

**RULES
OF
TENNESSEE REAL ESTATE APPRAISER COMMISSION**

**CHAPTER 1255-1
GENERAL PROVISIONS**

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1255-1-.01 PURPOSE. The Tennessee Estate Appraiser Commission’s purpose in promulgating these rules is to implement the provisions of the State Licensing and Certified Real Estate Appraisers Law (the “Act”), T.C.A., Title 62, Chapter 39, as amended by 1991 Public Acts, Chapter 366, in a manner consistent with Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA), Title 12 *United States Code*, §§ 93, *et seq.* The Commission is authorized by T.C.A. § 62-39-333(a), to promulgate such rules as may be necessary to ensure compliance with FIRREA and other applicable law.

Authority: T.C.A. §§ 62-39-203 and 62-39-333. **Administrative History:** Original rule filed August 1, 1991; effective September 15, 1991.

1255-1-.02 DEFINITIONS.

- (1) “Act” means the State Licensing and Certified Real Estate Appraisers Law, *Tennessee Code Annotated*, Title 62, Chapter 39.
- (2) “Commission” means the Tennessee Real Estate Appraiser Commission.
- (3) “FIRREA” means Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, Title 12, *United States Code* §§93, *et seq.*
- (4) “Rules” means the rules promulgated by the Commission.
- (5) “State Certified General Appraiser” means a person who has been issued a general real estate appraiser certificate by the Commission.
- (6) “State Certified Residential Appraiser” means a person who has been issued a residential real estate appraiser certificate by the Commission.
- (7) “State Licensed Appraiser” means a person who has been issued a real estate appraiser license by the Commission.
- (8) “Registered Trainee” means a person who has been issued a registration number as a registered real estate appraiser trainee in the State of Tennessee.

Authority: T.C.A. §§ 62-39-203 and 62-39-333. **Administrative History:** Original rule filed August 1, 1991; effective September 15, 1991. Amendment filed December 16, 1997; effective March 1, 1998.

1255-1-.03 RESTRICTIONS ON APPRAISER PRACTICE.

- (1) An appraiser shall be required to comply with the transaction limits set forth in *Tennessee Code Annotated*, Title 62, Chapter 39. Violation of these limits shall be grounds for disciplinary action.
- (2) For the purposes of this rule, "transaction value" means:
 - (a) For loans or other extensions of credit, the amount of the loan or extension of credit;
 - (b) For sales, leases, purchases, and investments in or exchanges of real property, the market value of the real property interest involved; and
 - (c) For the pooling of loans or interests in real property for resale or purchase, the amount of the loan or market value of the real property calculated with respect to each such loan or interest in real property.
 - (d) For condemnation appraisals the value will be the total market value of the property before any acquisition of property occurs.
- (3) No language in any Commission rule shall authorize an appraiser to appraise any property that would cause the appraiser to violate the competency provision of the edition of the Uniform Standards of Professional Appraisal Practice effective when the work was performed.

Authority: T.C.A. §§ 62-39-203, 62-39-302 and 62-39-333, as amended by 1991 Public Acts, Chapter 366. **Administrative History:** Original rule filed August 1, 1991; effective September 15, 1991. Amendment filed October 26, 1993; effective January 11, 1994. Amendment filed December 16, 1997; effective March 1, 1998.

1255-1-.04 APPLICATION FOR APPRAISER LICENSE OR CERTIFICATE.

- (1) A person who wishes to file an application for a real estate appraiser license or certificate may obtain the required form upon request to the Commission.
- (2) At the time of filing an application for 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 state licensed or certified appraiser, as set forth in the Act.
- (3) 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.
- (4) Any person may apply for upgrade or downgrade 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.
- (5) 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:

(Rule 1255-1-.04, continued)

- (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/downgrade\$125.00
 - (e) Letter of good standing.....\$ 25.00
- (6) 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. **Administrative History:** Original rule filed August 1, 1991; effective September 15, 1991. Amendment filed October 26, 1993; effective January 11, 1994. Amendment filed December 16, 1997; effective March 1, 1998. Amendment filed January 19, 2001; effective April 5, 2001.

1255-1-.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 1255-1-.07 or rule 1255-1-.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 1255-1-.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).
 - (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,
 - (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,

(Rule 1255-1-.05, continued)

- (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
 5. An applicant may refer to Chapter 1255-2 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

(Rule 1255-1-.05, continued)

- 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. 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

(Rule 1255-1-.05, continued)

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) 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.
Administrative History: Original rule filed August 1, 1991; effective September 15, 1991. Amendment filed December 16, 1997; effective March 1, 1998. Repeal and new rule filed December 13, 2004; effective February 26, 2005. Repeal and new rule filed December 6, 2007; effective February 19, 2008.

