. Experience  
25 may include, but is not limited to, fee and staff appraisal, ad valorem tax appraisal not to exceed forty  
26 percent of the total hours claimed, review appraisal, appraisal analysis, highest and best use analysis, and  
27 feasibility analysis/study. The verification for experience credit claimed by an applicant must be by  
28 affidavit on forms prescribed by the board;

29 (e) (3) pass an examination approved by the board. The only prerequisite to sit for the examination is  
30 completion of the educational requirements;

31 (d) (4) the qualifications for licensed mass appraiser, certified mass appraiser, or certified general mass  
32 appraiser are identical to those enumerated in this chapter for the comparable levels of licensed appraiser,  
33 certified residential appraiser, and certified general appraiser with the exception that one hundred percent  
34 of the required experience hours for the mass appraiser designations may be in the area of mass  
35 appraisals.

36  
37 SECTION 40-60-34. Permits, license and certificates; appraiser classifications and identification numbers  
38 apprentices and supervising appraisers; temporary permits for appraisers from other states; expiration,  
39 revocation, renewal; record retention.

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41 (A) The board shall prescribe the form of a permit, license, and certificate containing an identification  
42 number that the appraiser shall use when signing appraisal reports. When an appraiser advertises or  
43 executes contracts or other instruments, the appraiser's name, appraiser classification, and number  
44 assigned by the board must be printed or typed adjacent to the appraiser's signature.

45 (B) The appraiser apprentice performing fee appraisal work or seeking to establish experience for a state  
46 licensed or state certified designation must:

47 (1) perform appraisal assignments only under the direct supervision of a state licensed or certified  
48 appraiser;

49 (2) maintain a log containing the following for each assignment:

50 (a) date of appraisal;

51 (b) address of appraised property;

- 1 (c) description of work performed;
- 2 (d) number of points claimed for the assignment;
- 3 (e) name and address of the client; and
- 4 (f) name and license or certification number of supervising appraiser;
- 5 (3) sign all appraisal reports for which the appraiser acts as primary appraiser;
- 6 (4) maintain complete copies of all appraisals.
- 7 (C) The appraiser apprentice performing mass appraisal work seeking to establish credit for a licensed or
- 8 certified mass appraiser designation must:
- 9 (1) perform appraisal assignments only under the direct supervision of a state ~~licensed or~~ certified
- 10 residential or state certified general real estate appraiser, mass or otherwise;
- 11 (2) maintain a log on a form provided by the board.
- 12 (D) The appraiser supervising an apprentice fee appraiser must:
- 13 (1) personally review appraisal reports prepared by the apprentice and sign and certify the report as being
- 14 independently and impartially prepared in compliance with the National USPAP and applicable statutory
- 15 requirements;
- 16 (2) provide a copy of final appraisal documents to any participating apprentice.
- 17 (3) directly supervise no more than three apprentice appraisers at any one given time.
- 18 (E) the appraiser supervising an appraiser apprentice performing mass appraisal work must personally
- 19 review and approve all work performed by the apprentice to ensure that the work is prepared in
- 20 compliance with the National USPAP and applicable statutory requirements.
- 21 (F) The board may issue to an appraiser who is licensed or certified in another state a temporary permit,
- 22 which is only effective for one specific appraisal assignment. If the appraisal is not completed within six
- 23 months from the date of the permit, the board ~~must~~ may grant an extension upon request from the
- 24 appraiser. The appraiser shall place the following notation on all statements of qualification, contracts, or
- 25 other instruments: "Practicing in the State of South Carolina under Temporary Permit No. ...".
- 26 (G) Licenses, certifications, and apprentice permits expire ~~annually~~ biennially on June 30. As a condition
- 27 of renewal, an appraiser shall provide evidence satisfactory to the board of having met the continuing
- 28 education requirements established by this chapter. An appraiser apprentice may maintain the permit for
- 29 five (5) years provided continuing education requirements are satisfied ~~only renew the annual apprentice~~
- 30 ~~permit five times.~~
- 31 (H) Permits, licenses, or certifications not renewed by date of expiration are no longer valid but may be
- 32 reinstated within twelve months after expiration upon proper application, payment of renewal fee, a late
- 33 penalty, as established in the fee schedule, and proof of having met continuing education requirements as
- 34 prescribed.
- 35 (I) A permit, license, or certification which has expired and has not been reinstated by the last day of the
- 36 12th month following expiration must be canceled. All qualifications and conditions which apply to
- 37 individuals applying for a permit, license, or certification who have not been previously licensed must be
- 38 met.
- 39 (J) A license or certification may be placed on inactive status by informing the board in writing and must
- 40 be renewed in the same manner as provided for active renewal.
- 41 (K) A fee appraiser must retain for five years the original or exact copy of each appraisal report prepared
- 42 or signed by the appraiser and all supporting data assembled and formulated by the appraiser in preparing
- 43 each appraisal report. The five-year period for retention of records is applicable to each engagement of
- 44 the services of the appraiser and commences on the date of delivery of each appraisal report to the client.
- 45 (L) An appraiser who has had a permit, license, or certification revoked by the board must not be issued a
- 46 new permit, license, or certification within two years after the date of the revocation or at any time
- 47 thereafter except upon an affirmative vote of a majority of the board. A person seeking a permit, license,
- 48 or certification after revocation shall:
- 49 ~~(1) present evidence of completion of the continuing education required by this chapter;~~
- 50 ~~(2) pass the applicable examination; and~~

1 ~~(3)~~ meet ~~any other~~ all qualifications and conditions which apply to individuals applying for a permit,  
2 license, or certification who have not been previously permitted, licensed, or certified.

3  
4 SECTION 40-60-35. Continuing education; renewal or reissuance of license, permit or certification;  
5 inactive status.

6  
7 (A) For renewal of an active permit, license, or certification, an appraiser shall present evidence  
8 biennially of satisfactory completion by the applicant of ~~fourteen~~ twenty-eight classroom hours of  
9 instruction in courses or seminars which have been approved by the board. ~~for each year of the renewal~~  
10 ~~period.~~

11 (B) A permit, license, or certification of an appraiser that has been suspended may not be reissued until  
12 the applicant presents evidence of completion of the continuing education required by this section.

13 (C) An appraiser who fails to complete the continuing education requirements by the date of license  
14 renewal may renew by submitting applicable fees but must immediately be placed on inactive status and  
15 may not engage in appraising while on inactive status. The appraiser seeking to activate shall pay the  
16 applicable fee and meet the continuing education required by this section.

17 (D) Appraisers may request to receive credit for continuing education for a course that has not been  
18 pre-approved by the board or the Appraisers Qualifications Board. However, credit may be granted only  
19 if the appraiser provides satisfactory proof of course qualification and the board finds that the course  
20 meets the criteria set for continuing education courses with regard to subject matter, course length,  
21 instructor qualification, and student attendance.

22 (E) The following are exempt from the continuing education requirements:

23 (1) instructors of approved courses if they request in writing continuing education credit for time spent  
24 teaching or developing approved continuing education courses;

25 (2) nonresident appraisers who have successfully satisfied the continuing education requirements of the  
26 jurisdiction of residence.

27  
28 SECTION 40-60-36. Standards for education required by this chapter.

29  
30 (A) The board shall establish and publish standards relevant to the approval and conduct of appraiser  
31 education required by this chapter.

32 (B) The department shall review, approve, and regulate educational courses required by this chapter and  
33 providers and instructors of these courses including, but not limited to, accredited colleges, universities,  
34 private business entities, organizations, schools, associations, individuals, and institutions.

35 (C) The department may deny, reprimand, fine, suspend, or revoke the approval of an education provider  
36 or instructor if the department finds that the education provider or instructor has violated or failed to  
37 satisfy the provisions of this chapter or the regulations and standards promulgated pursuant to this  
38 chapter.

39 (D) Application by providers seeking approval to offer and conduct educational instruction or application  
40 by instructors must be made on a form prescribed by the department and accompanied by applicable fees  
41 not less than sixty days before a course offering and must be approved by the department before the  
42 commencement of any instruction. ~~Approval of providers, courses, or instructors by the Appraisal~~  
43 ~~Qualifications Board must be recognized by the board without submitting further application or fee to the~~  
44 ~~department.~~

45 (E) If an application for provider, instructor, or course is not approved, the reason must be detailed and  
46 the applicant must be given thirty days to respond.

47 (F) Upon approval, certificates must be issued to providers, courses, and instructors to be renewed  
48 biennially.

49 (G) Approved courses must be taught by approved instructors who are qualified and have demonstrated  
50 knowledge of the subject matter to be taught as well as the ability to teach.

1 (H) Approved instructors shall attend ~~biennial~~ annual instructor development workshops sponsored by the  
2 department whenever possible or provide evidence of equivalent hours of continuing education which  
3 increases their knowledge of either the subject content in their area of expertise or their teaching  
4 techniques.

5  
6 SECTION 40-60-37. Activities exempted from this chapter. Reciprocity.  
7

8 (A) The board may enter into reciprocal agreements with appraiser regulatory authorities of other  
9 jurisdictions which provide for waivers of education, examination, and experience requirements if the  
10 board considers the education and examination requirements of another jurisdiction to be substantially  
11 equivalent to the requirements of this chapter.

12 (B) A nonresident applicant shall file an irrevocable consent that suits and actions may be commenced  
13 against the applicant in the proper court in a judicial circuit of the state in which a cause of action may  
14 arise or in which the plaintiff may reside by the service of process or pleading, authorized by the laws of  
15 the state, on the Director of the Department of Labor, Licensing and Regulation. The consent shall  
16 stipulate that the service of process or pleading must be taken and held in all courts to be as valid and  
17 binding as if service had been made upon the applicant in South Carolina. If the process or pleadings  
18 mentioned in this chapter are served upon the Director of the Department of Labor, Licensing and  
19 Regulation, it must be by duplicate copies, one of which must be filed in the office of the board and the  
20 other immediately forwarded by the board by registered or certified mail to the applicant against whom  
21 the process or pleadings are directed, at the last known address of the applicant as shown by the records of  
22 the board.

23  
24 SECTION 40-60-38. Adoption of the ~~standards~~ National Uniform Standards of Professional Appraisal  
25 Practice of the Appraisal Standards Board of the Appraisal Foundation.  
26

27 The board shall adopt the standards, and amendments to these standards, of professional appraisal  
28 practice, as promulgated by the Appraisal Standards Board of the Appraisal Foundation. All appraiser  
29 apprentices and state licensed and certified appraisers shall conform their professional conduct to ~~these~~  
30 the National Uniform Standards of Professional Appraisal Practice (USPAP) and its amendments, as  
31 promulgated by the Appraisal Standards Board.  
32

33 SECTION 40-60-39. Conformity with federal law; apprentice appraisers.  
34

35 ~~(A)~~ The board is authorized to waive or to modify any experience, examination, or education  
36 requirements established for appraisers in this chapter in order to bring those requirements into  
37 conformity with any requirements established by federal statutes and regulations relating to state licensure  
38 of appraisers as established by federal financial institutions regulatory agencies, as defined in Title XI of  
39 the U. S. Code, or the Department of Housing and Urban Development, or other such similar agencies.

