Proposed Rulemaking

Title

Promulgated by:
Department of Labor and Licensing
State Board of Appraisers, Abstracters, and Home Inspectors

Title 17. Professions, Occupations, and Businesses

Chapter XXXVII. State Board of Appraisers, Abstracters, and Home Inspectors, Department of Labor and Licensing

Subchapter A. Generally

Part 200. Rules Implementing the Arkansas Appraiser Licensing and Certification Act, the Appraiser Management Company Registration Act, the Abstracters' Licensing Law of 1969, and the Arkansas Home Inspectors Registration Act

Subpart 1. General Applicability

17 CAR § 200-101. General provisions.

(a) **Purpose.**

(1) This part of the State Board of Appraisers, Abstracters, and Home Inspectors is set forth for the purpose of interpreting and implementing the Arkansas Appraiser Licensing and Certification Act, Arkansas Code § 17-14-101 et seq., Arkansas Code § 17-14-201 et seq., and Arkansas Code § 17-14-301 et seq., Appraisal Management Company Registration Act, Arkansas Code § 17-14-401 et seq., Abstracters' Licensing Law of 1969, Arkansas Code § 17-11-101 et seq., and Arkansas Home Inspectors Registration Act, Arkansas Code § 17-52-301 et seq.

(2) These acts establish the board and grant it full responsibility for licensure of appraisers, abstracters, and home inspectors.

(3) It also provides for the regulation of the appraisal practice, the business of abstracting, and the practice of home inspection.

(b) **Citation.** This part shall be known and may be cited as the State Board of Appraisers, Abstracters, and Home Inspectors rules.

(c) **Severability.**

(1) If any provision of this part or the application thereof to any person or circumstance is invalid, such invalidity shall not affect other provisions or applications of this part; they can be given effect without the invalid provision or application.

(2) To this end, the provisions of this part are declared to be severable.

(d) **Defined terms.**

(1) The terms defined in the Arkansas Appraiser Licensing and Certification Act, Appraisal Management Company Registration Act, Abstracters' Licensing Law of 1969, and Arkansas Home Inspectors Registration Act shall have the same meanings when used in this part, unless the context or subject matter clearly requires a different interpretation.

(2) Further terms may be defined in subsequent subparts of this part.

(e) **Rulemaking.** All rules and any subsequent amendments will be promulgated according to the Arkansas Administrative Procedure Act, Arkansas Code § 25-15-201 et seq.

17 CAR § 200-102. Board meetings, operation, and compensation.

(a) **Board meetings.**

(1)(A) The State Board of Appraisers, Abstracters, and Home Inspectors meets at least twice each calendar year to examine applicants for licensure, hear complaints, and transact other business that comes before it.

(B) The dates for each meeting shall be determined by the board.

(2) Notice of any meeting shall be sent to each board member at least ten (10) days before the scheduled date of the meetings.

(3) An administrative assistant shall be present at all meetings of the board and shall record the minutes of all meetings.

(4) Board meetings shall be recorded in compliance with the Freedom of Information Act of 1967, Arkansas Code § 25-19-101 et seq.

(b) **Board operations.**

(1)(A) Board officers shall be chair, vice chair, and treasurer.

(B) Terms of office for officers shall last one (1) year.

(2) A quorum of the board shall be five (5) members.

(3) The day-to-day business of the board is conducted by the Director of the State Board of Appraisers, Abstracters, and Home Inspectors and staff.

(4) **Public information.**

(A) Persons seeking information from or submitting information to the board may do so by written communication to the director.

(B) All relevant applications and forms may be obtained on the board's website or through the board's office.

(C) Individuals may inspect and copy public records pursuant to the procedures set forth in the Freedom of Information Act of 1967.

(D)(i) The board shall maintain a roster of duly registered abstracters and business entities showing each registered abstracter's or entity's business name, registration, certificate, or authorization number, and last known mailing address.

(ii) This roster shall be open to public inspection.

(E)(i) The board shall maintain a roster of the names, addresses, email addresses, and telephone numbers of all persons licensed and certified under the Arkansas Appraiser Licensing and Certification Act, Arkansas Code § 17-14-101 et seq., Arkansas Code § 17-14-201 et seq., and Arkansas Code § 17-14-301 et seq., and in accordance with Sections 1103(a)(3) and 1109(a)(1) of Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, Pub. L. No. 101-73, and shall submit this roster at least monthly to the Appraisal Subcommittee of the Federal Financial Institutions Examination Council.

(ii) This roster may be published and periodically updated and provided to all interested parties at cost.

(5) **Board compensation and expense reimbursement.**

(A) Each member of the board shall receive a per diem pursuant to Arkansas Code § 25-16-903(5) as compensation for each meeting of the board at which the member is present and for each day or substantial part thereof actually spent in the conduct of the business of the board, plus all appropriate expenses as approved by the board.

(B) Appropriate expenses are the reimbursable expenses a member of the board necessarily incurs in the discharge of the board member's official duties.

(C) Request for compensation and reimbursement of appropriate expenses shall not be processed for payment unless sufficient funds are available for that purpose within the appropriations of this board.

17 CAR § 200-103. General licensure information.

(a)(1) All individuals licensed, registered, or certified by the State Board of Appraisers, Abstracters, and Home Inspectors are required to provide and maintain current mailing and email address and contact information on file with the board so that the board can remain in contact and provide any and all notices from the board.

(2) The licensed, registered, or certified individual is required to provide written notice to the board of any change in contact information within ten (10) working days of the change.

(3) All board notices sent by mail will be addressed to the latest address on file with the board.

(b) The board shall grant a credential to an applicant who fulfills the Arkansas requirements for licensure and is a person who holds a Federal Form I-766 United States Citizenship and Immigration Services-issued Employment Authorization Document, known popularly as a "work permit".

(c) **Workforce Expansion Act of 2021.**

(1)(A) Pursuant to Arkansas Code § 17-5-101 et seq., an applicant may receive a waiver of his or her initial licensure fee, if eligible.

(B) Eligible applicants are applicants who:

(i) Are receiving assistance through the Arkansas Medicaid Program,

the Supplemental Nutrition Assistance Program, the Special Supplemental Nutrition Program for Women, Infants and Children, the Temporary Assistance for Needy Families Program, or the Lifeline Assistance Program;

(ii) Were approved for unemployment within the last twelve (12) months; or

(iii) Have an income that does not exceed two hundred percent (200%) of the federal poverty income guidelines.

(2) Applicants shall provide documentation showing their receipt of benefits from the appropriate state agency as follows:

(A) For those applicants receiving assistance under subdivision (c)(1)(B)(i) of this section, documentation from the Department of Human Services;

(B) For unemployment benefits approval in the last twelve (12) months, the Division of Workforce Services; or

(C) For proof of income, copies of all Internal Revenue Service forms indicating applicant's total personal income for the most recent tax year, e.g., W2, 1099, etc.

(3)(A) An applicant seeking a waiver will be required to provide a signed affidavit confirming that he or she qualifies for waiver based on the conditions listed in subdivision (c)(1) of this section and may be required by the board to submit documentation for verification purposes.

(B) Applicants shall also attest that any documentation provided under subdivision (c)(2) of this section is a true and correct copy and fraudulent or fraudulently obtained documentation shall be grounds for denial or revocation of his or her license.

(d) **Criminal record.**

(1) An individual is not eligible to receive or hold a license if that individual has pleaded guilty or nolo contendere to or been found guilty of any of the offenses listed in Arkansas Code § 17-3-102(a) or Arkansas Code § 17-3-102(e) by any court in the State of Arkansas or of any similar offense by a court in another state or of any similar offense by a federal court, unless the conviction was lawfully sealed under the

Comprehensive Criminal Record Sealing Act of 2013, Arkansas Code § 16-90-1401 et seq., or otherwise previously sealed, pardoned, or expunged under prior law.

(2) If an individual has been convicted of an offense listed in Arkansas Code § 17-3-102(a) or Arkansas Code § 17-3-102(e), the board may waive disqualification of a potential applicant or revocation of a license based on the conviction if a request for a waiver is made by:

(A) An affected applicant for a license; or

(B) An individual holding a license subject to revocation.

(3) The board may grant a waiver upon consideration of the following, without limitation:

(A) The age at which the offense was committed;

(B) The circumstances surrounding the offense;

(C) The length of time since the offense was committed;

(D) Subsequent work history since the offense was committed;

(E) Employment references since the offense was committed;

(F) Character references since the offense was committed;

(G) Relevance of the offense to the occupational license; and

(H) Other evidence demonstrating that licensure of the applicant does not pose a threat to the health or safety of the public.

(4) A request for a waiver, if made by an applicant, must be in writing and accompany the completed application and fees.

(5) The board will respond with a decision in writing and will state the reasons for the decision.

(6) An appeal of a determination under this section will be subject to the Arkansas Administrative Procedure Act, Arkansas Code § 25-15-201 et seq.

(e) **Prelicensure criminal background check.**

(1) Pursuant to Arkansas Code § 17-3-103, an individual may petition for a prelicensure determination of whether the individual's criminal record will disqualify the individual from licensure and whether a waiver may be obtained.

(2) The individual must obtain the prelicensure criminal background check

petition form from the board.

(3) The board will respond with a decision in writing to a completed petition within a reasonable time.

(4) The board's response will state the reason or reasons for the decision.

(5) All decisions of the board in response to the petition will be determined by the information provided by the individual.

(6) Any decision made by the board in response to a prelicensure criminal background check petition is not subject to appeal.

(7) The board will retain a copy of the petition and response and it will be reviewed during the formal application process.

(f) **Arkansas Occupational Licensing of Uniformed Service Members, Veterans, and Spouses Act of 2021, Arkansas Code 17-4-101 et seq.**

(1) The board shall grant automatic licensure to an individual who is the holder in good standing of a license with a similar scope of practice issued by another state, territory, or district of the United States and is:

(A) A uniformed service member stationed in the State of Arkansas;

(B) A uniformed service veteran who resides in or establishes residency in the State of Arkansas; or

(C) The spouse of:

(i) A person under subdivision (f)(1)(A) or subdivision (f)(1)(B) of this section;

(ii) A uniformed service member who is assigned a tour of duty that excludes the uniformed service member's spouse from accompanying the uniformed service member and the spouse relocates to this state; or

(iii) A uniformed service member who is killed or succumbs to his or her injuries or illness in the line of duty if the spouse establishes residency in the state.

(2) The board shall grant such automatic licensure upon receipt of all the below:

(A)(i) A completed written Uniformed Service Member Application form.

(ii) The form is available on the board's website or from the board

office;

(B) Payment of the initial licensure fee;

(C) Evidence that the individual is a holder in good standing of a license with a similar scope of practice in another jurisdiction; and

(D) Evidence that the applicant is a qualified applicant under subdivision (f)(1) of this section.

(3) The expiration date of a license for a deployed uniform service member or spouse will be extended for one hundred eighty (180) days following the date of the uniformed service member's return from deployment.

(4) A full exemption from continuing education requirements will be allowed for a deployed uniform service member or spouse until one hundred eighty (180) days following the date of the uniformed service member's return from deployment.

(5) The board shall accept relevant and applicable uniformed service education, training, national certification, or service-issued credential toward licensure qualifications or requirements when considering an application for licensure of an individual under subdivision (f)(1) of this section.

(g) **Application denial.**

(1) If the board finds that there is substantial reason to deny the application for licensure, the board shall notify the applicant that the application has been denied.

(2)(A) The board shall afford the applicant an opportunity for a hearing before the board to show cause why the application should not be denied.

(B) Such requests must be sent to the board within thirty (30) calendar days from the date notification is received from the board to appeal the decision.

(3) All proceedings concerning the denial shall be governed by the Arkansas Administrative Procedure Act.

(4) The applicant has the burden of establishing entitlement to the license.

17 CAR § 200-104. Declaratory orders.

(a)(1) A declaratory order is a means of resolving a controversy or answering questions or doubts concerning the applicability of statutory provisions, rules, or orders

over which the State Board of Appraisers, Abstracters, and Home Inspectors has authority.

(2) A petition for declaratory order may be used only to resolve questions or doubts as to how the statutes, rules, or orders may apply to the petitioner's particular circumstances.

(3) A declaratory order is not the appropriate means for determining the conduct of another person or for obtaining a policy statement of general applicability from the board.

(4) A petition or declaratory order must describe the potential impact of statutes, rules, or orders upon the petitioner's interests.

(b) The process to obtain a declaratory order is begun by filing with the board a petition that provides the following information:

(1) The caption shall read: Petition for Declaratory Order before the Arkansas State Board of Appraisers, Abstracters, and Home Inspectors;

(2) The name, address, telephone number, and facsimile number of the petitioner;

(3) The name, address, telephone number, and facsimile number of the attorney of the petitioner;

(4) The statutory provision or provisions, agency rule or rules, or agency order or orders on which the declaratory order is sought;

(5) A description of how the statutes, rules, or orders may substantially affect the petitioner and the petitioner's particular set of circumstances, and the question or issue on which petitioner seeks a declaratory order;

(6) The signature of the petitioner or petitioner's attorney;

(7) The date; and

(8) Request for a hearing, if desired.

(c)(1) The board may hold a hearing to consider a petition for declaratory order.

(2) If a hearing is held, it shall be conducted in accordance with Arkansas Code §§ 25-15-208 and 25-15-213, and the board's rules for adjudicatory hearings.

(d)(1) The board may rely on the statements of fact set out in the petition without

taking any position with regard to validity of the facts.

(2) Within ninety (90) days of the filing of the petition, the board will render a final order denying the petition or issuing a declaratory order.

Subpart 2. Appraisers

17 CAR § 200-201. Purpose.

The State Board of Appraisers, Abstracters, and Home Inspectors' purpose in promulgating this subpart is to implement the provisions of the Arkansas Appraiser Licensing and Certification Act, Arkansas Code § 17-14-101 et seq., Arkansas Code § 17-14-201 et seq., and Arkansas Code § 17-14-301 et seq., in a manner consistent with Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA), 12 U.S.C. §§ 3310 and 3331 et seq.

17 CAR § 200-202. Definitions.

The following words and terms, when used in this subpart, unless a different meaning is provided or is plainly required by the context, shall have the following meanings:

(1) "AQB" means Appraiser Qualifications Board;

(2) "Complex one-to-four (1 – 4) family residential property appraisal" means one in which the property to be appraised, the form of ownership, or market conditions are atypical;

(3) "PAREA" means practical applications of real estate appraisal;

(4) "Residential" means composed of one-to-four (1 – 4) residential units;

(5)(A) "Supervisory appraiser" means a state-certified appraiser who:

(i) Formally agrees to supervise the work of a specific registered apprentice appraiser;

(ii) Is recorded by the State Board of Appraisers, Abstracters, and Home Inspectors as a supervisory appraiser; and

(iii) Has successfully completed the four-hour supervisor/trainee

course offered by the State Board of Appraisers, Abstracters, and Home Inspectors or other approved education provider.

(B) Refer to 17 CAR § 200-209 for additional qualifications;

(6) "Transaction value" means, for the purposes of this part:

(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;

(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; and

(D) For condemnation appraisals, the value will be the total market value of the property before any acquisition of property occurs; and

(7) "USPAP" means the Uniform Standards of Professional Appraisal Practice.

17 CAR § 200-203. Standards of practice and restrictions on appraisal practice.

(a) **Standards of practice.**

(1) Appraisers in all classifications shall perform and practice in compliance with USPAP.

(2)(A) Existing credential holders (except for registered apprentices and state-registered appraisers) in good standing in any jurisdiction shall be considered in compliance with current Appraiser Qualifications Board Real Property Appraiser Qualifications Criteria if they have passed an Appraiser Qualifications Board-approved qualifying examination for that credential.

(B) This applies to reciprocity, temporary practice, renewals, and applications for the same credential (except for registered apprentices and state-registered appraisers) in another jurisdiction.

(C) All credential holders must comply with ongoing requirements for continuing education and renewal procedures.

(3)(A) The State Board of Appraisers, Abstracters, and Home Inspectors adopts the 2024 USPAP as published and amended by the Appraisal Foundation.

(B) This adoption shall include all parts of USPAP including the introductory sections for the purpose of judging those applicants, registrants, licensees, and certificate holders with respect to the appropriateness of their conduct and activities as appraisers in the State of Arkansas.

(b) **Restrictions on appraisal practice.**

(1) All appraisal services rendered in federally related transactions must be performed or rendered by a person or persons holding the appropriate:

(A) Registration;

(B) License; or

(C) Certification.

(2) All written appraisal reports shall make a specific reference to any person or persons and bear the signature or signatures and seal or seals of all properly registered, licensed, or certified person or persons who participated significantly in the performance of the appraisal or delivery of appraisal services.

(3) All registered, licensed, or certified appraisers signing an appraisal report or other document representing the delivery of appraisal services shall assume full joint and several responsibility and liability for the compliance of the appraisal performed or the appraisal service rendered with respect to compliance with the USPAP.

(4) State-licensed and certified residential appraisers performing appraisals on nonresidential (that is, commercial, farms, timberland, etc.) property types shall comply with the following limitations:

(A)(i) Federally related transactions.

(ii) A state-licensed or certified residential appraiser shall be limited to appraising a transaction value (loan value) of no more than two hundred fifty thousand dollars ($250,000); and

(B)(i) Nonfederally related transactions.

(ii) A state-licensed or certified residential appraiser shall be limited to a property value of no more than two hundred fifty thousand dollars ($250,000).

17 CAR § 200-204. General licensure and certification information.

(a) **Licensure and certification.** If upon passing the required appropriate examination, an applicant is found by the State Board of Appraisers, Abstracters, and Home Inspectors to be otherwise qualified, the board shall issue to the applicant a real estate appraiser license or a real estate appraiser certificate indicating residential or general status.

(b) **Appraiser signature.**

(1) The credential holder shall also affix his or her signature, at a minimum, to the:

(A) Letter of transmittal, if applicable; and

(B) Certification page of each appraisal report or appraisal service that was prepared by him or her or was prepared under his or her direction.

(c) **Form and content.**

(1) The board shall issue to each registered licensee or certificate holder a license or certificate as applicable in a form as shall be prescribed by the board.

(2) The license or certificate shall show the name of the registered licensee or certificate holder and a license or certificate number assigned by the board.

(3) Each license or certificate shall have imprinted on it the Arkansas Department of Labor and Licensing seal and in addition shall contain other matters as shall be prescribed by the board.

(d) **National appraiser registry.**

(1) The board shall submit to the Appraisal Subcommittee of the Federal Financial Institutions Examination Council all names of individuals who are qualified as licensees or certificate holders in the State of Arkansas, both resident and nonresident, provided the individuals have paid to the board the appropriate registry fee established for that purpose by the Appraisal Subcommittee of the Federal Financial Institutions

Examination Council or any other appropriate federal agency or instrumentality.

(2) If a nonresident appraiser is licensed or certified on a nontemporary basis in another state and chooses to be licensed or certified in Arkansas on a nontemporary basis, the national registry fee shall be collected by the board and submitted to the Appraisal Subcommittee of the Federal Financial Institutions Examination Council.