1255-1-.06 REPEALED.

Authority: T.C.A. §§ 62-39-203 and 62-39-333. **Administrative History:** Original rule filed August 1, 1991; effective September 15, 1991. Repeal filed December 16, 1997; effective March 1, 1998.

1255-1-.07 QUALIFICATIONS FOR STATE CERTIFIED RESIDENTIAL APPRAISER.

- (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 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,

(Rule 1255-1-.07, continued)

- (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
 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 1255-2 Evaluation of Education for further delineation of the qualifying education requirements.

(Rule 1255-1-.07, continued)

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) 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 and 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. 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

(Rule 1255-1-.07, continued)

- (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) 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,
 - (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.

(Rule 1255-1-.07, continued)

- (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, 62-39-311, 62-39-312, 62-39-313, 62-39-329, 62-39-333, and 62-39-337. **Administrative History:** Original rule filed August 1, 1991; effective September 15, 1991. Amendment filed December 16, 1997; effective March 1, 1998. Repeal and new rule filed December 13, 2004; effective February 26, 2005. Repeal and new rule filed December 6, 2007; effective February 19, 2008.

1255-1-.08 QUALIFICATIONS FOR GENERAL CERTIFICATION.

- (1) Qualifications for State Certified General Appraiser. 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 1255-1-.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. Bachelors 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"):

(Rule 1255-1-.08, continued)

- (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:

(Rule 1255-1-.08, continued)

- (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
 6. An applicant should refer to Chapter 1255-2 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) 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

(Rule 1255-1-.08, continued)

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. 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) 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

(Rule 1255-1-.08, continued)

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,
 - (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, 62-39-311, 62-39-312, 62-39-313, 62-39-329, 62-39-333, and 62-39-337. **Administrative History:** Original rule filed August 1, 1991; effective September 15, 1991. Amendment filed December 16, 1997; effective March 1, 1998. Repeal and new rule filed December 13, 2004; effective February 26, 2005. Repeal and new rule filed December 6, 2007; effective February 19, 2008. Public necessity rule filed April 14, 2008; effective through September 26, 2008.

1255-1-.09 DENIAL OF LICENSE OR CERTIFICATE.

- (1) An applicant denied a license or certificate shall be notified in writing by the Commission of such denial and the reasons therefor. Such applicant may request an informal conference with the Commission to reconsider such denial at its next scheduled meeting. Such request must be sent to the Commission office within thirty (30) days of the date of the notice of denial.
- (2) Nothing in this rule shall be construed as creating the right to a contested case proceeding (as defined by the Tennessee Administrative Procedures Act, T.C.A. Title 4, Chapter 5) if a license or certificate is denied an applicant.

Authority: T.C.A. §§62-39-203, 62-39-204 and 62-39-333. **Administrative History:** Original rule filed August 1, 1991; effective September 15, 1991. Amendment filed December 6, 2007; effective February 19, 2008.

1255-1-10 LICENSE OR CERTIFICATE EXPIRATION.

- (1) A license shall expire two (2) years following the date of issuance.
- (2) The term of a certificate shall be two (2) years from the date of issuance.
- (3) The expiration date of a license or certificate shall appear on the face of the document and no other notice of its expiration need be given to its holder.

Authority: T.C.A. §§62-39-203, 62-39-204, 62-39-305 and 62-39-314. **Administrative History:** Original rule filed August 1, 1991; effective September 15, 1991. Amendment filed December 6, 2007; effective February 19, 2008.

1255-1-11 LICENSE AND CERTIFICATE RENEWAL.

- (1) To obtain renewal of a license or certificate, the holder of a current, valid license or certificate must make application on a form available from the Commission not earlier than one hundred twenty (120) days nor later than thirty (30) days prior to the expiration of the license or certificate then held.
- (2) An application for renewal must be accompanied by the following renewal fee, plus the applicable federal registry fee:
 - (a) Renewal of real estate appraiser license \$350.00
 - (b) Renewal of real estate appraiser certificate \$350.00
- (3) Each application for renewal of a license or certificate shall be accompanied by sufficient evidence of having completed the continuing education requirement for renewal specified in the Act and the rules and presented in the form prescribed in Chapter 1255-4 Continuing Education.
- (4) If a license or certificate holder fails to renew his or her license or certificate before thirty (30) days prior to the expiration thereof, the license or certificate holder may, upon payment of a one hundred dollar (\$100.00) penalty, apply for renewal. No late renewal will be granted if over six (6) months have passed since the expiration of the license or certificate.

