

RULES
OF
GEORGIA REAL ESTATE APPRAISERS BOARD

CHAPTER 539-1
SUBSTANTIVE REGULATIONS

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539-1-.15 Experience Requirements. Amended.

(1) All applicants for state licensed real property appraiser, state certified residential real property appraiser, or state certified general real property appraiser must have experience in real property appraisal activity as provided by 539-1-.16. Such experience must have been acquired prior to the filing of an application for state licensed real property appraiser, state certified residential real property appraiser, or state certified general real property appraiser. Real property appraisal activity (a) means both the act or process of valuation of real estate or real property and preparing an appraisal report and (b) includes fee and staff appraisals, ad valorem tax appraisals, review appraisals, appraisal analysis, highest and best use analysis, feasibility analysis/study, and market analysis/study. In order to count toward meeting the experience requirements for any classification, appraisal experience obtained after January 1, 1991, must be real property appraisal activity conducted in compliance with the Standards for Appraisals in Chapter 539-3 and experience must have been obtained while classified as an appraiser in this or another state .

(2) Applicants may not count work in the following areas toward meeting the requirement for at least two years of experience:

(a) market value estimates as a real estate licensee in connection with the listing and/or sale of real estate;

(b) mass appraisals of real estate for ad valorem tax purposes (credit will be given for appraisals of individual parcels for such purposes);

(c) appraisals of businesses;

(d) appraisals of personal property; or

(e) a feasibility or market analysis except to the extent that the applicant estimated the market value or the market rent of a proposed real estate project.

(3) Reserved.

(4) Each applicant shall verify his or her experience by executing an affidavit in language and on forms as prescribed by the Board.

(5) The Board may require an applicant to document experience by producing appraisal reports [if release of such report(s) is (are) approved by the applicant's client(s)], and file memoranda. Appraisal reports or file memoranda claimed as evidence to meet experience requirements should at a minimum contain the following:

(a) identification and description of the property being appraised;

(b) identification of the real property interest being appraised;

(c) statement of the purpose of the appraisal;

(d) definition of the value to be estimated;

(e) effective date of the appraisal and date of the report;

(f) description of the process of data collection, confirmation, and reporting;

(g) assumptions and limiting conditions;

h) description of the information considered, appraisal procedures followed and the reasoning supporting the analysis, opinions, and conclusions;

(i) the appraiser's opinion of highest and best use;

- (j) explanation of the exclusion of any usual valuation approaches;
 - (k) explanation of any departures from common standards of appraisal practice in effect at the time of the appraisal; and
 - (l) signed certification.
- (6) The Board, at its option, may elect to accept documentation of experience other than that cited in paragraph (5) above including, but not limited to, the following:
- (a) submission of a detailed log of appraisal activity;
 - (b) employer affidavits or interviews;
 - (c) client affidavits or interviews; and
 - (d) submission of business records.

Authority O.C.G.A. §§43-39A-3, 43-39A-10, & 43-39A-13.

539-1-16 Appraiser Classifications and Their Education, Examination, and Experience Requirements. Amended.

- (1) A state registered real property appraiser may perform appraisals on any type of property except when the purpose of the appraisal is for use in a federally related transaction. In order to qualify as a state registered real property appraiser, an applicant must:
- (a) have attained the age of 18 years old;
 - (b) be a resident of the state of Georgia, unless that applicant has fully complied with the provisions of Code Section 43-39A-9;
 - (c) be a high school graduate or the holder of a general educational developmental equivalency diploma; and
 - (d) furnish evidence of having successfully completed at least 90 credit hours of study in a Board approved course or courses consistent with the

provisions of 539-2-.03(2) which includes at least 15 credit hours covering the Uniform Standards of Professional Appraisal Practice.

(2) A state licensed real property appraiser (a) may engage in any appraisal activity permitted a state registered real property appraiser; (b) may appraise properties in federally related transactions of non-complex one to four residential units having a transaction value less than \$1,000,000; (c) may appraise any other real estate having a transaction value less than \$250,000; and (d) such other appraisals in federally related transactions as may be approved by the federal financial institutions regulatory agencies. In federally related transactions, a state licensed real property appraiser may not appraise real estate wherein a development analysis/appraisal is necessary and utilized. In order to qualify as a state licensed real property appraiser, an applicant must:

a) have attained the age of 18 years old;

(b) be a resident of the state of Georgia, unless the applicant has fully complied with the provisions of Code Section 43-39A-9;

(c) be a high school graduate or the holder of a general educational developmental equivalency diploma;

(d) furnish evidence of having successfully completed at least 150 credit hours in a Board approved course or courses of study consistent with the provisions of 539-2-.03(2) which includes at least 15 credit hours covering the Uniform Standards of Professional Appraisal Practice;

(e) upon the filing of an application for examination, provide documentation on forms prescribed by the Board of at least 2,000 hours of experience, gained over a period of at least 12 months, in real estate appraisal activity . Such documentation must include for each appraisal report the type of property, the date of the report, the address of the property, a description of the work performed, and the number of work hours; and

(f) after meeting the requirements of subparagraphs (a) through (e) of this paragraph, take and pass an examination approved by the Board covering generally the matters confronting state licensed real property appraisers.

