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# Emergency Rule Filing Form

*Emergency rules are effective from date of filing for a period of up to 180 days.*

**Agency/Board/Commission:** Department of Commerce and Insurance  
**Division:** Tennessee Real Estate Appraiser Commission  
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**Rule Type:**

Emergency Rule

**Revision Type (check all that apply):**

Amendment

New

Repeal

**Statement of Necessity:**

The Tennessee Real Estate Appraiser Commission is subject to the enactment of 2014 Public Chapter 621, effective January 1, 2015, which allows fingerprinting for any applicant for initial registration, licensure, or certification, in order to meet statutory requirements set forth in the Act. The Tennessee Real Estate Appraiser Commission is subject to the provisions of Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, which allows the Appraisal Qualifications Board to establish the minimum education, experience, and examinations requirements for real property appraisers to obtain a state license or certification. States are required to implement appraiser licensing and certification requirements that are no less stringent than those issued by the Appraisal Qualifications Board. The Board established new criteria that becomes effective January 1, 2015. In order to be in Federal compliance, the Tennessee Real Estate Appraiser Commission must establish rules to implement this criteria by January 1, 2015. The implementation of these rules within the required time period to implement these rules precludes utilization of rulemaking procedures described in Tennessee Code Annotated, Title 4, Chapter 5, Part 2 for the promulgation of permanent rules.

**Rule(s) Revised (ALL chapters and rules contained in filing must be listed here. If needed, copy and paste additional tables to accommodate multiple chapters. Please enter only ONE Rule Number/Rule Title per row)**

Chapter Number	Chapter Title
1255-01	General Provisions
Rule Number	Rule Title
1255-01-.02	Definitions
1255-01-.04	Application for Appraiser License or Certificate
1255-01-.05	Qualifications for State Licensed Appraiser
1255-01-.07	Qualifications for State Certified Residential Appraisers
1255-01-.08	Qualifications for General Certification
1255-01-.12	Registered Trainee
1255-01-.16	Fingerprinting

<b>Chapter Number</b>	<b>Chapter Title</b>
1255-06	Reciprocity
<b>Rule Number</b>	<b>Rule Title</b>
1255-06-.01	Reciprocal Agreements

Chapter 1255-01  
General Provisions

Amendments

Rule 1255-01-.02 Definitions is amended by adding a new paragraph (9) which shall read as follows:

1255-01-.02 Definitions.

- (9) "Good Standing" means a person has not been subject to any disciplinary action within any jurisdiction within the last three (3) years that affects the appraiser's legal eligibility to engage in appraisal practice. An appraiser subject to a disciplinary action would be considered to be in "good standing" three (3) years after the successful completion/termination of the sanction imposed against the appraiser.

Authority: T.C.A. §§ 62-39-203 and 62-39-333.

Rule 1255-01-.04 Application for Appraiser License or Certificate is amended by deleting the text of the rule in its entirety and substituting instead the following so that as amended the rule shall read:

Rule 1255-01-.04 Application for Appraiser License or Certificate.

- (1) All new applicants for a real property appraiser credential who are not currently licensed or certified and in good standing in another jurisdiction must undergo a State and national background check. Applicants shall submit fingerprints of the individual applying for the credential, in digital form if practicable, and any appropriate identifying information for submission to the Federal Bureau of Investigation and/or any governmental agency or entity authorized to perform such background checks.
- (2) A person who wishes to file an application for a real estate appraiser trainee registration, license or certificate may obtain the required form upon request to the Commission.
- (3) At the time of filing an application for trainee registration, licensure or certification, each applicant shall sign a pledge to comply with the standards set forth in the Act and the Commission's rules and state that the applicant understands the types of misconduct for which disciplinary proceedings may be initiated against a registered trainee, state licensed or certified appraiser, as set forth in the Act.
- (4) Each applicant shall complete all application and examination requirements within one (1) year of the date the Commission grants approval for the applicant to take the required examination. An applicant may not take the required examination more than four (4) times within the one (1) year period following approval; thereafter, an applicant wishing to take the required examination shall reapply and submit a new application fee. The Commission may grant exceptions to the requirements set forth in this paragraph upon appropriate individual request.
- (5) Any person may apply for upgrade of an unexpired license or certificate by filing an application for the same on a form which may be obtained from the Commission. The appropriate application fee must be filed with the application.
- (6) Filing and Fees. Properly completed applications must be accompanied by the appropriate fees. Once the application has been filed and processed, the application fee may not be refunded. The following fees shall be charged:
  - (a) Application for initial real estate appraiser license .....\$125.00

- (b) Application for initial real estate appraiser certificate ..... \$125.00
- (c) License or certificate issuance fee .....\$350.00
- (d) Application for upgrade.....\$125.00
- (e) Letter of good standing .....\$25.00

(7) Payment of application fees shall be made by certified check, bank check or money order made payable to the State of Tennessee.

Authority: T.C.A. §§ 62-39-203, 62-39-204, 62-39-206, 62-39-307, 62-39-312, 62-39-315 and 62-39-333.

Rule 1255-01-.05 Qualifications for State Licensed Appraiser is amended by deleting the text of the rule in its entirety and substituting instead the following so that as amended the rule shall read:

Rule 1255-01-.05 Qualifications for State Licensed Appraiser

(1) An applicant for a state licensed real estate appraiser license who has satisfied the prerequisites for certification provided in rule 1255-01-.07 or rule 1255-01-.08 will also satisfy the requirements of this rule. All other applicants for a state licensed real estate appraiser license shall first register as a registered trainee with the Commission and complete the training requirements established in rule 1255-01-.12. An applicant shall then satisfy all of the following education, experience and examination requirements:

(a) General Education. An applicant shall satisfy the following general education requirements as a prerequisite for licensure as a state licensed real estate appraiser:

1. Applicants for the licensed Residential credential shall successfully complete thirty (30) semester hours of college-level education from an accredited college, junior college, community college, or university. The college or university must be a degree-granting institution accredited by the Commission on Colleges, a regional or national accreditation association, or by an accrediting agency that is recognized by the U.S. Secretary of Education. If an accredited college or university accepts the College-level Examination Program® (CLEP) and examination(s) and issues a transcript for the exam showing its approval, it will be considered as credit for the college course.
2. Applicants holding an Associate degree, or higher, from an accredited college, junior college, community college, or university satisfy the thirty (30) hour college-level education requirement.
3. Applicants with a college degree from a foreign country may have their education evaluated for "equivalency" by one of the following:
  - (i) An accredited, degree-granting domestic college or university;
  - (ii) The American Association of Collegiate Registrars and Admissions Officers (AACRAO);
  - (iii) A foreign degree credential evaluation service company that is a member of the National Association of Credential Evaluation Services (NACES); or
  - (iv) A foreign degree credential evaluation service company that provides equivalency evaluation reports accepted by an accredited degree-granting domestic college or university or by a state licensing board that issues credentials in another discipline.

- (b) Appraisal Education. An applicant shall satisfy the following appraisal education requirements as a prerequisite to sit for the state licensed appraiser examination:
1. One hundred fifty (150) classroom hours of courses in subjects related to real estate appraisal (hereinafter, "qualifying education requirement") which shall include:
    - (i) Successful completion of fifteen (15) hours of the National Uniform Standards of Professional Appraisal Practice Course or its equivalent. Equivalency shall be determined by the Appraiser Qualifications Board Course Approval Program or by an alternate method established by the Appraiser Qualifications Board;
    - (l) The Commission shall grant an applicant credit toward the qualifying education requirement for the National Uniform Standards of Professional Appraisal Practice Course only when at least one of the course instructors is an AQB Certified USPAP Instructor who is also a state certified residential real estate appraiser or state certified general real estate appraiser.
    - (ii) Successful completion of a thirty (30) hour course in Appraisal Principles;
    - (iii) Successful completion of a thirty (30) hour course in Appraisal Practice or Procedures;
    - (iv) Successful completion of a fifteen (15) hour course in Residential Market Analysis and Highest and Best Use;
    - (v) Successful completion of a fifteen (15) hour course in Residential Appraiser Site Valuation and Cost Approach;
    - (vi) Successful completion of a thirty (30) hour course in Sales Comparison and Income Approaches; and
    - (vii) Successful completion of a fifteen (15) hour course in Residential Report Writing and Case Studies.
  2. A course hour is defined as fifty (50) minutes of teaching out of each sixty (60) minute segment.
  3. The Commission may grant credit toward the qualifying education requirement only where the length of the educational offering is at least fifteen (15) hours and the individual successfully completes an examination pertinent to that educational offering.
  4. An applicant may obtain credit for the qualifying education requirement from any of the following educational providers:
    - (i) colleges or universities;
    - (ii) community or junior colleges;
    - (iii) real estate appraisal or real estate related organizations;
    - (iv) state or federal agencies or commissions;
    - (v) proprietary schools;

- (vi) other providers approved by the Commission; or
  - (vii) The Appraisal Foundation or its Boards.
5. An applicant may refer to Chapter 1255-02 Evaluation of Education for further delineation of qualifying educational requirements.
  6. In the event of a denial, an applicant for licensure may file a written request for reconsideration with the Commission, appealing the Commission's evaluation of the applicant's education. The Commission shall consider the filed written request for reconsideration and reevaluate the applicant's education. In the event that the applicant's application for licensure is denied after the education reevaluation, then the denial shall not create a contested case proceeding (as defined by the Tennessee Administrative Procedures Act, Tenn. Code Ann., Title 4, Chapter 5), and the applicant may then reapply for licensure.
- (c) Experience. An applicant shall satisfy the following experience requirements as a prerequisite for licensure as a state licensed real estate appraiser:
1. An applicant shall complete a minimum of two thousand (2,000) hours of appraisal experience over a period of at least twenty-four (24) months preceding the date of the application to the Commission. The Commission shall treat the hours accumulated over the twenty-four (24) months as cumulative. An applicant shall complete the minimum of twenty-four (24) months of appraisal experience under the direct supervision of an appraiser certified by a real estate appraiser commission or board in any state. The experience must be sufficient to indicate to the Commission that the applicant is competent in the Uniform Standards of Professional Appraisal Practice.
  2. The applicant may also obtain equivalent experience. The Commission shall determine what is considered equivalent experience, which demonstrates the applicant's competence in the Uniform Standards of Professional Appraisal Practice. Equivalent experience shall be limited to the following:
    - (i) A minimum of twenty-four (24) months of experience as a licensed or certified real estate appraiser in another state, territory or possession of the United States, or in any country; provided, that the applicant has otherwise met all other requirements of Title 62, Chapter 39, and the rules established by the Commission.
  3. An applicant shall provide to the Commission a detailed listing of the types of real estate appraisal reports or file memoranda completed by the applicant for each twelve (12)-month period that the applicant claims that he or she has gained experience. Separate appraisal logs shall be maintained for each supervisory appraiser, if applicable. The applicant shall provide verification for experience credit claimed on forms prescribed by the Commission, which shall include the following information:
    - (i) type of property;
    - (ii) date of report;
    - (iii) address of appraised property;
    - (iv) description of work performed by the trainee/applicant and scope of the review and supervision of the supervising appraiser;
    - (v) number of actual work hours by the trainee/applicant on the assignment, up to the maximum allotted by property type;

- (vi) client name and address; and
  - (vii) signature and State certification number of the supervising appraiser, if applicable.
4. No experience credit will be granted that was obtained prior to January 30, 1989. An applicant shall submit sufficient recent experience to demonstrate the ability to apply the current Uniform Standards of Professional Appraisal Practice provisions.
  5. There is no minimum number of hours that must be obtained in any one (1) twelve (12)-month period.
- (d) Examination. An applicant shall successfully complete the Appraiser Qualifications Board endorsed Uniform State Licensed Real Property Appraiser Examination. An applicant must obtain licensure or certification designation within twenty-four (24) months from the date of passing score on the exam.
  - (e) Once the applicant has completed all of the required qualifying education and experience, then the applicant may submit his or her application for licensure. The Commission office shall not process an applicant's application if the required qualifying education and experience has not been satisfied or if the application is incomplete. The Commission office shall keep an incomplete application active for six (6) months, unless the applicant requests an extension in writing to the Commission.

Authority: T.C.A. §§ 62-39-203, 62-39-204, 62-39-303, 62-39-329, 62-39-333, and 62-39-337.

Rule 1255-01-.07 Qualifications for State Certified Residential Appraisers is amended by deleting the text of the rule in its entirety and substituting instead the following so that as amended the rule shall read:

Rule 1255-01-.07 Qualifications for State Certified Residential Appraisers

- (1) An applicant applying for a state certified residential real estate appraiser certification shall first register as a real estate appraiser trainee, or be a licensed or certified general real estate appraiser. The applicant shall then satisfy all of the following education, experience and examination requirements:
  - (a) General Education. An applicant shall satisfy the following general education requirements as a prerequisite for certification as a state certified residential real estate appraiser:
    1. Bachelor's degree or higher.
  - (b) Appraisal Education. An applicant shall satisfy the following appraisal education requirements as a prerequisite to sit for the state certified residential appraiser examination:
    1. Two hundred (200) classroom hours of courses in subjects related to real estate appraisal (hereinafter "qualifying education requirement"). These modules shall include:
      - (i) Successful completion of fifteen (15) hours of the National Uniform Standards of Professional Appraisal Practice Course or its equivalent. Equivalency shall be determined through the Appraiser Qualifications Board Course Approval Program or by an alternate method established by the Appraiser Qualifications Board,
      - (l) The Commission shall grant an applicant credit toward the qualifying education requirement for the National Uniform Standards of Professional Appraisal Practice Course only when

at least one of the course instructors is an AQB Certified USPAP Instructor who is also a state certified residential real estate appraiser or state certified general real estate appraiser.

- (ii) Successful completion of a thirty (30) hour course in Appraisal Principles;
  - (iii) Successful completion of a thirty (30) hour course in Appraisal Practice or Procedures;
  - (iv) Successful completion of a fifteen (15) hour course in Residential Market Analysis and Highest and Best Use;
  - (v) Successful completion of a fifteen (15) hour course in Residential Appraiser Site Valuation and Cost Approach;
  - (vi) Successful completion of a thirty (30) hour course in Sales Comparison and Income Approaches;
  - (vii) Successful completion of a fifteen (15) hour course in Residential Report Writing and Case Studies;
  - (viii) Successful completion of a fifteen (15) hour course in Statistics, Modeling and Finance;
  - (ix) Successful completion of a fifteen (15) hour course in Advanced Residential Applications and Case Studies; and
  - (x) Successful completion of twenty (20) hours of appraisal subject matter electives. These may include hours over minimum shown above in other modules.
2. A course hour is defined as fifty (50) minutes of teaching out of each sixty (60) minute segment.
3. The Commission may grant credit toward the qualifying education requirement only where the length of the educational offering is at least fifteen (15) hours and an applicant successfully completes an examination pertinent to that educational offering.
4. An applicant may obtain credit for the qualifying education requirement from any of the following:
- (i) colleges or universities;
  - (ii) community or junior colleges;
  - (iii) real estate appraisal or real estate related organizations;
  - (iv) state or federal agencies or commissions;
  - (v) proprietary schools;
  - (vi) other providers approved by the Commission; or
  - (vii) The Appraisal Foundation or its Boards.
5. The qualifying education requirement may include the one hundred fifty (150) hour qualifying education requirement for the state licensed real estate appraiser classification.