(3) The national registry fee collected by the board from nonresident appraisers shall be an additional national registry fee to that which is collected from the other state or states where the appraiser may be licensed or certified on a nontemporary basis.

(4) An appraiser holding the classification of state-registered or registered apprentice appraiser will not be assessed a national registry fee.

17 CAR § 200-205. General education approval and requirements.

(a) **General requirements for education offerings.**

(1)(A) The State Board of Appraisers, Abstracters, and Home Inspectors may approve or disapprove all course offerings for qualifying education and continuing education.

(B) The approval process shall apply to:

(i) Course content;

(ii) Facilities;

(iii) Text;

(iv) Course delivery mechanism;

(v) Other materials utilized in the offering; and

(vi) Instructors.

(C) The State Board of Appraisers, Abstracters, and Home Inspectors may, at its sole discretion, employ the services of an advisory education panel for the purpose of reviewing educational offerings for:

(i) Quality;

(ii) Content; and

(iii) Qualifications of instructors.

(D) The State Board of Appraisers, Abstracters, and Home Inspectors may recognize any educational offering recommended or approved by the Appraiser Qualifications Board of the Appraisal Foundation.

(E) The State Board of Appraisers, Abstracters, and Home Inspectors shall accept all courses approved through the Appraiser Qualifications Board's Course Approval Program without additional approval by the State Board of Appraisers, Abstracters, and Home Inspectors.

(2) Time requirements for the purpose of all educational offerings include:

(A) A class hour is defined as sixty (60) minutes, of which at least fifty (50) minutes are instruction attended by the student; and

(B) The prescribed number of class hours includes time for examinations.

(3) Credit for the class hour requirements may be obtained only from the following providers:

(A) Colleges or universities;

(B) Community or junior colleges;

(C) Real estate appraisal or real estate-related organizations;

(D) State or federal agencies or commissions;

(E) Proprietary schools;

(F) Providers approved by the State Board of Appraisers, Abstracters, and Home Inspectors; or

(G) The Appraisal Foundation or its boards.

(4) Experience may not be substituted for education, except for those individuals under 17 CAR § 200-103(e).

(5)(A) Distance education is defined as any education process based on the geographical separation of student and instructor.

(B) Components of distance education include synchronous, asynchronous, and hybrid.

(C)(i) In synchronous educational offerings, the instructor and students interact simultaneously online, video chat or live webinar, or web-based meeting.

(ii) Synchronous courses provide for instruction and interaction

substantially the same as onsite classroom courses.

(iii) Synchronous courses meet class hour requirements if they comply with subdivisions (a)(2) and (3) of this section.

(D)(i) In asynchronous educational offerings, the instructor and student interaction are nonsimultaneous; the students progress at their own pace and follow a structured course content and quiz/exam schedule.

(ii) An asynchronous distance education course is acceptable to meet class hour requirements if:

(a)(1) The course provides interaction.

(2) Interaction is a reciprocal environment where the student has verbal or written communication with the instructor;

(b)(1) Content approval is obtained from the Appraiser Qualifications Board, the State Board of Appraisers, Abstracters, and Home Inspectors, or an accredited college, community college, or university that offers distance education programs and is approved or accredited by the Higher Learning Commission, a regional or national accreditation association, or by an accrediting agency that is recognized by the United States Secretary of Education.

(2) Nonacademic credit college courses provided by a college shall be approved by the Appraiser Qualifications Board or the State Board of Appraisers, Abstracters, and Home Inspectors; and

(c) Course delivery mechanism approval is obtained from one (1) of the following sources:

(1) The Appraiser Qualifications Board;

(2) Appraiser Qualifications Board-approved organizations providing approval of course design and delivery, such as the Appraisal Foundation or other independent approved entity;

(3) A college or university that qualifies for content approval in subdivision (a)(5)(D)(ii)*(b)* of this section that awards academic credit for the distance education course; or

(4) A qualifying college or university for content approval

with a distance education delivery program that approves the course design and delivery that incorporate interactivity.

(E) If the certification of the course delivery mechanism expires prior to the State Board of Appraisers, Abstracters, and Home Inspectors' expiration date of the course, the course will not be accepted for credit until the provider can provide an updated certification.

(F)(i) Hybrid courses, also known as blended courses, are learning environments that allow both in-person and online (synchronous or asynchronous) interaction.

(ii) Hybrid courses meet class hour requirements if each of its sessions meet the requirement for the delivery method employed:

(a) In-person sessions meet subdivisions (a)(2) and (3) of this section;

(b) Synchronous course sessions meet subdivisions (a)(2) and (3) of this section; and

(c) Asynchronous course sessions must meet subdivisions (a)(2), (a)(3), and (a)(5)(D) of this section.

(6)(A) A list of approved education providers and courses is available on the State Board of Appraisers, Abstracters, and Home Inspectors' website.

(B) If a course is taken that is not on that list, it may be submitted to the State Board of Appraisers, Abstracters, and Home Inspectors for individual consideration by submitting the following:

(i) A course completion certificate;

(ii) A timed outline provided by the education provider; and

(iii) A course description from the education provider.

(7)(A) Education course approval by the State Board of Appraisers, Abstracters, and Home Inspectors is initially granted for a period of two (2) years provided no substantive changes in course content is made.

(B) Approval may be extended by an additional two (2) years on the written request by the provider.

(C) Failure to timely request an extension will result in automatic termination of the education offerings' approval status.

(8) A provider shall apply for course approval no later than forty-five (45) days prior to the date of expiration of the original course approval.

(9)(A) All persons or providers requesting approval from the State Board of Appraisers, Abstracters, and Home Inspectors for an education course shall submit to the State Board of Appraisers, Abstracters, and Home Inspectors a completed Education Course Approval Application that is found on the State Board of Appraisers, Abstracters, and Home Inspectors' electronic licensing platform.

(B) The application must be accompanied by the following:

(i) A timed outline allocating each heading and subtopic;

(ii) A copy of the course materials;

(iii) Instructor resume or resumes;

(iv) All Appraiser Qualifications Board course delivery mechanism approval certificates, if applicable; and

(v) Applicable fees.

(10)(A) Upon approval, the State Board of Appraisers, Abstracters, and Home Inspectors may assign the course a number.

(B) The course provider may use the course number in the:

(i) Course syllabus;

(ii) All course materials; and

(iii) All written advertising materials for the course.

(11) The State Board of Appraisers, Abstracters, and Home Inspectors may at its discretion adopt and implement various procedures for the auditing of any offerings that have been accepted for qualifying and continuing education approval by the State Board of Appraisers, Abstracters, and Home Inspectors.

(12) Substantial changes, such as a change in the agenda, published course description, or instructor made in any course shall require new approval of that course.

(13) **Examination proctor qualifications.**

(A) The proctor shall not be related to the student by blood or marriage

and may not be engaged in any association (personal or business) with the student.

(B) The proctor may be selected from the following professions:

(i) A university, college, or community college professor or instructor;

(ii) A public and private school professional (superintendent, principal, guidance counselor, librarian, etc.); or

(iii) An Appraiser Qualifications Board-certified instructor or an approved professional association's instructor.

(C) The proctor or proctors shall be approved in advance by the State Board of Appraisers, Abstracters, and Home Inspectors.

(14) **Examination proctor duties.**

(A)(i) The proctor shall be satisfied that the person taking the examination is the person registered for the course.

(ii) This should be verified with a picture ID and another identification document (driver's license, student ID card, etc.).

(B)(i) The proctor shall be in the room while the student is taking the exam.

(ii) The proctor shall ensure that the student does all the work himself or herself without aids of any kind including books, notes, conversation with others, or any other external resource.

(iii) If the exam calls for mathematical calculations, a nonprogrammable handheld calculator may be used.

(C)(i) The proctor shall see that the student adheres to the time limit requirement specified for the examination.

(ii) The examination must be completed in one (1) sitting.

(iii) If the examination is interrupted for any reason, the examination can be restarted only by notifying the State Board of Appraisers, Abstracters, and Home Inspectors that the examination was interrupted and the reason for the interruption, and the State Board of Appraisers, Abstracters, and Home Inspectors or its designee must approve the request to resume.

(D) Upon completion of the examination, the proctor shall submit a

certificate indicating the verification of the identity of the student, that the examination was completed on the date assigned during the time permitted, and that the student has done all the work himself or herself without aids of any kind including books, notes, conversation with others, or any other external resource while taking the examination, including access to internet search engines or web pages other than that displaying the examination.

(b) **Criteria specific to qualifying education.**

(1)(A) Class hours will be credited only for educational offerings with content that follows the Appraiser Qualifications Board-required core curriculum for each respective credential classification.

(B) Course content requirements may be general or specific to property types.

(C) The Appraiser Qualifications Board-required core curriculum is to be followed by major headings with the classroom hours for each.

(2)(A) Credit toward qualifying education requirements may also be obtained via the completion of a degree in real estate from an accredited degree-granting college or university approved by the Association to Advance Collegiate Schools of Business, or a regional or national accreditation agency recognized by the United States Secretary of Education, provided that the college or university has had its curriculum reviewed and approved by the Appraiser Qualifications Board.

(B) The Appraiser Qualifications Board may maintain a list of approved college or university degree programs, including the required core curriculum and appraisal subject matter elective hours satisfied by the award of the degree.

(C) Candidates for a registered apprentice appraiser, state-registered, state-licensed, certified residential, or certified general credential who are awarded degrees from approved institutions are required to complete all additional education required for the credential in which the approved degree is judged to be deficient by the Appraiser Qualifications Board.

(3) Class hours may be obtained only where:

(A) The minimum length of the educational offering is at least fifteen (15)

hours (except for the eight (8) hour course on valuation bias and fair housing laws and regulations); and

(B) The individual successfully completes a proctored, closed-book final examination pertinent to that educational offering.

(4) Where the qualifying education course includes multiple modules as listed in the required core curriculum, there must be appropriate testing of each module included in the course.

(5)(A) Courses taken to satisfy the qualifying education requirements must not be repetitive.

(B) Courses shall foster problem-solving skills in the education process by utilizing case studies as a major teaching method when applicable.

(6) **15-Hour National USPAP Course requirements.**

(A) Applicants must:

(i) Take the 15-Hour National USPAP Course or its Appraiser Qualifications Board-approved equivalent; and

(ii) Pass the associated 15-Hour National USPAP Course examination.

(B) At least one (1) of the course instructors must be an Appraiser Qualifications Board-certified USPAP instructor who is also a state-certified appraiser in good standing.

(C) Course equivalency shall be determined through the Appraiser Qualifications Board Course Approval Program or by an alternative method established by the Appraiser Qualifications Board.

(D) USPAP education presented in a distance education format must be designed to foster appropriate student-to-student, student-to-instructor, and student-to-material interaction.

(E) There is no alternative to successful completion of the 15-Hour National USPAP Course and examination.

(7)(A) In addition to the generic requirements described in subsection (a) of this section, distance education courses intended for use as qualifying education must include a written, closed-book final examination proctored by a State Board of

Appraisers, Abstracters, and Home Inspectors-approved proctor.

(B) Biometric proctoring is acceptable.

(C) The term "written" as used in this subdivision (b)(7) means an exam that might be:

(i) Written on paper; or

(ii) Administered electronically on a computer workstation or other device.

(D) Oral exams are not acceptable.

(E) The testing must be in compliance with the examination requirements of this section.

(c) **Criteria specific to continuing education.**

(1) The purpose of continuing education is to ensure that appraisers participate in a program that maintains and increases their skill, knowledge, and competency in real property appraising.

(2) Aside from complying with the requirements to complete the 7-Hour National USPAP Update Course, or its equivalent, appraisers may not receive credit for completion of the same continuing education course offering within the same continuing education cycle.

(3) Credit towards the continuing education hour requirements for each appraiser classification may be granted only where the length of the educational offering is at least two (2) hours.

(4) Credit may be granted for education offerings that:

(A) Are consistent with the purpose of continuing education; and

(B) Cover real property-related appraisal topics including, but not limited to:

(i) Ad valorem taxation;

(ii) Arbitration, dispute resolution;

(iii) Courses related to the practice of real estate appraisal or consulting;

(iv) Development cost estimating;

(v) Ethics and standards of professional practice, USPAP;

(vi) Valuation bias, fair housing, or equal opportunity;

(vii) Land use planning, zoning;

(viii) Management, leasing, timesharing;

(ix) Property development, partial interest;

(x) Real estate law, easements, and legal interest;

(xi) Real estate litigation, damages, condemnation;

(xii) Real estate financing and investment;

(xiii) Real estate appraisal-related computer applications;

(xiv) Real estate securities and syndication;

(xv) Developing opinions of real property value in appraisals that also include personal property and/or business value;

(xvi) Seller concessions and impact on value; and/or

(xvii) Energy-efficient items and "green building" appraisals.

(5)(A) Up to one-half (1/2) of an individual's continuing education requirement may also be granted for participation, other than as a student, in appraisal educational processes and programs.

(B) Examples of activities for which credit may be granted are:

(i) Teaching;

(ii) Program development;

(iii) Authorship of textbooks; or

(iv) Similar activities that are determined to be equivalent to obtaining continuing education.

(C) Credit for instructing any given course or seminar can only be awarded once during a continuing education cycle.

(6) Educational offerings taken by an individual in order to fulfill the class hour requirement for a different classification than his or her current classification may be simultaneously counted towards the continuing education requirement of his or her current classification.

(7) In addition to the general requirements described in subsection (a) of this

section, asynchronous distance education courses intended for use as continuing education must include at least one (1) of the following:

(A)(i) A written examination proctored by an official approved by the college or university or by the sponsoring organization.

(ii) Remote proctoring, including biometric procedures as noted in subsection (b) of this section is acceptable.

(iii) The term "written" as used in this subdivision (c)(7) means an exam that might be:

(a) Written on paper; or

(b) Administered electronically on a computer workstation or other device.

(iv) Oral exams are not acceptable; or

(B) Successful completion of prescribed course mechanisms required to demonstrate knowledge of the subject matter.

(8)(A) Real estate appraisal-related field trips may be acceptable for credit toward the continuing education requirements.

(B) However, transit time to or from the field trip may not be included when awarding credit unless instruction occurs during said transit time.

(9)(A) Appraisers must successfully complete the 7-Hour National USPAP Update Course, or its Appraiser Qualifications Board-approved equivalent, every two (2) calendar years.

(B) Equivalency shall be determined through the Appraiser Qualifications Board Course Approval Program or by an alternate method established by the Appraiser Qualifications Board.

(C) The 15-Hour National USPAP Course may not be substituted for the 7-Hour National USPAP Update Course.

(D) Individuals who are credentialed in more than one (1) jurisdiction shall not have to take more than one (1) 7-Hour National USPAP Update Course within a two-calendar-year period for the purposes of meeting Appraiser Qualifications Board criteria.

(E) USPAP continuing education credit shall only be awarded when the course is instructed by at least one (1) Appraiser Qualifications Board-certified USPAP instructor who is also a state-certified appraiser in good standing.

(F) Appraiser Qualifications Board-certified USPAP instructors successfully completing a seven-hour Instructor Recertification Course and exam, if required, within their current continuing education cycle have satisfied the 7-Hour National USPAP Update Course continuing education requirement.

(10)(A) Each state-licensed, certified residential, and certified general appraiser shall complete during the two-year period prior to renewal of his or her credential in an even-numbered year (that is 2018, 2020, etc.) a minimum of twenty-eight (28) hours of qualifying or continuing education.

(B) The class hour requirement may be fulfilled at any time during the cycle.

(11)(A) Each state-registered appraiser and registered apprentice appraiser shall complete fourteen (14) hours of qualifying or continuing education each calendar year prior to renewal of his or her credential.

(B) The class hour requirement can be fulfilled at any time during the cycle.

(12) Waivers may not be granted to credential holders who have failed to meet the continuing education requirements.

(13)(A) Deferrals may not be granted to credential holders, except in the case of individuals impacted by a state or federally declared disaster or those uniformed service members listed in 17 CAR § 200-103(e).

(B) The State Board of Appraisers, Abstracters, and Home Inspectors may allow credential holders impacted by a state or federally declared disaster that occurs within ninety (90) days prior to the end of the continuing education cycle to remain, or be placed in, active status for a period of up to ninety (90) days after the end of the credential holder's continuing education cycle, pending completion of all continuing education requirements.

(14) Credentialed appraisers are required to complete continuing education for

a partial year in a continuing education cycle as follows:

(A) For continuing education cycle periods of one hundred eighty-five (185) days or more, fourteen (14) hours of continuing education is required; and

(B) For continuing education cycle periods of less than one hundred eighty-five (185) days, no hours of continuing education are required.

(15) The State Board of Appraisers, Abstracters, and Home Inspectors may, per continuing education cycle, award continuing education credit to credentialed appraisers who attend a single State Board of Appraisers, Abstracters, and Home Inspectors meeting under the following conditions:

(A) The meeting must be open to the public and must be a minimum of two (2) hours in length;

(B) The total credit cannot exceed seven (7) hours; and

(C) The State Board of Appraisers, Abstracters, and Home Inspectors must ensure that the credentialed appraiser attends the meeting for the required period of time.

(16) Appraisers must successfully complete a course which meets the content requirements of the Valuation Bias and Fair Housing Laws and Regulations Outline, every two calendar years.

(A) The first time an appraiser completes the continuing education requirement for this course, the course length must be seven (7) hours. If an appraiser successfully completed a seven (7) hour (plus one (1) hour exam) course as part of their qualifying education, they have met this requirement.

(B) Every two calendar years thereafter, the course length must be at least four (4) hours.

17 CAR § 200-206. Discipline: grounds, complaints, and adjudications.

(a) **Grounds for disciplinary action.** The State Board of Appraisers, Abstracters, and Home Inspectors may, upon its own motion or upon written complaint of any person, and after notice of hearing as prescribed by the Arkansas Administrative Procedure Act, Arkansas Code § 25-15-201 et seq., suspend or revoke the registration,

license, or certification of any registered licensee or certificate holder and issue a fine up to the amount of one thousand dollars ($1,000) per violation occurrence or take other appropriate action for:

(1) Violation of any provision of the Arkansas Appraiser Licensing and Certification Act, Arkansas Code § 17-14-101 et seq., Arkansas Code § 17-14-201 et seq., and Arkansas Code § 17-14-301 et seq., or this part;

(2) Falsifying any application for licensure or certification or otherwise providing any false information to the board;

(3) Conviction in any jurisdiction of any offense listed in Arkansas Code § 17-3-102 or Arkansas Code §17-14-203(12)(c);

(4) Any actions demonstrating untrustworthiness, incompetence, dishonesty, gross negligence, material misrepresentation, fraud, or unethical conduct in any dealings subject to the Arkansas Appraiser Licensing and Certification Act or this part;

(5) Adjudication of insanity;

(6) Use of advertising or solicitation which is false, misleading, or is otherwise deemed unprofessional by the board;

(7) Employing directly or indirectly any unregistered or unlicensed person to perform any actions subject to the Arkansas Appraiser Licensing and Certification Act or this part;

(8) Habitual or excessive use of intoxicants or illegal drugs; and

(9) Failure to meet continuing education requirements within the proper time period.