40 ~~(B) Effective July 1, 2000, a person classified as a registered appraiser will automatically be classified as~~  
41 ~~an apprentice appraiser.~~  
42

43 ~~SECTIONS 40-60-40, 40-60-45. [1991 Act No. 12, Section 1; 1993 Act No. 17, Section 2; 1993 Act No.~~  
44 ~~143, Section 2] Repealed by 2000 Act No. 335, Section 1, eff June 6, 2000.~~  
45

46 ~~SECTION 40-60-50. Administrative and other activities of the board to be provided by Department of~~  
47 ~~Labor, Licensing and Regulation. Authority of Department; record of board proceedings; roster of~~  
48 ~~licensees; fee structures.~~  
49

1 (A) The Department of Labor, Licensing and Regulation shall provide all administrative, fiscal,  
2 investigative, inspection, clerical, secretarial, and license renewal operations and activities of the board in  
3 accordance with Section 40-1-50.

4 (B) The board must periodically transmit to the appraisal subcommittee as defined in Section  
5 40-60-20(6), a roster of individuals who have become state licensed real estate appraisers and state  
6 certified real estate appraisers and must collect and transmit any information or fees established under  
7 Public Law 101-73, Title XI, Real Estate Appraisal Reform Amendments. The board may collect a  
8 processing fee necessary to carry out its function under this subsection.

9 ~~(C) Fees relevant to the licensure and regulation of real estate appraisers must be established in regulation  
10 and in accordance with the department's procedures for establishing initial fees, for assessing, collecting,  
11 and adjusting fees, and for the development and analysis of fee structures as provided for in Section  
12 40-1-50(D). (Formerly §40-60-70(A))~~ Initial fees must be established by the board in statute or  
13 regulation and shall serve as the basis for necessary adjustments in accordance with Section 40-1-50 to  
14 ensure that they are sufficient, but not excessive, to cover expenses, including the total of the direct and  
15 indirect costs to the State for the operations of the board.

16 (D) Application and license fees are payable to the department in advance and must accompany an  
17 examination application or a license application. Initial fees for exam, permit, license, or certificate must  
18 be paid by certified funds. Fees are nonrefundable. (Formerly §40-60-70(B))

19  
20 ~~SECTION 40-60-65. [1991 Act No. 12, Section 1; 1993 Act No. 143, Section 3] Repealed by 2000 Act  
21 No. 335, Section 1, eff June 6, 2000.~~

22  
23 SECTION 40-60-70. Code of Ethics.

24  
25 Appraisers shall conduct themselves in accordance with a code of ethics adopted by the board.

26  
27 SECTION 40-60-80. Qualifications: Investigations.

28  
29 ~~(A) Investigations must be conducted in accordance with~~ The department shall investigate complaints and  
30 violations of this chapter as provided in Section 40-1-80.

31 ~~(B) A restraining order must be obtained in accordance with Section 40-1-100.~~

32 ~~(C)(1) If the department has reason to believe that a violation of this chapter has occurred, an  
33 investigation must be initiated within thirty days.~~

34 ~~(2) A hearing on the charges must be at the time and place designated by the board and must be conducted  
35 in accordance with the Administrative Procedures Act.~~

36 ~~(3) The board shall render a decision and shall serve notice, in writing within thirty days, of the board's  
37 decision to the applicant or appraiser charged. The board also shall state in the notice the date the ruling  
38 or decision becomes effective.~~

39 ~~(4) The department shall maintain a public docket or other permanent record in which all orders, consent  
40 orders, or stipulated settlements must be recorded.~~

41 ~~(E)(1) The board may impose disciplinary action in accordance with Section 40-1-120.~~

42 ~~(2) Upon determination by the board that one or more of the grounds for discipline exists, as provided for  
43 in Section 40-1-110 or Section 40-60-140, the board may also impose a fine of not less than one hundred  
44 dollars or more than one thousand dollars for each violation.~~

45 ~~(3) Nothing in this section prevents a licensee from voluntarily entering into a consent order with the  
46 board wherein violations are not contested and sanctions are accepted.~~

47 ~~(F) If a complaint filed with the board involves an appraisal report which varies from a sales, lease, or  
48 exchange price, the board may decline to conduct an investigation.~~

49 ~~(G) (C)~~ The board is prohibited from conducting an investigation based solely on a dispute over the value  
50 of property for ad valorem tax purposes.

- 1 ~~(H)~~ (D) No stay or supersedeas may be granted for more than six months pending appeal from a decision  
2 by the board to revoke, suspend, or otherwise restrict a permit, license, or certification.  
3 ~~(I)~~ (E) A person aggrieved by a final action of the board may seek review of the decision in accordance  
4 with Section 40-1-160.  
5

6 SECTION 40-60-90. ~~Application for examination, permit, licensure, or certification.~~ Administration of  
7 Oaths.  
8

9 In addition to the powers and duties enumerated in Section 40-1-90, the presiding officer of the board  
10 may administer oaths when taking testimony upon any and all matters pertaining to the business or duties  
11 of the board.  
12

13 SECTION 40-60-100. ~~Education and experience required.~~ Cease and desist orders; Equitable relief.  
14

15 ~~In addition to other remedies provided for in this chapter or Chapter 1, Title 40, the board in accordance~~  
16 ~~with Section 40-1-100 may issue a cease and desist order or may petition an administrative law judge for~~  
17 ~~a temporary restraining order or other equitable relief to enjoin a violation of this chapter.~~  
18

19 Restraining orders and cease and desist orders may be issued in accordance with Section 40-1-100.  
20

21 SECTION 40-60-110. ~~Permits, license and certificates; appraiser classifications and identification~~  
22 ~~numbers; apprentices and supervising appraisers; temporary permits for appraisers from other states;~~  
23 ~~expiration, revocation, renewal; record retention.~~ Grounds for disciplinary action.  
24

25 In addition to the grounds provided in Section 40-1-110, the board may deny licensure to an applicant or  
26 may take disciplinary action against an appraiser who:

- 27 (1) fails to meet the minimum qualifications for a permit, license, or certification established by or  
28 pursuant to this chapter;  
29 (2) procures or attempts to procure a permit, license, or certification by knowingly making a false  
30 statement, submitting false information, or making a material misrepresentation in an application filed  
31 with the board, or procures or attempts to procure a permit, license, or certification through fraud or  
32 misrepresentation;  
33 (3) performs an act in the practice of real estate appraising which constitutes dishonest, fraudulent, or  
34 improper conduct;  
35 (4) engages in the business of real estate appraising under an assumed or fictitious name;  
36 (5) pays a finder's fee or a referral fee in connection with an appraisal of real estate or real property in this  
37 State;  
38 (6) makes a false or misleading statement in that portion of a written appraisal report that deals with  
39 professional qualifications or in any testimony concerning professional qualifications;  
40 (7) violates the confidential nature of governmental records to which an appraiser gained access through  
41 employment or engagement as an appraiser by a governmental agency;  
42 (8) violates any of the standards for the development or communication of real estate appraisals as  
43 promulgated by the board in regulation;  
44 (9) fails or refuses without good cause to exercise reasonable diligence in developing an appraisal,  
45 preparing an appraisal report, or communicating an appraisal;  
46 (10) exhibits negligence or incompetence in developing an appraisal, in preparing an appraisal report, or  
47 in communicating an appraisal;  
48 (11) accepts an independent appraisal assignment or valuation assignment when the employment itself or  
49 fee to be paid was contingent upon the appraiser's reporting a predetermined estimate, analysis, valuation,  
50 opinion, or conclusion or upon the award, recovery, or consequences resulting from the appraisal  
51 assignment;

- 1 (12) fails to retain records in accordance with ~~Section 40-60-110~~ this chapter or regulations;
- 2 (13) fails upon reasonable request of an investigator of the board to make all records required to be
- 3 maintained under this chapter available to the board for inspection and copying by the board or fails to
- 4 appear upon reasonable request for an interview with an investigator of the board;
- 5 (14) demonstrates bad faith, dishonesty, untrustworthiness, or incompetency to act as an appraiser in a
- 6 manner to endanger the interests of the public;
- 7 (15) performs or attempts to perform any real estate appraisal activity on property located in another state
- 8 without first having complied with that state's laws regarding real estate appraisal activity;
- 9 (16) performs or attempts to perform, if licensed or certified as a mass appraiser, any appraisal other than
- 10 those for ad valorem tax purposes and directly related to the assessor office employment duties of the
- 11 mass appraiser;
- 12 (17) has been convicted of a felony or a crime involving moral turpitude or pleaded guilty or nolo
- 13 contendere to any such offense;
- 14 (18) fails to report to the department in writing by certified mail, within ten days, notice of conviction of a
- 15 crime provided for in item (17);
- 16 (19) has had a license to practice a regulated profession or occupation in this State, another state or
- 17 jurisdiction canceled, revoked, suspended, or otherwise disciplined;
- 18 (20) issues a check to the board which is returned for insufficient funds or closed account;
- 19 (21) fails to comply with or obey a final order of the board;
- 20 (22) violates any provision of this chapter or any regulation promulgated under this chapter.

21

22 SECTION 40-60-115. Term of board jurisdiction.

23

24 The board has jurisdiction over the actions committed or omitted by current and former licensees as

25 provided in Section 40-1-115.

26

27 SECTION 40-60-120. Reciprocal agreements with other jurisdictions. Sanctions.

28

29 A. In addition to the powers and duties enumerated in Section 40-1-120, the board may impose a fine of

30 up to two thousand (\$2,000) dollars to be paid for each violation of the provisions of this chapter or of the

31 regulations promulgated by the board, but the total penalty or fine for the violations may not exceed ten

32 thousand (\$10,000) dollars, and may require payment of the costs of the disciplinary action. Fines are

33 payable immediately upon the effective date of discipline unless otherwise provided by the board.

34 Interest accrues after fines are due at the maximum rate allowed by law. No licensee against whom a fine

35 is levied is eligible for reinstatement until the fine has been paid in full.

36 B. A decision by the board to revoke, suspend, or otherwise restrict a license or to limit or otherwise

37 discipline a licensee becomes effective upon delivery of a copy of the decision to the licensee and a

38 petition for review does not operate as a supersedeas or stay.

39 C. Nothing in this section prevents a licensee from voluntarily entering into a consent order with the

40 board wherein violations are not contested and sanctions are accepted.

41

42 SECTION 40-60-130. Continuing education; renewal or reissuance of license, permit or certification;

43 inactive status. Grounds for denial of license.

44

45 As provided in Section 40-1-130, the board may deny licensure to an applicant based on the same grounds

46 for which the board may take disciplinary action against a licensee.

47

48 SECTION 40-60-140. Misconduct; disciplinary action. Effect of prior criminal record.

49

50 A license may be denied based on a person's prior criminal record, only as provided for in Section 40-1-

51 140.

1  
2 SECTION 40-60-145. ~~[1993 Act No. 143, Section 6] Repealed by 2000 Act No. 335, Section 1, eff June~~  
3 ~~6, 2000.~~

4  
5 SECTION 40-60-150. ~~Investigations; restraining orders; voluntary surrender of license; procedural~~  
6 ~~requirements.~~ Voluntary surrender of license.

7  
8 ~~(D) An appraiser's license may voluntarily be surrendered in accordance with Section 40-1-150.~~

9  
10 A licensee under investigation for a violation of this chapter or a regulation promulgated under this  
11 chapter may voluntarily surrender the license to practice in accordance with and subject to the provisions  
12 of Section 40-1-150. A person whose license is voluntarily surrendered may not practice or represent  
13 oneself to be authorized to practice until the board takes final action in the pending disciplinary matter.  
14 The voluntary surrender of the license is subject to public disclosure in accordance with Chapter 4 of Title  
15 30. The time that an authorization has been surrendered may be credited, in the board's discretion,  
16 toward any period of suspension or other restriction of practice.