6. An applicant may refer to Chapter 1255-02 Evaluation of Education for further delineation of the qualifying education requirements.
  7. In the event of a denial, an applicant for certification may file a written request for reconsideration with the Commission, appealing the Commission's evaluation of the applicant's education. The Commission shall consider the filed written request for reconsideration and reevaluate the applicant's education. In the event that the applicant's application for certification is denied after the education reevaluation, then the denial shall not create a contested case proceeding (as defined by the Tennessee Administrative Procedures Act, Tenn. Code Ann., Title 4, Chapter 5) and the applicant may then reapply for certification.
- (c) Foreign Education. An applicant seeking to satisfy the general education requirements for a state certified residential appraiser credential with college level education from a foreign institution shall have their education evaluated for equivalency by an accredited, degree-granting domestic college or university, The American Association of Collegiate Registrars and Admissions Officers (AACRAO), a foreign degree credential evaluation service company that is a member of the National Association of Credential Evaluation Services (NACES), or a foreign degree credential evaluation service company that provides equivalency evaluation reports accepted by an accredited degree-granting domestic college or university or by a state licensing board that issues credentials in another discipline.
- (d) Experience. An applicant shall satisfy the following experience requirements as a prerequisite for certification as a state certified residential real estate appraiser:
1. An applicant shall complete a minimum of two thousand five hundred (2,500) hours of appraisal experience over a period of at least twenty-four (24) months. The Commission shall treat the hours accumulated over the twenty-four (24) months as cumulative. A registered trainee applicant shall complete the minimum of twenty-four (24) months of appraisal experience under the direct supervision of an appraiser certified by a real estate appraiser commission or board in any state. The experience must be sufficient to indicate to the Commission that the applicant is competent in the Uniform Standards of Professional Appraisal Practice.
  2. The applicant may also obtain equivalent experience. The Commission shall determine what is considered equivalent experience, which demonstrates the applicant's competence in the Uniform Standards of Professional Appraisal Practice. Equivalent experience shall be limited to the following:
    - (i) A minimum of twenty-four (24) months of experience as a licensed or certified real estate appraiser in another state, territory or possession of the United States, or in any country; provided, that the applicant has otherwise met all other requirements of Title 62, Chapter 39, and the rules promulgated by the Commission.
  3. An applicant shall provide to the Commission a detailed listing of the types of real estate appraisal reports or file memoranda completed by the applicant for each twelve (12)-month period during which the applicant claims that he or she has gained experience. Separate appraisal logs shall be maintained for each supervisory appraiser, if applicable. The applicant shall provide verification for experience credit claimed on forms prescribed by the Commission which shall include the following information:
    - (i) type of property;
    - (ii) date of report;
    - (iii) address of appraised property;

- (iv) description of work performed by the trainee/applicant and scope of the review and supervision of the supervising appraiser;
  - (v) number of actual work hours by the trainee/applicant on the assignment;
  - (vi) client name and address; and
  - (vii) signature and State certification number of the supervising appraiser, if applicable.
4. No experience credit will be granted that was obtained prior to January 30, 1989. An applicant shall submit sufficient recent experience to demonstrate the ability to apply the current Uniform Standards of Professional Appraisal Practice provisions.
5. There is no minimum number of hours that must have been obtained in any one (1) twelve (12)-month period.
- (e) Examination. An applicant shall successfully complete the Appraiser Qualifications Board endorsed Uniform State Certified Residential Real Property Appraiser Examination. An applicant must obtain certification designation within twenty-four (24) months from the date of passing score on the exam.
  - (f) Once the applicant has completed all of the required qualifying education and experience, then the applicant may submit his or her application for certification. The Commission office shall not process an applicant's application if the required qualifying education and experience has not been satisfied or if the application is incomplete. The Commission office shall keep an incomplete application active for six (6) months, unless the applicant requests an extension in writing to the Commission.
  - (g) An applicant applying for a State Certified Residential Appraiser certification who holds a current State Licensed Appraiser credential may satisfy the educational requirements for the State Certified Residential Real Estate Appraiser credential by completing the following additional educational hours:
    - 1. Successful completion of a fifteen (15) hour course in Statistics, Modeling and Finance;
    - 2. Successful completion of a fifteen (15) hour course in Advanced Residential Applications and Case Studies; and
    - 3. Successful completion of twenty (20) hours of appraisal subject matter electives. These may include hours over the minimum shown above in other modules.
  - (h) An applicant applying for a State Certified Residential Appraiser certification pursuant to subparagraph (g) must also satisfy the college-level educational requirements as specified in 1255-01-.07(1)(a).

Authority: T.C.A. §§62-39-203, 62-39-204, 62-39-311, 62-39-312, 62-39-313, 62-39-329, 62-39-333, and 62-39-337.

Rule 1255-01-.08 Qualifications for General Certification is amended by deleting the text of the rule in its entirety and substituting instead the following so that as amended the rule shall read:

Rule 1255-01-.08           Qualifications for General Certification

- (1) An applicant applying for a state certified general real estate appraiser license shall first register as a real estate appraiser trainee, or be a licensed or certified residential real estate appraiser,

and complete the experience requirements established in rule 1255-01-.12 and shall then satisfy the following education, experience and examination requirements as a prerequisite for certification:

- (a) General Education. An applicant shall satisfy the following general education requirements as a prerequisite for certification as a state certified general real estate appraiser:
  - 1. Bachelor's degree or higher.
  
- (b) Appraisal Education. An applicant shall satisfy the following appraisal education requirements as a prerequisite to sit for the state certified general appraiser examination:
  - 1. Three hundred (300) classroom hours of courses in subjects related to real estate appraisal. These modules shall include (hereinafter "qualifying education requirement"):
    - (i) Fifteen (15) hours of the three hundred (300) hours must include the successful completion of the National Uniform Standards of Professional Appraisal Practice Course or its equivalent. Equivalency shall be determined through the Appraiser Qualifications Board Course Approval Program or by an alternate method established by the Appraiser Qualifications Board,
      - (l) The Commission shall grant an applicant credit toward the qualifying education requirement for the National Uniform Standards of Professional Appraisal Practice Course only when at least one of the course instructors is an AQB Certified USPAP Instructor who is also a state certified residential real estate appraiser or state certified general real estate appraiser.
    - (ii) Successful completion of a thirty (30) hour course in Appraisal Principles;
    - (iii) Successful completion of a thirty (30) hour course in Appraisal Practice or Procedures;
    - (iv) Successful completion of a thirty (30) hour course in General Appraiser Market Analysis and Highest and Best Use;
    - (v) Successful completion of a fifteen (15) hour course in Statistics, Modeling and Finance;
    - (vi) Successful completion of a thirty (30) hour course in General Appraiser Sales Comparison Approach;
    - (vii) Successful completion of a thirty (30) hour course in General Appraiser Site Valuation and Cost Approach;
    - (viii) Successful completion of a sixty (60) hour course in General Appraiser Income Approach;
    - (ix) Successful completion of a thirty (30) hour course in General Appraiser Report Writing and Case Studies; and
    - (x) Successful completion of thirty (30) hours of appraisal subject matter electives. These may include hours over minimum shown above in other modules.
  - 2. A course hour is defined as fifty (50) minutes of teaching out of each sixty (60) minute segment.

3. An applicant's qualifying education requirement may include the one hundred fifty (150) classroom hour requirement for the licensed real estate appraiser classification or the two hundred (200) hour requirement for the certified residential real estate appraiser classification.
  4. The Commission may grant an applicant credit toward the qualifying education requirement only where the length of the educational offering is at least fifteen (15) hours and the applicant successfully completes an examination pertinent to that educational offering.
  5. An applicant may obtain credit for the qualifying education requirement from the following:
    - (i) colleges or universities;
    - (ii) community or junior colleges;
    - (iii) real estate appraisal or real estate related organizations;
    - (iv) state or federal agencies or commissions;
    - (v) proprietary schools;
    - (vi) other providers approved by the Commission; or
    - (vii) The Appraisal Foundation or its Boards.
  6. An applicant should refer to Chapter 1255-02 Evaluation of Education for further delineation of educational requirements.
  7. In the event that an applicant is denied, then an applicant for certification may file a written request for reconsideration with the Commission, appealing the Commission's evaluation of his or her education. The Commission shall consider the filed written request for reconsideration and reevaluate the applicant's education. In the event that the applicant's application for certification is denied after the education reevaluation, then the denial shall not create a contested case proceeding (as defined by the Tennessee Administrative Procedures Act, Tennessee Code Annotated, Title 4, Chapter 5) and the applicant may then reapply for certification.
- (c) Foreign Education. An applicant seeking to satisfy the general education requirements for a state certified general appraiser credential with college level education from a foreign institution shall have their education evaluated for equivalency by an accredited, degree-granting domestic college or university, The American Association of Collegiate Registrars and Admissions Officers (AACRAO), a foreign degree credential evaluation service company that is a member of the National Association of Credential Evaluation Services (NACES) or a foreign degree credential evaluation service company that provides equivalency evaluation reports accepted by an accredited degree-granting domestic college or university or by a state licensing board that issues credentials in another discipline.
- (d) Experience. An applicant must satisfy the following experience requirements as a prerequisite for certification as a state certified general real estate appraiser:
1. An applicant shall complete three thousand (3,000) hours of appraisal experience over a period of at least thirty (30) months preceding the date of the applicant's application to the Commission and the Commission shall treat the hours as cumulative. A registered trainee applicant shall complete the minimum of thirty (30) months of appraisal experience under the direct supervision of an appraiser

certified by a real estate appraiser commission or board in any state. The experience must be sufficient to indicate to the Commission that the applicant is competent in the Uniform Standards of Professional Appraisal Practice.

2. An applicant may obtain equivalent experience. The Commission shall determine what is considered equivalent experience, which demonstrates the applicant's competence in the Uniform Standards of Professional Appraisal Practice. Equivalent experience shall be limited to the following:
    - (i) A minimum of thirty (30) months of experience as a licensed or certified real estate appraiser in another state, territory or possession of the United States, or in any country; provided, that the applicant has otherwise met all requirements of Title 62, Chapter 39, and the rules promulgated by the Commission.
  3. An applicant shall complete at least one thousand five hundred (1,500) hours of the total three thousand (3,000) hours in non-residential appraisal work. Residential means one (1) to four (4) residential units. An applicant shall ensure that his or her experience shall satisfactorily demonstrate competence in the cost, income capitalization and direct sales comparison approaches to value.
  4. An applicant shall provide to the Commission a detailed listing of the types of real estate appraisal reports or file memoranda completed by the applicant for each twelve (12)-month period during which the applicant claims that he or she has gained experience. Separate appraisal logs shall be maintained for each supervisory appraiser, if applicable. The applicant shall provide verification for experience credit claimed on forms prescribed by the Commission, which shall include the following information:
    - (i) type of property;
    - (ii) date of report;
    - (iii) address of appraised property;
    - (iv) description of work performed by the trainee/applicant and scope of the review and supervision of the supervising appraiser;
    - (v) number of actual work hours by the trainee/applicant on the assignment, up to the maximum allotted by property type;
    - (vi) client name and address; and
    - (vii) signature and State certification number of the supervising appraiser, if applicable.
  5. No experience credit will be granted that was obtained prior to January 30, 1989. An applicant shall submit sufficient recent experience to demonstrate the ability to apply the current Uniform Standards of Professional Appraisal Practice provisions.
  6. There is no minimum number of hours that must have been obtained in any one (1) twelve (12)-month period.
- (e) Examination. An applicant shall successfully complete the Appraiser Qualifications Board endorsed Uniform State Certified General Real Property Appraiser Examination. An applicant must obtain licensure or certification designation within twenty-four (24) months from the date of passing score on the exam.

- (f) Once the applicant has completed all of the required qualifying education and experience, then the applicant may submit his or her application for certification. The Commission office shall not process an applicant's application if the required qualifying education and experience has not been satisfied or if the application is incomplete. The Commission office shall keep an incomplete application active for six (6) months, unless the applicant requests an extension in writing to the Commission.
  
- (g) An applicant applying for a State Certified General Appraiser certification who holds a current State Licensed Appraiser credential may satisfy the educational requirements for the State Certified General Appraiser credential by completing the following additional educational hours:
  1. Successful completion of a thirty (30) hour General Appraiser Market Analysis and Highest and Best Use course;
  2. Successful completion of a thirty (30) hour General Appraiser Site Valuation and Cost Approach course;
  3. Successful completion of a thirty (30) hour General Appraiser Sales Comparison Approach course;
  4. Successful completion of a thirty (30) hour General Report Writing and Case Studies course;
  5. Successful completion of a fifteen (15) hour Statistics, Modeling and Finance course; and
  6. Successful completion of a sixty (60) hour General Appraiser Income Approach course.
  
- (h) An applicant applying for a State Certified General Appraiser Certification who holds a current State Certified Residential Appraiser credential may satisfy the educational requirements for the State Certified General Appraiser credential by completing the following additional educational hours:
  1. Successful completion of a thirty (30) hour General Appraiser Market Analysis and Highest and Best Use course;
  2. Successful completion of a thirty (30) hour General Appraiser Sales Comparison Approach course;
  3. Successful completion of a thirty (30) hour Site Valuation and Cost Approach course;
  4. Successful completion of a sixty (60) hour General Appraiser Income Approach course; and
  5. Successful completion of a thirty (30) hour General Appraiser Report Writing and Case Studies course.
  
- (i) An applicant applying for a State Certified Residential Appraiser certification pursuant to subparagraph (g) must also satisfy the college-level educational requirements as specified in 1255-01-.08(1)(a).

Authority: T.C.A. §§ 62-39-203, 62-39-204, 62-39-311, 62-39-312, 62-39-313, 62-39-329, 62-39-333, and 62-39-337.

