

Colorado Board of Real Estate Appraisers
Advisory
June 8, 2007

The Colorado Board of Real Estate Appraisers (the “Board”) is considering a substantial rule change that could affect those seeking to secure or upgrade an appraisal licensing credential. This advisory is intended to provide background and to encourage interested parties to monitor the decisions of the Board over the next few months.

The Appraisal Qualification Board (the “AQB”) of the Appraisal Foundation establishes the minimum education, examination and experience requirements for real property appraisers to obtain state certification. The Colorado Board of Real Estate Appraisers is required by law to implement requirements for appraiser credentials that are no less stringent than those issued by the AQB.

The AQB has established new education, experience and examination requirements that Colorado must implement, effective January 1, 2008. Accordingly, new requirements will apply to applicants seeking credentials as registered, licensed or certified appraisers in Colorado who have not completed their education, examination and experience requirements in accordance with Board Rules on or before December 31, 2007. These new requirements are known as the “2008 Criteria”.

The 2008 Criteria significantly increase the amount of education required to become a registered, licensed or certified appraiser in Colorado. The 2008 Criteria also require applicants to pass a new, tougher examination. The experience requirement also changes slightly under the 2008 Criteria.

The AQB has developed two options for States to implement the 2008 Criteria. One option is known as the “Firm Date” Scenario. Under the Firm Date Scenario, applications received on or after January 1, 2008 must show compliance with all of the new 2008 Criteria components (education, examination and experience). This means that all applications received by the Division of Real Estate on or after January 1, 2008 (including incomplete applications received on or before January 1, 2008 and not completed prior to December 31, 2007) would be required to show compliance with the increased education requirements, passage of the new, tougher 2008 exam and compliance with the changed experience requirements. Colorado’s current Board Rule is the Firm Date Scenario.

The second option developed by the AQB for implementation of the 2008 Criteria is known as the “Segmented Scenario”. Under the Segmented Scenario, applications received by the Division of Real Estate on or after January 1, 2008 would be reviewed differently than under the Firm Date Scenario. Applicants would have to meet the new, tougher 2008 Criteria only for those components (education, examination and/or experience) that were not completed by the applicant on or before December 31, 2007 in accordance with Board Rules. For example, an applicant who had completed the education and examination requirements on or before December 31, 2007 in accordance with Board Rules would be deemed to have satisfied these components and the only component that the applicant would have to satisfy under the new 2008 Criteria would be experience. Colorado has NOT currently adopted the Segmented Scenario.

Recognizing that the Segmented Scenario offers more flexibility to applicants applying for a credential as a registered, licensed or certified appraiser in Colorado, the Board will be conducting a rule making hearing regarding a possible change from the Firm Date Scenario to the Segmented Scenario. Individuals planning to become registered, licensed or certified appraisers in Colorado are encouraged to closely monitor the Board's activities in this regard in the coming months. Changes to this Board Rule, if any, can be monitored by checking the Board's web site.

Regardless of whether the Board decides to implement the Segmented Scenario, individuals planning to apply for registration, licensure or certification as an appraiser in Colorado should be aware of the following:

1. It is the applicant's responsibility to submit a complete and properly documented application to the Division of Real Estate. If an applicant submits an incomplete or improperly documented application, the application will not be considered a filed application. Failure to submit a complete and properly documented application can have significant consequences. For example, an applicant who submits an incomplete or improperly documented application applying for a credential under the pre-2008 criteria may be required to meet the 2008 Criteria because the application could not be acted on prior to January 1, 2008.
2. It is the applicant's responsibility to submit a timely application to the Division of Real Estate. Applicants are encouraged to file their applications as soon as possible. The Division of Real Estate must have sufficient time to review the application. If the Division cannot review the application prior to December 31, 2007, the applicant may be required to meet the 2008 Criteria. The Division of Real Estate anticipates a large number of applications will be filed prior to December 31, 2007. The Division may not be able to review applications received after November 1, 2007 prior to December 31, 2007. If applications are received by November 1, 2007 the Division will complete the processing of the application by December 31, 2007. Applications that cannot be reviewed prior to December 31, 2007 will be returned, and the applicant will need to meet the 2008 Criteria.
3. The Board anticipates adopting a rule requiring applicants to provide properly completed AQB education matrix forms for all applications where the 2008 Criteria relating to education are applicable. Applicants should obtain a completed matrix form from the course provider for each education course taken for compliance with the 2008 Criteria.
4. The Board anticipates adopting a rule requiring all qualifying education (i.e. licensing education) courses taken after January 1, 2008 be approved through the AQB's Course Approval Program. Applicants taking qualifying education courses prior to January 1, 2008 are strongly encouraged to take qualifying education courses that are approved through the AQB's Course Approval Program.

For more information on the AQB's 2008 Criteria, please visit the AQB website at http://www.appraisalfoundation.org/s_appraisal/sec.asp?CID=59&DID=88