17  
18 SECTION 40-60-160. ~~Other remedies for violations of this chapter.~~ Review of final action.

19  
20 A respondent aggrieved by a final decision of the board may seek review of the decision to the  
21 Administrative Law Court in accordance with Section 40-1-160. Motions for continuance and for other  
22 interlocutory relief shall not be subject to review by the Administrative Law Court until a final decision  
23 has been issued by the board.

24  
25 SECTION 40-60-170. ~~Standards for education required by this chapter.~~ Costs.

26  
27 A person found in violation of this chapter or regulations promulgated under this chapter may be required  
28 to pay costs associated with the investigation and prosecution of the case, including appeals, in  
29 accordance with Section 40-1-170.

30  
31 SECTION 40-60-180. ~~Costs of investigation and prosecution.~~ Collection and enforcement provisions for  
32 costs and fines.

33  
34 Costs and fines imposed pursuant to this chapter must be paid in accordance with and are subject to the  
35 collection and enforcement provisions of Section 40-1-180.

36  
37 SECTION 40-60-190. ~~Collection and enforcement of costs and fines.~~ Confidentiality of proceedings and  
38 communications.

39  
40 Investigations and proceedings conducted under this chapter are confidential, and all communications are  
41 privileged as provided for in Section 40-1-190.

42  
43 SECTION 40-60-200. ~~Confidentiality of investigations and proceedings; communications privileged.~~  
44 Unlawful practice; misdemeanor.

45  
46 (A) It is unlawful for a person, directly or indirectly, to engage in or conduct the business of, or to  
47 advertise or hold himself out as engaging in or conducting the business of, or to act in the capacity of, an  
48 appraiser within this State without first obtaining a permit, license, or certification as provided in this  
49 chapter.



1 (B) A person acting as an appraiser within the meaning of this chapter without a permit, license, or  
2 certification is guilty of a misdemeanor and, upon conviction, must be fined not more than five hundred  
3 dollars or imprisoned not more than six months, or both.

4 (C) An appraiser who fails to renew a license or certification and who continues to engage in appraisal  
5 activities or business is guilty of a misdemeanor and, upon conviction, must be fined not more than five  
6 hundred dollars or imprisoned not more than six months, or both.

7  
8 ~~SECTION 40-60-210. Advertising as or engaging in business of appraising without permit, license, or~~  
9 ~~certification prohibited; penalties. Civil proceedings before administrative law judge.~~

10  
11 ~~A civil action may be brought for violations of this chapter as provided for violations of Title 40, Chapter~~  
12 ~~1, Article 1 in accordance with Section 40-1-210.~~

13  
14 The department, in addition to instituting a criminal proceeding, may institute a civil action through the  
15 Administrative Law Court, in the name of the state, for injunctive relief against a person or entity  
16 violating this chapter, a regulation promulgated under this chapter, or an order of the board. For each  
17 violation the administrative law judge may impose a fine of not more than ten thousand dollars.

18  
19 ~~SECTION 40-60-220. Civil actions for violations of this chapter. Severability.~~

20  
21 If a provision of this chapter or the application of a provision to a person or circumstance is held invalid,  
22 the invalidity does not affect other provisions or applications of this chapter which can be given effect  
23 without the invalid provision or application, and to this end the provisions of this chapter are severable.

Document No.:  
**DEPARTMENT OF LABOR, LICENSING AND REGULATION**  
**REAL ESTATE APPRAISERS BOARD**  
CHAPTER 137

Statutory Authority: 1976 Code Sections 40-60-60 and 40-60-90.

**Preamble:**

The Real Estate Appraisers Board is proposing to amend Regulations 137-100.01 through 137-900.09 regarding education and licensure standards by updating the language and clarifying requirements.

**Section by Section Discussion:**

The following is a section by section discussion of the amendments proposed by the Real Estate Appraisers Board:

137-100.01. Appraisal Experience Point System.

No substantive changes.

137-100.02. Qualifications.

(A) Adds abbreviations for the national real estate appraisers boards—Appraiser Qualifications Board and Appraisal Standards Board

(B) Adds specifics for core curriculum

(C)(1) Changes core curriculum hours from 90 to 150 for state licensed real estate appraiser licensees with specific course names in the core curriculum

(2) Adds 5 year limit between passing Board approved examination and licensure

(D)(1) Changes core curriculum hours from 120 to 200 for state certified residential real estate appraisers with specific course names in the core curriculum

(2) Adds specific curriculum of collegiate subject matter courses for state certified residential real estate appraiser applicants, with or without an associates degree or higher education

(3) Renumbers for clarity; adds National to USPAP competency

(4) Renumbers for clarity

(5) Renumbers for clarity; Adds 2 year limit between passing Board approved examination and licensure

(E)(1) Changes core curriculum hours from 180 to 300 for state certified general real estate appraiser licensees with specific course names in the core curriculum

(2) Adds specific curriculum of collegiate subject matter courses for state certified general real estate appraiser applicants, with or without a bachelors degree or higher education

(3) Renumbers for clarity; adds National to USPAP competency

(4) Renumbers for clarity

(5) Renumbers for clarity; Adds 2 year limit between passing Board approved examination and licensure

(F) No substantive changes

137-100.03. Residential Appraisal Categories.

No substantive changes.

137-100.04. Residential Point Values.

No substantive changes.

137-100.05. Nonresidential Point Values.

No substantive changes.

137-100.06. Nonresidential Appraisal Categories.

No substantive changes.

137-100.07. Other Appraisal Experience.

(A) No substantive changes

(B) Adds National to Uniform Standards of Professional Appraisal Practice (USPAP)

(C) No substantive changes

(D) No substantive changes

137-200.01. Mass Appraisal Activity.

No substantive changes.

137-200.02. Residential Mass Appraisals.

No substantive changes.

137-200.03. Nonresidential Mass Appraisals.

No substantive changes.

137-200.04. Mass Appraisal Experience Verification.

No substantive changes.

137-300.01. Responsibilities Of An Appraiser Apprentice.

Deletes the blank B section.

137-300.02. Responsibilities Of A Supervising Appraiser.

Adds National to Uniform Standards of Professional Appraisal Practice (USPAP); Renumbers for clarity

137-400.01. Temporary Practice.

No substantive changes.

137-500.01. Continuing Education.

(A) Changes continuing education requirement from 14 hours to 28 hours and adds those hours must be taken biennially

(B) Deletes "each year" for continuing education form submittal since CE is now completed biennially

(C)(1) No substantive changes.

(2) Deletes "C-level (C-1, C-2 or C-3 course)" and adds "Certified Residential or Certified General Level Course"

(3) Changes years from 3 to 2 for credit for same category course; Adds National to USPAP; Adds National USPAP Update Course as an option to be taken biennially

(4) Changes "Uniform Standards of Professional Appraiser Practice ("L-3" category course)" to "National Uniform Standards of Professional Appraiser Update Course;" changes time to take course from every 5 years to every 2 years

(5) Deletes

(6) Deletes

(D) No substantive changes

Deletes former (E)

(E) Renumbers for clarity; No substantive changes

(F) Renumbers for clarity; No substantive changes

(G) Renumbers for clarity; Adds exception for the National USPAP and National USPAP Update Course which credit may be given for every 2 years

#### 137-600.01. Written Complaints.

Deletes "Registration" and "registered"

#### 137-600.02. Member Request For Investigation.

No substantive changes.

#### 137-600.03. Ex Parte Communications.

No substantive changes.

#### 137-600.04. Disciplinary Actions.

No substantive changes, except for deletes "registration" in (A) and (B)

#### 137-700.01. Hearings.

No substantive changes.

#### 137-700.02. Role Of Board Members.

No substantive changes, except for deletes "registration" in (2)

#### 137-700.03. Failure to Appear.

No substantive changes.

#### 137-800.01. Payment Of Fees.

No substantive changes.

137-800.02. Bad Checks.

No substantive changes.

137-800.03. Annual Fee Schedule.

Adds "Annual" to Regulation title of "Fee Schedule;" Deletes fees relating to registration and "registration" from fee titles; Changes appraiser apprentice permit and permit renewals, appraiser license/certification and renewals, reinstatement from inactive licensed/certified appraiser fees from \$200 to \$170; Changes additional Federal Registry fee from \$35 to \$25, annually

137-800.04. Permit, License and Certification Renewals.

Deletes "Registration" from title and all references to registration from paragraph; Adds that licenses and certifications expire biennially and on June 30 of each year

137-800.05. Expired Permit, License or Certificate.

Deletes "Registration" from title and all references to registration from paragraphs

137-800.06. Disclosure Of Appraiser Classification and Number.

No substantive changes.

137-900.01. Educational Providers - Approval Required.

No substantive changes.

137-900.02. Exemption from Regulation

No substantive changes.

137-900.03. Providers Of Courses.

No substantive changes.

137-900.04. Application for Provider Approval.

No substantive changes.

137-900.05. Curriculum and Attendance.

(A) Deletes 15 hour course requirement

Deletes former (B)

(B) Renumbers for clarity; Adds specific required course curriculum with required hours

Deletes former (C), (D), and (E)

(C)-(J) Renumbers for clarity; no substantive changes

137-900.06. Provider, Instructor and Course Renewals.

No substantive changes.

137-900.07. Enrollment Agreement Policies and Procedures.

No substantive changes.

137-900.08. Other Operating Procedures.

(A) Adds (1) and (2)

(1) Changes "using traditional classroom teaching methods" to "in a classroom environment"

(2) Adds new sentence for distance education courses adhering to Board's standards

(B)-(F) No substantive changes

137-900.09. Instructors.

(A) No substantive changes

(B)(1)(a) Changes "L-1, L-2, L-3 and CR courses" to "License and Certified Residential Level Courses;" Deletes "license or certification" and adds "certified residential appraiser certificate" for clarity

(b) Deletes "pre-certification courses"

(c)-(e) No substantive changes

(2)-(3) No substantive changes

(C)-(H) No substantive changes

**Notice of Public Hearing and Opportunity for Public Comment:**

Should a hearing be requested pursuant to Section 1-23-110(b) of the 1976 Code of Laws of South Carolina, as amended, such hearing will be conducted at the Administrative Law Court at \_\_\_\_\_ p.m. on \_\_\_\_\_, \_\_\_\_\_, 2005. Written comments may be directed to John R. Pitts, Administrator, Real Estate Appraisers Board, Department of Labor, Licensing and Regulation, Post Office Box 11329, Columbia, South Carolina 29211-1329, no later than 5:00 p.m., \_\_\_\_\_, \_\_\_\_\_ 2005.

**Preliminary Fiscal Impact Statement:**

There will be no additional cost incurred by the State or any political subdivision.

**Statement of Need and Reasonableness:**

The Real Estate Appraisers Board has determined that:

**DESCRIPTION OF REGULATION:**

Purpose: To amend the regulations for clarity, particularly in regard to continuing education and core curriculum.

Legal Authority: Statutory Authority: 1976 Code Sections 40-60-60 and 40-60-90

Plan for Implementation: Administratively, the Board will see that these provisions are implemented by informing the applicants through written and oral communications.