(b) **Complaints and board procedures.**

(1) The board may conduct disciplinary proceedings from time to time and may cause the actions of a registered, licensed, or certified appraiser against whom a complaint has been filed to be investigated.

(2)(A) For a complaint to be considered, the complainant shall file the complaint in writing.

(B) Complaints shall be filed within three (3) years from the report date.

(C) The written complaint should specifically state:

(i) The issues of the complaint; and

(ii) The date or dates on which the events causing or leading to the complaint occurred.

(3) The Director of the State Board of Appraisers, Abstracters, and Home Inspectors, investigator, or authorized employee of the board, upon receiving any such complaint, shall present the complaint to a board committee or panel to determine if the board has jurisdiction to proceed.

(4) The board may initiate its own complaint when sufficient documents and information (that is, appraisal reports, reviews, or outlined deficiencies) are available on which to conclude that the USPAP, the state law, or this part may have been violated.

(5)(A) If jurisdiction is established or the board initiates its own complaint, the director or board staff shall notify in writing every person complained against and provide that person an opportunity to respond in writing.

(B) A copy of the written complaint shall be furnished to the appraiser under investigation and a copy of the appraiser's response shall be furnished to the complainant.

(C) Appraisers failing to respond in writing within thirty (30) days of receipt of the complaint will be deemed unresponsive and the complaint will be further considered without benefit of the appraiser's input.

(6) The director, investigator, or authorized employee may proceed at any time after jurisdiction has been established to investigate said complaint and take statements from any person thought to have any knowledge of any facts pertaining thereto.

(7) The board may request the registered, licensed, or certified appraiser under investigation to:

(A) Answer the charges made against him or her in writing;

(B) Produce relevant documentary evidence; and

(C) Appear before the board.

(8) Every properly filed complaint shall be presented to and reasonably disposed of by the board.

(9) Records of ongoing disciplinary proceedings and investigations shall not be disseminated by the board or its staff to the public unless:

(A) A request has been made pursuant to the Freedom of Information Act of 1967, Arkansas Code § 25-19-101 et seq.; or

(B) Unless otherwise required by law.

(10) Disciplinary hearings shall be conducted according to the Arkansas Administrative Procedure Act, Arkansas Code § 25-15-201 et seq.

(c) **Complaint adjudication and publication of action.**

(1) Any appraiser who fails to timely renew their registration, license, or certification or elects to surrender their license or certification while a complaint is pending, will be unable to have their license reinstated until the complaint has been resolved.

(2) If a disciplinary hearing or informal conference is pending at the time of surrender:

(A) The scheduled hearings will proceed with or without the appraiser's participation; and

(B) Any disciplinary action resulting from the hearing shall be placed in the appraiser's file and addressed prior to any reinstatement of their credentials.

(3) Appraisers who have their license suspended or revoked are prohibited from performing any and all duties and responsibilities, e.g., researching data or assisting associates with the development and reporting of real property appraisals.

(4) In those instances where the board suspends, revokes, or a license or certification is surrendered during an investigation or while formal charges are pending, notice of such action shall be published in the board's newsletter and any other appropriate publications, which will communicate such actions taken against an appraiser's license.

17 CAR § 200-207. General qualifications for registration, licensure, or certification.

(a) The State Board of Appraisers, Abstracters, and Home Inspectors shall approve

and issue registrations, licenses, and certificates to qualified applicants or disapprove applications for registration, licensing, and certification for applicants who do not meet the minimum requirements for registering, licensing, or certification as prescribed in the Arkansas Appraiser Licensing and Certification Act, Arkansas Code § 17-14-101 et seq., Arkansas Code § 17-14-201 et seq., and Arkansas Code § 17-14-301 et seq.

(b) The best interest of the public shall be given due regard when considering each applicant.

(c) Every applicant to the board as a state-registered appraiser, registered apprentice appraiser, state-licensed appraiser, or state-certified appraiser shall have the following qualifications:

(1) The applicant shall have a good reputation for honesty, truthfulness, and fair dealing and be competent to transact the business of a registered, licensed, or certified appraiser in such a manner as to safeguard the interest of the public;

(2) The applicant shall meet the current educational and experience requirements for licensing and certification detailed in this part prior to the time he or she applies to sit for the licensing or certification exam;

(3) The applicant shall not have pled guilty or nolo contendere to or been found guilty of any offense under Arkansas Code § 17-3-102 and comply with the criminal background check requirements as listed below; and

(4) The applicant shall be at least eighteen (18) years old and shall have received a high school diploma or its equivalent.

(d) A nonresident applicant shall be in good standing as an appraiser in every jurisdiction where credentialed.

(e)(1) All applications for registration, licensing, certification, renewal, examination, transfer, or reinstatement shall be made on forms provided by the board and completed and signed by the applicant.

(2) The application may require the signature acknowledged before a notary public.

(3) All applications shall include the appropriate fees.

(4) The board will not consider an application which is incomplete or with

which the correct fees have not been submitted.

(f) All applicants for registration, licensing, and certification must sign an affidavit attesting to having read and understood the:

(1) Current edition of USPAP;

(2) Applicable state laws; and

(3) Rules governing appraisal practice in Arkansas.

(g) The board reserves the right, at its discretion, to hold for a reasonable length of time for investigation the application of any applicant before issuing a license or certificate.

(h) **Criminal background checks.**

(1) **Background check required.**

(A) All applicants for an appraiser credential, except for temporary practice permit, shall apply for state and national fingerprint-based criminal background checks, using forms furnished by and pursuant to instructions provided by the board.

(B) Each new applicant shall authorize the release of criminal background check reports to the board and may pay any applicable fees associated with the state and federal criminal background checks pursuant to the written instructions provided by the board.

(C) A new state and federal criminal background check are required each time an appraiser applies to upgrade his or her credential type.

(2) **Application procedure.**

(A) When an applicant applies for his or her appraiser credential or an existing credential holder applies to upgrade his or her credential type, and the board receives the appropriate application form and check for his or her application or upgrade fee, the board staff will provide the applicant with instructions to obtain his or her background check.

(B) If the applicant does not have a criminal history, agency personnel will issue his or her appraiser credential when all other requirements are fulfilled.

(C)(i) It is the policy of the board not to provide a copy of the Federal Bureau of Investigation criminal history record to the applicant.

(ii) The applicant may obtain a copy of the record by submitting fingerprints and a fee to the Federal Bureau of Investigation.

(iii) Information regarding this process may be obtained on the Federal Bureau of Investigation's website.

(D) Each applicant with a disqualifying conviction who requests a waiver may:

(i) Appear before the board; or

(ii) Choose to allow the board to make a determination on the request for a waiver based on the file documentation obtained by the board and that submitted by the applicant.

(E) Waiver requests for a disqualifying conviction may be made in accordance with 17 CAR § 200-103(e).

17 CAR § 200-208. General examination, experience criteria, and PAREA.

(a) **Examination criteria.**

(1)(A) A new applicant, not currently licensed or certified and in good standing in another jurisdiction, shall have up to twenty-four (24) months, after approval by the State Board of Appraisers, Abstracters, and Home Inspectors, to take and pass an Appraiser Qualifications Board-approved qualifying examination for the credential.

(B) Successful completion of the examination is valid for a period of twenty-four (24) months.

(2) Upon completion of all applicable requirements, applicants for state license credential, state-certified residential credential, and state-certified general appraiser credential shall be personally interviewed by members of the State Board of Appraisers, Abstracters, and Home Inspectors prior to sitting for the exam.

(3) An applicant who fails to pass the exam after two (2) attempts will not be afforded an opportunity to retake the exam for at least six (6) months from the date of last exam.

(4) Applicants seeking to sit for the fourth attempt are required to submit a new application, any required fees, and any additional education he or she may have

acquired.

(b) **Experience criteria.**

(1) Education may not be substituted for experience, except as shown in subdivision (b)(4) of this section.

(2)(A) The quantitative experience requirements must be satisfied by time spent in the appraisal process.

(B) The appraisal process consists of:

(i) Analyzing factors that affect value;

(ii) Defining the problem;

(iii) Gathering and analyzing data;

(iv) Applying the appropriate analysis and methodology; and

(v) Arriving at an opinion and correctly reporting the opinion in compliance with USPAP.

(3)(A) Hours may be treated as cumulative in order to achieve the necessary number of hours of appraisal experience.

(B) Cumulative is defined as experience that may be acquired over multiple time periods.

(4) There need not be a client in a traditional sense, e.g., a client hiring an appraiser for business purposes, in order for an appraisal to qualify for experience, but experience gained for work without a traditional client can meet any portion of the total experience requirement.

(5)(A) Practicum courses that are approved by the Appraiser Qualifications Board's CAP or the State Board of Appraisers, Abstracters, and Home Inspectors can satisfy the nontraditional client experience requirement.

(B)(i) A practicum course must include the generally applicable methods of appraisal practice for the credential category.

(ii) Content includes, but is not limited to:

(a) Requiring the student to produce credible appraisals that utilize an actual subject property;

(b) Performing market research containing sales analysis; and

(c) Applying and reporting the applicable appraisal approaches in conformity with USPAP.

(iii) Assignments must require problem-solving skills for a variety of property types for the credential category.

(iv) Experience credit shall be granted for the actual classroom hours of instruction and hours of documented research and analysis as awarded from the practicum course approval process.

(6)(A) An hour of experience is defined as verifiable time spent in performing tasks in accordance with acceptable appraisal practice.

(B) Acceptable real property appraisal practice for experience credit includes:

(i) Appraisal;

(ii) Appraisal review;

(iii) Appraisal consulting; and

(iv) Mass appraisal.

(C) All appraisal experience must be USPAP compliant.

(7) Documentation in the form of reports, certifications, or file memoranda, or, if such reports and memoranda are unavailable for good cause, other evidence at the State Board of Appraisers, Abstracters, and Home Inspectors' discretion that the work is compliant with USPAP must be provided as part of the State Board of Appraisers, Abstracters, and Home Inspectors' experience verification process to support the experience claimed.

(8) The burden of proving the amount and validity of experience claimed is entirely the responsibility of the applicant.

(9) At a minimum, the applicant must be prepared to substantiate, on request by the State Board of Appraisers, Abstracters, and Home Inspectors, the experience claimed with:

(A) A true copy of appraisal assignment reports;

(B) Work file to support the nature of the experience claims; and

(C) True copies of time records or calendars which support actual work

time associated with the assignments.

(10)(A) The verification for experience credit claimed by an applicant shall be on the forms prescribed by the State Board of Appraisers, Abstracters, and Home Inspectors, which shall include:

(i) Type of property;

(ii) Date of report;

(iii) Address of appraised property, including city name;

(iv) Description of work performed by the applicant and scope of the review and supervision of the supervising appraiser;

(v) Number of actual work hours by the applicant on the assignment; and

(vi) The signature and credential number of the supervising appraiser.

(B) Separate appraisal logs shall be maintained for each supervising appraiser, if applicable.

(11) The State Board of Appraisers, Abstracters, and Home Inspectors reserves the right, at its discretion, to hold for a reasonable length of time for investigation of the amount of experience claimed on the application of any applicant.

(12) There is no maximum time limit during which experience may be obtained.

(c) **Practical Applications of Real Estate Appraisal (PAREA).**

(1) PAREA programs approved by the Appraiser Qualifications Board utilize simulated experience training and serve as an alternative to the traditional supervisor/trainee experience model under subsection (b) of this section.

(2) To qualify as creditable experience, Appraiser Qualifications Board-approved PAREA programs shall:

(A) Contain, at a minimum, the content specified in the Practical Applications of Real Estate Appraisal section of the Real Property Appraiser Qualification Criteria;

(B) Require participants to possess the following prerequisites prior to

commencement of training:

(i) For the state-licensed module: one hundred fifty (150) hours of qualifying education as specified in the required core curriculum for the State-Licensed Residential Real Property Appraiser classification; and

(ii) For the certified residential module: two hundred (200) hours of qualifying education as specified in the required core curriculum for the Certified Residential Real Property Appraiser classification, and:

(a) Possession of a valid State-Licensed Residential Real Property Appraiser credential; or

(b) Successful completion of an Appraiser Qualifications Board-approved PAREA program for the State-Licensed Real Property Appraiser classification;

(C) Provide an adequate number of mentors to ensure timely and competent mentoring for all program participants;

(D) Ensure mentors meet or exceed the following qualifications:

(i) Mentors shall be state-certified appraisers and in good standing for a period of at least three (3) years prior to being eligible to become a mentor; and

(ii)*(a)* Mentors shall not have been subject to any disciplinary action within any jurisdiction within the last three (3) years that affected the mentor's legal eligibility to engage in appraisal practice or to act as a supervisory appraiser.

(b) A mentor subject to a disciplinary action would be considered to be in good standing three (3) years after the successful completion or termination of the imposed sanction;

(E) Ensure program participants produce demonstration appraisal reports that comply with USPAP, and meet or exceed the following requirements:

(i)*(a)* State-licensed.

(b) No fewer than three (3) demonstration appraisal reports.

(c) Demonstration reports must represent a variety of assignment types and property types that are consistent with the state-licensed program content.

(d) Reports must comply with the edition of USPAP that is in

effect at the time; and

(ii)*(a)* Certified residential.

(b) No fewer than three (3) demonstration appraisal reports.

(c) Demonstration reports must represent a variety of assignment types and property types that are consistent with the certified residential program content.

(d) Demonstration reports must comply with the edition of USPAP that is in effect at the time;

(F) Provide each program participant that successfully completes PAREA training with a certificate of completion, subject to the following:

(i) Participants may not receive partial credit for PAREA training;

(ii) Participants may not receive a certificate of completion until all required components of PAREA training have been successfully completed and approved by a program mentor;

(iii) Certificates of completion must be signed by an individual from the training entity qualified to verify a participant's successful completion; and

(iv) Certificates of completion must not contain an expiration date or other constraints that either limit or restrict the participant's ability to receive appropriate credit; and

(G) Allow participants successfully completing approved PAREA programs to receive the following experience credit:

(i) For participants completing an approved state-licensed program:

(a) State-licensed classification: one hundred percent (100%) of the required experience hours;

(b) Certified residential classification: sixty-seven percent (67%) of the required experience hours; and

(c) Certified general classification: thirty-three percent (33%) of the total required experience, none of which is eligible towards the required nonresidential hours; and

(ii) For participants completing an approved certified residential

program:

(a) State-licensed classification: one hundred percent (100%) of the required experience hours;

(b) Certified residential classification: one hundred percent (100%) of the required experience hours; and

(c) Certified general classification: fifty percent (50%) of the total required experience, none of which is eligible towards the required nonresidential hours.

17 CAR § 200-209. Registered apprentice appraiser credential.

(a) **General.**

(1) The scope of practice for the registered apprentice appraiser classification is the appraisal of those properties which the state-certified supervisory appraiser is permitted by his or her current credential and that the supervisory appraiser is competent to appraise.

(2) The registered apprentice appraiser, as well as the supervisory appraiser, shall be entitled to obtain copies of appraisal reports or permitted appropriate access and retrieval arrangements for all work files for appraisals in which he or she participated, in accordance with the recordkeeping rule of USPAP.

(3) Experience hours do not begin to accumulate until the appraiser is issued a registered apprentice appraiser credential.

(b) **Examination.** There is no examination requirement for the registered apprentice appraiser classification, but the registered apprentice appraiser shall pass the appropriate end-of-course examinations in all of the prerequisite qualifying education courses in order to earn credit for those courses.

(c) **Qualifying education.**

(1)(A) As a prerequisite for application, an applicant must have completed eighty-three (83) hours of qualifying education.

(B) The required courses are:

(i) Basic Appraisal Principles, thirty (30) hours;

(ii) Basic Appraisal Procedures, thirty (30) hours;

(iii) Valuation Bias and Fair Housing Laws and Regulations, eight (8)hours; and

(iv) 15-Hour National USPAP Course (or its equivalent), fifteen (15) hours.

(C) Additionally, applicants must pass the course examinations and pass the 15-Hour National USPAP Course or its Appraiser Qualifications Board-approved equivalent and the examination as a part of the eighty-three (83) hours.

(2) All qualifying education must be completed within the five-year period immediately preceding the date of application for a registered apprentice appraiser credential.

(d) **Experience.** No experience is required as a prerequisite for the registered apprentice appraiser classification.

(e) **Supervision.**

(1) The registered apprentice appraiser shall be subject to the direct control and supervision by a supervisory appraiser in good standing, who shall be state-certified.

(2) A registered apprentice appraiser is permitted to have more than one (1) supervisory appraiser, but a supervisory appraiser may not supervise more than three (3) registered apprentice appraisers at one time.

(3) The supervisory appraiser shall be responsible for the training, guidance, and direct control and supervision of the registered apprentice appraiser by:

(A) Accepting responsibility for the appraisal by signing and certifying the appraisal complies with USPAP;

(B) Reviewing and signing the registered apprentice appraiser appraisal report or reports; and

(C) Personally inspecting each appraised property with the registered apprentice appraiser until the supervisory appraiser determines the registered apprentice appraiser is competent to inspect the property, in accordance with the Competency Rule of USPAP for the property type.

(4)(A) An appraisal experience log shall be maintained jointly by the supervisory appraiser and the registered apprentice appraiser.

(B) It is the responsibility of both the supervisory appraiser and the registered apprentice appraiser to ensure the appraisal experience log is accurate, current, and complies with the requirements of the State Board of Appraisers, Abstracters, and Home Inspectors.

(C) At a minimum, the appraisal log requirements shall include:

(i) Type of property;

(ii) Date of report;

(iii) Address of appraised property;

(iv) Description of the:

(a) Work performed by the registered apprentice appraiser; and

(b) Scope of the review and supervision of the supervisory appraiser;

(v) Number of actual work hours by the registered apprentice appraiser on the assignment; and

(vi) The signature and state certification number of the supervisory appraiser.

(D) Separate appraisal logs shall be maintained for the supervisory appraiser, if applicable.

(5)(A) Supervisory appraisers shall be state-certified and in good standing for a period of at least three (3) years prior to being eligible to become a supervisory appraiser.

(B) Supervisory appraisers do not need to be state-certified and in good standing in the jurisdiction in which the registered apprentice appraiser practices for any specific minimum period of time.

(C) Supervisory appraisers shall not have been subject to any disciplinary action within any jurisdiction within the last three (3) years that affected the supervisory appraiser's legal eligibility to engage in appraisal practice.

(D) A supervisory appraiser subject to a disciplinary action would be

considered to be in good standing three (3) years after the successful completion or termination of the sanction imposed against the appraiser.

(E) Supervisory appraisers must comply with the Competency Rule of USPAP for the property type and geographic locations where the registered apprentice appraiser is being supervised.

(6)(A) Registered apprentice appraisers and supervisory appraisers shall be required to complete a course that, at a minimum, complies with the specifications for course content established by the Appraiser Qualifications Board, which is specifically oriented to the requirements and responsibilities of supervisory appraisers and registered apprentice appraisers.