Authority: T.C.A. §§62-39-203, 62-39-204, 62-39-206 62-39-301, 62-39-307, 62-39-315 and 62-39-333. **Administrative History:** Original rule filed August 1, 1991; effective September 15, 1991. Amendment filed October 26, 1993, effective January 11, 1994. Amendment filed December 16, 1997; effective March 1, 1998. Amendment filed January 19, 2001; effective April 5, 2001. Amendment filed December 6, 2007; effective February 19, 2008.

1255-1-12 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.

(Rule 1255-1-.12, continued)

- (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) 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
 - 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,

(Rule 1255-1-.12, continued)

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,

(Rule 1255-1-.12, continued)

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.

(Rule 1255-1-.12, continued)

- (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 1255-4-.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
 - 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 paragraph (h) 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

(Rule 1255-1-.12, continued)

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 Commission may grant up to one half (1/2) of an individual's continuing education credit for participation, other than as a student, in appraisal educational processes and programs. Examples of activities for which credit may be granted are teaching, program development, authorship of textbooks, or similar activities which the Commission determines are equivalent to obtaining continuing education. Credit for instructing any given course or seminar can only be awarded once during a continuing education cycle.
- (h) 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 address, current business address and the name(s) of the registered trainee's supervising appraiser(s). When a registered trainee changes residence address, business address 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.

(Rule 1255-1-.12, continued)

- (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. The Commission shall consider an appraisal report to have been prepared under the direct supervision of a supervising appraiser only when:
 - 1. The supervising appraiser is involved in the preparation of the appraisal report and has input into and full knowledge of the report prior to its completion;
 - 2. The supervising appraiser has the authority to and does make any necessary and appropriate changes to the final appraisal report;
 - 3. The supervising appraiser accepts responsibility for the appraisal report by signing and certifying the report is in compliance with the Uniform Standards of Professional Appraisal Practice;
 - 4. The supervising appraiser reviews the appraiser trainee's appraisal report(s); and
 - 5. The supervising appraiser accompanies the registered trainee and personally inspects each subject property with the registered trainee on all assignments until the trainee has completed five hundred (500) hours of acceptable appraisal experience. However, the supervising appraiser shall 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.
- (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.

Authority: T.C.A. §§ 62-39-203, 62-39-204, 62-39-303, 62-39-304, and 62-39-333. **Administrative History:** Original rule filed August 1, 1991; effective September 15, 1991. Amendment filed October 26, 1993, effective January 11, 1994. Amendment filed December 16, 1997; effective March 1, 1998. Amendment filed January 19, 2001; effective April 5, 2001. Repeal and new rule filed December 13, 2004; effective February 26, 2005. Repeal and new rule filed December 6, 2007; effective February 19, 2008.

1255-1-13 REPLACEMENT LICENSE OR CERTIFICATE. A license or certificate holder may, by filing the prescribed form and paying a fee of twenty-five (\$25.00) to the Commission, obtain a duplicate license or certificate to replace an original license or certificate which has been lost, damaged or destroyed or if the name of the licensee or certificate holder has been lawfully changed.

(Rule 1255-1-.13, continued)

Authority: T.C.A. §§ 62-39-203, 62-39-204, 62-39-206 and 62-39-333, as amended by 1991 Public Acts, Chapter 366. **Administrative History:** Original rule filed August 1, 1991; effective September 15, 1991. Amendment filed December 6, 2007; effective February 19, 2008.

1255-1-.14 FEDERAL APPRAISER REGISTRY. Licensees and certificate holders who are qualified for enrollment in the federal roster or registry of state-licensed and state-certified real estate appraisers must apply for enrollment or reinstatement of such enrollment in same upon a form approved by the Commission accompanied by the fee established for that purpose by the appropriate federal agency or instrumentality.

Authority: T.C.A. §§ 62-39-203, 62-39-204 and 62-39-333, as amended by 1991 Public Acts, Chapter 366. **Administrative History:** Original rule filed August 1, 1991; effective September 15, 1991. Amendment filed December 6, 2007; effective February 19, 2008.