**DETERMINATION OF NEED AND REASONABLENESS BASED ON ALL FACTORS HEREIN AND EXPECTED BENEFITS:**

These regulations need to be amended in order to ensure compliance with National USPAP standards for real estate appraisal.

**DETERMINATION OF COSTS AND BENEFITS:**

There will be no additional cost incurred by the State or its political subdivisions.

**UNCERTAINTIES OF ESTIMATES:**

There are no uncertainties of estimates concerning these regulations.

**EFFECT ON THE ENVIRONMENT AND PUBLIC HEALTH:**

These regulations will have no effect on the environment. The public health of this State will be enhanced by conforming the guidelines to national standards.

**DETRIMENTAL EFFECT ON THE ENVIRONMENT AND PUBLIC HEALTH IF THE REGULATION IS NOT IMPLEMENTED:**

These regulations will have no detrimental effect on the environment and public health of this State if the regulations are not implemented in this State.

**Statement of Rationale:**

Regulations 137-100.01 through 137-900.09 require amendment regarding education and licensure standards by updating the language and clarifying requirements.

**Text:**

**137-100.01. Appraisal Experience Point System.**

A point system shall be utilized by the Board to evaluate the appraisal experience of applicants. The evaluation method converts hours spent in appraisal activity to points earned for appraisal experience.

**137-100.02. Qualifications.**

(A) In order to qualify as a state apprentice, licensed or certified appraiser, an applicant must meet the requirements set forth below, as well as any requirements established by the Appraiser Qualifications Board (AQB) and the Appraisal Standards Board (ASB) of the Appraisal Foundation, as subsequently endorsed by the Appraisal Subcommittee pursuant to Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989:

(B) In order to qualify as an appraiser apprentice, an applicant must have received 75 hours of Core Curriculum prescribed by the AQB in classroom education covering at least thirty (30) hours in Basic Appraisal Principles, an L-1 category course(s) (Introduction to Real Estate Appraisal), at least thirty (30) hours in Basic Appraisal Procedures, in an L-2 category course(s) (Valuation Procedures), and at least fifteen (15) hours in the National Uniform Standards of Professional Appraisal Practice an L-3 category course (Uniform Standards of Professional Appraisal Practice).

(C) In order to qualify to become a state licensed real estate appraiser, an applicant:

(1) must have received ninety (90) one hundred fifty (150) hours of Core Curriculum prescribed by the AQB in classroom education covering at least thirty (30) hours in Basic Appraisal Principles an L-1 category course(s) (Introduction to Real Estate Appraisal), at least thirty (30) hours in Basic Appraisal Procedures an L-2 category course(s) (Valuation Procedures), and at least fifteen (15) hours in the National Uniform Standards of Professional Appraisal Practice an L-3 category course (Uniform Standards of Professional Appraisal Practice) and at least fifteen (15) hours in a CR category course (Applied Residential Property Valuation), at least fifteen (15) hours in Residential Market Analysis and

Highest and Best Use, at least fifteen (15) hours in Residential Appraiser Site Valuation and Cost Approach, at least thirty (30) hours in Residential Sales Comparison and Income Approaches, and at least fifteen (15) hours in Residential Report Writing and Case Studies.

(2) must have earned a minimum of two hundred fifty (250) experience points in appraising either residential or nonresidential properties in no fewer than 24 months; however, the maximum number of points which an applicant can earn in review (field, documentary, or desk) appraisal experience is limited to one hundred twenty-five (125) points. Qualifying experience must be of a variety sufficient to demonstrate competency in all National USPAP recognized approaches to value; and

(3) must have at least twenty-four (24) months of real estate appraisal experience; and

(4) must stand for and pass an exam administered or approved by the Board. An applicant who does not become licensed within five years after passing the examination must retake the examination.

(D) In order to qualify to become a state certified residential real estate appraiser, an applicant:

(1) must have received two hundred (200) hours of Core Curriculum prescribed by the AQB one hundred twenty (120) hours in classroom education covering thirty hours in Basic Appraisal Principles, an L-1 category course(s) (Introduction to Real Estate Appraisal), thirty (30) hours in Basic Appraisal Procedures, an L-2 category course(s) (Valuation Procedures), fifteen (15) hours in the National Uniform Standards of Professional Appraisal Practice, an L-3 category course (Uniform Standards of Professional Appraisal Practice), at least fifteen (15) hours in a CR category (Applied Residential Property Valuation) and at least thirty (30) hours in a C-1 category course(s) (Introduction to Income Property Appraising) fifteen (15) hours in Residential Market Analysis and Highest and Best Use, fifteen (15) hours in Residential Appraiser Site Valuation and Cost Approach, thirty (30) hours in Residential Sales Comparison and Income Approaches, fifteen (15) hours in Residential Report Writing and Case Studies, fifteen (15) hours in Statistics, Modeling, and Finance, fifteen (15) hours in Advanced Residential Applications and Case Studies, and twenty (20) hours in appraisal subject matter electives.

(2) Applicants for the Certified Residential license must hold an Associate degree or higher, from an accredited college, community college, or university. In lieu of the Associate degree, an applicant for the Certified Residential license shall successfully pass the following collegiate subject matter courses from an accredited college, junior college, community college or university:

(a) English Composition;

(b) Principles of Economics (Micro or Macro);

(c) Finance;

(d) Algebra, Geometry, or higher mathematics;

(e) Statistics;

(f) Introduction to Computers-Word processing / spreadsheets; and

(g) Business or Real Estate Law.

Total credits are the total hours of equivalent college courses in lieu of an Associate degree or 21 semester credit hours for the Certified Residential appraiser. If an accredited college or university accepts the College-Level Examination Program (CLEP) examination(s) and issues a transcript for the exam, showing its approval, it will be considered as credit for the college course.

(3) 2. must have earned a minimum of three hundred twelve and one-half (312.5) experience points in appraising either residential or nonresidential properties; however, the maximum number of points which an applicant can earn in review (field, documentary, or desk) appraisal experience is limited to one hundred fifty six and one quarter (156.25) points. Qualifying experience must be of a variety sufficient to demonstrate competency in all National USPAP recognized approaches to value;

(4) 3. must have at least twenty-four (24) months of real estate appraisal experience; and

\* (5) 4. must stand for and pass an exam administered or approved by the Board. An applicant who does not become certified within two years after passing the examination must retake the examination to qualify for residential certification.

(E) In order to qualify to become a state certified general real estate appraiser, an applicant:

(1) must have received three hundred (300) hours of Core Curriculum prescribed by the AQB one hundred eighty (180) hours of in classroom education covering thirty (30) hours in Basic Appraisal



Principles, an L-1 category course(s) (Introduction to Real Estate Appraisal), thirty (30) hours in Basic Appraisal Procedures, an L-2 category course(s) (Valuation Procedures), fifteen (15) hours in the National Uniform Standards of Professional Appraisal Practice, an L-3 category course (Uniform Standards of Professional Appraisal Practice), at least fifteen (15) hours in a CR category course (Applied Residential Property Valuation), at least thirty (30) hours in a C-1 category course(s) (Introduction to Income Property Appraising), at least thirty (30) hours in a C-2 category course(s) (Advanced Income Capitalization Procedures) and thirty hours in a C-3 category course(s) (Applied Income Property Valuation), thirty (30) hours in General Appraiser Market Analysis and Highest and Best Use, fifteen (15) hours in Statistics, Modeling, and Finance, thirty (30) hours in General Appraiser Sales Comparison Approach, at least thirty (30) hours in General Appraiser Site Valuation and Cost Approach, sixty (60) hours in General Appraiser Income Approach, thirty (30) hours in General Appraiser Report Writing and Case Studies, and thirty (30) hours in appraisal subject matter electives.

(2) Applicants for the Certified General license must hold a Bachelors degree or higher from an accredited college or university. In lieu of the Bachelors degree, an applicant for the Certified General credential shall successfully pass the following collegiate level subject matter courses from an accredited college, junior college, community college or university:

(a) English Composition;

(b) Micro Economics;

(c) Macro Economics;

(d) Finance;

(e) Algebra, Geometry, or higher mathematics;

(f) Statistics;

(g) Introduction to Computers-Word processing / spreadsheets;

(h) Business or Real Estate Law; and

(i) Two elective courses in accounting, geography, ageconomics, business management, or real estate.

(3) 2. must have earned a minimum of three hundred seventy-five (375) experience points, fifty (50%) percent of which must come from appraising nonresidential properties. The fifty maximum number of points which an applicant can earn in review (field, documentary, or desk) appraisal experience is limited to one hundred eighty-seven and one-half (187.50) points. Qualifying experience must be of a variety sufficient to demonstrate competency in all National USPAP recognized approaches to value;

(4) 3. must have at least thirty (30) months of real estate appraisal experience; and

(5) 4. must stand for and pass an exam administered or approved by the Board. An applicant who does not become certified within two years after passing the examination must retake the examination to qualify for general certification.

(F) The Board may waive the examination requirements for those applicants who are currently licensed or certified in another state upon proof that the applicant has successfully passed an Appraisal Qualifications Board approved exam which served as a requirement for licensure or certification in the state where he is currently licensed or certified.

### 137-100.03. Residential Appraisal Categories.

The following categories pertain to various forms of appraiser involvement and the point values which may be awarded by the Board when evaluating residential appraisal experience:

Category Points Assigned

(A) Sole Appraiser - refers to appraisal reports which were 1.0  
completed and signed by only one person.

(B) Co-Appraiser—refers to appraisal reports in which more .75

than one appraiser worked on the report. To qualify for this category, applicants must have performed more than fifty percent (50%) of the work on an appraisal. Applicants may receive experience credit for the appraisal even if this work was reviewed by a supervising appraiser who signed the appraisal report.

However, in those instances where an applicant has not signed an appraisal report and claims experience credit, the applicant must submit with the application a written statement from the supervising appraiser which verifies that the applicant performed more than fifty percent (50%) of the work on specified appraisal assignments. In addition, the name of the individual providing significant professional assistance must be acknowledged in the appraisal report.

(C) Field Review—refers to a review of an appraisal. In order .50 to qualify for field review experience credit, the applicant must have conducted a physical inspection of the property, as well as verified the data and checked the calculations contained in the appraisal under review. In addition, in order to qualify for experience credit in this category, an applicant must have prepared a written report recommending the acceptance, revision, or rejection of the appraisal under review.

(D) Documentary or Desk Review - refers to a review of an .25 appraisal performed by another person (including a person under the applicant's supervision) but does not include a physical inspection of the subject property. In order to qualify for experience credit in this category, an applicant must have thoroughly and critically reviewed all portions of the appraisal report and recommended the acceptance, revision, or rejection of the appraisal under review.

(E) Condemnation Partial Acquisition - refers to appraisals 1.25 performed on properties involved in condemnation proceedings. In order to qualify for experience credit in this category, a partial acquisition appraisal must be performed and an evaluation of both the before and after value must be given. A total acquisition under condemnation proceedings would not fall under this category.

#### 137-100.04. Residential Point Values.

The following point values may be awarded by the Board concerning property types when evaluating residential appraisal experience:

Type of Appraisal Points Assigned

(1) Appraisal of Single-Family 1.0  
(one unit dwelling)

(2) Appraisal of Multi-Family 2.0  
(two-four units)

(3) Appraisal of Vacant Residential Lot .5

(4) Appraisal of Rural Residential Land 2.0  
(10-50 acres)

#### 137-100.05. Nonresidential Point Values.

The following point values may be awarded by the Board concerning property types when evaluating nonresidential appraisal experience:

Type of Appraisal Points Assigned

(A) Vacant Land: 2.5

(Undeveloped nonresidential tracts, residential multi-family sites, commercial sites, industrial sites, lands in transition, etc.)

