

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 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 Inspectors 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 (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 director 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 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.