Rule 1255-01-.12 Registered Trainee is amended by deleting the text of the rule in its entirety and substituting instead the following so that as amended the rule shall read:

Rule 1255-01-.12 Registered Trainee

- (1) Application. An applicant for registration as a real estate appraiser trainee shall successfully complete the following requirements prior to obtaining registration:
  - (a) Obtain and complete the required application form from the Commission.
  - (b) Provide proof on the application form showing that he or she has obtained a high school diploma or its equivalent.
  - (c) Provide on the application form the name and certificate number of the certified real estate appraiser under whose direct supervision the applicant will serve.
  - (d) Provide the business address of his or her supervising appraiser and use that address as his or her business address. If an applicant has more than one (1) supervising appraiser, then the applicant shall use the business address of at least one (1) of his or her supervising appraisers.
  - (e) Complete an approved thirty (30)-hour course in Appraisal Principles, an approved thirty (30)-hour course in Practices and Procedures, and the fifteen (15)-hour National Uniform Standards of Professional Appraisal Practice Course.
  - (f) On or after January 1, 2015, registered trainees shall be required to complete a seven (7) hour course that, at a minimum, complies with the specifications for course content established by the AQB, which is specifically oriented to the requirements and responsibilities of Supervisory Appraisers and Trainee Appraisers. The course is to be completed by the registered trainee prior to application.
  - (g) Submit with the application a nonrefundable application and registration fee of one hundred twenty-five dollars (\$125.00).
- (2) Upon receipt of a properly completed application form with the required aforementioned documentation and the required fee, the Commission shall review the application to determine whether to issue the applicant a real estate appraiser trainee registration certificate and number.
- (3) Education. Before registration, an applicant for trainee registration shall complete seventy-five (75) hours of courses in subjects related to real estate appraisal, which shall include, but shall not be limited to coverage of the Uniform Standards of Professional Appraisal Practice (hereinafter, "course credit"). An applicant shall complete the required course credit as a prerequisite to applying for registration as a registered trainee. All applicants shall submit evidence of completion of a minimum of an approved thirty (30)-hour course in Appraisal Principles, an approved thirty (30)-hour course in Practices and Procedures, and the fifteen (15)-hour National Uniform Standards of Professional Appraisal Practice Course. An applicant shall also ensure that his or her course credit complies with the following:
  - (a) A course hour is defined as fifty (50) minutes of teaching out of each sixty (60) minute segment.
  - (b) An applicant may obtain course credit only where the minimum length of the education offering is fifteen (15) hours and the individual successfully completes the examination pertinent to that educational offering.
  - (c) An applicant may obtain course credit from the following:
    1. colleges or universities;
    2. community or junior colleges;
    3. real estate appraisal or real estate related organizations;

4. proprietary schools; or
  5. other providers approved by the Commission.
- (d) An applicant shall obtain course credit within the five (5)-year period immediately preceding an applicant's submission of his or her application for registration as a registered trainee.
- (e) The content for courses shall include, but is not limited to, coverage of the following real estate appraisal related topics:
1. influences on real estate value;
  2. legal considerations in appraisals;
  3. types of value;
  4. economic principles;
  5. real estate markets and analysis;
  6. valuation process;
  7. property description;
  8. highest and best use analysis;
  9. appraisal statistical concepts;
  10. sales comparison approach;
  11. site value;
  12. cost approach;
  13. income approach;
  14. valuation of partial interests; and
  15. appraisal standards and ethics.
- (4) Experience.
- (a) There is no experience prerequisite for an applicant to become a registered trainee.
  - (b) A registered trainee may have more than one (1) supervising appraiser.
  - (c) A registered trainee shall be subject to direct supervision by a supervising appraiser who shall be a state certified residential real estate appraiser or a state certified general real estate appraiser in good standing.
  - (d) A registered trainee shall only appraise those properties which the supervising appraiser is permitted to appraise.
  - (e) If a trainee's registration has expired or the trainee is no longer under the supervision of a state certified residential or state certified general real estate appraiser, then the registered trainee shall not perform the duties as a registered trainee until he or she submits an affidavit on a form provided by the Commission which states that he or she has a supervising appraiser. The registered trainee's supervising appraiser shall sign the

affidavit stating that he or she is the supervising appraiser responsible for the registered trainee.

- (f) A registered trainee shall maintain an appraisal log of his or her experience, shall maintain a separate appraisal log for each supervising appraiser, and shall, at a minimum, include the following in the appraisal log:
    - 1. type of property;
    - 2. date of report;
    - 3. address of appraised property;
    - 4. description of work performed by the trainee/applicant and scope of the review and supervision of the supervising appraiser;
    - 5. number of actual work hours by the trainee/applicant on the assignment, up to the maximum allotted by property type;
    - 6. client name and address; and
    - 7. signature and State certification number of the supervising appraiser.
  - (g) A registered trainee may conduct property inspections alone (without being accompanied by the supervising appraiser) only after completing five hundred (500) hours of acceptable experience. In order to conduct property inspections pursuant to this paragraph, the registered trainee shall submit a form to the Commission on which both the registered trainee and the supervising appraiser shall certify the experience.
  - (h) A registered trainee shall comply with the Uniform Standards of Professional Appraisal Practice.
- (5) Examination.
- (a) There is no examination prerequisite for an applicant to become a registered trainee.
  - (b) A registered trainee or applicant for registration as a registered trainee may apply to take the examination for a state licensed real estate appraiser license or a state certified residential appraiser; provided, that the applicant and/or registered trainee has completed all appropriate education requirements. An applicant for registration as a trainee and/or registered trainee may not apply to take the examination for a state certified general real estate appraiser until the trainee has completed all other requirements for general certification.
  - (c) If a registered trainee applies to take the examination prior to application for licensure and completion of the experience interview they shall remit a nonrefundable fee of fifty dollars (\$50.00) with his or her application to take the examination for a state licensed real estate appraiser or a state certified residential real estate appraiser. A registered trainee must obtain licensure or certification within twenty four (24) months of the examination date.
  - (d) A license or residential certificate will be issued to a registered trainee or applicant for registration as a registered trainee who passes the examination, only upon the registered trainee or applicant for registration as a registered trainee completing all requirements for licensure or residential certification. If all other requirements are not met prior to the expiration of a trainee's registration and the registered trainee fails to renew, then he or she loses credit for passing the examination.
  - (e) Once the registered trainee has completed all of the required qualifying education and experience, then the trainee may submit his or her application for registration. The

Commission office shall not process an applicant's application if the required qualifying education and experience has not been satisfied or if the application is incomplete. The Commission office shall keep an incomplete application active for six (6) months, unless the applicant requests an extension in writing to the Commission.

(6) Renewal.

- (a) A registered trainee's registration shall expire two (2) years after the date of issuance.
- (b) A registered trainee must renew his or her registration, at least thirty (30) days prior to its expiration, by filing the prescribed form with the Commission and paying a renewal fee of one hundred twenty-five dollars (\$125.00).
- (c) If a registered trainee fails to file the prescribed form and pay the renewal fee within thirty (30) days prior to its expiration, the registered trainee may, upon payment of a one hundred dollar (\$100.00) late renewal penalty in addition to the renewal fee, apply for renewal. No late renewal will be granted if more than six (6) months has passed since the expiration of the registered trainee's registration. The registered trainee may then reapply to be a registered trainee.

(7) Continuing Education.

- (a) A registered trainee who remains in the classification of registered trainee in excess of two (2) years shall be required to obtain a minimum of twenty-eight (28) classroom hours of instruction in courses, seminars, workshops or conferences approved by the Commission, prior to the next renewal period (hereinafter, "continuing education").
- (b) As part of a registered trainee's continuing education, a registered trainee shall complete the seven (7) hour National Uniform Standards of Professional Appraisal Practice Course at least once every two (2) years as defined and required by rule 1255-04-.01(2).
- (c) A classroom hour is defined as fifty (50) minutes of actual instruction for each sixty (60) minute segment.
- (d) The Commission may grant continuing education credit only where the length of the educational offering is at least two (2) hours.
- (e) An applicant may obtain continuing education credit from the following:
  - 1. colleges or universities;
  - 2. community or junior colleges;
  - 3. real estate appraisal or real estate related organizations;
  - 4. state or federal agencies or commissions;
  - 5. proprietary schools; or
  - 6. other providers approved by the Commission.
- (f) The Commission may grant continuing education credit for educational offerings which are consistent with the purpose of continuing education stated in subparagraph (g) below and cover real estate appraisal topics such as the following:
  - 1. ad valorem taxation
  - 2. arbitration
  - 3. business courses related to practice of real estate appraisal

4. construction estimating
5. ethics and standards of professional practice
6. land use planning, zoning and taxation
7. management, leasing, brokerage and timesharing
8. property development
9. real estate appraisal (valuations/evaluations)
10. real estate law
11. real estate litigation
12. real estate financing and investment
13. real estate appraisal related computer applications
14. real estate securities and syndication
15. real property exchange

- (g) The purpose of continuing education is to ensure that a registered trainee participates in a program that maintains and increases his or her skill, knowledge and competency in real estate appraisal.
- (8) Each registered trainee shall notify the Commission of such registered trainee's current residence and principal place of business, all mailing and other addresses at which the registered trainee is currently engaged in the business of assisting in the preparation of real estate appraisal reports, and the name of the registered trainee's supervising appraiser(s). When a registered trainee changes any of the above addresses or supervising appraiser(s), the registered trainee shall notify the Commission, in writing, of such change within thirty (30) days thereafter.
- (9) No registered trainee may represent him or herself as a licensed or certified appraiser or use the appellation "State Licensed Real Estate Appraiser," "State Certified Residential Real Estate Appraiser," "State Certified General Real Estate Appraiser," or any form thereof, or do any other act which gives or is designed to give the impression that the registered trainee is a licensed or certified real estate appraiser.
- (10) Supervising Appraisers for Registered Trainees.
- (a) Supervisory appraisers shall be state-certified and in "good standing" in the jurisdiction in which the trainee appraiser practices for a period of at least three (3) years. Supervisory appraisers shall not have been subject to any disciplinary action within any jurisdiction within the last three (3) years that affects the supervisory appraiser's legal eligibility to engage in appraisal practice. A supervisory appraiser subject to a disciplinary action would be considered to be in "good standing" three (3) years after the successful completion/termination of the sanction imposed against the appraiser.
- (b) The supervising appraiser shall sign each written appraisal report, relating to real property in this state, which was prepared by a registered trainee under the supervising appraiser's direct supervision.
- (c) A supervising appraiser shall ensure that the appraisal reports prepared by the registered trainee are prepared under the supervising appraiser's direct supervision. "Direct supervision" of a registered trainee means that a supervising appraiser shall:

1. Accompany the registered trainee and personally inspect each subject property with the registered trainee on all assignments until the trainee has complete five hundred (500) hours of acceptable appraisal experience, and accompany the registered trainee and personally inspect each subject property with the registered trainee on all assignments that are over fifty (50) miles from the supervising appraiser's office, even after the registered trainee has accumulated over five hundred (500) hours of acceptable appraisal experience;
2. Review the registered trainee's appraisal report(s) to ensure the registered trainee's research of general and specific data has been adequately conducted and properly reported, that the registered trainee's application of appraisal principles and methodologies has been properly applied, that the registered trainee's analysis is sound and adequately reported, and that any analyses, opinions, or conclusions of the registered trainee are adequately developed and reported so that the appraisal report is not misleading;
3. Review the registered trainee's work product and discuss with the registered trainee any edits, corrections, or modifications that need to be made to such work product, and make such edits, corrections, or modifications as are required to such work product; and
4. Accept responsibility for the appraisal report by signing the appraisal report and certify that the appraisal report has been prepared in compliance with the current edition of the Uniform Standards of Professional Appraisal Practice by:
  - (i) making a clear and prominent disclosure that the registered trainee has provided significant real property appraisal assistance in each appraisal report in accordance with Uniform Standards of Profession Appraisal Practice Standards Rule 2-2 and Standards Rule 2-3;
  - (ii) prohibiting the registered trainee from signing any appraisal report or other document involved in the appraisal which states or implies that said trainee is "licensed" or "certified" in any manner, and by prohibiting the registered trainee from engaging in any activity which is limited to licensed or certified appraisers, or which is designed to give third parties the impression that the registered trainee is a licensed or certified appraiser; and
  - (iii) ensuring that the registered trainee gains sufficient knowledge, skills, and abilities that will enable such trainee to accomplish all of the following:
    - (I) Define the appraisal problem, which requires the trainee to:
      - I. identify and locate the real estate;
      - II. identify the property rights to be valued;
      - III. identify the use of the appraisal;
      - IV. define value(s) to be estimated;
      - V. establish date(s) of value estimate(s);
      - VI. identify and describe the scope of the appraisal; and
      - VII. identify and describe limiting conditions.
    - (II) Conduct preliminary analysis, and select and collect applicable data, which requires the trainee to:
      - I. Identify general data (regional, city, and neighborhood)-social, economic, governmental and environmental factors;

- II. Identify specific data (subject and comparables)-site and improvement, cost and depreciation, income/expense and capitalization rate, history of ownership and use of property; and
    - III. Identify competitive supply and demand in the subject market (inventory of competitive properties, sales and listings, vacancies and offerings, absorption rates, demand studies).
  - (III) Conduct an analysis of the subject property, which requires a trainee to analyze:
    - I. Site improvements;
    - II. Size;
    - III. Costs;
    - IV. Elements of comparison; and
    - V. Units of comparison;
  - (IV) Conduct a highest and best use analysis (specified in terms of use, time, and market participants), which requires a trainee to analyze:
    - I. Land as if vacant and available; and
    - II. Property as improved (existing or proposed).
  - (V) Estimate land value, including on-site improvements.
  - (VI) Estimate value of the property using each of the three approaches to value-cost, sales comparison and income capitalization.
  - (VII) Reconcile each value indication and reconcile the final value estimate.
  - (VIII) Report estimate(s) of value(s) as defined.
- (d) A supervising appraiser may supervise a maximum of three (3) registered trainees at one time.
- (e) A supervising appraiser shall keep copies of appraisal reports for a period of at least five (5) years or at least two (2) years after final disposition of any judicial proceeding in which testimony was given, whichever period expires last. The supervising appraiser shall allow the registered trainee to have reasonable access to his or her appraisal reports that he or she prepared upon the registered trainee's request for copies of the reports.
- (f) A supervising appraiser shall notify the board in writing if he or she is no longer the supervising appraiser for a registered trainee within thirty (30) days thereafter. If the disassociation is for cause, the cause shall be communicated to the Commission.
- (g) On or after January 1, 2015, supervisory appraisers shall be required to complete a seven (7) hour course that, at a minimum, complies with the specifications for course content established by the AQB, which is specifically oriented to the requirements and responsibilities of supervisory appraisers and trainee appraisers. The course is to be completed by the supervisory appraiser prior to supervising a trainee appraiser.
- (h) In any appraisal in which a registered trainee has inspected a subject property, the supervising appraiser is also required to disclose in the appraisal report whether the supervising appraiser has inspected the subject property both inside and out, and whether the supervising appraiser has made an exterior inspection of all comparable sales relied upon in the appraisal.

Authority: T.C.A. §§62-39-203, 62-39-204, 62-39-316, 62-39-326, and 62-39-333.