(B) Rural/Agricultural:

(51 to 250 acres) 2.5

(more than 250 acres) 4.0

(C) Residential Multi-Family (5-12 units): 5.0

(apartments, condominiums, townhouses, mobile home parks, etc.)

(D) Residential Multi-Family (13 units or more): 7.0

(Apartments, condominiums, townhouses, mobile home parks, etc.) [Add 1 point for proposed project projections.]

(E) Commercial Single-Tenant: 5.0

(Office building, retail store, restaurant, service station, bank, day-care center, etc.)

(F) Commercial Multi-Tenant: 8.0

(Office building, shopping center, hotel/motel, etc.)

[Add 1 point for proposed projections.]

(G) Industrial:

(Warehouse, manufacturing plant, etc.)

Under 20,000 square feet 5.0

20,000 square feet or more 9.0

(H) Institutional: 7.0

(Nursing home, hospital, school, church, government building, etc.)

#### 137-100.06. Nonresidential Appraisal Categories.

The following categories pertain to various forms of appraiser involvement and the point values which may be awarded by the Board when evaluating nonresidential appraisal experience:

Type of Appraisal Points Assigned

(A) Sole Appraiser—refers to appraisal reports which were completed and signed by only one person. 1.0

(B) Co-Appraiser—refers to appraisal reports in which more than one appraiser worked on the report. To qualify for this category, applicants must have performed more than fifty percent (50%) of the work on an appraisal. Applicants may receive experience credit for the appraisal even if this work was reviewed by a supervising appraiser who signed the appraisal report. However, in those instances where an applicant has not signed an appraisal report and claims experience credit, the applicant must submit with the application a written statement from the supervising appraiser which verifies that the applicant performed more than fifty percent (50%) of the work on specified appraisal assignments. .75

(C) Field Review—refers to a review of an appraisal. In order to qualify for field review experience credit, the applicant must have conducted a physical inspection of the property, as well as verified the data and checked the calculations contained in the appraisal under review. In addition, in order to qualify for experience credit in this category, an applicant must have prepared a written report recommending the acceptance, revision, or rejection of the appraisal under review. .50

(D) Documentary or Desk Review - refers to a review of an appraisal performed by another person but does not require a physical inspection of the subject property. In order to qualify for experience credit in this category, an applicant must have thoroughly and critically reviewed all portions of the appraisal report and recommended the acceptance, revision, or rejection of the appraisal under review. .25

(E) Condemnation Partial Acquisition - refers to appraisals performed on properties involved in condemnation proceeding. In order to qualify for experience credit in this category, a partial acquisition appraisal must be performed and an evaluation of both the before and after value must be given. 1.25

A total acquisition under condemnation proceedings would not fall under this category.

#### 137-100.07. Other Appraisal Experience.

(A) Applicants may receive credit for appraisals of other types of real property not listed in these Regulations. The Board may, on an individual basis, determine the amount of credit to be awarded for such appraisals based on information provided to the Board by the applicant.

(B) Experience credit may be awarded for mass appraisal activity provided such activity is in compliance with the standards set forth in the National Uniform Standards of Professional Appraisal Practice. However, the maximum number of experience points an applicant will be awarded for mass appraisal activity is forty percent (40%), of which no more than fifty (50) points may be earned through review appraisals.

(C) Mass appraisal experience will not be awarded for activity performed by individuals commonly referred to as "listers." The duties these individuals perform are typically limited to the location of real property, measurement of improvements relative to such things as number of bedrooms and bathrooms, siding, decks, or other miscellaneous information. Such activity does not, in and of itself, apply the methods and techniques utilized in the appraisal process and consequently will not be credited as appraisal experience.

(D) Duties performed by listers are not considered regulated appraisal activity and therefore listers are not required to become licensed or certified under the South Carolina Real Estate Appraiser License and Certification Act.

#### 137-200.01. Mass Appraisal Activity.

(A) Appraisal experience may be obtained through mass appraisal activity when applicants can demonstrate that after receiving information supplied by the lister the person claiming mass appraisal experience credit inspected the subject property, determined the quality or classification of the property, estimated the depreciation of the improvements, determined the land or lot value based on market sales of comparable properties adjusted to the subject property, and reviewed the estimated value of the property against comparable sales in order to ensure the value estimate approximated market value.

(B) Ad valorem appraisal experience may be obtained through individual property appraisals utilizing the entire appraisal process.

#### 137-200.02. Residential Mass Appraisals.

The following categories pertain to various forms of appraiser involvement and the point values which may be awarded by the Board when evaluating residential mass appraisal experience:

(A) Sole Appraiser - refers to appraisals which were completed by only one person.

Type of Appraisal Points Assigned

- (1) Single-Family New .25
- (one-unit dwelling) Update .05
- (2) Multi-Family New .25
- (two-four units) Update .067
- (3) Residential Lots New .02
- (4 lots or less) Update .02
- (4) Rural Residential Land New .167
- (50 acres or less) Update .10

(B) Co-Appraiser refers to appraisals in which more than one appraiser worked as a team. To qualify for this category, applicants must have performed at least fifty percent (50%) of the work on an appraisal.

Type of Appraisal Points Assigned

- (1) Single-Family New .188
- (one unit dwelling) Update .038
- (2) Multi-Family New .188
- (two-four units) Update .05
- (3) Residential Lots New .015

- (4 lots or less) Update .015
- (4) Rural Residential Land New .125
- (50 acres or less) Update .075

137-200.03. Nonresidential Mass Appraisals.

The following categories pertain to various forms of appraiser involvement and the point values which may be awarded by the Board when evaluating nonresidential mass appraisal experience:

(A) Sole Appraiser refers to an appraisal which was completed by only one person.

Type of Appraisal Points Assigned

- (1) Vacant Land New .067
- Update .04
- (2) Rural Agricultural New .167
- (51 acres to 250 acres) Update .10
- (3) Rural Agricultural New .20
- (more than 250 acres) Update .125
- (4) Multi-Family New 1.0
- (5-12 units) Update .25
- (5) Multi-Family New 1.5
- (13 or more units) Update .33
- (6) Commercial New 1.0
- (single tenant) Update .25
- (7) Commercial New 2.0
- (multi-tenant) Update 1.0
- (8) Industrial New 1.0
- (under 20,000 square Update .75
- (9) Industrial New 1.5
- (more than 20,000 square Update 1.0
- (10) Institutional New 1.5
- Update .33

(B) Co-Appraiser refers to an appraisal in which two or more appraisers worked together as a team. To qualify for this category, applicants must have performed at least fifty percent (50%) of the work on an appraisal.

Type of Appraisal Points Assigned

- (1) Vacant Land New .05
- Update .03
- (2) Rural Agricultural New .125
- (51 acres to 250 acres) Update .075
- (3) Rural Agricultural New .150
- (more than 250 acres) Update .094
- (4) Multi-Family New .75
- (5-12 units) Update .188
- (5) Multi-Family New 1.125
- (13 or more units) Update .248
- (6) Commercial New .75
- (single tenant) Update .188
- (7) Commercial New 1.5
- (multi-tenant) Update .75
- (8) Industrial New .75
- (under 20,000 square feet) Update .563
- (9) Industrial New 1.125

(more than 20,000 square feet) Update .75  
(10) Institutional New 1.125  
Update .248

#### 137-200.04. Mass Appraisal Experience Verification.

Persons claiming mass appraisal experience must provide a statement of verification of the experience claimed. This verification should be completed by the applicant's supervisor or employer where the mass appraisal experience was required.

#### 137-300.01. Responsibilities Of An Appraiser Apprentice.

- (A) The holder of an appraiser apprentice permit issued by the Board must comply with the following:
- (1) The apprentice shall perform appraisal assignments only under the direct supervision of a ~~state licensed~~, state certified residential or state certified general real estate appraiser.
  - (2) The apprentice shall maintain a log which shall contain the following for each appraisal assignment:
    - (a) Date of appraisal.
    - (b) Address of appraised property.
    - (c) Description of work performed.
    - (d) Number of points claimed for the assignment.
    - (e) Name and address of the client.
    - (f) Name and ~~license or~~ certification number of supervising appraiser.
  - (3) The apprentice shall maintain copies of all appraisals.
  - (4) The apprentice shall make the log and all appraisals available at all times for inspection by the Board. The apprentice is also required to submit a log annually to the Board.
  - (5) When performing appraisal assignments, the apprentice shall have in his possession the permit issued by the Board.
  - (6) The apprentice is eligible to take the appraisal licensing or certification examinations after completing the requisite Board-approved AQB Core Curriculum.
- B. (blank)

#### 137-300.02. Responsibilities Of A Supervising Appraiser.

(A) With respect to an appraiser apprentice employed or retained by or associated with a ~~licensed or state certified~~ appraiser:

- (1) For purposes of this section, "direct supervision" means to personally review an appraisal report prepared by an apprentice and to sign and certify the report as being independently and impartially prepared and in compliance with the National Uniform Standards of Professional Appraisal Practice, these regulations, and applicable statutory requirements.
- (2) A ~~licensed or state certified~~ appraiser having direct supervisory authority over the appraiser apprentice shall make reasonable efforts to ensure that the apprentice's conduct is compatible with the professional standards of the supervising appraiser.
- (3) A supervising appraiser shall be responsible for conduct of an appraiser apprentice that would be a violation of the National Uniform Standards of Professional Appraisal Practice if:
  - (1) ~~(a)~~ the supervising appraiser orders or, with the knowledge of the specific conduct, ratifies the conduct involved; or
  - (2) ~~(b)~~ the supervising appraiser has direct supervisory authority over the apprentice, and knows of the conduct at a time when its consequences can be avoided or mitigated but fails to take reasonable remedial action.

(B) A supervising appraiser of an appraiser apprentice shall also:

- (1) Acknowledge in the appraisal certification the professional contribution of the apprentice in accordance with the National Uniform Standards of Professional Appraisal Practice; and
- (2) Provide the apprentice with a copy of any final appraisal document in which the apprentice participated.
- (3) Personally accompany each apprentice on appraisal assignments until the apprentice documents seventy-five (75) experience points.
- (4) Jointly maintain with the appraiser apprentice an experience log as established in Section 137-300.01(A)(2).
- (5) Be in good standing with the Board and not subject to any disciplinary action within the last two years that affects the supervisor's legal eligibility to engage in the practice of appraising.

#### 137-400.01. Temporary Practice.

- (A) The Board shall grant a temporary permit to practice as a state licensed, state certified residential, or state certified general appraiser to persons who are licensed or certified to perform appraisals in connection with federally-related transactions in another state. A person desiring a temporary practice permit must file an application as prescribed by the Board.
- (B) The temporary practice permit shall be effective for one specific appraisal assignment. The application for temporary practice must state the specific appraisal assignment to which it will apply and provide an estimate of the amount of time which will be required to complete the assignment.
- (C) If the appraisal assignment is not completed within the estimated amount of time, the Board may request that the appraiser show cause why the assignment is not complete.
- (D) A temporary practice permit issued by the Board must bear a number assigned by the Board. When signing an appraisal report while practicing under a temporary practice permit in this State, the holder thereof shall place the following notation: "Practicing in the State of South Carolina under Temporary Practice Permit No. . . ." The notation must be used in all statements of qualification, contracts, or other instruments used by the appraiser when reference is made to his authority to perform appraisal activity in this State.