(B) The course must be completed by the registered apprentice appraiser prior to obtaining a registered apprentice appraiser credential from the State Board of Appraisers, Abstracters, and Home Inspectors.

(C) The course must be completed by the supervisory appraiser prior to supervising a registered apprentice appraiser.

(D) Further, the registered apprentice appraiser course is not eligible towards the seventy-five (75) hours of qualifying education required.

17 CAR § 200-210. State-licensed real property appraiser credential.

(a) **General.**

(1) Please consult 17 CAR § 200-208 for additional requirements.

(2) The state-licensed real property appraiser classification applies to:

(A) The appraisal of noncomplex one-to-four (1 – 4) residential units having a transaction value less than one million dollars ($1,000,000); and

(B) Complex one-to-four (1 – 4) residential units having a transaction value less than four hundred thousand dollars ($400,000).

(3) The classification includes the appraisal of vacant or unimproved land that is utilized for:

(A) One-to-four (1 – 4) residential units; or

(B) Which the highest and best use is for one-to-four (1 – 4) residential

units.

(4) The classification does not include the appraisal of subdivisions for which a development analysis or appraisal is necessary.

(5)(A) For nonfederally related transaction appraisals, the market value

(B) The classification includes the appraisal of vacant or unimproved land that is utilized for one-to-four (1 – 4) residential units, or for which the highest and best use is for one-to-four (1 – 4) residential units.

(C) The classification does not include the appraisal of subdivisions for which a development analysis or appraisal is necessary.

(b) **Examination.**

(1) The Appraiser Qualifications Board-approved state-licensed real property examination must be successfully completed.

(2) The only alternative to successful completion of the state-licensed examination is the successful completion of the certified residential or certified general examination.

(3) The prerequisites for taking the Appraiser Qualifications Board-approved examination are completion of:

(A) One hundred fifty-eight (158) creditable class hours as specified in subsection (c) of this section; and

(B) One thousand (1,000) hours of qualifying experience in no fewer than six (6) months.

(c) **Qualifying education.**

(1) The state-licensed real property appraiser classification requires completion of one hundred fifty-eight (158) creditable class hours as listed below:

(A) Basic Appraisal Principles, thirty (30) hours;

(B) Basic Appraisal Procedures, thirty (30) hours;

(C) Valuation Bias and Fair Housing Laws and Regulations; eight (8) hours;

(D) 15-Hour National USPAP Course (or its equivalent), fifteen (15) hours;

(E) Residential Appraiser Market Analysis and Highest and Best Use,

fifteen (15) hours;

(F) Residential Appraiser Site Valuation and Cost Approach, fifteen (15) hours;

(G) Residential Sales Comparison and Income Approaches, thirty (30) hours; and

(H) Residential Report Writing and Case Studies, fifteen (15) hours.

(2) As a part of the one hundred fifty-eight (158) required hours, the applicant shall successfully complete the 15-Hour National USPAP Course or its Appraiser Qualifications Board-approved equivalent and successfully pass the examination.

(3) Appraisers holding a valid registered apprentice appraiser credential and who have completed the required eighty-three (83) hours of qualifying education may satisfy the educational requirements for the state-licensed real property credential by successfully completing the following additional education hours:

(A) Residential Market Analysis and Highest and Best Use, fifteen (15) hours;

(B) Residential Appraiser Site Valuation and Cost Approach, fifteen (15) hours;

(C) Residential Sales Comparison and Income Approaches, thirty (30) hours; and

(D) Residential Report Writing and Case Studies, fifteen (15) hours.

(4) Appraisers holding a valid certified residential real property appraiser credential satisfy the educational requirement for the state-licensed real property appraiser credential.

(5) Appraisers holding a valid certified general real property appraiser credential satisfy the educational requirements for the state-licensed real property appraiser credential.

(d) **Experience.**

(1) The applicant for a state-licensed credential shall demonstrate at least, at a minimum, one thousand (1,000) hours of appraisal experience, obtained in no fewer than six (6) months.

(2) While the hours may be cumulative, the required number of months must accrue before an individual can be licensed.

(3) The experience of the applicant must be of a type and nature sufficient to convince the State Board of Appraisers, Abstracters, and Home Inspectors of a demonstrated and proven capability of the applicant to adequately perform assignments of a type permitted by a state-licensed real property appraisal credential.

17 CAR § 200-211. Certified residential real property appraiser credential.

(a) **General.**

(1) Please consult 17 CAR § 200-208 for additional requirements.

(2) The certified residential real property appraiser classification qualifies the appraiser to appraise one-to-four (1 – 4) residential units without regard to value or complexity.

(3) The classification includes the appraisal of vacant or unimproved land:

(A) That is utilized for one-to-four (1 – 4) residential unit purposes; or

(B) For which the highest and best use is for one-to-four (1 – 4) residential units.

(4) The classification does not include the appraisal of subdivisions for which a development analysis or appraisal is necessary.

(b) **Examination.**

(1) The Appraiser Qualifications Board-approved certified residential property appraiser examination must be successfully completed.

(2) The only alternative to successful completion of the certified residential examination is the successful completion of the certified general examination.

(3) The prerequisites for taking the Appraiser Qualifications Board-approved examination are completion of:

(A) Two hundred (200) creditable class hours as specified in subsection (c) of this section;

(B) Completion of the requirements specified in subdivision (c)(3) or

subdivision (c)(4) of this section; and

(C) One thousand five hundred (1,500) hours of qualifying experience obtained in no fewer than twelve (12) months.

(c) **Qualifying education.**

(1) All college-level education must be obtained from a degree-granting institution accredited by:

(A) The Higher Learning Commission;

(B) A national or regional accreditation association; or

(C) An accrediting agency that is recognized by the United States Secretary of Education.

(2) Applicants with a college degree from a foreign country may have their education evaluated for equivalency by one (1) of the following:

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

(B) Foreign degree credential evaluation service company that is a member of the National Association of Credential Evaluation Services; or

(C) 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.

(3) Applicants for the certified residential credential must satisfy at least one (1) of the following five (5) options in this subdivision (c)(3):

(A) Possession of a bachelor's degree in any field of study;

(B) Possession of an associate's degree in a field of study related to:

(i) Business administration;

(ii) Accounting;

(iii) Finance;

(iv) Economics; or

(v) Real estate;

(C) Successful completion of thirty (30) semester hours of college-level courses that cover each of the following specific topic areas and hours:

(i) English composition, three (3) semester hours;

(ii) Microeconomics, three (3) semester hours;

(iii) Macroeconomics, three (3) semester hours;

(iv) Finance, three (3) semester hours;

(v) Algebra, geometry, or higher mathematics, three (3) semester hours;

(vi) Statistics, three (3) semester hours;

(vii) Computer science, three (3) semester hours;

(viii) Business or real estate law, three (3) semester hours; and

(ix) Two (2) elective courses in any of the topics listed above or in accounting, geography, agricultural economics, business management, or real estate, three (3) semester hours each;

(D) Successful completion of at least thirty (30) semester hours of College Level Examination Programs® (CLEP®) examinations from each of the following subject matter areas:

(i) College algebra, three (3) semester hours;

(ii) College composition, six (6) semester hours;

(iii) College composition modular, three (3) semester hours;

(iv) College mathematics, six (6) semester hours;

(v) Principles of macroeconomics, three (3) semester hours;

(vi) Principles of microeconomics, three (3) semester hours;

(vii) Introductory business law, three (3) semester hours; and

(viii) Information systems, three (3) semester hours; or

(E) Any combination of subdivisions (c)(3)(C) and (D) of this section that ensures coverage of all topics and hours identified in subdivision (c)(3)(C) of this section.

(4) As an alternative to the requirements in subsections (c)(1) – (3) of this section, individuals who have held a state-licensed residential credential for a minimum of five (5) years may qualify for a certified residential credential by satisfying all of the following:

(A) No record of any adverse, final, and nonappealable disciplinary action affecting the state-licensed appraiser's legal eligibility to engage in appraisal practice within the five (5) years immediately preceding the date of application for a certified residential credential;

(B) Successful completion of the additional required qualifying education as listed below:

(i) Statistics, Modeling, and Finance, fifteen (15) hours;

(ii) Advanced Residential Applications and Case Studies, fifteen (15) hours; and

(iii) Appraisal subject matter electives, twelve (12) hours;

(C) Successful completion of the required one thousand five hundred (1,500) hours of experience obtained in no fewer than twelve (12) months; and

(D) Successful completion of the Appraiser Qualifications Board-approved certified residential real property appraiser examination.

(5) The certified residential real property appraiser classification requires completion of two hundred (200) creditable class hours as listed below:

(A) Basic Appraisal Principles, thirty (30) hours;

(B) Basic Appraisal Procedures, thirty (30) hours;

(C) Valuation Bias and Fair Housing Laws and Regulations, eight (8) hours:

(D) 15-Hour National USPAP Course (or its equivalent), fifteen (15) hours;

(E) Residential Appraiser Market Analysis and Highest and Best Use, fifteen (15) hours;

(F) Residential Appraiser Site Valuation and Cost Approach, fifteen (15) hours;

(G) Residential Sales Comparison and Income Approaches, thirty (30) hours;

(H) Residential Report Writing and Case Studies, fifteen (15) hours;

(I) Statistics, Modeling, and Finance, fifteen (15) hours;

(J) Advanced Residential Applications and Case Studies, fifteen (15)

hours; and

(K) Appraisal subject matter electives, twelve (12) hours.

(6) As a part of the two hundred (200) required hours, the applicant shall successfully complete the 15-Hour National USPAP Course, or its Appraiser Qualifications Board-approved equivalent, and successfully pass the examination.

(7) Appraisers holding a valid registered apprentice appraiser credential may satisfy the educational requirements for the certified residential real property appraiser credential by successfully completing the following additional education hours:

(A) Residential Appraiser Market Analysis and Highest and Best Use, fifteen (15) hours;

(B) Residential Appraiser Site Valuation and Cost Approach, fifteen (15) hours;

(C) Residential Sales Comparison and Income Approaches, thirty (30) hours;

(D) Residential Report Writing and Case Studies, fifteen (15) hours;

(E) Statistics, Modeling, and Finance, fifteen (15) hours;

(F) Advanced Residential Applications and Case Studies, fifteen (15) hours; and

(G) Appraisal subject matter electives, twelve (12) hours.

(8) Appraisers holding a valid state-licensed residential real property appraiser credential may satisfy the educational requirements for the certified residential real property appraiser credential by successfully completing the following educational hours:

(A) Statistics, Modeling, and Finance, fifteen (15) hours;

(B) Advanced Residential Applications and Case Studies, fifteen (15) hours; and

(C) Appraisal subject matter electives, twelve (12) hours.

(9) Appraisers holding a valid registered apprentice appraiser credential wishing to change to the certified residential real property classification must also satisfy the college-level education requirement as specified in this section.

(10) Appraisers holding a valid state-licensed real property appraiser credential wishing to change to the certified residential real property appraiser classification who do not meet the requirements outlined in subdivision (c)(4) of this section must also satisfy the college-level education requirements as specified in subdivision (c)(3) of this section.

(11) Appraisers holding a valid certified general real property credential satisfy the educational requirements for the certified residential real property credential.

(d) **Experience.**

(1) The applicant for a state-certified residential appraiser credential shall demonstrate at least, at a minimum, one thousand five hundred (1,500) hours of appraisal experience that is obtained during no fewer than twelve (12) months.

(2) While the hours may be cumulative, the required number of months must accrue before an individual can be certified.

(3) The experience of the applicant must be of a type and nature sufficient to convince the State Board of Appraisers, Abstracters, and Home Inspectors of a demonstrated and proven capability of the applicant to adequately perform assignments of a type permitted by a state-certified residential real property appraisal credential.

17 CAR § 200-212. Certified general real property appraiser credential.

(a) **General.**

(1) Please consult 17 CAR § 200-208 for additional requirements.

(2) The certified general real property appraiser classification qualifies the appraiser to appraise all types of real property.

(b) **Examination.**

(1) The Appraiser Qualifications Board-approved certified general real property appraiser examination must be successfully completed.

(2) There is no alternative to successful completion of the exam.

(3) The prerequisites for taking the Appraiser Qualifications Board-approved examination are completion of:

(A) Three hundred (300) creditable class hours as specified in subdivision

(c)(2) of this section;

(B) Completion of the college-level education requirements specified in subdivision (c)(1) of this section; and

(C) Three thousand (3,000) hours of qualifying experience obtained in no fewer than eighteen (18) months, where a minimum of one thousand five hundred (1,500) hours must be obtained in nonresidential appraisal work.

(c) **Qualifying education.**

(1) Applicants for the certified general credential must hold a bachelor's degree or higher from an accredited college or university.

(2) The college or university must be a degree-granting institution accredited by:

(A) The Higher Learning Commission;

(B) A national or regional accreditation association; or

(C) An accrediting agency that is recognized by the United States Secretary of Education.

(3) Applicants with a college degree from a foreign country may have their education evaluated for equivalency by one (1) of the following:

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

(B) Foreign degree credential evaluation service company that is a member of the National Association of Credential Evaluation Services; or

(C) 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.

(4) The certified general real property appraiser classification requires completion of three hundred (300) creditable class hours as listed below:

(A) Basic Appraisal Principles, thirty (30) hours;

(B) Basic Appraisal Procedures, thirty (30) hours;

(C) Valuation Bias and Fair Housing Laws and Regulations, eight (8) hours;

(D) 15-Hour National USPAP Course, or its equivalent, fifteen (15) hours;

(E) General Appraiser Market Analysis and Highest and Best Use, thirty (30) hours;

(F) Statistics, Modeling, and Finance, fifteen (15) hours;

(G) General Appraiser Site Valuation and Cost Approach, thirty (30) hours;

(H) General Appraiser Sales Comparison Approach, thirty (30) hours;

(I) General Appraiser Income Approach, sixty (60) hours;

(J) General Appraiser Report Writing and Case Studies, thirty (30) hours; and

(K) Appraisal Subject Matter Electives, twenty-two (22) hours.

(5) As a part of the three hundred (300) required hours, the applicant shall successfully complete the 15-Hour National USPAP Course or its Appraiser Qualifications Board-approved equivalent and successfully pass the examination.

(6) Applicants must demonstrate that their education includes the core courses listed in this section, with particular emphasis on nonresidential properties.

(7) Appraisers holding a valid registered apprentice appraiser credential may satisfy the educational requirements for the certified general real property appraiser credential by successfully completing the following additional education hours:

(A) General Appraiser Market Analysis and Highest and Best Use, thirty (30) hours;

(B) Statistics, Modeling, and Finance, fifteen (15) hours;

(C) General Appraiser Site Valuation and Cost Approach, thirty (30) hours;

(D) General Appraiser Sales Comparison Approach, thirty (30) hours;

(E) General Appraiser Income Approach, sixty (60) hours;

(F) General Appraiser Report Writing and Case Studies, thirty (30) hours; and

(G) Appraisal subject matter electives, twenty-two (22) hours.

(8) Appraisers holding a valid state-licensed real property appraiser credential may satisfy the educational requirements for the certified general real property appraiser credential by successfully completing the following additional education hours:

(A) General Appraiser Market Analysis and Highest and Best Use, fifteen (15) hours;

(B) Statistics, Modeling, and Finance, fifteen (15) hours;

(C) General Appraiser Site Valuation and Cost Approach, fifteen (15) hours;

(D) General Appraiser Sales Comparison Approach, fifteen (15) hours;

(E) General Appraiser Income Approach, forty-five (45) hours;

(F) General Appraiser Report Writing and Case Studies, fifteen (15) hours; and

(G) Appraisal subject matter electives, twenty-two (22) hours.

(9) Appraisers holding a valid certified residential real property appraiser credential may satisfy the educational requirements for the certified general real property credential by successfully completing the following additional educational hours:

(A) General Appraiser Market Analysis and Highest and Best Use, fifteen (15) hours;

(B) General Appraiser Site Valuation and Cost Approach, fifteen (15) hours;

(C) General Appraiser Sales Comparison Approach, fifteen (15) hours;

(D) General Appraiser Income Approach, forty-five (45) hours; and

(E) General Appraiser Report Writing and Case Studies, ten (10) hours.

(10) Registered apprentice appraisers, state-licensed real property appraisers, and certified residential real property appraisers wishing to change to the certified general real property appraiser classification must also satisfy the requirements in subdivisions (c)(1) – (6) of this section.

(d) **Experience.**

(1) Three thousand (3,000) hours of experience are required to be obtained during no fewer than eighteen (18) months.

(2) One thousand five hundred (1,500) hours must be in nonresidential appraisal work.

(3) While the hours may be cumulative, the required number of months must accrue before an individual can be certified.

(4) The experience of the applicant must be of a type and nature sufficient to convince the State Board of Appraisers, Abstracters, and Home Inspectors of a demonstrated and proven capability of the applicant to adequately perform assignments of a type permitted by a certified general real property appraisal credential.

17 CAR § 200-213. State-registered real property appraiser credential.

(a) **General.**

(1) Please consult 17 CAR § 200-208 for additional requirements.

(2) The state-registered appraiser classification qualifies the appraiser to perform appraisals on any type of property except:

(A) When the purpose of the appraisal is for use in federally related transactions; or

(B) The client requires a state-licensed or certified appraiser.

(3) All appraisal reports must include a statement that the appraisal may not be eligible for use in federally related transactions.

(4) As a part of the application, the state-registered appraiser shall complete an approved four-hour course that, at minimum, complies with the specifications for a trainee/supervisor course content as established by the Appraiser Qualifications Board and the State Board of Appraisers, Abstracters, and Home Inspectors.

(5) The state-registered appraiser classification may not be upgraded to any other classification.

(b) **Examination.** There is no examination requirement for the state-registered appraiser classification, but the state-registered appraiser shall pass the appropriate end-of-course examinations in all of the prerequisite qualifying education courses in order to earn credit for those courses.

(c) **Qualifying education.**

(1) As the prerequisite for application, an applicant must have completed eighty-seven (87) hours of qualifying education as listed below:

(A) Basic Appraisal Principles, thirty (30) hours;

(B) Basic Appraisal Procedures, thirty (30) hours;

(C) Valuation Bias and Fair Housing Laws and Regulations, eight (8) hours;

(D) 15-Hour National USPAP Course, or its equivalent, fifteen (15) hours; and

(E) Supervisory Appraiser/Trainee Appraiser Course, four (4) hours.

(2) Additionally, applicants must pass the course examinations and pass the 15-Hour National USPAP Course or its Appraiser Qualifications Board-approved equivalent and the examination as a part of the eighty-seven (87) hours.

(3) All qualifying education must be completed within the five-year period immediately preceding the date of application for a state-registered credential.

17 CAR § 200-214. Nonresident licensure and certification.

(a) **Reciprocity.**

(1) A nonresident appraiser planning to develop an appraisal assignment in Arkansas for a federally related transaction must first apply for a state license or certification.

(2) In the case of a nonfederally related transaction, the appraiser shall apply to be registered, licensed, or certified in advance of initiating the appraisal assignment as a nonresident appraiser.

(3) Only nonresident licensed or certified appraisers may apply for reciprocity.