Chapter 1255-01  
General Provisions

New Rules

Rule 1255-01-.16 Fingerprinting is added as a new rule to the Chapter and shall read as follows:

1255-01-.16 Fingerprinting

- (1) Any applicant for initial registration, licensure, or certification who is required to submit a complete and legible set of fingerprints for the purpose of obtaining a criminal background check pursuant to T.C.A. § 62-39-301 shall submit said fingerprints in an electronic format.
  - (a) An applicant for initial registration, licensure, or certification shall be deemed to have supplied the required set of fingerprints if that applicant causes a private company contracted by the State to electronically transmit that applicant's classifiable prints directly to the TBI and FBI to forward an electronic report based on that applicant's fingerprints to the Commission.
  - (b) All sets of classifiable fingerprints required by this rule shall be furnished at the expense of the applicant for initial registration, licensure, or certification.
  - (c) The applicant for initial registration, licensure, or certification shall make the arrangements for the processing of his or her fingerprints with the company contracted by the State to provide electronic fingerprinting services directly and shall be responsible for the payment of any fees associated with processing of fingerprints to the respective agent authorized by the TBI and FBI.
  - (d) All applicants for initial registration, licensure, or certification shall in all cases be responsible for paying application fees for registration, licensure, licensure as established by the Commission in addition to any fees required to submit a complete and legible set of fingerprints pursuant to T.C.A. § 62-39-102.
- (2) In the event that an applicant for initial registration, licensure, or certification furnishes unclassifiable fingerprints or fingerprints which are unclassifiable in nature, the Commission shall refuse to issue the requested registration, license, or certification.
  - (a) For the purposes of this rule "unclassifiable fingerprints" means that the electronic scan or the print of the person's fingerprints cannot be read and, therefore, cannot be used to identify the person.
  - (b) Should an applicant for initial registration, licensure, or certification's fingerprints be rejected by the TBI or FBI, the applicant shall pay any fees assessed by the TBI or FBI for resubmission.
- (3) The provisions of this rule shall apply to any applicant applying for initial registration, licensure, or certification on or after January 1, 2015.

Authority: 2014 Pub. Chap. 621, T.C.A. §§ 62-39-102, 62-39-203, 62-39-301.

Chapter 1255-06  
Reciprocity

Amendments

Rule 1255-06-.01 Reciprocal Agreements is amended by deleting the text of the rule in its entirety and substituting instead the following so that as amended the rule shall read:

1255-06-.01 Reciprocal Agreements.

- (1) If, in the determination of the Commission, a state or territory of the United States is deemed to have established meaningful requirements for the licensure and certification of real estate appraisers and is in compliance with the Appraisal Subcommittee, then the Commission shall grant reciprocal rights to real estate appraiser licensees and certificate holders which are in "good standing" in that state.
  - (a) For purposes of implementing the reciprocity policy, states with an Appraisal Subcommittee finding of "Poor" do not satisfy the "in compliance" provision for reciprocity.
- (2) A licensee or certificate holder who resides in another state, is currently credentialed in another state and is active on the National Registry in another state must show:
  - (a) That the licensee or certificate holder has successfully completed one (1) seven (7) hour National USPAP Update Course, or its Appraisal Qualification Board-approved equivalent, within the past two (2) calendar years; and
  - (b) That the licensee or certificate holder has met all continuing education requirements in the other state within the past two calendar years.
- (3) A licensee or certificate holder who became licensed or certified through reciprocity and now resides in Tennessee must comply with the continuing education requirements of this paragraph regardless of how the license or certificate was obtained.
- (4) If, in the determination of the Commission, the requirements in paragraphs (1) and (2) have been met, then upon receipt of a nonrefundable application fee of one hundred twenty-five dollars (\$125.00), a license or certificate issuance fee of three hundred fifty dollars (\$350.00) and a federal registry fee of eighty dollars (\$80.00), the Commission shall grant to an applicant a reciprocal license or certificate to appraise real estate in the State of Tennessee.
- (5) If a licensee or certificate holder's out-of-state real estate appraiser license or certificate has been revoked, suspended, denied renewal or restricted, then the Commission may revoke, suspend, refuse to renew or restrict the licensee's or certificate holder's State of Tennessee real estate appraiser license or certificate.
- (6) An applicant for licensure or certification meeting the requirements of T.C.A. § 4-3-1304(d)(1) may be issued a reciprocal license pursuant to T.C.A. § 62-39-322 and Tenn. Comp. R. & Regs § 1255-01-.05, § 1255-01-.07, or § 1255-01-.08 upon compliance with all terms therein, including application and payment of all fees required for the issuance of such reciprocal license.
- (7) Notwithstanding paragraphs (1) and (2), no license or certification shall be issued pursuant to this Rule to any person:
  - (a) Whose current license or certification as a real estate appraiser is from a state that is not "in compliance" with Title XI (FIRREA) as determined by the Appraisal Subcommittee established thereunder; or
  - (b) Who does not hold a valid license or certification in "good standing".

Authority: §§62-39-203, 62-39-204, 62-39-206, 62-39-306, 62-39-325 and 62-39-333.

\* If a roll-call vote was necessary, the vote by the Agency on these rules was as follows:

Board Member	Aye	No	Abstain	Absent	Signature (if required)
Mark Johnstone				X	
Eric Collinsworth				X	
Timothy Walton	X				
Norman Hall	X				
Gary Standifer	X				
Rosemarie Johnson	X				
Nancy Point	X				
Randall Thomas	X				
Dr. Warren Mackara	X				

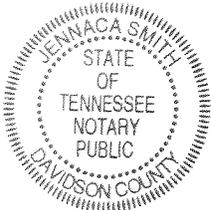
I certify that this is an accurate and complete copy of an emergency rule(s), lawfully promulgated and adopted.

Date: 12/23/14

Signature: Keeling R. Baird

Name of Officer: Keeling R. Baird

Title of Officer: Assistant General Counsel



MY COMMISSION EXPIRES:  
March 8, 2016

Subscribed and sworn to before me on: 12/23/14

Notary Public Signature: Jennaca Smith

My commission expires on: 3/8/16

All emergency rules provided for herein have been examined by the Attorney General and Reporter of the State of Tennessee and are approved as to legality pursuant to the provisions of the Administrative Procedures Act, Tennessee Code Annotated, Title 4, Chapter 5.

Herbert H. Slatery III  
Herbert H. Slatery III  
Attorney General and Reporter  
12/29/2014  
Date

**Department of State Use Only**

Filed with the Department of State on: 12-30-14

Effective for: 180 \*days

Effective through: 6-28-15

\* Emergency rule(s) may be effective for up to 180 days from the date of filing.

Tre Hargett  
Tre Hargett  
Secretary of State

RECEIVED  
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## Impact on Local Governments

Pursuant to T.C.A. §§ 4-5-220 and 4-5-228 "any rule proposed to be promulgated shall state in a simple declarative sentence, without additional comments on the merits of the policy of the rules or regulation, whether the rule or regulation may have a projected impact on local governments." (See Public Chapter Number 1070 (<http://state.tn.us/sos/acts/106/pub/pc1070.pdf>) of the 2010 Session of the General Assembly)

The amendments will not have an impact on local government.

## Additional Information Required by Joint Government Operations Committee

All agencies, upon filing a rule, must also submit the following pursuant to T.C.A. § 4-5-226(i)(1).

- (A)** A brief summary of the rule and a description of all relevant changes in previous regulations effectuated by such rule;

Pursuant to Tenn. Code Ann. § 62-39-102, the proposed rule regarding fingerprinting for initial registration, licensure, or certification must be enacted by January 1, 2015, in order to ensure compliance with federal regulations developed by the Appraisal Qualifications Board (AQB). In addition, the Tennessee Real Estate Appraiser Commission is required to implement appraiser licensing and certification requirements that are no less stringent than those issued by the AQB. Under the provision of Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA), the AQB has established the minimum education, experience, and examination requirements for real property appraisers to obtain a state license or certification. These criteria will become effective on January 1, 2015. The rulemaking that is currently in process will not meet this deadline; thus, making emergency rules necessary. This emergency rulemaking was presented to the Tennessee Real Estate Appraiser Commission for approval at its November 10, 2014 Commission meeting and was approved.

The proposed rules require fingerprinting for all new applicants for registration, license, or certification, for the purpose of obtaining a criminal background check pursuant to T.C.A. 62-39-102. In addition, the proposed rules require applicants applying for a state certified residential appraiser certification to have at least a bachelor's degree or higher. The rules currently require an associate's degree for certification. These education changes are necessary to maintain the Commission's compliance with the most recent appraiser qualifications issued by the AQB. The proposed rules add language regarding foreign education, which will be evaluated for equivalency for applicants applying for a state certified residential appraiser certification. The proposed rules require that all applicants applying for a general certification obtain a bachelor's degree. The current rule allows for an individual to apply without a bachelor's degree so long as they have thirty (30) hours of course in certain topics; however, this is no longer consistent with AQB requirements. The proposed rules add language to make requirements for a reciprocal license clearer.

- (B)** A citation to and brief description of any federal law or regulation or any state law or regulation mandating promulgation of such rule or establishing guidelines relevant thereto;

Pursuant to Tenn. Code Ann. § 62-39-102, the proposed rule regarding fingerprinting for initial registration, licensure, or certification must be enacted by January 1, 2015, in order to ensure compliance with federal regulations developed by the Appraisal Qualifications Board (AQB). Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA) as amended by the Dodd Frank Wall Street Reform and Consumer Protection Act provides that the Appraisal Subcommittee (ASC) shall monitor the requirements established by States for certification and licensing of individuals who are qualified to perform appraisal in connection with federally related transactions. T.C.A. 62-39-203 provides that the Commission "shall adopt rules and regulations in aid or in furtherance of this chapter."

- (C)** Identification of persons, organizations, corporations or governmental entities most directly affected by this rule, and whether those persons, organizations, corporations or governmental entities urge adoption or rejection of this rule;

Licensed or certified appraisers in Tennessee and those applying to become appraisers are most directly affected by these rules.

- (D)** Identification of any opinions of the attorney general and reporter or any judicial ruling that directly relates to the rule;

There are no attorney general opinions or any judicial rulings that directly relate to the rule.

- (E) An estimate of the probable increase or decrease in state and local government revenues and expenditures, if any, resulting from the promulgation of this rule, and assumptions and reasoning upon which the estimate is based. An agency shall not state that the fiscal impact is minimal if the fiscal impact is more than two percent (2%) of the agency's annual budget or five hundred thousand dollars (\$500,000), whichever is less;

The amendments are expected to have no impact on government revenue or expenditures.

- (F) Identification of the appropriate agency representative or representatives, possessing substantial knowledge and understanding of the rule;

Keeling R. Baird  
Assistant General Counsel  
Tennessee Real Estate Appraiser Commission

Nikole Avers  
Executive Director  
Tennessee Real Estate Appraiser Commission

- (G) Identification of the appropriate agency representative or representatives who will explain the rule at a scheduled meeting of the committees;

Keeling R. Baird  
Assistant General Counsel  
Tennessee Real Estate Appraiser Commission

Nikole Avers  
Executive Director  
Tennessee Real Estate Appraiser Commission

- (H) Office address, telephone number, and email address of the agency representative or representatives who will explain the rule at a scheduled meeting of the committees; and

Keeling R. Baird  
Assistant General Counsel  
Tennessee Real Estate Appraiser Commission  
500 James Robertson Parkway  
Nashville, TN 37243  
615-532-6303  
Keeling.R.Baird@tn.gov

- (I) Any additional information relevant to the rule proposed for continuation that the committee requests.

None

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Sequence Number: \_\_\_\_\_  
 Rule ID(s): \_\_\_\_\_  
 File Date (effective date): \_\_\_\_\_  
 End Effective Date: \_\_\_\_\_

# Emergency Rule Filing Form

*Emergency rules are effective from date of filing for a period of up to 180 days.*

<b>Agency/Board/Commission:</b>	Department of Commerce and Insurance
<b>Division:</b>	Tennessee Real Estate Appraiser Commission
<b>Contact Person:</b>	Keeling R. Baird
<b>Address:</b>	500 James Robertson Parkway
<b>Zip:</b>	37243
<b>Phone:</b>	615-532-6303
<b>Email:</b>	Keeling.R.Baird@tn.gov

**Rule Type:**  
 Emergency Rule

**Revision Type (check all that apply):**  
 Amendment  
 New  
 Repeal

**Statement of Necessity:**

The Tennessee Real Estate Appraiser Commission is subject to the enactment of 2014 Public Chapter 621, effective January 1, 2015, which allows fingerprinting for any applicant for initial registration, licensure, or certification, in order to meet statutory requirements set forth in the Act. The Tennessee Real Estate Appraiser Commission is subject to the provisions of Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, which allows the Appraisal Qualifications Board to establish the minimum education, experience, and examinations requirements for real property appraisers to obtain a state license or certification. States are required to implement appraiser licensing and certification requirements that are no less stringent than those issued by the Appraisal Qualifications Board. The Board established new criteria that becomes effective January 1, 2015. In order to be in Federal compliance, the Tennessee Real Estate Appraiser Commission must establish rules to implement this criteria by January 1, 2015. The implementation of these rules within the required time period to implement these rules precludes utilization of rulemaking procedures described in Tennessee Code Annotated, Title 4, Chapter 5, Part 2 for the promulgation of permanent rules.

**Rule(s) Revised (ALL chapters and rules contained in filing must be listed here. If needed, copy and paste additional tables to accommodate multiple chapters. Please enter only ONE Rule Number/RuleTitle per row)**

Chapter Number	Chapter Title
1255-01	General Provisions
Rule Number	Rule Title
1255-01-.02	Definitions
1255-01-.04	Application for Appraiser License or Certificate
1255-01-.05	Qualifications for State Licensed Appraiser
1255-01-.07	Qualifications for State Certified Residential Appraisers
1255-01-.08	Qualifications for General Certification
1255-01-.12	Registered Trainee
1255-01-.16	Fingerprinting

Chapter Number	Chapter Title
1255-06	Reciprocity
Rule Number	Rule Title
1255-06-.01	Reciprocal Agreements

Chapter 1255-01  
General Provisions

Amendments

Rule 1255-01-.02 Definitions is amended by adding a new paragraph (9) which shall read as follows:

1255-01-.02 Definitions.

- (9) "Good Standing" means a person has not been subject to any disciplinary action within any jurisdiction within the last three (3) years that affects the appraiser's legal eligibility to engage in appraisal practice. An appraiser subject to a disciplinary action would be considered to be in "good standing" three (3) years after the successful completion/termination of the sanction imposed against the appraiser.

Authority: T.C.A. §§ 62-39-203 and 62-39-333.

Rule 1255-01-.04 Application for Appraiser License or Certificate is amended by deleting the text of the rule in its entirety and substituting instead the following so that as amended the rule shall read:

Rule 1255-01-.04 Application for Appraiser License or Certificate.