#### 137-500.01. Continuing Education.

- (A) All appraisers, including appraiser apprentices, prior to their first and all subsequent renewals of their authorization to engage in real estate appraisal activity, must complete the continuing education requirement of at least twenty-eight (28) fourteen (14) classroom hours of approved instruction biennially.
- (B) Continuing education is to be reported on a form approved by the Board and must have all supporting documentation attached. To ensure that it is recorded prior to the renewal deadline of June 30 and does not delay an appraiser's renewal, it should be received by the Board no later than June 1 ~~of each year~~. The Board cannot guarantee that a renewal will be processed prior to the expiration date of June 30 if forms are received after June 1. Any continuing education-reports submitted after August 31 will be subject to a late fee.
- (C) Approved qualifying courses may be used to meet the continuing education requirement provided that the following conditions are met:
  - (1) Qualifying courses taken after July 1, 1992, must be on the approved list.
  - (2) The level of the course must be above the appraiser's current status [e.g. a licensed appraiser may receive continuing education credit for taking a Certified Residential or Certified General Level Course C-level (C-1, C-2 or C-3 course).
  - (3) Credit will not be given for the same category course taken within a two (2) year three-year (3) period with the exception of The National Uniform Standards of Professional Appraiser Practice or the National Uniform Standards of Professional Appraiser Update Course which may be taken biennially annually.

(4) ~~The National Uniform Standards of Professional Appraiser Practice Update Course~~ Uniform Standards of Professional Appraiser Practice ("L 3" category course) must be taken by all appraisers at least every ~~two (2)~~ five (5) years.

~~5. A certified residential appraiser may receive continuing education credit for taking a CR level course if it is substantially different in content from the one for which he received qualifying credit.~~

~~6. A certified general appraiser may receive continuing education credit for taking a C 3 category course if it is substantially different in content from the one for which he received qualifying credit.~~

(D) Appraisers may request that they receive credit for continuing education for a course taken that has not been approved by the Board. Credit will be granted only if the appraiser provides satisfactory proof of course completion and the Board finds that the course meets the criteria set for continuing education courses with regard to subject matter, course length, instructor qualification and student attendance. Requests for continuing education credit for non-approved courses must be made on a form approved by the Board and must be submitted along with a non-refundable fee.

~~(E) Up to twenty eight (28) continuing education credits may be carried forward for two (2) years to meet the annual continuing education requirement.~~

~~(F)~~ (E) Appraisers who received their authority to engage in real estate appraisal activity in South Carolina through either a reciprocal agreement with their state of residence or as a non-resident South Carolina appraiser may meet the continuing education requirements by providing evidence that they have met the continuing education requirements of their state of residence. Such real estate appraisal requirements must meet South Carolina's minimum hour requirements and be approved by the regulatory agency in their state.

~~(G)~~ (F) Submission of false or misleading information is grounds for immediate revocation of the appraiser's authority to practice and other disciplinary actions.

~~(H)~~ (G) Approved instructors may receive continuing education credit for teaching continuing education courses, subject to Board approval. Credit will not be given for the same continuing education course taught within a five-year (5) period except for the National USPAP Course and National USPAP Update Course which credit may be given for instruction every two (2) years.

#### 137-600.01. Written Complaints.

A copy of a written complaint received by the Board alleging activities in violation of the South Carolina Real Estate Appraiser ~~Registration~~, License and Certification Act or these regulations or concerning the qualifications of any state ~~registered~~, licensed, or certified appraiser, shall be mailed to the last known address of the person against whom the complaint is filed together with a request for a written response to the allegation. The investigation may also include such other inquiries as may be deemed appropriate to complete the processing of the complaint.

#### 137-600.02. Member Request For Investigation.

If a member of the Board files a complaint or requests an investigation, such complaint or request shall serve to disqualify the member from participating in any hearing or a consent agreement regarding the matter. That member shall be prohibited from discussing the issue with other members, except as a witness or party, until after final agency action and the time for appeal has lapsed or appeal rights have been exhausted.

#### 137-600.03. Ex Parte Communications.

(A) A member shall not discuss an issue of fact or law concerning a case or pending appeal which comes before the Board without notice and opportunity for participation by all parties.

(B) This Regulation shall not be construed to limit the members at Board meetings from discussion among themselves or communications with the attorney and staff for the Board concerning closed



matters, investigations in general, inquiries regarding the status of a specific case, or other matters not relating to issues of fact or law concerning a specific case.

#### 137-600.04. Disciplinary Actions.

(A) The Board may, upon its own motion, and shall, upon the written complaint of any aggrieved person, investigate the activities of an applicant or a person registered, permitted, licensed, or certified under this chapter and may deny, suspend, revoke, or otherwise restrict a registration, permit, license, or certification and/or impose a public reprimand, other discipline, and/or a fine not to exceed one thousand dollars per occurrence, if the Board finds an applicant, State registered appraiser, licensed appraiser, or certified appraiser has violated any provision of the South Carolina Real Estate Appraiser ~~Registration, License and Certification Act~~ or these regulations.

(B) When an appraiser has previously been sanctioned by the Board or by any other state's real estate appraiser regulatory authority, the Board may consider these prior sanctions in determining the severity of a new sanction which may be imposed upon a finding that an appraiser has violated a provision of this chapter or any of the regulations of the Board. The failure of an appraiser to comply with or to obey a final order of the Board may be cause for suspension or revocation of the individual's ~~registration, license, or certification~~ after opportunity for a hearing.

(C) In a disciplinary proceeding based upon a civil judgment, an appraiser must be afforded an opportunity to present matters in mitigation and extenuation, but may not collaterally attack the civil judgment.

(D) The Board may fine and reprimand a provider or instructor or deny, revoke, suspend or otherwise withdraw the approval of any provider or instructor upon finding that the provider or instructor:

(1) Fails to meet the criteria for approval referenced by these Regulations or no longer meets the standards established by the Board; or

(2) Provides false or materially inaccurate information to the Board when making application for approval; or

(3) Fails to provide information requested by the Board; or

(4) Falsifies official documents or reports; or

(5) Otherwise violates or fails to satisfy the provisions of the South Carolina Real Estate Appraiser ~~Registration, License and Certification Act~~ and the regulations pertaining thereto or any other applicable professional licensing laws and regulations.

(E) Before any sanction is imposed upon a provider or instructor, the provider or instructor shall be entitled to a hearing. The hearing must be at a time and place designated by the Board and in accordance with the State Administrative Procedures Act.

#### 137-700.01. Hearings.

The Chairman, or an alternate designated by the Board, shall preside at a hearing in a manner affording consideration of fair play and compliance with the constitutional requirements of due process. The Chairman or an alternate designated by the Board to preside at a hearing shall also have authority to:

(1) Hold a conference for the simplification of issue;

(2) Issue subpoenas reasonably requested by the parties;

(3) Place witnesses under oath;

(4) Take action necessary to maintain order in a hearing;

(5) Rule on motions and procedural questions arising during the hearing; and

(6) Prescribe and enforce general rules of conduct and decorum.

#### 137-700.02. Role Of Board Members.

The members collectively shall be responsible for reviewing evidence and hearing testimony and argument in order to:

- (1) Determine whether or not the alleged conduct was supported by the evidence;
- (2) Determine whether or not the conduct was a violation of the South Carolina Real Estate Appraiser Registration, License and Certification Act and/or related regulations;
- (3) Determine and impose appropriate sanctions.

#### 137-700.03. Failure To Appear.

The failure of a protesting party to appear at a scheduled hearing shall be deemed a default and a waiver of all rights except the right to be served with a copy of the order of the Board. Upon a showing of good cause, the Board may grant a request for hearing reinstatement if such request is filed within ten (10) days after the scheduled hearing. In such cases, the hearing may be rescheduled. If the hearing is not reinstated, the protesting party in default may be charged with the costs of the hearing in the amount of five hundred (\$500) dollars.

#### 137-800.01. Payment Of Fees.

Fees associated with an initial application (including the examination fee) to become a permitted, registered, licensed or certified real estate appraiser must be paid by certified check, cashiers check or money order.

#### 137-800.02. Bad Checks.

Checks issued by an applicant or an appraiser which are returned for insufficient funds or not honored for any cause are considered prima facie evidence of untrustworthiness or incompetency in such a manner as to endanger the interest of the public and may subject the applicant or appraiser to disciplinary action.

(A) If the check is in payment of a fee for which authority to engage in real estate appraisal has been issued, that authority may be immediately cancelled or revoked.

(B) Where a check or checks are incorrectly returned by a bank or other depository because of the bank or depository's error, a statement to that effect from the bank or depository will be required before such appraisal authority will be reissued.

#### 137-800.03. Annual Fee Schedule.

##### Type Fee

~~Appraiser registration 100.00~~

~~Appraiser registration renewal 100.00~~

~~Appraiser apprentice permit 200.00~~

Appraiser apprentice permit renewal 200.00

Appraiser license/certification examination fee 100.00

Appraiser license/certification 200.00

Appraiser license/certification renewal 200.00

Late penalty for renewal of ~~registration~~ license/certification/inactive status

July 1 through July 31 75.00

August 1 through August 31 100.00

After August 31 and before next renewal period 150.00

Late penalty for submission of continuing education credit 50.00

after July 31

Permit/~~registration~~ license/certification replacement fee 25.00

Personal name change 15.00

Inactive status 100.00  
~~Reinstatement from inactive registered appraiser status 100.00~~  
Reinstatement from inactive licensed or certified appraiser 200.00 [FN1],  
status [FN2]  
Attestation of registration/license/certification 20.00  
Course approval (under 15 hours) 100.00  
Course approval (15 hours or more) 200.00  
Course approval renewal 100.00  
Penalty for late course renewal 50.00  
Instructor approval 200.00  
Instructor approval renewal 150.00  
Penalty for late instructor renewal 50.00  
Appraisers roster 20.00  
Appraiser mailing labels 50.00  
Diskette of appraisers roster 25.00  
Change in appraiser classification 75.00  
Appraiser equivalent continuing education approval 50.00  
Bad check charge 20.00  
Temporary practice permit 50.00

\* [FN1] In addition to the fees listed above, an annual \$25.00 ~~\$35.00~~ Federal Registry Transmittal Fee as established by Public Law 101-73, Title XI, Real Estate Appraisal Reform Amendments will be charged for all licenses and certifications.

[FN2] If reinstatement occurs within the same license year, the fee is \$100.00. If reinstatement occurs within a subsequent license year, the license or certification reinstatement fee equals the license or certification renewal fee set forth in Section 137-800.03.

#### 137-800.04. Permit, ~~Registration~~, License and Certification Renewals.

All appraiser permits, ~~registrations~~, licenses, and certifications expire biennially on June 30 ~~of each year~~, except those appraisers who first become permitted, ~~registered~~, licensed or certified in the last quarter of the fiscal year (April 1 to June 30) are not required to renew until the end of the following fiscal year.

#### 137-800.05. Expired Permit, ~~Registration~~, License or Certificate.

(A) Expired real estate appraiser permits, ~~registrations~~, licenses and certificates may be reinstated within 12 months after expiration upon proper application, payment to the Board of the renewal fee as established in Section 137-800.03, plus a late fee as established in Section 137-800.03, and proof of having obtained the continuing education that would have been required had the permit, registration, license or certificate been continuously renewed.