(4) Nonresident appraisers applying for state-registered appraiser or registered apprentice appraiser status shall, in addition to meeting the same requirements and utilizing the same forms as those required for Arkansas residents, include a notarized Consent for Service of Legal Process affidavit.

(5) Reciprocity may be obtained by nonresidents of this state through recognition of another jurisdiction's program of licensing and certification in accordance with Arkansas Code § 17-14-306.

(6) A person licensed or certified as a real property appraiser by another

jurisdiction may register with the State Board of Appraisers, Abstracters, and Home Inspectors to qualify to appraise real property in Arkansas if:

(A) The reciprocal applicant is currently in good standing as an appraiser in every jurisdiction where he or she is credentialed as verified through the national registry; and

(B) The applicant's background meets the board's qualifications.

(7) A person wishing to be credentialed under this section must:

(A) Submit an application for a reciprocal credential;

(B) Submit an irrevocable consent to service of process in this state;

(C) Pay the required fees;

(D) Submit to the board's criminal background check requirements under 17 CAR § 200-207; and

(E) Provide all supporting documentation or information requested by the board in connection with the application for reciprocity.

(8) Once an application for reciprocity has been approved, the individual credential holder will be held to the same laws, rules, and standards of a resident appraiser for the individual's credential level.

(9) An individual who obtains an Arkansas credential through reciprocity is subject to the same renewal requirements as listed in 17 CAR § 200-215 for the individual's credential level.

(b) **Temporary practice permit.**

(1) Temporary practice permits may be obtained by nonresidents of this state through recognition of another jurisdiction's program of licensing and certification in accordance with Arkansas Code § 17-14-306.

(2) Temporary practice permits are issued on an assignment basis, with a term not to exceed six (6) months from the date of issuance.

(3) Only licensed or certified appraisers qualify for a temporary practice permit.

(4) A person licensed or certified as a real property appraiser by another jurisdiction may register with the board to qualify to appraise real property in Arkansas

if:

(A) The appraiser's business in Arkansas is of a temporary nature not to exceed six (6) months; and

(B) The temporary practice permit applicant is currently in good standing as an appraiser in every jurisdiction where he or she is credentialed as verified through the national registry.

(5) A person wishing to be credentialed under this section must:

(A) Submit an application for a temporary practice permit;

(B) Submit an irrevocable consent to service of process in this state;

(C) Pay the required fees; and

(D) Provide all supporting documentation or information requested by the board in connection with the application for a permit.

(6)(A) The term of a temporary practice permit shall extend for the duration of the particular assignment.

(B) If the assignment is not completed within six (6) months, the appraiser may apply for an extension to the original expiration date of the permit, provided the appraiser:

(i) Is continuing the same appraisal assignment listed on the original application for a temporary practice permit; and

(ii) Requests an extension on a form approved by the board before the expiration of the current temporary practice permit.

(C) Court testimony following the completion of an assignment performed by a nonresident appraiser holding a temporary practice permit shall not require an extension or issuance of an additional permit.

(c) **Transfer of licensed or certified credential.**

(1) A person licensed or certified as a real property appraiser from another jurisdiction moving his or her residence to the State of Arkansas may apply with the board to transfer his or her appraiser credential if:

(A) The applicant is in good standing as an appraiser in every jurisdiction where he or she is credentialed as verified through the national registry; and

(B) The applicant's background meets the board's qualifications.

(2) A person wishing to be credentialed under this section must:

(A) Submit a transfer application;

(B) Submit a completion certificate indicating the most recent USPAP class completed;

(C) Pay the required fees; and

(D) Provide all supporting documentation or information requested by the board in connection with the application to transfer.

(3) Once an application for transfer has been approved, the individual credential holder will be held to the same laws, rules, and standards of a resident appraiser for the individual's credential level.

(4) An individual who obtains an Arkansas credential through licensure transfer is subject to the same renewal requirements as listed in 17 CAR § 200-215 for the individual's credential level.

17 CAR § 200-215. Renewal requirements.

(a)(1) Appraiser credentials must be renewed each year or they will be placed on an expired status.

(2) Each state-licensed (SL), certified residential (CR), and certified general (CG) credential renewal is June 30 of each year.

(3) Each state-registered (SR) and registered apprentice (RA) credential renewal is December 31 of each year.

(b)(1) Applicants may renew electronically through a State Board of Appraisers, Abstracters, and Home Inspectors-established electronic process.

(2) Credential holders shall file a timely and sufficient renewal application with the State Board of Appraisers, Abstracters, and Home Inspectors by the renewal date each year.

(3) An application shall be deemed filed on the date received by the State Board of Appraisers, Abstracters, and Home Inspectors, the date of electronic submission or, if mailed, the date postmarked, but not the date metered.

(c)(1) It is the policy of the State Board of Appraisers, Abstracters, and Home Inspectors to send electronically a renewal notice to credential holders at the last email address on file with the State Board of Appraisers, Abstracters, and Home Inspectors at least sixty (60) days prior to the expiration date of the credential.

(2) Neither the failure of the State Board of Appraisers, Abstracters, and Home Inspectors to send such a notice nor the credential holder's failure to receive such a notice shall excuse the requirement to timely renew and pay the renewal fee.

(d) The State Board of Appraisers, Abstracters, and Home Inspectors will issue a new credential indicating the new expiration date after receiving evidence of completion of the required continuing education and appropriate fee.

(e) Any credential holder who fails to complete continuing education requirements will not be eligible to renew their credential.

(f) The credential of an SR, RA, SL, CR, and CG shall be placed on expired status unless the appraiser submits a timely and sufficient renewal application by the expiration date.

(g)(1) During the first one hundred eighty-four (184) days of expired status, a credential holder may renew their credential by submitting the appropriate renewal form.

(2) This includes:

(A) The payment of:

(i) Renewal fees; and

(ii) A late fee of fifty dollars ($50.00) per month or partial month elapsed since the renewal date; and

(B) Submitting the required continuing education completion certificates.

(h)(1) After one hundred eighty-five (185) days up to twelve (12) months of expired status, a credential holder may renew their credential by submitting the appropriate renewal form.

(2) This includes the payment of renewal fees and submitting the required continuing education completion certificates.

(3) This includes evidence of completion of the most recent edition of a 7-Hour

National USPAP Update Course, or its Appraiser Qualifications Board-approved equivalent.

(i) A credential holder who fails to reinstate their appraiser credential within twelve (12) months of the expiration date of the credential may reinstate their credential by submitting:

(1) The appropriate reinstatement form;

(2) Renewal fee; and

(3) Evidence of the completion of the required continuing education hours and:

(A) Credential holders in an expired status must complete all required continuing education that would have been required if the credential holder was in an active status;

(B)(i) Continuing education hours required are fourteen (14) hours per year for each year or partial year the credential was expired plus any continuing education hours required at the time the credential was placed on expired status.

(ii) **Example.** Number of years expired multiplied by fourteen (14) hours plus number of hours due when credential was placed on expired status equals the total number of continuing education hours that must be submitted;

(C) Evidence of completion of the most recent edition of a 7-Hour National USPAP Update Course, or its Appraiser Qualifications Board-approved equivalent must be included in those hours; and

(D) A state criminal background check and a national fingerprint-based criminal background check performed by the Federal Bureau of Investigation in compliance with federal law and rule to determine if the applicant possesses a background that does not call into question public trust or the applicant's fitness for:

(i) Registration;

(ii) Licensure; or

(iii) Certification.

(j)(1) Credential holders are not authorized to practice or to hold themselves out to the public as appraisers during the period that their appraiser credential is expired.

(2) Any violation of this shall be grounds for discipline.

(k) These renewal and reinstatement rules do not apply to a person who has had his or her appraiser credential revoked or suspended.

17 CAR § 200-216. Fees and payment of fees.

(a) **Types of fees.**

(1) The following fees shall be paid for applications and for the issuance of original and renewal licenses and certificates and for other purposes and activities of the State Board of Appraisers, Abstracters, and Home Inspectors:

(A) Application fee, one hundred twenty-five dollars ($125);

(B) State-licensed, certified residential, and certified general appraiser, three hundred dollars ($300) (annual)*;

(C) Temporary practice permit, one hundred fifty dollars ($150) (six (6) months);

(D) Nonresident credential, three hundred dollars ($300) (annual)*;

(E) Application fee (SR and RA), two hundred dollars ($200)*;

(F) Renewal fee (SR and RA), two hundred dollars ($200)*;

(G) Delinquent fees, fifty dollars ($50.00) (monthly);

(H) Qualifying education course or seminar approval, one hundred dollars ($100);

(I) Continuing education course or seminar approval, one hundred dollars ($100); and

(J) National registry fee (set by ASC), forty dollars ($40.00) (annual).

(2) *Pursuant to Arkansas Code § 17-14-203(10), registration and licensing fees may be reviewed and adjusted annually by the board as deemed necessary for its effective operation but shall in no way exceed three hundred dollars ($300) annually.

(b) **Payment of fees.**

(1) All fees may be paid by cashier's check, money order, or personal check made payable to the board, unless paying through the board's electronic licensing platform.

(2) All fees are nonrefundable except in special circumstances when a refund petition has been submitted to the board and the board consents to the request.

(3) No license or certification fee of any classification or any portion of a fee will be refunded should any certificate or license be surrendered, suspended, or revoked during the term for which the license or certificate is issued.

(4)(A) The initial application fee is acceptable for the first three (3) attempts at passing the examination.

(B) Upon successful completion of the examination, the application fee will be applied toward the appropriate license or certification fee.

(c) **Delinquency provision.** Any credential holder who fails to pay their annual renewal fees or meet the required continuing education on or before the renewal deadline shall be notified that their registration, license, or certificate is expired.

Subpart 3. Appraisal Management Company

17 CAR § 200-301. Purpose.

The State Board of Appraisers, Abstracters, and Home Inspectors' purpose in promulgating this subpart is to implement the provisions of the Appraisal Management Company Registration Act, Arkansas Code § 17-14-401 et seq.

17 CAR § 200-302. Definitions.

As used in this subpart:

(1) "AMC" means appraisal management company;

(2) "Assignment" means:

(A) An agreement between an appraiser and a client to perform a valuation service; and

(B) The valuation service that is provided as a consequence of such an agreement;

(3) "Audit" or "auditing" means a formal or official examination and verification of the accounts, correspondence, memoranda, papers, books, and other records of an

appraisal management company for compliance with the Appraisal Management Company Registration Act, Arkansas Code § 17-14-401 et seq.;

(4) "Business name" means an assumed name or the name of a business entity such as a corporation, partnership, limited liability company, or other business entity recognized by law;

(5) "Complaint" means any written document alleging a deficiency on the part of the appraiser or appraisal management company in the completion of an assignment for real property in Arkansas;

(6) "Owner" means an individual owning ten percent (10%) or more of an appraisal management company;

(7) "Registrant" means an appraisal management company or person that is registered under this subpart;

(8) "Subject individual" means:

(A) A person designated as the controlling person or managing principal as defined in Arkansas Code § 17-14-402(11);

(B) An individual with an ownership interest of ten percent (10%) or more of an appraisal management company; or

(C) In cases where ownership interest of ten percent (10%) or more of the appraisal management company is held by an entity other than an individual:

(i) Who wholly owns a corporation that owns ten percent (10%) or more of an appraisal management company;

(ii) Wholly owning and serving as the only general partner in a limited partnership that owns ten percent (10%) or more of an appraisal management company;

(iii) Wholly owning and managing a limited liability company that owns ten percent (10%) or more of an appraisal management company; or

(iv) An individual who wholly owns any other type of business entity that owns ten percent (10%) or more of an appraisal management company; and

(9) "System" means an organized or established procedure or method.

17 CAR § 200-303. Registration and renewal.

(a)(1)(A) Before applying for registration in Arkansas, the appraisal management company must be registered with the Secretary of State.

(B) The appraisal management company must maintain the registered business name with the Secretary of State.

(C) The appraisal management company must use the registered business name for all transactions in this state.

(2) A domestic appraisal management company shall designate an agent for service of process pursuant to Arkansas Code § 4-20-105(a).

(3) A foreign appraisal management company shall provide a certificate of authority issued by the Secretary of State and a copy of the company's filing with the Secretary of State appointing an agent for service of process.

(b) **General application requirements for initial registration and renewal.**

(1) An appraisal management company shall submit to the State Board of Appraisers, Abstracters, and Home Inspectors the following information to apply for initial registration and renewal:

(A)(i) A completed written application form, available on the board's website or from the board office.

(ii) Required information includes, but is not limited to:

(a)(1) The name, mailing address, website address, and telephone number of the AMC.

(2) The name on the application form must match the name registered with the Secretary of State;

(b) The name, mailing address, email address, and telephone contact information of the controlling person or managing principal;

(c) The name, mailing address, email address, and telephone contact information of any subject individual that owns ten percent (10%) or more of the AMC;

(d) For all subject individuals, the credential numbers issued by any state to do business as an appraiser;

(e) For appraisal management companies, the registration numbers issued by any state to do business as an AMC;

(f) If the AMC is not domiciled in Arkansas, the name, mailing address, email address, and telephone contact information for the entity's agent for service of process in this state;

(g)(1) The application shall be accompanied with a surety bond in the amount of twenty thousand dollars ($20,000) in a form and format approved by the board.

(2) Cash or securities may, with the board's approval, be deposited in lieu of a bond;

(h) The AMC shall submit with the application the required filing fee stipulated on the form; and

(i) A completed criminal history report authorization form for all subject individuals;

(B) A disclosure and documentation of any administrative disciplinary action must be included with the application if an AMC, in whole or in part, directly or indirectly, is owned by any person or subject individual who has had his or her appraiser credential refused, denied, cancelled, surrendered in lieu of revocation, or revoked in any state for a substantive cause;

(C) A signed and dated certification attesting to all the requirements found in Arkansas Code § 17-14-405(b)(6); and

(D) A signed and dated certification attesting the following:

(i) That the AMC maintains for at least five (5) years:

(a) A record of each appraisal management services request the company receives and the appraiser who performs the real estate appraisal activity contained in the request; and

(b) A copy of each written complaint received by the appraisal management company, along with proof of documentation showing the complaint was forwarded to the AMC's client for the appraisal assignment;

(ii) A certification that any employee of the appraisal management

company that performs the act or process of developing and communicating a reviewer's own opinion of value as part of the appraisal review for a property located in this state is an Arkansas credentialed real estate appraiser; and

(iii) Maintain a system to verify the competency of appraisers on the AMC's appraiser panel that meets the minimum requirements in Arkansas Code § 17-14-405(b)(6).

(2)(A) If the board finds that there is substantial reason to deny the application, the board shall notify the applicant that the application has been denied and shall afford the applicant an opportunity for a hearing before the board to show cause why the application should not be denied.

(B) All proceedings concerning the denial of a certificate of registration shall be governed by the Arkansas Administrative Procedure Act, Arkansas Code § 25-15-201 et seq.

(3) The acceptance by the board of an application for registration does not constitute the approval of its contents or waive the authority of the board to take disciplinary action.

(4) Initial registrations are issued for a period of twelve (12) months.

(c) **Criteria specific to renewal.**

(1) An appraisal management company's registration will be placed in an inactive status if the renewal fees are not paid by the expiration date.

(2) An AMC whose registration is in an inactive status shall cease operating as an appraisal management company in Arkansas.

(3) Renewal applications received after the expiration date and within six (6) months of the expiration of the registration shall be assessed a late fee of fifty dollars ($50.00) per month or partial month, in addition to the renewal fee.

(4) If an AMC whose registration is in an inactive status does not submit a complete renewal application within six (6) months from the date of expiration of the registration, the appraisal management company must reapply and pay all applicable fees.

(5)(A) It is the policy of the board to mail or send electronically a renewal

notice to registrants at the last mailing address or email address on file with the board at least thirty (30) days prior to the expiration date of the registration.

(B) Neither the failure of the board to send such a notice nor the registrant's failure to receive such a notice shall excuse the requirement to timely renew and pay the renewal fee.

(d) **Criminal background checks.**

(1) When an applicant applies for initial registration or renewal, and the board receives the appropriate application form and the appropriate fee, the board staff will provide the applicant with instructions to obtain his or her background check.

(2) If the applicant does not have a criminal history, agency personnel will issue the AMC registration when all other requirements are fulfilled.

(3)(A) If the applicant's criminal history report contains a disqualifying conviction or convictions, the applicant's application will not be approved.

(B) A letter indicating there is a disqualifying conviction will be sent to the applicant by restricted and certified mail with the applicant as the only person who may sign for the receipt of the letter at the United States Postal Service.

(4)(A) It is the policy of the board not to provide a copy of the Federal Bureau of Investigation criminal history record to the applicant.

(B) The applicant may obtain a copy of the record by submitting fingerprints and a fee to the Federal Bureau of Investigation.

(C) Information regarding this process may be obtained on the Federal Bureau of Investigation's website.

(5) Each applicant with a disqualifying conviction who requests a waiver may:

(A) Appear before the board; or

(B) Choose to allow the board to make a determination on the request for a waiver based on the file documentation obtained by the board and that submitted by the applicant.

(6) Waiver requests for a disqualifying conviction may be made in accordance with 17 CAR § 200-103(e).

17 CAR § 200-304. AMC Registry fees.

(a) An appraisal management company shall annually submit to the State Board of Appraisers, Abstracters, and Home Inspectors on February 28 an annual AMC Registry fee that is determined by the Appraisal Subcommittee of the Federal Financial Institutions Examination Council on a form provided by the board.

(b) The fee will be based on the number of appraisers who have performed an appraisal for the AMC on a covered transaction in Arkansas during January 1 to December 31 of the previous year.

(c) The calculations are as follows:

(1) If the AMC has been existence for more than a year, twenty-five dollars ($25.00) multiplied by the number of appraisers who have performed an appraisal for the AMC on a covered transaction in Arkansas during the previous year; and

(2) If the AMC has not been in existence for more than a year, twenty-five dollars ($25.00) multiplied by the number of appraisers who have performed an appraisal for the AMC on a covered transaction in Arkansas since the AMC commenced doing business.

(d) The fee will also apply to AMCs that are subsidiaries of federal financial institutions that are exempt from state regulation but are subject to the national registry fees.

(e) If the report and fees are not paid by February 28 of each calendar year, the AMC will be placed on inactive status on the AMC Registry.

(f) A late fee of fifty dollars ($50.00) must be paid for each month or partial month the form and AMC Registry fees are delinquent.

(g) The AMC Registry fees collected will be remitted to the Appraisal Subcommittee of the Federal Financial Institutions Examination Council as invoiced.

17 CAR § 200-305. Fees.

(a) The initial application fee for each AMC shall not exceed one thousand five hundred dollars ($1,500).

(b) The renewal application fee for each AMC shall not exceed one thousand five

hundred dollars ($1,500).

(c) Late fees are assessed at fifty dollars ($50.00) per month or partial month from the AMC 's expiration date or when the AMC Registry fees are delinquent.

(d)(1) A criminal history report fee not to exceed fifty dollars ($50.00), paid by the AMC for each person owning more than ten percent (10%) of the appraisal management company.