- (1) All new applicants for a real property appraiser credential who are not currently licensed or certified and in good standing in another jurisdiction must undergo a State and national background check. Applicants shall submit fingerprints of the individual applying for the credential, in digital form if practicable, and any appropriate identifying information for submission to the Federal Bureau of Investigation and/or any governmental agency or entity authorized to perform such background checks.
- ~~(1)~~(2) A person who wishes to file an application for a real estate appraiser trainee registration, license or certificate may obtain the required form upon request to the Commission.
- (3) At the time of filing an application for trainee registration, licensure or certification, each applicant shall sign a pledge to comply with the standards set forth in the Act and the Commission's rules and state that the applicant understands the types of misconduct for which disciplinary proceedings may be initiated against a registered trainee, state licensed or certified appraiser, as set forth in the Act.
- (4) Each applicant shall complete all application and examination requirements within one (1) year of the date the Commission grants approval for the applicant to take the required examination. An applicant may not take the required examination more than four (4) times within the one (1) year period following approval; thereafter, an applicant wishing to take the required examination shall reapply and submit a new application fee. The Commission may grant exceptions to the requirements set forth in this paragraph upon appropriate individual request.
- (5) Any person may apply for upgrade of an unexpired license or certificate by filing an application for the same on a form which may be obtained from the Commission. The appropriate application fee must be filed with the application.
- (6) Filing and Fees. Properly completed applications must be accompanied by the appropriate fees. Once the application has been filed and processed, the application fee may not be refunded. The following fees shall be charged:

- (a) Application for initial real estate appraiser license .....\$125.00

- (b) Application for initial real estate appraiser certificate ..... \$125.00
- (c) License or certificate issuance fee .....\$350.00
- (d) Application for upgrade.....\$125.00
- (e) Letter of good standing .....\$25.00

(7) Payment of application fees shall be made by certified check, bank check or money order made payable to the State of Tennessee.

Authority: T.C.A. §§ 62-39-203, 62-39-204, 62-39-206, 62-39-307, 62-39-312, 62-39-315 and 62-39-333.

Rule 1255-01-.05 Qualifications for State Licensed Appraiser is amended by deleting the text of the rule in its entirety and substituting instead the following so that as amended the rule shall read:

Rule 1255-01-.05 Qualifications for State Licensed Appraiser

(1) An applicant for a state licensed real estate appraiser license who has satisfied the prerequisites for certification provided in rule 1255-01-.07 or rule 1255-01-.08 will also satisfy the requirements of this rule. All other applicants for a state licensed real estate appraiser license shall first register as a registered trainee with the Commission and complete the training requirements established in rule 1255-01-.12. An applicant shall then satisfy all of the following education, experience and examination requirements:

(a) General Education. An applicant shall satisfy the following general education requirements as a prerequisite for licensure as a state licensed real estate appraiser:

~~1. High school diploma or its equivalent. (An applicant who has not obtained a high school diploma or its equivalent may apply and have his or her educational background reviewed on an individual basis).~~

1. Applicants for the licensed Residential credential shall successfully complete thirty (30) semester hours of college-level education from an accredited college, junior college, community college, or university. The college or university must be a degree-granting institution accredited by the Commission on Colleges, a regional or national accreditation association, or by an accrediting agency that is recognized by the U.S. Secretary of Education. If an accredited college or university accepts the College-level Examination Program® (CIEP) and examination(s) and issues a transcript for the exam showing its approval, it will be considered as credit for the college course.

~~2. Applicants holding an Associate degree, or higher, from an accredited college, junior college, community college, or university satisfy the thirty (30) hour college-level education requirement.~~

~~3. Applicants with a college degree from a foreign country may have their education evaluated for "equivalency" by one of the following:~~

~~(i) An accredited, degree-granting domestic college or university;~~

~~(ii) The American Association of Collegiate Registrars and Admissions Officers (AACRAO);~~

~~(iii) A foreign degree credential evaluation service company that is a member of the National Association of Credential Evaluation Services (NACES); or~~

- (iv) A foreign degree credential evaluation service company that provides equivalency evaluation reports accepted by an accredited degree-granting domestic college or university or by a state licensing board that issues credentials in another discipline.
- (b) Appraisal Education. An applicant shall satisfy the following appraisal education requirements as a prerequisite to sit for the state licensed appraiser examination:
1. One hundred fifty (150) classroom hours of courses in subjects related to real estate appraisal (hereinafter, "qualifying education requirement") which shall include:
    - (i) Successful completion of fifteen (15) hours of the National Uniform Standards of Professional Appraisal Practice Course or its equivalent. Equivalency shall be determined by the Appraiser Qualifications Board Course Approval Program or by an alternate method established by the Appraiser Qualifications Board,
      - (l) The Commission shall grant an applicant credit toward the qualifying education requirement for the National Uniform Standards of Professional Appraisal Practice Course only when at least one of the course instructors is an AQB Certified USPAP Instructor who is also a state certified residential real estate appraiser or state certified general real estate appraiser.
    - (ii) Successful completion of a thirty (30) hour course in Appraisal Principles,
    - (iii) Successful completion of a thirty (30) hour course in Appraisal Practice or Procedures,
    - (iv) Successful completion of a fifteen (15) hour course in Residential Market Analysis and Highest and Best Use,
    - (v) Successful completion of a fifteen (15) hour course in Residential Appraiser Site Valuation and Cost Approach,
    - (vi) Successful completion of a thirty (30) hour course in Sales Comparison and Income Approaches, and
    - (vii) Successful completion of a fifteen (15) hour course in Residential Report Writing and Case Studies.
  2. A course hour is defined as fifty (50) minutes of teaching out of each sixty (60) minute segment.
  3. The Commission may grant credit toward the qualifying education requirement only where the length of the educational offering is at least fifteen (15) hours and the individual successfully completes an examination pertinent to that educational offering.
  4. An applicant may obtain credit for the qualifying education requirement from any of the following educational providers:
    - (i) colleges or universities;
    - (ii) community or junior colleges;
    - (iii) real estate appraisal or real estate related organizations;

- (iv) state or federal agencies or commissions;
  - (v) proprietary schools;
  - (vi) other providers approved by the Commission; or
  - (vii) The Appraisal Foundation or its Boards.
5. An applicant may refer to Chapter 1255-02 Evaluation of Education for further delineation of qualifying educational requirements.
  6. In the event of a denial, an applicant for licensure may file a written request for reconsideration with the Commission, appealing the Commission's evaluation of the applicant's education. The Commission shall consider the filed written request for reconsideration and reevaluate the applicant's education. In the event that the applicant's application for licensure is denied after the education reevaluation, then the denial shall not create a contested case proceeding (as defined by the Tennessee Administrative Procedures Act, Tenn. Code Ann., Title 4, Chapter 5), and the applicant may then reapply for licensure.
- (c) Experience. An applicant shall satisfy the following experience requirements as a prerequisite for licensure as a state licensed real estate appraiser:
1. An applicant shall complete a minimum of two thousand (2,000) hours of appraisal experience over a period of at least twenty-four (24) months preceding the date of the application to the Commission. The Commission shall treat the hours accumulated over the twenty-four (24) months as cumulative. An applicant shall complete the minimum of twenty-four (24) months of appraisal experience under the direct supervision of an appraiser certified by a real estate appraiser commission or board in any state. The experience must be sufficient to indicate to the Commission that the applicant is competent in the Uniform Standards of Professional Appraisal Practice. ~~Acceptable—experience includes, but is not limited to the following: fee and staff appraisal, ad valorem tax appraisal, condemnation appraisal, technical review appraisal, appraisal analysis, real estate consulting, highest and best use analysis, and feasibility analysis/study.~~
  2. The applicant may also obtain equivalent experience. The Commission shall determine what is considered equivalent experience, which demonstrates the applicant's competence in the Uniform Standards of Professional Appraisal Practice. Equivalent experience shall be limited to the following:
    - (i) A minimum of twenty-four (24) months of experience as a licensed or certified real estate appraiser in another state, territory or possession of the United States, or in any country; provided, that the applicant has otherwise met all other requirements of Title 62, Chapter 39, and the rules established by the Commission.
  3. An applicant shall provide to the Commission a detailed listing of the types of real estate appraisal reports or file memoranda completed by the applicant for each twelve (12)-month period that the applicant claims that he or she has gained experience. Separate appraisal logs shall be maintained for each supervisory appraiser, if applicable. The applicant shall provide verification for experience credit claimed on forms prescribed by the Commission, which shall include the following information:
    - (i) type of property;
    - (ii) date of report;

- (iii) address of appraised property;
  - (iv) description of work performed by the trainee/applicant and scope of the review and supervision of the supervising appraiser;
  - (v) number of actual work hours by the trainee/applicant on the assignment, up to the maximum allotted by property type;
  - (vi) client name and address; and
  - (vii) signature and State certification number of the supervising appraiser, if applicable.
4. No experience credit will be granted that was obtained prior to January 30, 1989. An applicant shall submit sufficient recent experience to demonstrate the ability to apply the current Uniform Standards of Professional Appraisal Practice provisions.
5. There is no minimum number of hours that must be obtained in any one (1) twelve (12)-month period.
- (d) Examination. An applicant shall successfully complete the Appraiser Qualifications Board endorsed Uniform State Licensed Real Property Appraiser Examination. An applicant must obtain licensure or certification designation within twenty-four (24) months from the date of passing score on the exam.
- ~~(e) If, after passing the licensure examination, a registered trainee fails to meet any other requirements for licensure prior to the expiration of the trainee's registration and the trainee fails to renew such registration, then the trainee may reapply for licensure and retake the examination.~~
- ~~(f)~~(e) Once the applicant has completed all of the required qualifying education and experience, then the applicant may submit his or her application for licensure. The Commission office shall not process an applicant's application if the required qualifying education and experience has not been satisfied or if the application is incomplete. The Commission office shall keep an incomplete application active for six (6) months, unless the applicant requests an extension in writing to the Commission.
- ~~(g) An applicant may complete the education, experience and/or the examination requirements for licensure before January 1, 2008 in accordance with the Real Property Appraiser Qualifications Criteria including all interpretations and supplementary information as of November 1, 2005, as promulgated by the Appraiser Qualifications Board. In the event that an applicant starts, but does not complete all of the education, experience, and/or examination requirements for licensure before January 1, 2008, then the applicant must complete the incomplete component(s) in accordance with the Appraiser Qualifications Criteria which became effective on January 1, 2008.~~
- ~~1. An applicant completing the education segment of the qualification criteria prior to January 1, 2008 will be required to complete ninety (90) hours of qualifying education, which shall include:~~
- ~~(i) Successful completion of fifteen (15) hours of the National Uniform Standards of Professional Appraisal Practice Course or its equivalent. Equivalency shall be determined by the Appraiser Qualifications Board Course Approval Program or by an alternate method established by the Appraiser Qualifications Board,~~
  - ~~(l) The Commission shall grant an applicant credit toward the qualifying education requirement for the National Uniform~~

~~Standards of Professional Appraisal Practice Course only when the course is instructed by an Appraiser Qualifications Board Certified Instructor(s), of which there must be at least one (1) state certified residential real estate appraiser or state certified general real estate appraiser.~~

- ~~(ii) Successful completion of a thirty (30) hour course in Appraisal Principles, and~~
- ~~(iii) Successful completion of a thirty (30) hour course in Appraisal Practice or Procedures.~~
- ~~(iv) The remaining hours selected from courses approved as qualifying education at the time the course was offered.~~

Authority: T.C.A. §§ 62-39-203, 62-39-204, 62-39-303, 62-39-329, 62-39-333, and 62-39-337.

Rule 1255-01-.07 Qualifications for State Certified Residential Appraisers is amended by deleting the text of the rule in its entirety and substituting instead the following so that as amended the rule shall read:

Rule 1255-01-.07      Qualifications for State Certified Residential Appraisers

- (1) An applicant applying for a state certified residential real estate appraiser certification shall first register as a real estate appraiser trainee, or be a licensed or certified general real estate appraiser. The applicant shall then satisfy all of the following education, experience and examination requirements:
  - (a) General Education. An applicant shall satisfy the following general education requirements as a prerequisite for certification as a state certified residential real estate appraiser:
    - 1. ~~Associate Bachelor's degree or higher, or in lieu of a degree, a minimum of twenty one (21) college semester hours in all specified coursework as follows:~~
      - ~~(i) English composition,~~
      - ~~(ii) principles of economics (micro or macro),~~
      - ~~(iii) computers word processing/spreadsheets,~~
      - ~~(iv) finance,~~
      - ~~(v) business or real estate law,~~
      - ~~(vi) algebra, geometry, or higher mathematics, and~~
      - ~~(vii) statistics.~~
  - (b) Appraisal Education. An applicant shall satisfy the following appraisal education requirements as a prerequisite to sit for the state certified residential appraiser examination:
    - 1. Two hundred (200) classroom hours of courses in subjects related to real estate appraisal (hereinafter "qualifying education requirement"). These modules shall include:
      - (i) Successful completion of fifteen (15) hours of the National Uniform Standards of Professional Appraisal Practice Course or its equivalent. Equivalency shall be determined through the Appraiser Qualifications

Board Course Approval Program or by an alternate method established by the Appraiser Qualifications Board,

- (I) The Commission shall grant an applicant credit toward the qualifying education requirement for the National Uniform Standards of Professional Appraisal Practice Course only when at least one of the course instructors is an AQB Certified USPAP Instructor who is also a state certified residential real estate appraiser or state certified general real estate appraiser.
  - (ii) Successful completion of a thirty (30) hour course in Appraisal Principles;
  - (iii) Successful completion of a thirty (30) hour course in Appraisal Practice or Procedures;
  - (iv) Successful completion of a fifteen (15) hour course in Residential Market Analysis and Highest and Best Use;
  - (v) Successful completion of a fifteen (15) hour course in Residential Appraiser Site Valuation and Cost Approach;
  - (vi) Successful completion of a thirty (30) hour course in Sales Comparison and Income Approaches;
  - (vii) Successful completion of a fifteen (15) hour course in Residential Report Writing and Case Studies;
  - (viii) Successful completion of a fifteen (15) hour course in Statistics, Modeling and Finance;
  - (ix) Successful completion of a fifteen (15) hour course in Advanced Residential Applications and Case Studies; and
  - (x) Successful completion of twenty (20) hours of appraisal subject matter electives. These may include hours over minimum shown above in other modules.
2. A course hour is defined as fifty (50) minutes of teaching out of each sixty (60) minute segment.
  3. The Commission may grant credit toward the qualifying education requirement only where the length of the educational offering is at least fifteen (15) hours and an applicant successfully completes an examination pertinent to that educational offering.
  4. An applicant may obtain credit for the qualifying education requirement from any of the following:
    - (i) colleges or universities;
    - (ii) community or junior colleges;
    - (iii) real estate appraisal or real estate related organizations;
    - (iv) state or federal agencies or commissions;
    - (v) proprietary schools;
    - (vi) other providers approved by the Commission; or

(vii) The Appraisal Foundation or its Boards

5. The qualifying education requirement may include the one hundred fifty (150) hour qualifying education requirement for the state licensed real estate appraiser classification.
6. An applicant may refer to Chapter 1255-02 Evaluation of Education for further delineation of the qualifying education requirements.
7. In the event of a denial, an applicant for certification may file a written request for reconsideration with the Commission, appealing the Commission's evaluation of the applicant's education. The Commission shall consider the filed written request for reconsideration and reevaluate the applicant's education. In the event that the applicant's application for certification is denied after the education reevaluation, then the denial shall not create a contested case proceeding (as defined by the Tennessee Administrative Procedures Act, Tenn. Code Ann., Title 4, Chapter 5) and the applicant may then reapply for certification.