(B) Permits, ~~registrations~~, licenses and certificates expired for more than 12 months will be cancelled. Such cancelled permits, ~~registrations~~, licenses and certificates may be considered for reinstatement upon proper application, payment of the original license or certificate fee as established in Section 137-800.03, payment of the late fee as established in Section 137-800.03, and proof of having obtained continuing education equal to the total number of classroom hours that would have been required had the license or certificate been continuously renewed. Such applications will be reviewed by the Board to determine whether an examination and/or additional real estate appraisal education will be required.

#### 137-800.06. Disclosure Of Appraiser Classification and Number.

(A) When signing an appraisal report, an appraiser shall, adjacent to his signature, print or type his appraiser classification and number assigned by the Board.

(B) When an individual holds himself out as an appraiser either in any advertisement, statement of qualifications, contract or other instrument used by the appraiser, the appraiser shall print or type his or her name, appraiser classification, and number assigned by the Board. If the appraiser signs such document or advertisement, the appraiser shall, adjacent to his signature, print or type his appraiser classification and number assigned by the Board.

#### 137-900.01. Educational Providers - Approval Required.

(A) Providers seeking approval to offer and conduct appraiser qualifying instruction (prelicensing/precertification) and/or continuing education instruction must make application on a form approved by the Board. Upon approval, the South Carolina Appraisers Board will issue a Certificate of Approval prior to the commencement of any instruction.

(B) Providers teaching courses prior to being approved by the Board will not have their Certificates of Completion recognized by the Board.

#### 137-900.02. Exemption From Regulation.

Courses offered as part of a degree program by an accredited college or university or a technical, community, or junior college may be deemed approved by the Board if they are equivalent in hours and subject matter to those specified by the Board. These providers are exempt from regulation by the Board, and original transcripts or other proof of course completion with a passing grade may be recognized and accepted as a prerequisite for examination or for meeting the requirements for continuing education.

#### 137-900.03. Providers Of Courses.

(A) Courses offered by an accredited college or university or a technical, community, or junior college but which are not part of a degree program, may be approved if they comply with the regulations of the Board with regard to curriculum, instructors, classroom facilities, hours of attendance, texts, examinations and Certificates of Completion as well as comply with the policies and procedures of the appropriate department of the institution.

(B) Courses offered by other providers may be approved if they comply with the regulations of the Board with regard to curriculum, instructors, classroom facilities, hours of attendance, texts, examinations. Certificates of Completion and if the policies and procedures of the provider are also approved by the Board.

#### 137-900.04. Application For Provider Approval.

(A) Providers of courses must furnish to the Board a completed application and all supporting documentation as required by the Board at least sixty (60) days prior to offering course. Applicable fees must accompany the application.

(B) Other information not submitted with the application, but which is information deemed important to the consideration thereof, may be required by the Board.

(C) If the application is disapproved, reason(s) for disapproval will be detailed and the provider may be given thirty (30) days to cure any deficiencies found. If deficiencies are cured, the application will be approved.

#### 137-900.05. Curriculum and Attendance.

(A) Topics for qualifying courses referenced in the South Carolina Real Estate Appraiser License and Certification Act must be broad in scope and must cover various principles, concepts, standards, practices and/or methods that are applicable to the performance of a wide range of appraisal assignments that will commonly be encountered by licenses or certified appraisers in connection with appraisals in federally-related transactions. The courses ~~must be at least fifteen (15) hours and~~ must include an examination pertinent to that educational offering.

~~The seventy-five (75) hours required for qualifying as a real estate appraiser apprentice must emphasize appraisal of one to four unit residential properties and must include content on the following topics:~~

~~influences on real estate value;~~

~~legal considerations in appraisal;~~

~~types of value;~~

~~economic principles;~~

~~real estate markets and analysis;~~

~~valuation process;~~

~~property description;~~

~~highest and best use analysis;~~

~~appraisal statistical concepts;~~

~~sales comparison approach;~~

~~site value;~~

~~cost approach;~~

~~income approach, including gross rent multiplier analysis, estimation of income and expenses, and~~

~~operating expense ratios;~~

~~valuation of partial interest.~~

~~(B) The seventy-five (75) hours required for qualifying as a real estate appraiser apprentice must emphasize appraisal of one to four unit residential properties and must include content on the following topics: Curriculum of required courses must include content on the following topics:~~

(1) Basic Appraisal Principles (30 hours):

(a) Real Property Concepts and Characteristics

(i) Basic Real Property Concepts

(ii) Real Property Characteristics

(iii) Legal Description

(b) Legal consideration

(i) Forms of Ownership

(ii) Public and Private Controls

(iii) Real Estate Contracts

(iv) Leases

(c) Influences on Real Estate Values

(i) Governmental

(ii) Economic

(iii) Social

(iv) Environmental, Geographic and Physical

(d) Types of Value

(i) Market Value

(ii) Other Value Types

(e) Economic Principles

(i) Classical Economic Principles

(ii) Application and Illustrations of the Economic Principles

(f) Overview of Real Estate Markets and Analysis

(i) Market Fundamentals, Characteristics, and Definitions

(ii) Supply Analysis

(iii) Demand Analysis

- (iv) Use of Market Analysis
- (g) Ethics and How they Apply in Appraisal Theory and Practice

(2) Basic Appraisal Procedures (30 hours):

- (a) Overview of Approaches to Value
- (b) Valuation Procedures
  - (i) Defining the Problem
  - (ii) Collecting and Selecting Data
  - (iii) Analyzing
  - (iv) Reconciling and Final Value Opinion
  - (v) Communicating the Appraisal
- (c) Property Description
  - (i) Geographic Characteristics of the Land/Site
  - (ii) Geologic Characteristics of the Land/Site
  - (iii) Location and Neighborhood Characteristics
  - (iv) Land/Site Considerations for Highest and Best Use
  - (v) Improvements-Architectural Styles and Types of Construction
- (d) Residential Applications

(3) National USPAP Course (15 hours):

- (a) Preamble and Ethics Rules
- (b) Standard 1
- (c) Standard 2
- (d) Standards 3 to 10
- (e) Statements and Advisory Opinions

(4) Residential Market Analysis and Highest and Best Use (15 hours)

- (a) Residential Markets and Analysis
  - (i) Market Fundamentals, Characteristics and Definitions
  - (ii) Supply Analysis
  - (iii) Demand Analysis
  - (iv) Use of Market Analysis
- (b) Highest and Best Use
  - (i) Test Constraints
  - (ii) Application of Highest and Best Use
  - (iii) Special Considerations
  - (iv) Market Analysis
  - (v) Case Studies

(5) Residential Appraiser Site Valuation and Cost Approach (15 hours)

- (a) Site Valuation
  - (i) Methods
  - (ii) Case Studies
- (b) Cost Approach
  - (i) Concepts and Definitions/
  - (ii) Replacement/Reproduction Cost New
  - (iii) Accrued Depreciation
  - (iv) Methods of Estimating Accrued Depreciation
  - (v) Case Studies

(6) Residential Sales Comparison and Income Approach (30 hours)

- (a) Valuation Principles & Procedures – Sales Comparison Approach
  - (b) Valuation Principles & Procedures – Income Approach
  - (c) Finance and Cash Equivalency
  - (d) Financial Calculator Introduction
  - (e) Identification, Derivation and Measurement of Adjustments
  - (f) Gross Rent Multipliers
  - (g) Partial Interests
  - (h) Reconciliation
  - (i) Case Studies and Applications
- (7) Residential Report Writing and Case Studies (15 hours)
- (a) Writing and Reasoning Skills
  - (b) Common Writing Problems
  - (c) Form Reports
  - (d) Report Options and National USPAP Compliance
  - (e) Case Studies
- (8) Statistics, Modeling and Finance (15 hours)
- (a) Statistics
  - (b) Valuation Models (AVM's and Mass Appraisal)
  - (c) Real Estate Finance
- (9) Advanced Residential Applications and Case Studies
- (a) Complex Property, Ownership and Market Conditions
  - (b) Deriving and Supporting Adjustments
  - (c) Residential Market Analysis
  - (d) Advanced Case Studies
- (10) General Appraiser Market Analysis and Highest and Best Use (30 hours)
- (a) Real Estate Markets and Analysis
    - (i) Market Fundamentals, Characteristics and Definitions
    - (ii) Supply Analysis
    - (iii) Demand Analysis
    - (iv) Use of Market Analysis
  - (b) Highest and Best Use
    - (i) Test Constraints
    - (ii) Application of Highest and Best Use
    - (iii) Special Considerations
    - (iv) Market Analysis
    - (v) Case Studies
- (11) General Appraiser Sales Comparison Approach (30 hours)
- (a) Value Principles
  - (b) Procedures
  - (c) Identification and Measurement of Adjustments
  - (d) Reconciliation
  - (e) Case Studies
- (12) General Appraiser Site Valuation and Cost Approach (30 hours)
- (a) Site Valuation
    - (i) Methods

- (ii) Case Studies
- (b) Cost Approach
  - (i) Concepts and Definitions
  - (ii) Replacement/Reproduction Cost New
  - (iii) Accrued Depreciation
  - (iv) Methods of Estimating Accrued Depreciation
  - (v) Case Studies

(13) General Appraiser Income Approach (60 hours)

- (a) Overview
- (b) Compound Interest
- (c) Lease Analysis
- (d) Income Analysis
- (e) Vacancy and Collection Loss
- (f) Estimating Operating Expenses and Reserves
- (g) Reconstructed Income and Expense Statement
- (h) Stabilized Net Operating Income Estimate
- (i) Direct Capitalization
- (j) Discounted Cash Flow
- (k) Yield Capitalization
- (l) Partial Interests
- (m) Case Studies

(14) General Appraiser Report Writing and Case Studies (30 hours)

- (a) Writing and Reasoning Skills
- (b) Common Writing Problems
- (c) Report Options and National USPAP Compliance
- (d) Case Studies

~~L-3 classes must be at least fifteen (15) hours and include The Uniform Standards of Professional Appraisal Practice.~~

~~The ninety (90) hours required for a state licensed real estate appraiser must include content from L-1, L-2, and L-3 courses in addition to fifteen (15) hours of applied real estate education, known as CR courses. The one hundred twenty (120) hours required for a state certified residential real estate appraiser must include content from L-1, L-2, L-3, CR courses, along with the C-1 course which must be thirty (30) hours and must cover direct capitalization under the topic of income approach.~~

~~The one hundred eighty (180) hours required for a state certified general real estate appraiser must include content from L-1, L-2, L-3, CR and C-1 course with additional coverage of:~~

~~1. Basic Appraisal Principles and Basic Appraisal Procedures Courses L-1 and L-2 classes must be at least thirty (30) hours each and may include:~~

- ~~(a) influences on real estate value;~~
- ~~(b) legal considerations in appraisal;~~
- ~~(c) types of value;~~
- ~~(d) economic principles;~~
- ~~(e) real estate markets and analysis;~~
- ~~(f) valuation process;~~
- ~~(g) property description;~~
- ~~(h) highest and best use analysis;~~
- ~~(i) appraisal statistical concepts;~~
- ~~(j) sales comparison approach;~~
- ~~(k) site value;~~
- ~~(l) cost approach;~~