(2) The amount to be paid is included on the criminal history report authorization form.

(e) The AMC Registry fee of twenty-five dollars ($25.00) is calculated according to 17 CAR § 200-304(c).

17 CAR § 200-306. Registrant responsibilities and duties.

(a) The registrant shall comply with the responsibilities and duties outlined in Arkansas Code § 17-14-407 et seq.

(b) The registrant shall disclose to an appraiser within their engagement documents verification of their AMC Arkansas Registration.

(c)(1) An AMC must submit to the State Board of Appraisers, Abstracters, and Home Inspectors a notice of business name change within thirty (30) calendar days of the change.

(2) Such notification shall be in writing on a form prescribed by the board along with the following:

(A) A corrected surety bond; and

(B) A copy of the Secretary of State business registration with the company's new name.

(d)(1) An AMC with a change of individual ownership greater than fifty percent (50%) interest in the AMC shall submit to the board a notice of change of ownership.

(2) Such notification shall be in writing on a form prescribed by the board, along with the following:

(A) A completed surety bond;

(B) A copy of the Secretary of State business registration showing a

change of registered agent; and

(C) A completed background check authorization form for the new owner.

(e) If the surety bond maintained by an AMC is terminated or cancelled, the AMC shall file a replacement surety bond as soon as practicable or within ten (10) calendar days of the cancellation or termination, whichever occurs sooner.

(f) An AMC that does not file a replacement surety bond shall:

(1) Surrender the AMC's registration; and

(2) Cease operating as an AMC effective on the date of cancellation of the surety bond.

(g) Every subject individual and employee of an AMC must:

(1) Cooperate with the board;

(2) Respond fully and truthfully to board inquiries; and

(3) Comply with any requests from the board, subject only to the exercise of any applicable right or privilege.

(h) Failure to cooperate with the board is unethical and is grounds for discipline including:

(1) Revocation of a registration;

(2) Suspension of a registration;

(3) Imposition of a civil penalty;

(4) Denial of a registration; or

(5) Any combination of the above.

17 CAR § 200-307. Discipline: grounds, complaints, and adjudications.

(a) Grounds for disciplinary action:

(1) The State Board of Appraisers, Abstracters, and Home Inspectors may deny, suspend, revoke, or refuse to issue a renewal registration of an appraisal management company or may restrict or limit the activities of said company or a person who owns an interest in or participates in the business of the appraisal management company if the board finds that any of the following circumstances apply to the applicant, owner, registrant, a partner, a member, a manager or officer, director,

managing principal, controlling person, or persons occupying a similar status or performing similar functions or a person directly or indirectly controlling the registrant:

(A) The person's application for registration is found to contain statements that considering the circumstances under which it was made is false or misleading with respect to a material fact;

(B) The person has violated or failed to comply with this part and Arkansas statutes;

(C) The person has pleaded guilty or nolo contendere to or been found guilty of:

(i) A felony listed in Arkansas Code § 17-3-102; or

(ii) Within the past ten (10) years:

(a) A misdemeanor involving mortgage lending or real estate appraising; or

(b) An offense involving breach of trust or fraudulent or dishonest dealing;

(D) The person is permanently or temporarily enjoined by a court of competent jurisdiction from engaging in or continuing to conduct any practice involving appraisal management services or operating an AMC;

(E) The person is the subject of an order by the board or any other state AMC regulatory agency denying, suspending, or revoking the person's privilege to operate as an AMC;

(F) The person acted as an AMC while not properly registered by this board; or

(G) The person failed to pay the proper filing or renewal fees at the appropriate time; or

(2) A violation of the prohibited activities outlined in Arkansas Code § 17-14-408 are grounds on which the board may file its own complaint against the AMC or on which any party may make a written complaint.

(b) **Complaints and board procedures.**

(1) The board may conduct disciplinary proceedings from time to time and

may cause the actions of an AMC against whom a complaint has been filed to be investigated.

(2)(A) For a complaint to be considered, the complainant shall file the complaint in writing.

(B) Complaints shall be filed within three (3) years from the date of the actions complained of.

(C) The written complaint shall specifically state the:

(i) Issues of the complaint; and

(ii) Date or dates on which the events causing or leading to the complaint occurred.

(3) The Director of the State Board of Appraisers, Abstracters, and Home Inspectorsor authorized employee of the board, upon receiving any such complaint, shall present the complaint to a board committee or panel to determine if the board has jurisdiction to proceed.

(4) The board may initiate its own complaint when sufficient documents and information (i.e., appraisal reports, reviews, or outlined deficiencies) are available on which to conclude that the uniform standards, the state law, or this part may have been violated.

(5)(A) If jurisdiction is established or the board initiates its own complaint, the director or board staff shall notify in writing every person complained against and provide each person an opportunity to respond in writing.

(B) A copy of the written complaint shall be furnished to the AMC under investigation and a copy of the AMC's response shall be furnished to the complainant.

(C) AMCs failing to respond in writing within thirty (30) days of receipt of the complaint will be deemed unresponsive and the complaint will be further considered without benefit of the AMC's input.

(6) The directoror authorized employee may proceed at any time after jurisdiction has been established to investigate said complaint and take statements from any person thought to have any knowledge of any facts pertaining thereto.

(7) The board may request the AMC to:

(A) Answer the charges made against him or her in writing;

(B) Produce relevant documentary evidence; and

(C) Appear before the board.

(8) Every properly filed complaint shall be presented to and reasonably disposed of by the board.

(9) The board may:

(A) Subpoena and issue subpoena duces tecum and bring before it any person in this state or licensed by the board;

(B) Take testimony by deposition in the same manner as prescribed by law in judicial proceedings in the courts of this state; or

(C) Require production of any records relevant to any inquiry or hearing by the board.

(10) Disciplinary hearings shall be conducted according to the Arkansas Administrative Procedure Act, Arkansas Code § 25-15-201 et seq.

(c) **Complaint adjudication and publication of action.**

(1) Any AMC who fails to timely renew their registration or elects to surrender their registration while a complaint is pending will be unable to have their registration reinstated until the complaint has been resolved.

(2) If a disciplinary hearing or informal conference is pending at the time of surrender:

(A) The scheduled hearings will proceed with or without the AMC's participation; and

(B) Any disciplinary action resulting from the hearing shall be placed in the AMC's file and addressed prior to any reinstatement of their credentials.

17 CAR § 200-308. Audits.

(a) An audit of an AMC registered to provide appraisal management services in Arkansas may be conducted by the State Board of Appraisers, Abstracters, and Home Inspectors.

(b) In the case of a subsidiary or affiliate of a financial institution engaging in

business as an AMC without obtaining a registration to provide appraisal management services in Arkansas, the board may conduct an audit of the appraisal management company in a joint or alternating manner with the appropriate federal banking agency or the Consumer Financial Protection Bureau as permitted or required by applicable law.

(c) The board may audit an AMC at any time or times and may require the production of such records at the office of the board as often as necessary.

(d) An AMC that refuses to submit to an audit shall be considered to have failed the audit and may be subject to disciplinary action.

Subpart 4. Abstracters

17 CAR § 200-401. Certificate of registration.

(a) The State Board of Appraisers, Abstracters, and Home Inspectors shall approve and issue certificates of registration to qualified applicants or disapprove applications for registration for applicants who do not meet the minimum requirements for registration as prescribed in the Abstracters' Licensing Law of 1969, Arkansas Code § 17-11-101 et seq.

(b) Every applicant to the board as a certificate of registration holder, except those individuals authorized to practice law in this state, shall have the following qualifications:

(1) The applicant shall have a minimum of one (1) year land title-related experience or training prior to the time he or she applies to sit for the registration exam;

(2) The applicant shall not have a criminal record as described in 17 CAR § 200-103(d); and

(3) The applicant shall pass the registration exam as described in 17 CAR § 200-402.

(c)(1) All applications for certificates of registration shall be made on forms provided by the board and completed and signed by the applicant.

(2) The application may require the signature acknowledged before a notary

public.

(3) All applications shall include the appropriate fees.

(4) The board will not consider an application which is incomplete or with which the correct fees have not been submitted.

(5) All applications shall include a summary or digest of the applicant's land title-related experience or training.

(d) The board reserves the right, at its discretion, to hold for a reasonable length of time for investigation the application of any applicant before issuing a certificate.

(e) Upon successful completion of the application, the board shall notify the applicant by mail of the time and place of the next scheduled examination.

17 CAR § 200-402. Certificate of registration — Examination.

(a) The examination shall be in the form of written interrogatories as may be prescribed by the State Board of Appraisers, Abstracters, and Home Inspectors to determine the proficiency of the applicant.

(b) The examination shall be comprised of two (2) sections:

(1) Legal descriptions; and

(2) General knowledge of the practice of abstracting.

(c) The test for a certificate of registration shall be given at least twice a year and at such other times and locations as designated by the board.

(d)(1) Tests shall be graded either pass or fail.

(2) Seventy percent (70%) of the questions must be answered correctly to pass.

(e) If failed, the test can be taken two (2) additional times during the next twelve (12) months.

(f) After failure to pass the test, an applicant shall be required to submit a new application and applicable fees if:

(1) The applicant has failed to pass the test three (3) times; or

(2) A twelve-month period within which the applicant has taken the test one (1) or more times expires.

(g) No application shall be submitted sooner than six (6) months following the date on which the last previous examination was administered to the applicant.

17 CAR § 200-403. Certificate of registration — Renewal.

(a) Certificates of registrations must be renewed on or before July 1 of each year or they will be placed in expired status.

(b)(1) Applicants may renew electronically through a State Board of Appraisers, Abstracters, and Home Inspectors-established electronic process.

(2) Certificate holders shall file a timely and sufficient renewal application with the board by the renewal date each year.

(3) An application shall be deemed filed on the date received by the board, the date of electronic submission or, if mailed, the date postmarked, but not the date metered.

(c)(1) It is the policy of the board to mail or send electronically a renewal notice to credential holders at the last mailing address or email address on file with the board at least sixty (60) days prior to the expiration date of the credential.

(2) Neither the failure of the board to send such a notice nor the credential holder's failure to receive such a notice shall excuse the requirement to timely renew and pay the renewal fee.

(d) **Failure to renew.**

(1)(A) If a holder of a certificate of registration fails to apply for renewal of his or her authority and to pay the fee, the board shall mail a notice that his or her certificate has expired and is no longer valid authority for the person to engage in the business of abstracting.

(B) The notice shall be mailed not more than thirty (30) days following the certificate expiration date.

(2) The holder shall be granted an additional period of sixty (60) days from the date of mailing the notice within which to file his or her application for renewal.

(e) **Late renewal.**

(1) The certificate of registration shall be placed in expired status unless the

certificate holder submits a timely and sufficient renewal application by the expiration date.

(2) Certificates of registration may be renewed within twelve (12) months by submitting a renewal application and fee.

(3) Certificates of registration in an expired status more than twelve (12) months may renew by submitting:

(A) A renewal application;

(B) The renewal fee; and

(C) One (1) abstract completed prior to the certificate being placed in expired status for the board's review.

17 CAR § 200-404. Temporary certificate of registration.

(a) The State Board of Appraisers, Abstracters, and Home Inspectors may grant a temporary certificate of registration without examination to any person:

(1) Succeeding to the ownership of any abstract plant or business by any means other than by purchase; or

(2) Any person who by reason of the incapacity of any registered abstracter owner of any abstract plant or business is required to assume the operation of the abstract plant or business.

(b) Temporary certificates of registration shall expire according to whichever period is longer of the following:

(1) Six (6) months after its date of issuance; or

(2) Sixty (60) days after the next regularly scheduled examination which could be taken by the applicant.

(c) All applications for temporary certificates of registration shall be made on forms provided by the board and shall include the appropriate fee.

(d) Upon a completed application, the board shall notify the applicant by mail the time and place of the examination.

(e) Should a holder of a temporary certificate of registration not proceed with full certification by passing the examination, the holder shall return the certificate of

registration to the board office at the expiration of the certificate.

17 CAR § 200-405. Certificate of registration — Reciprocity and out-of-state certification.

(a) **Reciprocity.**

(1) An applicant for a reciprocal certificate of registration pursuant to Arkansas Code § 17-1-108(c) and (d)(1)(A) shall meet the following requirements:

(A) The applicant shall hold a substantially similar certificate in another United States jurisdiction;

(B) The applicant shall hold his or her certificate in good standing;

(C) The applicant shall not have had a certificate revoked for:

(i) An act of bad faith; or

(ii) A violation of law, rule, or ethics;

(D) The applicant shall not hold a suspended or probationary certificate in a United States jurisdiction; and

(E) The applicant shall be sufficiently competent as an abstracter.

(2)(A) An applicant for a reciprocal certificate of registration shall submit a fully executed application, the required fee, and the documentation described below.

(B) As evidence that the applicant's certificate from another jurisdiction is substantially similar to Arkansas's, the applicant shall submit the following information:

(i) Evidence of current and active certification in that state; and

(ii) Evidence that the other state's certification requirements match those listed in 17 CAR § 200-401.

(C) To demonstrate the applicant meets the requirements in subdivision (a)(1) of this section, the applicant shall provide the State Board of Appraisers, Abstracters, and Home Inspectors with:

(i) The names of all states in which the applicant is currently certified or has been previously certified; and

(ii) Letters of good standing or other information from each state in which the applicant is currently or has ever been certified showing that the applicant

has not had his or her certificate revoked for bad faith or a violation of law, rule, or ethics and does not hold a certificate on suspended or probationary status.

(D) As evidence that the applicant is sufficiently competent, an applicant shall:

(i) Provide proof of at least one (1) year of verified land title-related experience to the board; and

(ii) Provide proof of the passage of a proficiency examination given by the board or other jurisdiction.

(3) **Provisional certificate.**

(A) A provisional certificate of registration pursuant to Arkansas Code § 17-1-108 shall be issued immediately upon receipt of:

(i) An application;

(ii) The twenty-five-dollar examination fee; and

(iii) The documentation required under subdivision (a)(2) of this section.

(B) The provisional certificate of registration shall be effective for at least ninety (90) days or until the next regularly scheduled examination that can be taken by the applicant.

(C) After issuance of the provisional certificate of registration, if the board determines that the applicant does not meet the requirements of subdivision (a)(1) of this section, the board may immediately revoke the provisional certificate of registration.

(D) An applicant may provide the rest of the documentation required above to receive a certificate of registration, or the applicant may provide only the information necessary for the issuance of a temporary certificate of registration under 17 CAR § 200-404.

(4) An applicant from a state that does not register abstracters shall meet the following requirements in accordance with Arkansas Code § 17-1-108(d)(2) to be registered in Arkansas:

(A) Submit an application and appropriate fee;

(B) Demonstrate sufficient competency as an abstracter by providing proof of at least one (1) year of verified land title-related experience to the board; and

(C) Pass a proficiency examination given by the board.

(b) **Out-of-state certification.**

(1) The board shall grant automatic certification to an applicant that is a resident of the State of Arkansas and meets the following requirements:

(A) An applicant does not have a disqualifying criminal offense under Arkansas Code § 17-3-102; and

(B) An applicant does not have a complaint, allegation, or violation pending for his or her abstracter activity.

(2) Applicant shall:

(A) Be in good standing for one (1) year as a certified abstracter in another state, territory, or district of the United States with similar scope of practice; or

(B) Be an individual who worked:

(i) In another state, territory, or district of the United States that does not use an occupational certification to regulate abstracters but is regulated by certification in this state; and

(ii) At least three (3) years in the abstracter or land title-related field.

(3) An applicant shall meet all other certificate of registration requirements for a resident of this state and all renewal requirements of the certificate of registration.

(4)(A) Notwithstanding the requirements in subdivisions (b)(1) – (3) of this section, an applicant may be required to pass an examination specific to relevant state laws that regulate abstracters.

(B) The board may waive the examination requirement if it finds that:

(i) The applicant's education, training, and experience is sufficient substitute for the requirement; and

(ii) Such waiver of the requirements will not harm public health, safety, or welfare.

17 CAR § 200-406. Certificate of authority.

(a) Any person, firm, or corporation desiring to engage in the business of abstracting in this state shall make application to the State Board of Appraisers, Abstracters, and Home Inspectors for a certificate of authority.

(b)(1) All applications for certificates of authority shall be made on forms provided by the board and completed and signed by the applicant.

(2) The application may require the signature acknowledged before a notary public.

(3) All applications shall include the appropriate fees.

(4) The board will not consider an application which is incomplete or with which the correct fees have not been submitted.

(5) All applications shall include proof that:

(A) The applicant has available an abstract plant for each county for which abstracts will be prepared, which abstract plant shall be made available for examination by the board;

(B) The applicant is or has employed a registered abstracter; and

(C) The bond requirements provided for in Arkansas Code § 17-11-324 have been complied with.

(c) Upon successful completion of the application and approval by the board, the board shall issue a certificate of authority in such a form as prescribed by the board which includes the county of this state wherein the applicant may operate.

17 CAR § 200-407. Certificate of authority — Renewal.

(a) Expiration dates of the certificates of authority, either renewal or original, shall be the July 1 following the year from the preceding expiration date.

(b) Certificates of authority shall be renewed for a one-year period upon payment of the renewal fee.

(c) No more than sixty (60) days nor less than thirty (30) days before the expiration date of the certificate of authority issued, the State Board of Appraisers, Abstracters, and Home Inspectors shall mail a notice of expiration and application for renewal to the last known address on file with the board.

(d) **Failure to renew.**

(1)(A) If a holder of a certificate of authority fails to apply for renewal of his or her certificate of authority and to pay the fee, the board shall mail a notice that his or her certificate of authority has expired and is no longer valid authority for the person to engage in the business of abstracting.

(B) The notice shall be mailed not more than thirty (30) days following the certificate expiration date.

(C) The holder shall be granted an additional period of sixty (60) days from the date of mailing the notice within which to file his or her application for renewal.

(2) Any holder of a certificate of authority who fails to renew his or her certificate of authority within the sixty (60) days above shall be removed from the board's roster and no longer engage in the business of abstracting in this state until authorized by the board.

17 CAR § 200-408. Fees.

Fees shall be as follows:

(1) Certificate of Registration, exam, twenty-five dollars ($25.00);

(2) Certificate of Registration, temporary, fifteen dollars ($15.00);

(3) Certificate of Registration, renewal, fifty dollars ($50.00);

(4) Certificate of Authority, application, twenty-five dollars ($25.00); and

(5) Certificate of Authority, renewal, one hundred forty-five dollars ($145).

17 CAR § 200-409. Discipline.

(a) The State Board of Appraisers, Abstracters, and Home Inspectors is authorized, after a hearing as provided in Arkansas Code § 17-11-341, to cancel and revoke any certificate of registration issued to any person:

(1) For a violation of any of the provisions of Arkansas Code § 17-11-101 et seq.;

(2) Upon a conviction of the holder of such a certificate of a crime under

Arkansas Code § 17-3-102; or

(3) If the board finds the holder to be guilty of habitual carelessness or of fraudulent practices in the conduct of the business of abstracting.