(c) Foreign Education. An applicant seeking to satisfy the general education requirements for a state certified residential appraiser credential with college level education from a foreign institution shall have their education evaluated for equivalency by an accredited, degree-granting domestic college or university, The American Association of Collegiate Registrars and Admissions Officers (AACRAO), a foreign degree credential evaluation service company that is a member of the National Association of Credential Evaluation Services (NACES), or a foreign degree credential evaluation service company that provides equivalency evaluation reports accepted by an accredited degree-granting domestic college or university or by a state licensing board that issues credentials in another discipline.

(e)(d) Experience. An applicant shall satisfy the following experience requirements as a prerequisite for certification as a state certified residential real estate appraiser:

1. An applicant shall complete a minimum of two thousand five hundred (2,500) hours of appraisal experience over a period of at least twenty-four (24) months. The Commission shall treat the hours accumulated over the twenty-four (24) months as cumulative. A registered trainee applicant shall complete the minimum of twenty-four (24) months of appraisal experience under the direct supervision of an appraiser certified by a real estate appraiser commission or board in any state. The experience must be sufficient to indicate to the Commission that the applicant is competent in the Uniform Standards of Professional Appraisal Practice. ~~Acceptable appraisal experience includes, but is not limited to the following: fee and staff appraisal, ad valorem tax appraisal, condemnation appraisal, technical review appraisal, appraisal analysis, real estate consulting, highest and best use analysis, and feasibility analysis/study.~~
2. The applicant may also obtain equivalent experience. The Commission shall determine what is considered equivalent experience, which demonstrates the applicant's competence in the Uniform Standards of Professional Appraisal Practice. Equivalent experience shall be limited to the following:
  - (i) A minimum of twenty-four (24) months of experience as a licensed or certified real estate appraiser in another state, territory or possession of the United States, or in any country; provided, that the applicant has otherwise met all other requirements of Title 62, Chapter 39, and the rules promulgated by the Commission.
3. An applicant shall provide to the Commission a detailed listing of the types of real estate appraisal reports or file memoranda completed by the applicant for each twelve (12)-month period during which the applicant claims that he or she has gained experience. Separate appraisal logs shall be maintained for each

supervisory appraiser, if applicable. The applicant shall provide verification for experience credit claimed on forms prescribed by the Commission which shall include the following information:

- (i) type of property;
  - (ii) date of report;
  - (iii) address of appraised property;
  - (iv) description of work performed by the trainee/applicant and scope of the review and supervision of the supervising appraiser;
  - (v) number of actual work hours by the trainee/applicant on the assignment, ~~up to the maximum allotted by property type;~~
  - (vi) client name and address; and,
  - (vii) signature and State certification number of the supervising appraiser, if applicable.
4. No experience credit will be granted that was obtained prior to January 30, 1989. An applicant shall submit sufficient recent experience to demonstrate the ability to apply the current Uniform Standards of Professional Appraisal Practice provisions.
5. There is no minimum number of hours that must have been obtained in any one (1) twelve (12)-month period.
- ~~(d)~~(e) Examination. An applicant shall successfully complete the Appraiser Qualifications Board endorsed Uniform State Certified Residential Real Property Appraiser Examination. An applicant must obtain certification designation within twenty-four (24) months from the date of passing score on the exam.
- (e) ~~If, after passing the residential certification examination, a registered trainee fails to meet all other requirements for residential certification prior to the expiration of the trainee's registration and the trainee fails to renew such registration, then the trainee may reapply for certification and retake the examination.~~
- (f) Once the applicant has completed all of the required qualifying education and experience, then the applicant may submit his or her application for certification. The Commission office shall not process an applicant's application if the required qualifying education and experience has not been satisfied or if the application is incomplete. The Commission office shall keep an incomplete application active for six (6) months, unless the applicant requests an extension in writing to the Commission.
- (g) ~~An applicant may complete the education, experience, and/or the examination requirements for licensure before January 1, 2008, in accordance with the Real Property Appraiser Qualifications Criteria including all interpretations and supplementary information as of November 1, 2005, as promulgated by the Appraiser Qualifications Board. In the event that an applicant starts, but does not complete all of the education, experience, and/or examination requirement for certification before January 1, 2008, then the applicant must complete the incomplete component(s) in accordance with the Appraiser Qualifications Criteria which became effective on January 1, 2008.~~
- ~~1. An applicant completing the education segment of the qualification criteria prior to January 1, 2008 will be required to complete one hundred twenty (120) hours of qualifying education of which shall include:~~

- ~~(i) Successful completion of fifteen (15) hours of the National Uniform Standards of Professional Appraisal Practice Course or its equivalent. Equivalency shall be determined by the Appraiser Qualifications Board Course Approval Program or by an alternate method established by the Appraiser Qualifications Board.~~
- ~~(i) The Commission shall grant an applicant credit toward the qualifying education requirement for the National Uniform Standards of Professional Appraisal Practice Course only when the course is instructed by an Appraiser Qualifications Board Certified Instructor(s), of which there must be at least one (1) state certified residential real estate appraiser or state certified general real estate appraiser.~~
- ~~(ii) Successful completion of a thirty (30) hour course in Appraisal Principles, and~~
- ~~(iii) Successful completion of a thirty (30) hour course in Appraisal Practice or Procedures.~~
- ~~(iv) The remaining hours selected from courses approved as qualifying education at the time the course was offered.~~

~~(g)(g) An applicant applying for a State Certified Residential Appraiser certification who holds a current State Licensed Appraiser credential may satisfy the educational requirements for the State Certified Residential Real Estate Appraiser credential by completing the following additional educational hours:~~

- ~~1. Successful completion of a fifteen (15) hour course in Statistics, Modeling and Finance;~~
- ~~2. Successful completion of a fifteen (15) hour course in Advanced Residential Applications and Case Studies; and~~
- ~~3. Successful completion of twenty (20) hours of appraisal subject matter electives. These may include hours over the minimum shown above in other modules.~~

~~(h)(h) An applicant applying for a State Certified Residential Appraiser certification pursuant to subparagraph (g) must also satisfy the college-level educational requirements as specified in 1255-01-.07(1)(a).~~

Authority: T.C.A. §§62-39-203, 62-39-204, 62-39-311, 62-39-312, 62-39-313, 62-39-329, 62-39-333, and 62-39-337.

Rule 1255-01-.08 Qualifications for General Certification is amended by deleting the text of the rule in its entirety and substituting instead the following so that as amended the rule shall read:

Rule 1255-01-.08 Qualifications for General Certification

- (1) An applicant applying for a state certified general real estate appraiser license shall first register as a real estate appraiser trainee, or be a licensed or certified residential real estate appraiser, and complete the experience requirements established in rule 1255-01-.12 and shall then satisfy the following education, experience and examination requirements as a prerequisite for certification:
  - (a) General Education. An applicant shall satisfy the following general education requirements as a prerequisite for certification as a state certified general real estate appraiser:

1. Bachelor's degree or higher, ~~or in lieu of a degree, a minimum of thirty (30) college semester hours in all specified coursework as follows:~~
  - ~~(i) English composition,~~
  - ~~(ii) micro-economics and macro-economics,~~
  - ~~(iii) computers word processing/spreadsheets,~~
  - ~~(iv) finance,~~
  - ~~(v) business or real estate law,~~
  - ~~(vi) algebra, geometry, or higher mathematics,~~
  - ~~(vii) statistics, and~~
  - ~~(viii) electives in accounting, geography, agricultural economics, business management, or real estate.~~

(b) Appraisal Education. An applicant shall satisfy the following appraisal education requirements as a prerequisite to sit for the state certified general appraiser examination:

1. Three hundred (300) classroom hours of courses in subjects related to real estate appraisal. These modules shall include (hereinafter "qualifying education requirement"):
  - (i) Fifteen (15) hours of the three hundred (300) hours must include the successful completion of the National Uniform Standards of Professional Appraisal Practice Course or its equivalent. Equivalency shall be determined through the Appraiser Qualifications Board Course Approval Program or by an alternate method established by the Appraiser Qualifications Board.
    - (l) The Commission shall grant an applicant credit toward the qualifying education requirement for the National Uniform Standards of Professional Appraisal Practice Course only when at least one of the course instructors is an AQB Certified USPAP Instructor who is also a state certified residential real estate appraiser or state certified general real estate appraiser.
  - (ii) Successful completion of a thirty (30) hour course in Appraisal Principles;
  - (iii) Successful completion of a thirty (30) hour course in Appraisal Practice or Procedures;
  - (iv) Successful completion of a thirty (30) hour course in General Appraiser Market Analysis and Highest and Best Use;
  - (v) Successful completion of a fifteen (15) hour course in Statistics, Modeling and Finance;
  - (vi) Successful completion of a thirty (30) hour course in General Appraiser Sales Comparison Approach;
  - (vii) Successful completion of a thirty (30) hour course in General Appraiser Site Valuation and Cost Approach;
  - (viii) Successful completion of a sixty (60) hour course in General Appraiser Income Approach;

- (ix) Successful completion of a thirty (30) hour course in General Appraiser Report Writing and Case Studies; and
  - (x) Successful completion of thirty (30) hours of appraisal subject matter electives. These may include hours over minimum shown above in other modules.
2. A course hour is defined as fifty (50) minutes of teaching out of each sixty (60) minute segment.
  3. An applicant's qualifying education requirement may include the one hundred fifty (150) classroom hour requirement for the licensed real estate appraiser classification or the two hundred (200) hour requirement for the certified residential real estate appraiser classification.
  4. The Commission may grant an applicant credit toward the qualifying education requirement only where the length of the educational offering is at least fifteen (15) hours and the applicant successfully completes an examination pertinent to that educational offering.
  5. An applicant may obtain credit for the qualifying education requirement from the following:
    - (i) colleges or universities;
    - (ii) community or junior colleges;
    - (iii) real estate appraisal or real estate related organizations;
    - (iv) state or federal agencies or commissions;
    - (v) proprietary schools;
    - (vi) other providers approved by the Commission; or
    - (vii) The Appraisal Foundation or its Boards.
  6. An applicant should refer to Chapter 1255-02 Evaluation of Education for further delineation of educational requirements.
  7. In the event that an applicant is denied, then an applicant for certification may file a written request for reconsideration with the Commission, appealing the Commission's evaluation of his or her education. The Commission shall consider the filed written request for reconsideration and reevaluate the applicant's education. In the event that the applicant's application for certification is denied after the education reevaluation, then the denial shall not create a contested case proceeding (as defined by the Tennessee Administrative Procedures Act, Tennessee Code Annotated, Title 4, Chapter 5) and the applicant may then reapply for certification.
- (c) Foreign Education. An applicant seeking to satisfy the general education requirements for a state certified general appraiser credential with college level education from a foreign institution shall have their education evaluated for equivalency by an accredited, degree-granting domestic college or university, The American Association of Collegiate Registrars and Admissions Officers (AACRAO), a foreign degree credential evaluation service company that is a member of the National Association of Credential Evaluation Services (NACES) or a foreign degree credential evaluation service company that provides equivalency evaluation reports accepted by an accredited degree-granting

domestic college or university or by a state licensing board that issues credentials in another discipline.

(e)(d) Experience. An applicant must satisfy the following experience requirements as a prerequisite for certification as a state certified general real estate appraiser:

1. An applicant shall complete three thousand (3,000) hours of appraisal experience over a period of at least thirty (30) months preceding the date of the applicant's application to the Commission and the Commission shall treat the hours as cumulative. A registered trainee applicant shall complete the minimum of thirty (30) months of appraisal experience under the direct supervision of an appraiser certified by a real estate appraiser commission or board in any state. The experience must be sufficient to indicate to the Commission that the applicant is competent in the Uniform Standards of Professional Appraisal Practice. ~~Acceptable appraisal experience includes, but is not limited to the following: fee and staff appraisal, ad valorem tax appraisal, condemnation appraisal, technical review appraisal, appraisal analysis, real estate consulting, highest and best use analysis, and feasibility analysis/study.~~
2. An applicant may obtain equivalent experience. The Commission shall determine what is considered equivalent experience, which demonstrates the applicant's competence in the Uniform Standards of Professional Appraisal Practice. Equivalent experience shall be limited to the following:
  - (i) A minimum of thirty (30) months of experience as a licensed or certified real estate appraiser in another state, territory or possession of the United States, or in any country; provided, that the applicant has otherwise met all requirements of Title 62, Chapter 39, and the rules promulgated by the Commission.
3. An applicant shall complete at least one thousand five hundred (1,500) hours of the total three thousand (3,000) hours in non-residential appraisal work. Residential means one (1) to four (4) residential units. An applicant shall ensure that his or her experience shall satisfactorily demonstrate competence in the cost, income capitalization and direct sales comparison approaches to value.
4. An applicant shall provide to the Commission a detailed listing of the types of real estate appraisal reports or file memoranda completed by the applicant for each twelve (12)-month period during which the applicant claims that he or she has gained experience. Separate appraisal logs shall be maintained for each supervisory appraiser, if applicable. The applicant shall provide verification for experience credit claimed on forms prescribed by the Commission, which shall include the following information:
  - (i) type of property;
  - (ii) date of report;
  - (iii) address of appraised property;
  - (iv) description of work performed by the trainee/applicant and scope of the review and supervision of the supervising appraiser;
  - (v) number of actual work hours by the trainee/applicant on the assignment, up to the maximum allotted by property type;
  - (vi) client name and address; and
  - (vii) signature and State certification number of the supervising appraiser, if applicable.