~~(m) income approach, including gross rent multiplier analysis, estimation of income and expenses, and operating expense ratios;~~

~~(n) valuation of partial interest.~~

~~2. The National Uniform Standards of Professional Appraisal Practice L-3 classes must be at least fifteen (15) hours and include The Uniform Standards of Professional Appraisal Practice.~~

~~(C) The one hundred fifty (150) ninety (90) hours required for a state licensed real estate appraiser must include content from the thirty (30) hour Basic Appraisal Principles Course, the thirty (30) hour Basic Appraisal Procedures Course, and the fifteen (15) hour National USPAP Course along with the fifteen (15) hour Residential Market Analysis and Highest and Best Course, the fifteen (15) hour Residential Appraiser Site Valuation and Cost Approach Course, the thirty (30) hour Residential Sales Comparison and Income Approaches Course, and the fifteen (15) hour Residential Report Writing and Case Studies Course, L-1, L-2, and L-3 courses in addition to fifteen (15) hours of applied real estate appraisal education, known as CR courses.~~

~~(D) The two hundred (200) one hundred twenty (120) hours required for a state certified residential real estate appraiser must include the one hundred fifty (150) hour content from Licensed Appraiser Classification fifteen (15) hour Statistics, Modeling and Finance Course, the fifteen (15) hour Advanced Residential Applications and Case Studies Course, and the twenty (20) hour of Appraisal Subject Matter Electives L-1, L-2, L-3 and CR courses, along with the C-1 course which must be thirty (30) hours and must cover direct capitalization under the topic of income approach.~~

~~(E) The three hundred (300) one hundred eighty (180) hours required for a state certified general real estate appraiser must include the seventy five (75) hour content from the appraiser apprentice classification (the Basic Appraisal Principles Course, the Basic Appraisal Procedures Course, and the National USPAP Course) in addition to the thirty (30) hour General Appraiser Market Analysis and Highest and Best Use Course, the fifteen (15) hour Statistics, Modeling, and Finance Course, the thirty (30) hour General Appraiser Sales Comparison Approach Course, the thirty (30) hour in General Appraiser Site Valuation and Cost Approach Course, the sixty (60) hour General Appraiser Income Approach Course, the thirty (30) hour in General Appraiser Report Writing and Case Studies Course, and at least thirty (30) hours in Appraisal Subject Matter Electives from L-1, L-2, L-3, CR and C-1 course with additional coverage of:~~

~~1. C-2 and C-3 classes, which must be at least thirty (30) hours each and may include:~~

~~(a) appraisal math and statistics;~~

~~(b) income approach, including direct capitalization, operating statement ratios, cash flow estimates, measure of cash flow, and discounted cash flow analysis;~~

~~(c) narrative report writing.~~

~~(F) (C) Topics for continuing education courses must contribute to the goal of maintaining or increasing the knowledge, skill and competence of real estate appraisers with regard to the performance of real estate appraisals in a manner that best serves the public interest and must be a minimum of two (2) classroom hours in length.~~

~~(G) (D) Learning objectives and detailed lesson plans reflecting the course content with time allotments must be furnished to the Board at the time of application for approval, along with copies of all quizzes and examinations for qualifying courses. Examinations and the criteria for such examinations and final grade determination may be developed by each provider based on its individual concepts. The Board may, however, direct alterations in examinations procedures, criteria for passing, and administration whenever deemed necessary.~~

~~(H) (E) Providers must identify to the Board the texts to be used in any approved course of instruction. The Board may direct that the school withdraw texts and may require additional instructional materials.~~

~~(I) (F) For qualifying courses, providers must establish uniform testing and grading procedures for their quizzes and examinations and must use approved instructors for administering and monitoring all such tests. No proprietor, instructor or any other individual may arbitrarily alter a student's grade or offer to students any re-examination of the same test previously administered. Retake examinations must contain at least eighty percent (80%) new material.~~

~~(F)~~ (G) Class meetings must be limited to a maximum of eight (8) hours in any given day. Students must be allowed one ten-minute break each hour and must be allowed at least one thirty-minute break for classes that exceed four (4) hours. Providers must require strict attendance of all classroom hours required by law and must maintain records indicating all student absences.

~~(K)~~ (H) Providers may offer students failing to meet the minimum-hour requirement make-up sessions as follows:

(1) a make-up session offered by the provider consisting of the content covered in the session or hours missed; or

(2) a video tape of the class session missed, supervised by the instructor, if not more than twenty percent (20%) of the classroom hours are missed; or

(3) attendance of the same class session offered by the provider at a future date.

~~(L)~~ (I) Each provider shall, upon request by the Board, provide the Board with a roster of students in attendance at an approved course. The roster shall list the course identification number assigned by the Board, provider's name, instructor's name, title, location and dates of course; full legal name, address, phone number social security, number, permit/license/certificate number, if applicable, of each student, along with the number of hours in attendance and final grade, if applicable. Rosters must be verified by an authorized official of the provider.

~~(M)~~ (J) A Certificate of Completion prescribed by the Board shall be awarded to each course graduate, signed and dated by the authorized official of the provider, and must contain the course identification number assigned by the Board, provider's name and address, title, location, dates and number of hours of the course, full legal name, social security number and license number, if applicable, of the student.

#### 137-900.06. Provider, Instructor and Course Renewals.

All provider, course, and instructor approvals expire biennially on August 31 of even-numbered years. If issued in odd-numbered years, they shall be renewed the following year and then biennially thereafter. Renewal forms will be mailed to all approved providers and instructors, and completed forms must be received in the Board's office not later than August 15 to insure renewal by August 31. Renewal fees must accompany the form and a late fee will be charged if received after August 31.

#### 137-900.07. Enrollment Agreement Policies and Procedures.

(A) An enrollment agreement must be signed by the provider and student prior to the commencement of classes. A copy of the enrollment agreement containing all policies and procedures must be furnished to the student.

(B) The enrollment agreement must contain, at a minimum the following:

(1) The name and address of provider and student;

(2) Name of course;

(3) Tuition and methods of payment, along with terms of any refund policy. If the provider has no policy for refunding fees, it must so state in writing;

(4) Provider's policy for cancellation of scheduled courses;

(5) The grade required for passing, methods for testing and final grade determination, if applicable;

(6) Total hours of attendance required;

(7) Scheduled meeting time, dates and location of course; for absences and for re-taking a failed examination, if applicable; and

(8) Statement of non-discrimination in admittance requirements.

#### 137-900.08. Other Operating Procedures.

(A) Teaching methods.

(1) Courses must be taught by Board-approved instructors and presented in a classroom environment using traditional classroom teaching methods. Correspondence courses will not be approved. Nothing in this section, however, shall prohibit the use of video equipment as a teaching supplement.

(2) Distance education courses must adhere to the Board's standards for distance education.

(B) Facilities and equipment.

(1) All facilities must meet the appropriate building, health and fire codes, must be maintained in a safe and sanitary condition at all times and are subject to inspection and approval by a representative of the Board.

(2) Classrooms must be of sufficient size to accommodate comfortably all students enrolled in a course, shall have adequate light, heat, cooling and ventilation, and shall be free of distractions which would disrupt class sessions.

(3) Classrooms must contain a chalkboard or other audio-visual aid and desks or worktables sufficient to accommodate all students enrolled in a course.

(C) Advertising.

(1) "Advertising" includes any form of public notice, however disseminated. This definition includes all publications and promotional items and efforts which could normally be expected to be seen or heard by prospective students. Examples include but are not limited to: catalogs, flyers, signs, mailing pieces, radio, television, audio-visual, newspaper or any other form of public notice designed to aid in the provider's recruiting and promotional activities. Advertising also includes oral communications.

(2) Each provider must maintain high standards in the conduct of its operations, solicitation of its students and in its advertising and promotional material. The use of any unfair or deceptive practice or the making or causing to be made of any false, misleading or deceptive statement in any advertising or promotional material which has the tendency or capacity to mislead or deceive students, prospective students, or the public shall be cause for disciplinary action.

(3) The name of the provider must be disclosed in each advertising offering.

(4) A provider may not advertise or imply that it is "recommended" or "endorsed" by the South Carolina Real Estate Appraisers Board.

(D) Audit and record keeping.

(1) Providers must keep copies of all enrollment agreements, advertising, rosters and attendance records. Such records must be kept for five (5) years and be made available to a representative of the Board upon request.

(2) Providers must permit periodic inspections and auditing by a representative of the Board for the purpose of evaluating facilities, course content, instructor performance of any other relevant aspect of the administration and conduct of such course.

(E) Changes.

Proposed changes to name, course content and/or length, texts, instructors, operating policies and procedures must be submitted to and approved by the Board prior to implementation.

(F) Complaints.

Providers must post in a conspicuous place a notice which states the following: "Any complaint concerning a Board-approved real estate appraiser course or instructor should be directed to the South Carolina Real Estate Appraisers Board at (the Board's current address)."

137-900.09. Instructors.

(A) Approved courses held in this state must be taught by Board-approved instructors. Instructors teaching courses which are part of a degree program offered by an accredited college, university, technical college, community college or junior college may be deemed approved by the Board.

(B) Applicants for instructor approval must submit an application form along with supporting documentation as proof of knowledge of subject matter and the ability to teach effectively.

(1) As proof of knowledge of the subject matter to be taught, one or more of the following will be considered:

(a) For License and Certified Residential Level Courses, L-1, L-2, L-3 and CR courses, an active ~~appraiser state certified residential or certified general appraiser certificate license or certification~~ issued by the Board or other authority acceptable to the Board, and at least three (3) years of appraisal experience; or

(b) For Certified General Level Courses, pre-certification courses, an active state certified general appraiser certificate issued by the Board or other authority acceptable to the Board, and at least three (3) years of nonresidential appraisal experience; or

(c) A college degree in an academic area directly related to the course; or

(d) Previous employment by a state or federal agency performing appraisal work for at least five (5) years immediately preceding application; or

(e) Past experience and/or education acceptable to the Board in a subject area directly related to the course.

(2) For continuing education courses acceptable proof of knowledge would also include:

(a) Three (3) years of experience within the past five (5) years directly related to subject matter to be taught; or

(b) Three (3) years of experience within the past five (5) years teaching the subject matter to be taught.

(3) As proof of the ability to teach effectively, one or more of the following will be considered:

(a) A current teaching certificate issued by any state department of education (or an equivalent agency);

(b) A four-year undergraduate degree in education; or

(c) Previous experience teaching in schools, seminars or in an equivalent setting for three (3) years within the past five (5) years; or

(d) Serving as a trainee or assistant instructor under the direct supervision of a Board-approved instructor for at least sixty (60) hours; or

(e) Past experience acceptable to the Board in the area of education.

(C) Instructors may be approved by the Board to teach one or more specific subjects or courses as outlined in the South Carolina Real Estate Appraiser License and Certification Act.

(D) An instructor may teach approved courses at locations throughout the State of South Carolina but must notify the board in advance and record his name on the provider's roster.

(E) A fee must accompany the application for each instructor approval.

(F) Other information not submitted with the application, but which is deemed important to the consideration thereof, may be required by the Board.

(G) If the application is disapproved, reason(s) for disapproval will be detailed and the instructor will be given an opportunity to cure any deficiencies found within thirty (30) days. If deficiencies are cured, the application will be approved.

(H) Each instructor must prominently display in the classroom where an approved course is being offered, a copy of Certificate of Approval.