(b) The board is authorized, after a hearing as provided in Arkansas Code § 17-11-341, to cancel and revoke any certificate of authority issued to any person, firm, or corporation for:

(1) Failure to furnish the bond or bonds, or other securities, required by Arkansas Code § 17-11-324;

(2) Failure to properly maintain an abstract plant;

(3) Failure to have employed a registered abstracter as provided in Arkansas Code § 17-11-301; or

(4) Otherwise violating any of the provisions of Arkansas Code § 17-11-101 et seq.

(c) All disciplinary proceedings shall be held in accordance with Arkansas Code § 17-11-341 and the Arkansas Administrative Procedure Act, Arkansas Code § 25-15-201 et seq.

Subpart 5. Home Inspectors

17 CAR § 200-501. Registration.

(a) **General requirements.**

(1) All persons who advertise as a home inspector or perform or attempt to perform a home inspection for a fee in the State of Arkansas shall first register with the State Board of Appraisers, Abstracters, and Home Inspectors and comply with the Arkansas Home Inspectors Registration Act, Arkansas Code § 17-52-301 et seq., and this part.

(2) Every applicant for registration as a home inspector shall have the following qualifications:

(A) The applicant shall have a good reputation for honesty, truthfulness, and fair dealing, and be competent to transact the business of a registered home

inspector in such a manner as to safeguard the interests of the public;

(B) The applicant shall meet the current educational and experience requirements for registration prior to the time he or she applies to sit for the registration exam;

(C) The applicant shall not have a criminal record as described in 17 CAR § 200-103(d); and

(D) The applicant shall be at least eighteen (18) years old and shall have received a high school diploma or its equivalent.

(3) In addition to those qualifications listed in subdivision (a)(2) of this section, a nonresident applicant shall be in good standing as a home inspector in every jurisdiction where registered.

(4)(A) All applications for registration, renewal, or reinstatement shall be made on forms provided by the board and completed and signed by the applicant.

(B) The application shall be made under oath.

(C) All applications shall include the appropriate fees.

(D) The board shall not consider an application which is incomplete or for which the correct fees have not been submitted.

(5) The board may require each applicant for registration to furnish, at his or her expense, a recent passport type photograph of himself or herself, as well as any other information or form of identification deemed necessary by the board to determine the applicant's qualifications for registration.

(6) The board reserves the right, at its discretion, to hold for a reasonable length of time for investigation, the application of any applicant before issuing a registration.

(b) Exemption from registration:

(1) A person who by virtue of his or her employment by a public entity does home inspection work for that agency shall not be required to be registered as a home inspector if the inspections are conducted:

(A) Solely for the benefit of that entity; and

(B) For no compensation other than the employee's salary;

(2) Any person holding a valid registration, certificate, or license issued by the state if the person's activity is limited to the activity authorized by his or her registration, certificate, or license;

(3) A person who inspects his or her home; or

(4) A public entity that inspects its residential units with its own personnel specifically trained for the home inspection.

(c) **Initial application requirements.** An applicant for an initial home inspector registration shall submit:

(1) A completed application for registration;

(2) A certificate of course completion from a qualifying education course provider approved by the board pursuant to 17 CAR § 200-502;

(3) The applicant's passing examination score from a test provider approved by the board pursuant to 17 CAR § 200-502;

(4) A certificate of liability insurance pursuant to 17 CAR § 200-503;

(5) If applicable, other state or local:

(A) Licensure;

(B) Certification;

(C) Registration; or

(D) Permit; and

(6) A nonrefundable fee pursuant to 17 CAR § 200-510.

(d) **Certificates of registration.**

(1) The board shall issue to each registered holder a certificate in a form as shall be prescribed by the board.

(2) The certificate shall show:

(A) The name of the registered holder;

(B) A certificate number assigned by the board; and

(C) Any other matters as shall be prescribed by the board.

(3) Certificates of registration shall be maintained in sound, fully legible condition and shall be replaced as necessary.

(4) The registered holder shall have the certificate at the inspection site and shall present it to anyone who may request to see it.

(e) **Effective date.**

(1) Certificates of registration shall expire annually on December 31.

(2) Renewal certificates of registration are issued on a calendar year basis extending from January 1 through December 31.

17 CAR § 200-502. Qualifying education and examinations.

(a) **Qualifying education.**

(1)(A) An applicant for initial home inspector registration not applying under 17 CAR § 200-103 or 17 CAR § 200-504 shall have successfully completed eighty (80) hours of qualifying education in a course of study pursuant to 17 CAR § 200-507.

(B) All qualifying education must be completed within the three-year period immediately preceding the date of application for initial home inspector registration.

(C) Qualifying education requirements shall only be accepted from education providers and courses approved by the State Board of Appraisers, Abstracters, and Home Inspectors.

(2) The following persons shall be exempt from the qualifying education requirements for initial registration, but not from the requirements concerning the competency examination (individuals under this exemption may be required to provide proof of qualification for exemption):

(A) City inspectors certified by the International Code Council; and

(B) Contractors who hold a builder's license and have ten (10) years' experience as a contractor.

(b) **Competency examinations.**

(1) An applicant for initial home inspector registration not applying under reciprocity shall successfully pass both:

(A) The current version of the National Home Inspector Examination as

provided by the Examination Board of Professional Home Inspectors; and

(B) The current version of the Standards and Ethics Examination as provided by the American Society of Home Inspectors.

(2) A request to sit for the examination shall be made directly to the test provider.

(3) A passing score for the examination is set by the test provider and shall be valid for a period of five (5) years.

(4) The applicant shall follow all written and oral instructions, procedures, and appropriate standards of conduct established by the State Board of Appraisers, Abstracters, and Home Inspectors or testing service administering the examination.

(5) Failure to comply with all instructions, procedures, and appropriate standards of conduct established by the State Board of Appraisers, Abstracters, and Home Inspectors or the testing service shall be grounds for denial of the application or disciplinary action.

17 CAR § 200-503. Liability insurance.

(a) **Coverage.** All registered home inspectors must maintain current professional liability or errors and omissions insurance in the amount of at least one hundred thousand dollars ($100,000).

(b) **Requirements.**

(1) All policies and certificates shall provide that cancellation or renewal of the policy shall not be effective unless and until at least ten (10) days' notice of cancellation or nonrenewal has been received in writing by the State Board of Appraisers, Abstracters, and Home Inspectors.

(2) The registered home inspector may add the board as a certificate holder but not as an additional insured and with no additional cost to ensure board notification in the event such liability policy is cancelled for any reason or expires for nonpayment of premiums.

(3) The registered home inspector shall provide the certificate of insurance to the board at the time of initial registration, at the time of renewal of registration, and

any other time necessary to ensure the board has the most current and effective certificate of insurance.

(4)(A) It is the responsibility of the registered home inspector to notify the board in writing of any lapses in coverage, including but not limited to the expiration of current coverage or cancellation of the current policy.

(B)(i) The board may mail or send electronically a renewal reminder if the certificate of insurance on file with the board reflects that the policy has expired.

(ii) However, neither failure of the board to send such a reminder nor the registered home inspector's failure to receive such a notice shall excuse the requirement of the registered home inspector to maintain a current policy on file with the board.

(c) **Failure to maintain liability insurance.** Failure on the part of the registered home inspector to maintain liability insurance and provide proof of insurance to the board shall result in the registration of the affected home inspector being suspended until the insurance is reinstated or replaced.

17 CAR § 200-504. Registration for out-of-state home inspectors.

(a) **Automatic Occupational Licensure for Out-of-State Licensure Act, Arkansas Code § 17-7-101 et seq.**

(1) The State Board of Appraisers, Abstracters, and Home Inspectors shall grant automatic registration to an applicant that:

(A) Is a resident of the State of Arkansas;

(B) Does not have a disqualifying criminal offense under Arkansas Code § 17-3-102 or any additional state law relating to home inspectors;

(C) Does not have a complaint, allegation, or violation pending for his or her home inspector activity; and

(D) Meets the following requirements:

(i) Applicant shall be the holder in good standing for one (1) year of a home inspector license, registration, or certificate with similar scope of practice issued by another state, territory, or district of the United States; or

(ii) Applicant shall be an individual who worked:

(a) In another state, territory, or district of the United States that does not use an occupational licensure to regulate home inspectors but is regulated by occupational licensure in this state; and

(b) At least three (3) years in the home inspector occupation.

(2)(A) An applicant shall meet all other home inspector registration requirements for a resident of this state and all renewal requirements of the home inspector registration, including without limitation a criminal background check and continuing education hours.

(B) All requirements must be completed prior to registration renewal.

(b) **Reciprocity.**

(1) **Required qualifications.** An applicant applying for reciprocal registration shall meet the following requirements:

(A) The applicant shall hold a substantially similar license, registration, or certification in another United States jurisdiction;

(B) The applicant shall hold his or her home inspector license, registration, or certification in good standing;

(C) The applicant shall not have had a license, registration, or certificate revoked for:

(i) An act of bad faith; or

(ii) A violation of law, rule, or ethics;

(D) The applicant shall not hold a suspended or probationary license, registration, or certification in a United States jurisdiction; and

(E) The applicant shall be sufficiently competent in the practice of home inspection.

(2) **Required documentation.** An applicant shall submit a fully executed application, the required fee, and the documentation described below:

(A)(i) Evidence of current and active license, registration, or certificate in another United States jurisdiction.

(ii) The board may verify this information online if the jurisdiction at

issue provides primary source verification on its website or by telephone to the other state's regulatory board;

(B) To demonstrate that the applicant meets the requirements in subdivision (b)(1) of this section, the applicant shall provide the board with:

(i) The names of all states in which the applicant is currently licensed, registered, or certified or has been previously licensed, registered, or certified; and

(ii)*(a)* Letters of good standing or other information from each state in which the applicant is currently or has ever been licensed, registered, or certified showing that the applicant has not had his or her license, registration, or certificate revoked for the reasons listed in subdivision (b)(1)(C) of this section and does not hold a license, registration, or certification on suspended or probationary status as described in subdivision (b)(1)(D) of this section.

(b) The board may verify this information online if the jurisdiction at issue provides primary source verification on its website or by telephone to the other state's licensing board;

(C) As evidence that the applicant is sufficiently competent in the practice of home inspection, an applicant shall submit:

(i) Proof of successful passage of the National Home Inspector Examination;

(ii) Proof of successful passage of a Standards and Ethics Examination; and

(iii) Two (2) home inspection reports;

(D) Proof of general liability insurance as required under 17 CAR § 200-503; and

(E) Proof of Workers' Compensation insurance if applicable.

(3) **Temporary and provisional registration.**

(A) The board shall issue a temporary and provisional registration immediately upon receipt of the application, the required fee, and evidence of a current and active license, registration, or certificate.

(B) A temporary and provisional registration shall be effective for ninety

(90) days during which time the applicant shall provide the remaining documentation required under subdivision (b)(2) of this section.

(C) Failure to submit all documentation required under subdivision (b)(2) of this section prior to the expiration of the ninety-day temporary and provisional registration will result in the applicant's inability to practice as a home inspector in Arkansas until such time as all requirements have been fulfilled.

(4) **Registration for an individual from a nonregulated state.**

(A) **Required qualifications.** An applicant from a state that does not regulate home inspectors shall meet the following requirements:

(i) The applicant shall be sufficiently competent in the practice of home inspection; and

(ii) Has passed the National Home Inspector Examination and the current version of the Standards and Ethics Examination of the American Society of Home Inspectors.

(B) **Required documentation.** An applicant shall submit a fully executed application, the required fee, and the documentation described below to show the applicant is sufficiently competent in the practice of home inspection:

(i) Proof that the applicant has passed the National Home Inspector Examination and the current version of the Standards and Ethics Examination of the American Society of Home Inspectors; and

(ii) Four (4) home inspection reports.

17 CAR § 200-505. Renewal.

(a)(1) Home inspector registration must be renewed each year.

(2) Each home inspector registration renewal is December 31 of each year.

(b)(1) An application to renew a registration shall be submitted on a form obtained from the State Board of Appraisers, Abstracters, and Home Inspectors office or on the board's website.

(2) Applicants may renew electronically through the board's electronic licensing portal.

(c) **Renewal notification.**

(1) The board shall mail or email a notice of upcoming registration expiration to each currently registered home inspector no more than sixty (60) days and no less than forty-five (45) days before the expiration of the certificate of registration.

(2) However, neither failure of the board to send such a reminder nor the registered home inspector's failure to receive such a notice shall excuse the requirement of the registered home inspector to renew a certificate of registration.

(d)(1) Registered home inspectors shall file a timely and sufficient renewal application with the board by the renewal date each year.

(2) An application shall be deemed filed on the date received by the board, the date of electronic submission or, if mailed, the date postmarked, but not the date metered.

(e) The board will issue a new certificate of registration indicating the new expiration date after receiving:

(1) Evidence of completion of the required continuing education;

(2) A current certificate of insurance;

(3) The appropriate renewal fee; and

(4) If requested by the board, copies of home inspection reports.

(f) **Late renewal.**

(1) The registration of a home inspector shall be placed in an expired status unless the home inspector submits a timely and sufficient renewal application by the expiration date.

(2)(A) During the first one hundred eighty-four (184) days of expired status, a registered home inspector may renew their registration by submitting the appropriate renewal form.

(B) This includes the payment of the renewal fees, a late fee of fifty dollars ($50.00) per month or partial month elapsed since the renewal date, and submitting the required continuing education reporting form and completion certificates.

(3)(A) After one hundred eighty-five (185) days up to twelve (12) months of expired status, a registered home inspector may renew their registration by submitting

the appropriate renewal form.

(B) This includes the payment of renewal fees and submitting the required continuing education reporting form and completion certificates.

(C) This includes evidence of completion of the ASHI Standards of Practice and Code of Ethics course.

(4)(A) A registered home inspector who fails to reinstate their registration within twelve (12) months of the expiration date of the registration may reinstate their registration by submitting the appropriate reinstatement form.

(B) This includes payment of the appropriate renewal fee and evidence of the completion of the required continuing education hours.

(C)(i) Registered home inspectors in an expired status must complete all required continuing education that would have been required if the certificate holder was in active status.

(ii) The required hours must also include evidence of completion of the ASHI Standards of Practice and Code of Ethics course.

(D)(i) Continuing education hours required are fourteen (14) hours per year for each year or partial year the registration was expired plus any continuing education hours required at the time the registration was placed in an expired status.

(ii) For example, number of years expired multiplied by fourteen (14) hours plus number of hours due when registration was placed on expired status equals the total number of continuing education hours that must be submitted.

(5)(A) Registered home inspectors are not authorized to practice or to hold themselves out to the public as home inspectors during the period of time that his or her registration is expired.

(B) Any violation of this shall be grounds for discipline.

(g) These renewal and reinstatement rules do not apply to a person who has had his or her registration revoked or suspended.

17 CAR § 200-506. Continuing education.

(a) A home inspector who makes application to renew his or her home inspector

registration shall successfully complete the equivalent of fourteen (14) hours per year of approved continuing education preceding the renewal.

(b) A minimum of eight (8) hours of continuing education must be approved as mandatory courses, as defined by subdivision (k)(1) of this section.

(c) Credit towards the continuing education hour requirements for home inspector registration may be granted only where the length of the educational offering is at least two (2) hours.

(d)(1) A maximum of three (3) hours per renewal year may be granted for participation, other than as a student, in home inspector educational processes and programs.

(2) Examples of activities for which credit may be granted include, but are not limited to, teaching, program development, authorship of textbooks, or similar activities that are determined to be equivalent to obtaining continuing education.

(3) Credit for instructing any given course or seminar can only be awarded once during a continuing education cycle.

(e) In addition to the general requirements described in 17 CAR § 200-507, asynchronous distance education courses intended for use as continuing education must include at least one (1) of the following:

(1)(A) A written examination proctored by an official approved by the college, university, or by the sponsoring organization.

(B) Remote proctoring, including biometric procedures as noted in 17 CAR § 200-507, is acceptable.

(C) The term "written" as used in this subdivision (e)(1) means an exam that might be written on paper or administered electronically on a computer workstation or other device.

(D) Oral exams are not acceptable; or

(2) Successful completion of prescribed course mechanisms required to demonstrate knowledge of the subject matter.

(f) The State Board of Appraisers, Abstracters, and Home Inspectors may award continuing education credit to registered home inspectors who attend a board meeting,

under the following conditions:

(1)(A) Credit may be awarded for a single board meeting per continuing education cycle.

(B) The meeting must be open to the public and must be a minimum of two (2) hours in length.

(C) The total credit cannot exceed four (4) hours; and

(2) The board must ensure that the registered home inspector attends the meeting for the required period of time.

(g) Failure to complete continuing education requirements shall result in suspension of the home inspector's registration.

(h)(1) The board may waive all or part of the continuing education requirements for any registered home inspector who submits satisfactory evidence of the registered home inspector's inability to meet the continuing education requirements due to debilitating health, hardship, or extenuating circumstances beyond the registered home inspector's control.

(2) Loss of income resulting from cancellation of license is not a hardship.

(3) A waiver request shall be submitted in writing at least sixty (60) days prior to the date of registration renewal and shall include an explanation and any supporting documentation to verify hardship.

(4) Should a registered home inspector not submit the waiver request prior to renewal, the request may be submitted at the time of renewal and should further include an explanation as to why the request was not made in a timely manner.

(i)(1) Registered home inspectors shall maintain and submit with registration renewal a Continuing Education Credit Reporting form.

(2) The reporting form shall be completed in its entirety to list all completed courses being submitted for continuing education credit.

(3) Certificates of completion shall be submitted with the reporting form.

(j) Copies of the Continuing Education Credit Reporting form, certificates of completion, and any other supporting documentation submitted to the board shall be retained by the registered home inspector for at least two (2) years after submission.

(k) Continuing education courses for home inspectors shall include course work designed to increase the home inspector's skill, knowledge, and competency in home inspections and shall cover topics such as, but not limited to:

(1) Mandatory courses, including, but not limited to:

(A) Identifying and inspecting the following components and systems:

(i) Exteriors;

(ii) Interiors;

(iii) Roofing;

(iv) Plumbing;

(v) Electrical;

(vi) HVAC;

(vii) Structural;

(viii) Miscellaneous appliances; and

(ix) Solid fuel burning appliances; and

(B) Applicable laws and standards of practice; and

(2) Elective courses, including, but are not limited to:

(A) Business concepts and marketing techniques; and

(B) Report writing/customer relations overview.

17 CAR § 200-507. General education approval, requirements, and provider information.

(a) **General requirements for education offerings.**

(1)(A) The State Board of Appraisers, Abstracters, and Home Inspectors may approve or disapprove all course offerings for qualifying education and continuing education.

(B) The approval process shall apply to course content, facilities, text, course delivery mechanism, and other materials utilized in the offering and instructors.

(C) The board may, at its sole discretion, employ the services of an advisory education panel for the purpose of reviewing educational offerings for quality, content, and qualifications of instructors.

(2) Time requirements for the purpose of all educational offerings include:

(A) A class hour defined as sixty (60) minutes, of which at least fifty (50) minutes are instruction attended by the student; and

(B) The prescribed number of class hours includes time for examinations.