5. No experience credit will be granted that was obtained prior to January 30, 1989. An applicant shall submit sufficient recent experience to demonstrate the ability to apply the current Uniform Standards of Professional Appraisal Practice provisions.
  6. There is no minimum number of hours that must have been obtained in any one (1) twelve (12)-month period.
- (d)(e) Examination. An applicant shall successfully complete the Appraiser Qualifications Board endorsed Uniform State Certified General Real Property Appraiser Examination. An applicant must obtain licensure or certification designation within twenty-four (24) months from the date of passing score on the exam.
- ~~(e) If, after passing the general certification examination, a registered trainee fails to meet any other requirements for certification prior to the expiration of the trainee's registration and the trainee fails to renew such registration, then the trainee may reapply for certification and retake the examination.~~
- (f) Once the applicant has completed all of the required qualifying education and experience, then the applicant may submit his or her application for certification. The Commission office shall not process an applicant's application if the required qualifying education and experience has not been satisfied or if the application is incomplete. The Commission office shall keep an incomplete application active for six (6) months, unless the applicant requests an extension in writing to the Commission.
- ~~(g) An applicant may complete the education, experience, and/or the examination requirements for licensure before January 1, 2008, in accordance with the Real Property Appraiser Qualifications Criteria including all interpretations and supplementary information as of November 1, 2005, as promulgated by the Appraiser Qualifications Board. In the event that an applicant starts, but does not complete all of the education, experience, and/or examination requirement for certification before January 1, 2008, then the applicant must complete the incomplete component(s) in accordance with the Appraiser Qualifications Criteria which became effective on January 1, 2008.~~
1. ~~An applicant completing the education segment of the qualification criteria prior to January 1, 2008, will be required to complete one hundred eighty (180) hours of qualifying education, which shall include:~~
- ~~(i) Successful completion of fifteen (15) hours of the National Uniform Standards of Professional Appraisal Practice Course or its equivalent. Equivalency shall be determined by the Appraiser Qualifications Board Course Approval Program or by an alternate method established by the Appraiser Qualifications Board,~~
  - ~~(i) The Commission shall grant an applicant credit toward the qualifying education requirement for the National Uniform Standards of Professional Appraisal Practice Course only when the course is instructed by an Appraiser Qualifications Board Certified Instructor(s), of which there must be at least one (1) state certified residential real estate appraiser or state certified general real estate appraiser.~~
  - ~~(ii) Successful completion of a thirty (30) hour course in Appraisal Principles, and~~
  - ~~(iii) Successful completion of a thirty (30) hour course in Appraisal Practice or Procedures.~~

~~(iv) The remaining hours selected from courses approved as qualifying education at the time the course was offered.~~

~~(g) An applicant applying for a State Certified General Appraiser certification who holds a current State Licensed Appraiser credential may satisfy the educational requirements for the State Certified General Appraiser credential by completing the following additional educational hours:~~

- ~~1. Successful completion of a thirty (30) hour General Appraiser Market Analysis and Highest and Best Use course;~~
- ~~2. Successful completion of a thirty (30) hour General Appraiser Site Valuation and Cost Approach course;~~
- ~~3. Successful completion of a thirty (30) hour General Appraiser Sales Comparison Approach course;~~
- ~~4. Successful completion of a thirty (30) hour General Report Writing and Case Studies course;~~
- ~~5. Successful completion of a fifteen (15) hour Statistics, Modeling and Finance course; and~~
- ~~6. Successful completion of a sixty (60) hour General Appraiser Income Approach course.~~

~~(h) An applicant applying for a State Certified General Appraiser Certification who holds a current State Certified Residential Appraiser credential may satisfy the educational requirements for the State Certified General Appraiser credential by completing the following additional educational hours:~~

- ~~1. Successful completion of a thirty (30) hour General Appraiser Market Analysis and Highest and Best Use course;~~
- ~~2. Successful completion of a thirty (30) hour General Appraiser Sales Comparison Approach course;~~
- ~~3. Successful completion of a thirty (30) hour Site Valuation and Cost Approach course;~~
- ~~4. Successful completion of a sixty (60) hour General Appraiser Income Approach course; and~~
- ~~5. Successful completion of a thirty (30) hour General Appraiser Report Writing and Case Studies course.~~

~~(i) An applicant applying for a State Certified Residential Appraiser certification pursuant to subparagraph (g) must also satisfy the college-level educational requirements as specified in 1255-01-.08(1)(a).~~

Authority: T.C.A. §§ 62-39-203, 62-39-204, 62-39-311, 62-39-312, 62-39-313, 62-39-329, 62-39-333, and 62-39-337.

Rule 1255-01-.12 Registered Trainee is amended by deleting the text of the rule in its entirety and substituting instead the following so that as amended the rule shall read:

Rule 1255-01-.12 Registered Trainee

- (1) Application. An applicant for registration as a real estate appraiser trainee shall successfully complete the following requirements prior to obtaining registration:
- (a) Obtain and complete the required application form from the Commission.
  - (b) Provide proof on the application form showing that he or she has obtained a high school diploma or its equivalent.
  - (c) Provide on the application form the name and certificate number of the certified real estate appraiser under whose direct supervision the applicant will serve.
  - (d) Provide the business address of his or her supervising appraiser and use that address as his or her business address. If an applicant has more than one (1) supervising appraiser, then the applicant shall use the business address of at least one (1) of his or her supervising appraisers.
  - (e) Complete an approved thirty (30)-hour course in Appraisal Principles, an approved thirty (30)-hour course in Practices and Procedures, and the fifteen (15)-hour National Uniform Standards of Professional Appraisal Practice Course.
  - (f) On or after January 1, 2015, registered trainees shall be required to complete a seven (7) hour course that, at a minimum, complies with the specifications for course content established by the AQB, which is specifically oriented to the requirements and responsibilities of Supervisory Appraisers and Trainee Appraisers. The course is to be completed by the registered trainee prior to application.
  - (f)(g) Submit with the application a nonrefundable application and registration fee of one hundred twenty-five dollars (\$125.00).
- (2) Upon receipt of a properly completed application form with the required aforementioned documentation and the required fee, the Commission shall review the application to determine whether to issue the applicant a real estate appraiser trainee registration certificate and number.
- (3) Education. Before registration, an applicant for trainee registration shall complete seventy-five (75) hours of courses in subjects related to real estate appraisal, which shall include, but shall not be limited to coverage of the Uniform Standards of Professional Appraisal Practice (hereinafter, "course credit"). An applicant shall complete the required course credit as a prerequisite to applying for registration as a registered trainee. All applicants shall submit evidence of completion of a minimum of an approved thirty (30)-hour course in Appraisal Principles, an approved thirty (30)-hour course in Practices and Procedures, and the fifteen (15)-hour National Uniform Standards of Professional Appraisal Practice Course. An applicant shall also ensure that his or her course credit complies with the following:
- (a) A course hour is defined as fifty (50) minutes of teaching out of each sixty (60) minute segment.
  - (b) An applicant may obtain course credit only where the minimum length of the education offering is fifteen (15) hours and the individual successfully completes the examination pertinent to that educational offering.
  - (c) An applicant may obtain course credit from the following:
    - 1. colleges or universities;
    - 2. community or junior colleges;
    - 3. real estate appraisal or real estate related organizations;
    - 4. proprietary schools; or

5. other providers approved by the Commission.
- (d) An applicant shall obtain course credit within the five (5)-year period immediately preceding an applicant's submission of his or her application for registration as a registered trainee.
  - (e) The content for courses shall include, but is not limited to, coverage of the following real estate appraisal related topics:
    1. influences on real estate value;
    2. legal considerations in appraisals;
    3. types of value;
    4. economic principles;
    5. real estate markets and analysis;
    6. valuation process;
    7. property description;
    8. highest and best use analysis;
    9. appraisal statistical concepts;
    10. sales comparison approach;
    11. site value;
    12. cost approach;
    13. income approach;
    14. valuation of partial interests; and
    15. appraisal standards and ethics.
- (4) Experience.
- (a) There is no experience prerequisite for an applicant to become a registered trainee.
  - (b) A registered trainee may have more than one (1) supervising appraiser.
  - (c) A registered trainee shall be subject to direct supervision by a supervising appraiser who shall be a state certified residential real estate appraiser or a state certified general real estate appraiser in good standing.
  - (d) A registered trainee shall only appraise those properties which the supervising appraiser is permitted to appraise.
  - (e) If a trainee's registration has expired or the trainee is no longer under the supervision of a state certified residential or state certified general real estate appraiser, then the registered trainee shall not perform the duties as a registered trainee until he or she submits an affidavit on a form provided by the Commission which states that he or she has a supervising appraiser. The registered trainee's supervising appraiser shall sign the affidavit stating that he or she is the supervising appraiser responsible for the registered trainee.

- (f) A registered trainee shall maintain an appraisal log of his or her experience, shall maintain a separate appraisal log for each supervising appraiser, and shall, at a minimum, include the following in the appraisal log:
1. type of property;
  2. date of report;
  3. address of appraised property;
  4. description of work performed by the trainee/applicant and scope of the review and supervision of the supervising appraiser;
  5. number of actual work hours by the trainee/applicant on the assignment, up to the maximum allotted by property type;
  6. client name and address; and
  7. signature and State certification number of the supervising appraiser.
- (g) A registered trainee may conduct property inspections alone (without being accompanied by the supervising appraiser) only after completing five hundred (500) hours of acceptable experience. In order to conduct property inspections pursuant to this paragraph, the registered trainee shall submit a form to the Commission on which both the registered trainee and the supervising appraiser shall certify the experience.
- (h) A registered trainee shall comply with the Uniform Standards of Professional Appraisal Practice.
- (5) Examination.
- (a) There is no examination prerequisite for an applicant to become a registered trainee.
  - (b) A registered trainee or applicant for registration as a registered trainee may apply to take the examination for a state licensed real estate appraiser license or a state certified residential appraiser; provided, that the applicant and/or registered trainee has completed all appropriate education requirements. An applicant for registration as a trainee and/or registered trainee may not apply to take the examination for a state certified general real estate appraiser until the trainee has completed all other requirements for general certification.
  - (c) If a registered trainee applies to take the examination prior to application for licensure and completion of the experience interview they shall remit a nonrefundable fee of fifty dollars (\$50.00) with his or her application to take the examination for a state licensed real estate appraiser or a state certified residential real estate appraiser. A registered trainee must obtain licensure or certification within twenty four (24) months of the examination date.
  - (d) A license or residential certificate will be issued to a registered trainee or applicant for registration as a registered trainee who passes the examination, only upon the registered trainee or applicant for registration as a registered trainee completing all requirements for licensure or residential certification. If all other requirements are not met prior to the expiration of a trainee's registration and the registered trainee fails to renew, then he or she loses credit for passing the examination.
  - (e) Once the registered trainee has completed all of the required qualifying education and experience, then the trainee may submit his or her application for registration. The Commission office shall not process an applicant's application if the required qualifying education and experience has not been satisfied or if the application is incomplete. The

Commission office shall keep an incomplete application active for six (6) months, unless the applicant requests an extension in writing to the Commission.

(6) Renewal.

- (a) A registered trainee's registration shall expire two (2) years after the date of issuance.
- (b) A registered trainee must renew his or her registration, at least thirty (30) days prior to its expiration, by filing the prescribed form with the Commission and paying a renewal fee of one hundred twenty-five dollars (\$125.00).
- (c) If a registered trainee fails to file the prescribed form and pay the renewal fee within thirty (30) days prior to its expiration, the registered trainee may, upon payment of a one hundred dollar (\$100.00) late renewal penalty in addition to the renewal fee, apply for renewal. No late renewal will be granted if more than six (6) months has passed since the expiration of the registered trainee's registration. The registered trainee may then reapply to be a registered trainee.

(7) Continuing Education.

- (a) A registered trainee who remains in the classification of registered trainee in excess of two (2) years shall be required to obtain a minimum of twenty-eight (28) classroom hours of instruction in courses, seminars, workshops or conferences approved by the Commission, prior to the next renewal period (hereinafter, "continuing education").
- (b) As part of a registered trainee's continuing education, a registered trainee shall complete the seven (7) hour National Uniform Standards of Professional Appraisal Practice Course at least once every two (2) years as defined and required by rule 1255-04-.01(2).
- (c) A classroom hour is defined as fifty (50) minutes of actual instruction for each sixty (60) minute segment.
- (d) The Commission may grant continuing education credit only where the length of the educational offering is at least two (2) hours.
- (e) An applicant may obtain continuing education credit from the following:
  - 1. colleges or universities;
  - 2. community or junior colleges;
  - 3. real estate appraisal or real estate related organizations;
  - 4. state or federal agencies or commissions;
  - 5. proprietary schools; or
  - 6. other providers approved by the Commission.
- (f) The Commission may grant continuing education credit for educational offerings which are consistent with the purpose of continuing education stated in subparagraph (g) below and cover real estate appraisal topics such as the following:
  - 1. ad valorem taxation
  - 2. arbitration
  - 3. business courses related to practice of real estate appraisal
  - 4. construction estimating

5. ethics and standards of professional practice
6. land use planning, zoning and taxation
7. management, leasing, brokerage and timesharing
8. property development
9. real estate appraisal (valuations/evaluations)
10. real estate law
11. real estate litigation
12. real estate financing and investment
13. real estate appraisal related computer applications
14. real estate securities and syndication
15. real property exchange

- (g) The purpose of continuing education is to ensure that a registered trainee participates in a program that maintains and increases his or her skill, knowledge and competency in real estate appraisal.
- (8) Each registered trainee shall notify the Commission of such registered trainee's current residence and principal place of business, all mailing and other addresses at which the registered trainee is currently engaged in the business of assisting in the preparation of real estate appraisal reports, and the name of the registered trainee's supervising appraiser(s). When a registered trainee changes any of the above addresses or supervising appraiser(s), the registered trainee shall notify the Commission, in writing, of such change within thirty (30) days thereafter.
- (9) No registered trainee may represent him or herself as a licensed or certified appraiser or use the appellation "State Licensed Real Estate Appraiser," "State Certified Residential Real Estate Appraiser," "State Certified General Real Estate Appraiser," or any form thereof, or do any other act which gives or is designed to give the impression that the registered trainee is a licensed or certified real estate appraiser.
- (10) Supervising Appraisers for Registered Trainees.
- (a) Prior to serving as the supervising appraiser for a registered trainee, an appraiser shall have obtained a minimum of two (2) years experience as a state certified residential or state certified general real estate appraiser. However, in the event that a licensed appraiser upgrades to a certified general or certified residential, then that appraiser may supervise a registered trainee immediately after being upgraded, provided that he or she has a minimum of five (5) years of appraiser experience. Supervisory Appraisers shall be state-certified and in "good standing" in the jurisdiction in which the Trainee Appraiser practices for a period of at least three (3) years. Supervisory Appraisers shall not have been subject to any disciplinary action within any jurisdiction within the last three (3) years that affects the Supervisory Appraiser's legal eligibility to engage in appraisal practice. A Supervisory Appraiser subject to a disciplinary action would be considered to be in "good standing" three (3) years after the successful completion/termination of the sanction imposed against the appraiser.
- (b) The supervising appraiser shall sign each written appraisal report, relating to real property in this state, which was prepared by a registered trainee under the supervising appraiser's direct supervision.

(c) A supervising appraiser shall ensure that the appraisal reports prepared by the registered trainee are prepared under the supervising appraiser's direct supervision. "Direct Supervision" of a registered trainee means that a supervising appraiser shall:

1. Accompany the registered trainee and personally inspect each subject property with the registered trainee on all assignments until the trainee has complete five hundred (500) hours of acceptable appraisal experience, and accompany the registered trainee and personally inspect each subject property with the registered trainee on all assignments that are over fifty (50) miles from the supervising appraiser's office, even after the registered trainee has accumulated over five hundred (500) hours of acceptable appraisal experience;
2. Review the registered trainee's appraisal report(s) to ensure the registered trainee's research of general and specific data has been adequately conducted and properly reported, that the registered trainee's application of appraisal principles and methodologies has been properly applied, that the registered trainee's analysis is sound and adequately reported, and that any analyses, opinions, or conclusions of the registered trainee are adequately developed and reported so that the appraisal report is not misleading;
3. Review the registered trainee's work product and discuss with the registered trainee any edits, corrections, or modifications that need to be made to such work product, and make such edits, corrections, or modifications as are required to such work product; and
4. Accept responsibility for the appraisal report by signing the appraisal report and certify that the appraisal report has been prepared in compliance with the current edition of the Uniform Standards of Professional Appraisal Practice by:
  - (i) making a clear and prominent disclosure that the registered trainee has provided significant real property appraisal assistance in each appraisal report in accordance with Uniform Standards of Profession Appraisal Practice Standards Rule 2-2 and Standards Rule 2-3;
  - (ii) prohibiting the registered trainee from signing any appraisal report or other document involved in the appraisal which states or implies that said trainee is "licensed" or "certified" in any manner, and by prohibiting the registered trainee from engaging in any activity which is limited to licensed or certified appraisers, or which is designed to give third parties the impression that the registered trainee is a licensed or certified appraiser; and
  - (iii) ensuring that the registered trainee gains sufficient knowledge, skills, and abilities that will enable such trainee to accomplish all of the following:
    - (l) Define the appraisal problem, which requires the trainee to:
      - I. identify and locate the real estate;
      - II. identify the property rights to be valued;
      - III. identify the use of the appraisal;
      - IV. define value(s) to be estimated;
      - V. establish date(s) of value estimate(s);
      - VI. identify and describe the scope of the appraisal; and
      - VII. identify and describe limiting conditions.

- (II) Conduct preliminary analysis, and select and collect applicable data, which requires the trainee to:
    - I. Identify general data (regional, city, and neighborhood)-social, economic, governmental and environmental factors;
    - II. Identify specific data (subject and comparables)-site and improvement, cost and depreciation, income/expense and capitalization rate, history of ownership and use of property; and
    - III. Identify competitive supply and demand in the subject market (inventory of competitive properties, sales and listings, vacancies and offerings, absorption rates, demand studies).
  - (III) Conduct an analysis of the subject property, which requires a trainee to analyze:
    - I. Site improvements;
    - II. Size;
    - III. Costs;
    - IV. Elements of comparison; and
    - V. Units of comparison;
  - (IV) Conduct a highest and best use analysis (specified in terms of use, time, and market participants), which requires a trainee to analyze:
    - I. Land as if vacant and available; and
    - II. Property as improved (existing or proposed).
  - (V) Estimate land value, including on-site improvements.
  - (VI) Estimate value of the property using each of the three approaches to value-cost, sales comparison and income capitalization.
  - (VII) Reconcile each value indication and reconcile the final value estimate.
  - (VIII) Report estimate(s) of value(s) as defined.
- (d) A supervising appraiser may supervise a maximum of three (3) registered trainees at one time.
  - (e) A supervising appraiser shall keep copies of appraisal reports for a period of at least five (5) years or at least two (2) years after final disposition of any judicial proceeding in which testimony was given, whichever period expires last. The supervising appraiser shall allow the registered trainee to have reasonable access to his or her appraisal reports that he or she prepared upon the registered trainee's request for copies of the reports.
  - (f) A supervising appraiser shall notify the board in writing if he or she is no longer the supervising appraiser for a registered trainee within thirty (30) days thereafter. If the disassociation is for cause, the cause shall be communicated to the Commission.
  - (g) On or after January 1, 2015, supervisory appraisers shall be required to complete a seven (7) hour course that, at a minimum, complies with the specifications for course content established by the AQB, which is specifically oriented to the requirements and responsibilities of supervisory appraisers and trainee appraisers. The course is to be completed by the supervisory appraiser prior to supervising a trainee appraiser.

- ~~(g)~~(h) In any appraisal in which a registered trainee has inspected a subject property, the supervising appraiser is also required to disclose in the appraisal report whether the supervising appraiser has inspected the subject property both inside and out, and whether the supervising appraiser has made an exterior inspection of all ~~comparables~~ comparable sales relied upon in the appraisal.

Authority: T.C.A. §§62-39-203, 62-39-204, 62-39-316, 62-39-326, 62-39-333.

Chapter 1255-01  
General Provisions

New Rules

Rule 1255-01-.16 Fingerprinting is added as a new rule to the Chapter and shall read as follows:

1255-01-.16 Fingerprinting

- (1) Any applicant for initial registration, licensure, or certification who is required to submit a complete and legible set of fingerprints for the purpose of obtaining a criminal background check pursuant to T.C.A. § 62-39-301 shall submit said fingerprints in an electronic format.

  - (a) An applicant for initial registration, licensure, or certification shall be deemed to have supplied the required set of fingerprints if that applicant causes a private company contracted by the State to electronically transmit that applicant's classifiable prints directly to the TBI and FBI to forward an electronic report based on that applicant's fingerprints to the Commission.
  - (b) All sets of classifiable fingerprints required by this rule shall be furnished at the expense of the applicant for initial registration, licensure, or certification.
  - (c) The applicant for initial registration, licensure, or certification shall make the arrangements for the processing of his or her fingerprints with the company contracted by the State to provide electronic fingerprinting services directly and shall be responsible for the payment of any fees associated with processing of fingerprints to the respective agent authorized by the TBI and FBI.
  - (d) All applicants for initial registration, licensure, or certification shall in all cases be responsible for paying application fees for registration, licensure, licensure as established by the Commission in addition to any fees required to submit a complete and legible set of fingerprints pursuant to T.C.A. § 62-39-102.
- (2) In the event that an applicant for initial registration, licensure, or certification furnishes unclassifiable fingerprints or fingerprints which are unclassifiable in nature, the Commission shall refuse to issue the requested registration, license, or certification.

  - (a) For the purposes of this rule "unclassifiable fingerprints" means that the electronic scan or the print of the person's fingerprints cannot be read and, therefore, cannot be used to identify the person.
  - (b) Should an applicant for initial registration, licensure, or certification's fingerprints be rejected by the TBI or FBI, the applicant shall pay any fees assessed by the TBI or FBI for resubmission.
- (3) The provisions of this rule shall apply to any applicant applying for initial registration, licensure, or certification on or after January 1, 2015.

Authority: 2014 Pub. Chap. 621, T.C.A. §§ 62-39-102, 62-39-203, 62-39-301.

Chapter 1255-06  
Reciprocity

Amendments

Rule 1255-06-.01 Reciprocal Agreements is amended by deleting the text of the rule in its entirety and substituting instead the following so that as amended the rule shall read:

1255-06-.01 Reciprocal Agreements.

- (1) If, in the determination of the Commission, a state or territory of the United States is deemed to have established meaningful requirements for the licensure and certification of real estate appraisers, and that state grants reciprocity to Tennessee licensees and certificate holders and is in compliance with the Appraisal Subcommittee, then the Commission shall grant reciprocal rights to real estate appraiser licensees and certificate holders which are in "good standing" in that state.
  - a. For purposes of implementing the reciprocity policy, states with an Appraisal Subcommittee finding of "Poor" do not satisfy the "in compliance" provision for reciprocity.
- (2) A licensee or certificate holder who resides in another state, is currently credentialed in another state and is active on the National Registry in another state must show:
  - a. That the licensee or certificate holder has successfully completed one (1) seven (7) hour National USPAP Update Course, or its Appraisal Qualification Board-approved equivalent, within the past two (2) calendar years; and
  - b. That the licensee or certificate holder has met all continuing education requirements in the other state within the past two calendar years.
- (3) A licensee or certificate holder who became licensed or certified through reciprocity and now resides in Tennessee must comply with the continuing education requirements of this section regardless of how the license or certificate was obtained.
- ~~(2)~~(4) If, in the determination of the Commission, the requirements in paragraph (1) have been met, then upon receipt of a nonrefundable application fee of one hundred twenty-five dollars (\$125.00), a license or certificate issuance fee of three hundred fifty dollars (\$350.00) and a federal registry fee of ~~fifty dollars (\$50.00)~~ eighty dollars (\$80.00), the Commission shall grant to an applicant a reciprocal license or certificate to appraise real estate in the State of Tennessee.
- ~~(3)~~(5) If a licensee or certificate holder's out-of-state real estate appraiser license or certificate has been revoked, suspended, denied renewal or restricted, then the Commission may revoke, suspend, refuse to renew or restrict the licensee's or certificate holder's State of Tennessee real estate appraiser license or certificate.
- ~~(6)~~ An applicant for licensure or certification meeting the requirements of T.C.A. § 4-3-1304(d)(1) may be issued a reciprocal license pursuant to T.C.A. § 62-39-322 and Tenn. Comp. R. & Regs. § 1255-01-.05, § 1255-01-.07, or § 1255-01-.08 upon compliance with all terms therein, including application and payment of all fees required for the issuance of such reciprocal license.
- ~~(7)~~ Notwithstanding Paragraph (1) and (2), no license or certification shall be issued pursuant to this Rule to any person:
  - a. Whose current license or certification as a real estate appraiser from a state that is not "in compliance" with Title XI (FIRREA) as determined by the Appraisal Subcommittee established thereunder; or
  - b. Who does not hold a valid license or certification in "good standing".

Authority: §§62-39-203, 62-39-204, 62-39-206, 62-39-306, 62-39-325 and 62-39-333.

\* If a roll-call vote was necessary, the vote by the Agency on these rules was as follows:

Board Member	Aye	No	Abstain	Absent	Signature (if required)
Mark Johnstone				X	
Eric Collinsworth				X	
Timothy Walton	X				
Norman Hall	X				
Gary Standifer	X				
Rosemarie Johnson	X				
Nancy Point	X				
Randall Thomas	X				
Dr. Warren Mackara	X				

I certify that this is an accurate and complete copy of an emergency rule(s), lawfully promulgated and adopted.

Date: 12/23/14

Signature: Keeling R. Baird

Name of Officer: Keeling R. Baird

Title of Officer: Assistant General Counsel



MY COMMISSION EXPIRES:  
March 8, 2016

Subscribed and sworn to before me on: 12/23/14

Notary Public Signature: Jennaca Smith

My commission expires on: 3/8/16

All emergency rules provided for herein have been examined by the Attorney General and Reporter of the State of Tennessee and are approved as to legality pursuant to the provisions of the Administrative Procedures Act, Tennessee Code Annotated, Title 4, Chapter 5.

Herbert H. Slatery III  
Herbert H. Slatery III  
Attorney General and Reporter  
12/29/2014  
Date

**Department of State Use Only**

Filed with the Department of State on: \_\_\_\_\_

Effective for: \_\_\_\_\_ \*days

Effective through: \_\_\_\_\_

\* Emergency rule(s) may be effective for up to 180 days from the date of filing.

\_\_\_\_\_  
Tre Hargett  
Secretary of State

## Impact on Local Governments

Pursuant to T.C.A. §§ 4-5-220 and 4-5-228 "any rule proposed to be promulgated shall state in a simple declarative sentence, without additional comments on the merits of the policy of the rules or regulation, whether the rule or regulation may have a projected impact on local governments." (See Public Chapter Number 1070 (<http://state.tn.us/sos/acts/106/pub/pc1070.pdf>) of the 2010 Session of the General Assembly)

The amendments will not have an impact on local government.

## Additional Information Required by Joint Government Operations Committee

All agencies, upon filing a rule, must also submit the following pursuant to T.C.A. § 4-5-226(i)(1).

- (A) A brief summary of the rule and a description of all relevant changes in previous regulations effectuated by such rule;

Pursuant to Tenn. Code Ann. § 62-39-102, the proposed rule regarding fingerprinting for initial registration, licensure, or certification must be enacted by January 1, 2015, in order to ensure compliance with federal regulations developed by the Appraisal Qualifications Board (AQB). In addition, the Tennessee Real Estate Appraiser Commission is required to implement appraiser licensing and certification requirements that are no less stringent than those issued by the AQB. Under the provision of Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA), the AQB has established the minimum education, experience, and examination requirements for real property appraisers to obtain a state license or certification. These criteria will become effective on January 1, 2015. The rulemaking that is currently in process will not meet this deadline; thus, making emergency rules necessary. This emergency rulemaking was presented to the Tennessee Real Estate Appraiser Commission for approval at its November 10, 2014 Commission meeting and was approved.

The proposed rules require fingerprinting for all new applicants for registration, license, or certification, for the purpose of obtaining a criminal background check pursuant to T.C.A. 62-39-102. In addition, the proposed rules require applicants applying for a state certified residential appraiser certification to have at least a bachelor's degree or higher. The rules currently require an associate's degree for certification. These education changes are necessary to maintain the Commission's compliance with the most recent appraiser qualifications issued by the AQB. The proposed rules add language regarding foreign education, which will be evaluated for equivalency for applicants applying for a state certified residential appraiser certification. The proposed rules require that all applicants applying for a general certification obtain a bachelor's degree. The current rule allows for an individual to apply without a bachelor's degree so long as they have thirty (30) hours of coursed in certain topics; however, this is no longer consistent with AQB requirements. The proposed rules add language to make requirements for a reciprocal license clearer.

- (B) A citation to and brief description of any federal law or regulation or any state law or regulation mandating promulgation of such rule or establishing guidelines relevant thereto;

Pursuant to Tenn. Code Ann. § 62-39-102, the proposed rule regarding fingerprinting for initial registration, licensure, or certification must be enacted by January 1, 2015, in order to ensure compliance with federal regulations developed by the Appraisal Qualifications Board (AQB). Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA) as amended by the Dodd Frank Wall Street Reform and Consumer Protection Act provides that the Appraisal Subcommittee (ASC) shall monitor the requirements established by States for certification and licensing of individuals who are qualified to perform appraisal in connection with federally related transactions. T.C.A. 62-39-203 provides that he Commission "shall adopt rules and regulations in aid or in furtherance of this chapter."

- (C) Identification of persons, organizations, corporations or governmental entities most directly affected by this rule, and whether those persons, organizations, corporations or governmental entities urge adoption or rejection of this rule;

Licensed or certified appraisers in Tennessee and those applying to become appraisers are most directly affected by these rules.

- (D) Identification of any opinions of the attorney general and reporter or any judicial ruling that directly relates to the rule;

There are no attorney general opinions or any judicial rulings that directly relate to the rule.

- (E) An estimate of the probable increase or decrease in state and local government revenues and expenditures, if any, resulting from the promulgation of this rule, and assumptions and reasoning upon which the estimate is based. An agency shall not state that the fiscal impact is minimal if the fiscal impact is more than two percent (2%) of the agency's annual budget or five hundred thousand dollars (\$500,000), whichever is less;

The amendments are expected to have no impact on government revenue or expenditures.

- (F) Identification of the appropriate agency representative or representatives, possessing substantial knowledge and understanding of the rule;

Keeling R. Baird  
Assistant General Counsel  
Tennessee Real Estate Appraiser Commission

Nikole Avers  
Executive Director  
Tennessee Real Estate Appraiser Commission

- (G) Identification of the appropriate agency representative or representatives who will explain the rule at a scheduled meeting of the committees;

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Assistant General Counsel  
Tennessee Real Estate Appraiser Commission

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Executive Director  
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- (H) Office address, telephone number, and email address of the agency representative or representatives who will explain the rule at a scheduled meeting of the committees; and

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- (I) Any additional information relevant to the rule proposed for continuation that the committee requests.

None