(3) Credit for class hour requirements may be obtained only from the following providers:

(A) Colleges or universities;

(B) Community or junior colleges;

(C) Home inspector or home inspector-related organizations;

(D) State or federal agencies or commissions;

(E) Proprietary schools;

(F) Providers approved by the board; or

(G) The American Society of Home Inspectors.

(4)(A) Distance education is defined as any education process based on the geographical separation of student and instructor.

(B) Components of distance education include synchronous, asynchronous, and hybrid.

(C)(i) In synchronous educational offerings, the instructor and students interact simultaneously online, video chat or live webinar, or web-based meeting.

(ii) Synchronous courses provide for instruction and interaction substantially the same as onsite classroom courses.

(iii) Synchronous courses meet class hour requirements If they comply with subdivisions (a)(2) and (3) of this section.

(D)(i) In asynchronous educational offerings, the instructor and student interaction are nonsimultaneous; the students progress at their own pace and follow a structured course content and quiz/exam schedule.

(ii) An asynchronous distance education course is acceptable to meet class hour requirements if:

(a)(1) The course provides interaction.

(2) Interaction is a reciprocal environment where the

student has verbal or written communication with the instructor; and

(b)(1) Content approval is obtained from the board or an accredited college, community college, or university that offers distance education programs and is approved or accredited by the Higher Learning Commission, a regional or national accreditation association, or by an accrediting agency that is recognized by the United States Secretary of Education.

(2) Nonacademic credit college courses provided by a college shall be approved by the board; and

(c) Course delivery mechanism approval is obtained from one of the following sources:

(1) A college or university that qualifies for content approval in subdivision (a)(4)(D)(ii)*(b)* of this section that awards academic credit for the distance education course; or

(2) A qualifying college or university for content approval with a distance education delivery program that approves the course design and delivery that incorporates interactivity.

(iii) If the certification of the course delivery mechanism expires prior to the board's expiration date of the course, the course will not be accepted for credit until the provider can provide an updated certification.

(E)(i) Hybrid courses, also known as blended courses, are learning environments that allow both in-person and online (synchronous or asynchronous) interaction.

(ii) Hybrid courses meet class hour requirements if each of its sessions meet the requirement for the delivery method employed:

(a) In-person sessions meet subdivisions (a)(2) and (3) of this section;

(b) Synchronous course sessions meet subdivisions (a)(2) and (3) of this section; and

(c) Asynchronous course sessions must meet subdivisions (a)(2), (a)(3), and (a)(4)(D) of this section.

(5)(A) A list of approved education providers and courses is available on the board's website.

(B) If a course is taken that is not on that list, it may be submitted to the board for individual consideration by submitting the following:

(i) A course completion certificate;

(ii) A timed outline provided by the education provider; and

(iii) A course description from the education provider.

(6)(A) Education course approval by the board is initially granted for a period of two (2) years provided no substantive changes in course content is made.

(B) Approval may be extended by an additional two (2) years on the written request by the provider.

(C) Failure to timely request an extension will result in automatic termination of the education offerings approval status.

(7) A provider shall apply for course approval no later than forty-five (45) days prior to the date of expiration of the original course approval.

(8)(A) All persons or providers requesting approval from the board for an education course shall submit to the board office a completed Education Course Approval Application that is found on the board's website.

(B) The application must be accompanied by the following:

(i) A timed outline allocating each heading and subtopic;

(ii) A copy of the course materials;

(iii) Instructor resume or resumes;

(iv) All course delivery mechanism approval certificates, if applicable; and

(v) Applicable fees.

(9)(A) Upon approval, the board may assign the course a number.

(B) The course provider may use the course number in the:

(i) Course syllabus;

(ii) All course materials; and

(iii) All written advertising materials for the course.

(10) The board may at its discretion adopt and implement various procedures for the auditing of any offerings that have been accepted for qualifying and continuing education approval by the board.

(11) Substantial changes, such as a change in the agenda, published course description, or instructor made in any course shall require new approval of that course.

(12) **Examination proctor qualifications.**

(A) The proctor shall not be related to the student by blood or marriage and may not be engaged in any association (personal or business) with the student.

(B) The proctor may be selected from the following professions:

(i) A university, college, or community college professor or instructor; or

(ii) A public or private school professional (superintendent, principal, guidance counselor, librarian, etc.).

(C) Proctors shall be approved in advance by the board.

(13) **Examination proctor duties.**

(A)(i) The proctor shall be satisfied that the person taking the examination is the person registered for the course.

(ii) This should be verified with a picture ID and another identification document (driver's license, student ID card, etc.).

(B)(i) The proctor shall be in the room while the student is taking the exam.

(ii) The proctor shall ensure that the student does all the work himself or herself without aids of any kind including books, notes, conversation with others, or any other external resource.

(iii) If the exam calls for mathematical calculations, a nonprogrammable handheld calculator may be used.

(C)(i) The proctor shall see that the student adheres to the time limit requirement specified for the examination.

(ii) The examination must be completed in one (1) sitting.

(iii) If the examination is interrupted for any reason, the examination

can be restarted only by notifying the board that the examination was interrupted and the reason for the interruption, and the board or its designee must approve the request to resume.

(D) Upon completion of the examination, the proctor shall submit a certificate indicating the verification of the identity of the student, that the examination was completed on the date assigned during the time permitted, and that the student has done all the work himself or herself without aids of any kind including books, notes, conversation with others, or any other external resource while taking the examination, including access to internet search engines or web pages other than that displaying the examination.

(b) **Criteria specific to qualifying education.**

(1) **Qualifying education course requirements of education providers.**

(A) For purposes of this section, "course" means a course of instruction that meets the curriculum requirements of below and shall be at least seven (7) hours in length.

(B) Each course shall conform with the appropriate course curriculum prescribed by subdivision (b)(2) of this section.

(C)(i) An exit examination of a minimum of one hundred twenty-five (125) questions covering all topics in subdivision (b)(2) of this section is required at the end of the qualifying education program.

(ii) The questions shall be either multiple choice or true-false or a combination of multiple choice and true-false.

(iii) Open book examinations shall not be accepted.

(iv) No student shall be deemed to have successfully completed the program unless he or she has scored a minimum of seventy percent (70%) on the exit examination.

(D)(i) The board shall only grant approval for courses that are part of an overall qualifying education program for a home inspector registration.

(ii) An education provider must have a complete eighty-hour qualifying education program approved by the board.

(E)(i) In addition to the generic requirements described in subsection (a) of this section, distance education courses intended for use as qualifying education must include a written, closed-book final examination.

(ii) The examination must be proctored in person or remotely by a board-approved proctor.

(iii)*(a)* Biometric proctoring is acceptable.

(b) The term "written" as used in this subdivision (b)(1)(E) means an exam that might be written on paper or administered electronically on a computer workstation or device.

(iv) Oral exams are not acceptable.

(v) The testing must comply with the examination requirements of this section.

(F)(i) No approved education provider shall advertise that it is endorsed, recommended, or accredited by the board.

(ii) The education provider may indicate that the course of study has been approved by the board.

(G) Each education provider shall provide a prospective student, prior to enrollment, with information that specifies the course of study to be offered, the tuition, the provider's policy regarding refunds, any additional fee for supplies, materials, or books, and other matters that are material to the relationship between the provider and the student.

(H) Each education provider shall provide certificates of completion to all students who successfully complete board-approved courses.

(2) **Qualifying education course curriculum.**

(A) Qualifying education course work to obtain a registration as a home inspector shall consist of a minimum of sixty-four (64) hours of instruction and a minimum of sixteen (16) hours of field training.

(B) The content for qualifying education instruction courses shall not be repetitive and shall represent a progression of instruction in that the student's knowledge is increased in topics that include, but are not limited to:

(i) Exteriors: exterior study must contain the following, at a minimum:

(a) Identification and inspection of exposed foundations;

(b) Identification and inspection of siding and exterior wall covering material, flashing, and trim, including aluminum, brick, vinyl, steel, asphalt, hardboard, stucco, wood, and exterior insulation finish system;

(c) Identification and inspection of gutter and drainage control systems;

(d) Inspection of porches, steps, and railings, including the structural composition; and

(e) Identification and implications of vegetation, grading, and surface drainage, including retaining walls, walkways, and driveways leading to a dwelling entrance;

(ii) Interiors: interior study must contain the following, at a minimum:

(a) Identification and inspection of wall, ceiling, and floor defects;

(b) Identification and inspection of step, stair, and railing defects;

(c) Identification and inspection of countertop, cabinet, and island defects as they pertain to a kitchen or other type room;

(d) Identification and inspection of interior and exterior door defects;

(e) Identification and inspection of window defects and operation; and

(f) Identification and inspection of garage door defects, garage door opener defects, and garage structure defects, including fire safety and habitability;

(iii) Roofing: roofing study must contain the following, at a minimum:

(a) Identification of the types and styles of roofs;

(b) Identification and inspection of the roofing materials used, including asphalt, cedar shake, cedar shingle, tar, residential rolled roofing, clay or concrete tiles, slate, metal, and asbestos;

(c) Identification and inspection of skylights and flashing; and

(d) Identification of chimneys and other penetrations, including proper height and composition;

(iv) Plumbing: plumbing study must contain the following, at a minimum:

(a) Identification and description of the main distribution system, including all fixtures, faucets, and materials;

(b) Identification and description of all drain, waste, and vent systems, including all fixtures and materials;

(c) Identification and description of water heating systems;

(d) Identification and description of fuel distribution systems and materials;

(e) Description and identification of all drainage control devices, including sump pumps, ejector pumps, or other related piping; and

(f) Identification of water source and sewer distribution;

(v) Electrical: electrical study must contain the following, at a minimum:

(a) Identification and inspection of the main service, including the size, location, overcurrent protection such as a breaker or a fuse, service, entrance conductors, cables, and raceways;

(b) Identification and inspection of the branch distribution, including fuse boxes, breaker boxes, and subpanels;

(c) Identification and inspection of all overcurrent protection devices and wire type identification;

(d) Identification and inspection of installed lighting fixtures, switches, and receptacles; and

(e) Identification and inspection of safety devices, including ground fault circuit interrupters;

(vi) Heating, ventilation, and air conditioning (HVAC): HVAC study must include the following, at a minimum:

(a) Identification and inspection of the installed heating equipment, including gas forced air, fuel oil forced air, heat pumps, electric forced air, and hydronic heating equipment, as well as the distribution related to the various types;

(b) Identification and inspection of fuel sources and distribution;

(c) Identification and inspection of flue pipes and spent gas removal systems;

(d) Identification and inspection of all related safety devices; and

(e) Identification and inspection of installed cooling systems, including central and window mounted systems;

(vii) Structural: structural study must contain the following, at a minimum:

(a) Identification and inspection of all structural components, including floor and wall framing;

(b) Identification and inspection of all foundation support systems, including poured concrete, concrete block, brick, stone, and wood, and all related perimeter footing systems;

(c) Identification and inspection of water-related or seepage-related sources;

(d) Identification and inspection of flood control devices;

(e) Identification and inspection of roof structure and systems related to composition;

(f) Identification and inspection of under-roof and under-floor ventilation; and

(g) Identification and inspection of insulation and vapor protection systems;

(viii) Miscellaneous appliances: appliance study must contain the following, at a minimum:

(a) Identification of all fireplaces, solid fuel burning appliances, chimneys, and vents; and

(b) Identification and inspection of all major appliances, including

but not limited to range, stove, oven, refrigerator, window air conditioner, washer, dryer, trash compactor and garbage disposal, and other appliances that may be part of a transaction; and

(ix) Standards of practice: standards of practice study must contain the following, at a minimum:

(a) The full content of the current version of the American Society of Home Inspectors Standards of Practice;

(b) The current version of the American Society of Home Inspectors Code of Ethics;

(c) Required disclosures to a client;

(d) Required report content;

(e) Competent report writing; and

(f) Specific knowledge of business practices and standards of practice.

17 CAR § 200-508. Standards of practice, code of ethics, and inspection reports.

(a) Except where in conflict with Arkansas law or the rules of the State Board of Appraisers, Abstracters, and Home Inspectors, the board adopts the most current American Society of Home Inspectors Standards of Practice for all registered home inspectors.

(b) Except where in conflict with Arkansas law or the rules of the board, the board adopts the most current American Society of Home Inspectors Code of Ethics for all registered home inspectors.

(c) A copy of the Standards of Practice and the Code of Ethics is available on the board's website.

(d) **Home inspection reports.**

(1) **Identification.** All written or electronic home inspection reports presented to clients shall prominently contain:

(A) The printed name, signature, registration number and expiration date,

mailing address, and phone number of any person or persons properly registered who participated significantly in the performance of the home inspection;

(B) The date of the inspection;

(C) The full physical address of the inspected property; and

(D) The name of the client or intended user.

(2) **Content.**

(A) All written or electronic home inspection reports presented to clients shall, at a minimum, list each item required to be inspected by the Standards of Practice.

(B) Each item shall be displayed in the report in a manner which indicates that the item has or has not been inspected, along with any reason for not having been inspected.

(C) Any item listed in the report which is not required to be inspected by the Standards of Practice shall also be displayed in a manner which indicates that the item has or has not been inspected, or that the item is not present in the home.

(3) **Retention.** The home inspector shall retain an exact copy of all home inspection reports presented to clients for a period of at least five (5) years following the dates of the inspection.

(e) Violation of the Standards of Practice, Code of Ethics, or failure to include the required information in a home inspection report may result in disciplinary action by the board.

17 CAR § 200-509. Discipline: grounds, complaints, and adjudications.

(a) **Grounds for disciplinary action.** The State Board of Appraisers, Abstracters, and Home Inspectors may take appropriate disciplinary action for, but not limited to, the following:

(1) Any violation of the provisions of the Arkansas Home Inspectors Registration Act, Arkansas Code § 17-52-301 et seq., or this part;

(2) Falsifying any application for registration or otherwise providing false information to the board;

(3) Conviction of any felony listed under Arkansas Code § 17-3-102;

(4)(A) Any actions demonstrating untrustworthiness, incompetence, dishonesty, gross negligence, material misrepresentation, fraud, or unethical conduct in any dealings subject to the Arkansas Home Inspectors Registration Act or this part.

(B) Dishonest, unethical, or unprofessional conduct may include, but is not limited to, the following:

(i) The home inspector expresses an opinion not based on practical experience or education and honest conviction;

(ii) The home inspector fails to act in good faith in dealing with a client;

(iii)*(a)* The home inspector discloses any information concerning the results of a home inspection without the approval of the client, unless conditions that threaten health, safety, or welfare exist that require emergency action.

(b) If any dangerous situations exist, the home inspector is required to report those findings to the homeowner;

(iv) The home inspector accepts compensation from more than one (1) interested party for the same service without the consent of all interested parties;

(v) The home inspector offers or accepts commissions or allowances, directly or indirectly, from other parties dealing with a client while providing a home inspection;

(vi) The home inspector fails to promptly disclose in writing to a client any interest in a business or the subject property that may affect or have the potential to affect the client;

(vii) The home inspector allows an interest in any business to affect the quality of the results of a home inspection;

(viii) The home inspector fails to disclose in writing to the client prior to the home inspection any limitations or exclusions of systems or components being inspected;

(ix) The home inspector aids or assists another in the violation of the Arkansas Home Inspectors Registration Act or this part;

(x) The home inspector fails to satisfy a material term of a consent to administrative supervision order or consent order;

(xi) The home inspector aids, assists, or facilitates another to use or appropriate credentials or a license for the purpose of preparing a home inspection report knowing that person to be unlicensed; and

(xii) The home inspector advises a client as to whether the client should or should not engage in a real estate transaction or provides an opinion of value regarding the residential real property that is the subject of the home inspection;

(5) Adjudication of insanity;

(6) Use of advertising or solicitation that is false, misleading, or is otherwise deemed unprofessional by the board; or

(7) Habitual or excessive use of intoxicants or illegal drugs.

(b) **Complaints.**

(1) Complaints shall be filed within three (3) years from the date of the actions complained of.

(2)(A) For a complaint to be considered, the complainant shall file the complaint in writing.

(B) The written complaint shall specifically state the issues of the complaint and the date or dates on which the events causing or leading to the complaint occurred.

(3) The board may initiate its own complaint when sufficient documents and information are available on which to conclude that the Standards of Practice, Code of Ethics, the state law, or the board rules may have been violated.

(4)(A) The registered home inspector will be notified in writing of the complaint.

(B) A copy of the complaint and a request for a written response within thirty (30) days shall be furnished to the home inspector.

(C) Failure to respond within thirty (30) days of receipt of the complaint will be deemed unresponsive and the complaint will be further considered without the benefit of the home inspector's input.

(5)(A) The board's staff, legal representative, and board investigator (appointed board member or contracted investigator) will review the complaint and all corresponding documents and make recommendations to the board.

(B) Recommendations may include:

(i) Dismissal of complaint;

(ii) Informal proceedings, including, but not limited to, caution letters, corrective action agreements, or consent agreements; or

(iii) Disciplinary hearing.

(6) All work papers submitted to the board for action on complaints and disciplinary procedures shall not be deemed public records under the Freedom of Information Act of 1967, Arkansas Code § 25-19-101 et seq.

(c) **Hearings.**

(1)(A) Hearings to revoke or suspend a registration or to impose other disciplinary sanctions are adjudicative hearings.

(B) The board acts in a quasi-judicial capacity when it conducts an adjudicative hearing.

(2) All adjudicative hearings before the board are held under the Arkansas Administrative Procedure Act, Arkansas Code § 25-15-201 et seq.

17 CAR § 200-510. Fees.

(a)(1) **Types of fees.** The following fees shall be paid for preregistration applications and for the issuance of original and renewal registrations and for other purposes and activities of the State Board of Appraisers, Abstracters, and Home Inspectors:

(A) Initial registration fee, two hundred fifty dollars ($250);

(B) Registration renewal fee, two hundred fifty dollars ($250);

(C) Delinquent fee, fifty dollars ($50.00) (monthly);

(D) Initial education provider fee, two hundred dollars ($200);

(E) Education provider renewal fee, one hundred dollars ($100); and

(F) Additional course filing fee, twenty-five dollars ($25.00) per course.

(2) Pursuant to Arkansas Code § 17-52-316, registration fees may be reviewed and adjusted annually by the board as deemed necessary for its effective operation but shall in no way exceed three hundred dollars ($300) annually.

(b) **Payment of fees.**

(1) All fees may be paid either by cashier's check, money order, or personal check made payable to the State Board of Appraisers, Abstracters, and Home Inspectors or electronic payment through the board's electronic licensing platform.

(2)(A) All fees are nonrefundable except in special circumstances when a refund petition has been submitted to the board and the board consents to the request.

(B) No registration fee or any portion of a fee will be refunded should any registration be surrendered, suspended, or revoked during the term for which the registration is issued.

(c) **Delinquency provision (fees, continuing education, and certificate of insurance).** Registered home inspectors who fail to pay their annual renewal fees, meet the required continuing education on or before the renewal deadline, or fail to submit a current certificate of insurance shall be notified that their registration is expired.