(3) A state certified residential real property appraiser (a) may perform appraisals on any property which a state registered real property appraiser or state licensed real property appraiser may appraise; (b) may appraise one

to four residential units without regard to transaction value or complexity; and (c) such other appraisals in federally related transactions as may from time to time be approved by the federal financial institutions regulatory agencies. In federally related transactions, a state certified residential real property appraiser may not appraise real estate wherein a development analysis/appraisal is necessary and utilized. In order to qualify as a state certified residential real property appraiser, an applicant must:

(a) have attained the age of 18 years old;

(b) be a resident of the state of Georgia, unless that applicant has fully complied with the provisions of O.C.G.A. Section 43-39A-9;

(c) hold an Associate degree or higher from a college or university accredited by one of the regional accrediting associations recognized by the United States Department of Education or provide college transcripts documenting successful completion of college-level courses of three semester hours or five quarter hours each in English composition, economics, finance, higher mathematics, statistics, basic computer applications, and business or real estate law);

(d) furnish evidence of having successfully completed at least 200 credit hours in a Board approved course or courses of study consistent with the provisions of 539-2-.03(2) which includes at least 15 credit hours covering the Uniform Standards of Professional Appraisal Practice;

(e) upon the filing of an application for examination, provide documentation on forms described by the Board of at least 2,500 hours of experience, gained continuously over a period of at least 24 months, in real estate appraisal activity of which at least twenty-five percent must be in complex one to four unit residential appraisal work. Such documentation must include for each appraisal report the type of property, the date of the report, the address of the property, a description of the work performed, and the number of work hours; and

(f) after meeting the requirements of subparagraphs (a) through (e) of this paragraph, take and pass an examination approved by the Board covering generally the matters confronting state certified residential real property appraisers.

(4) A state certified general real property appraiser may appraise any type of property for any purpose. In order to qualify as a state certified general real property appraiser, an applicant must:

(a) have attained the age of 18 years old;

(b) be a resident of the state of Georgia, unless that applicant has fully complied with the provisions of Code Section 43-39A-9;

(c) hold a bachelor's degree or higher from a college or university accredited by one of the regional accrediting associations recognized by the United States Department of Education or provide college transcripts documenting successful completion of college-level courses of three semester hours or five quarter hours each in English composition, micro economics, macro economics, finance, higher mathematics, statistics, basic computer applications, business or real estate law, and two courses in accounting, geography, economics, business management, or real estate.);

(d) furnish evidence of having successfully completed at least 300 credit hours in a Board approved course or courses consistent with the provisions of 539-2-.03(2) which includes at least 15 credit hours covering the Uniform Standards of Professional Appraisal Practice;

(e) upon the filing of an application for examination, provide documentation on forms prescribed by the Board of at least 3,000 hours of experience, gained continuously over a period of at least 30 months, in real estate appraisal activity of which at least fifty percent must be in non-residential appraisal work. Such documentation must include for each appraisal report the type of property, the date of the report, the address of the property, a description of the work performed, and the number of work hours; and

(f) after meeting the requirements of subparagraphs (a) through (e) of this paragraph, take and pass an examination approved by the Board covering generally the matters confronting state certified general real property appraisers.

(5) Exceptions. Any appraiser who holds an active classification as an appraiser in Georgia on June 30, 2005, and who seeks a different classification shall have until December 31, 2007, to meet the requirements for that classification that were in effect on June 30, 2005. All other Applicants for an appraiser classification after June 30, 2005, must meet the requirements in effect July 1, 2005.

(6) Reserved

(7) Every appraiser with an active classification must complete fourteen

classroom hours of continuing education instruction for each year of the appraiser's renewal period. In every two consecutive renewal periods, every appraiser with an active classification must successfully complete a Board approved course in the Uniform Standards of Professional Appraisal Practice of at least seven hours.

(8) No hours of credit shall be awarded for any education course which an applicant or appraiser completes solely by taking and passing an examination.

(9) State registered real property appraisers classified after March 1, 2004, shall be given credit for their first one thousand hours of appraisal experience only if it is earned in appraisal assignments performed under the direct supervision of a supervising appraiser.

(a) For the purpose of this rule, "supervising appraiser" means a state certified general real property appraiser, a state certified residential real property appraiser, or a state licensed real property appraiser provided that the state licensed real property appraiser has accumulated at least the qualifying appraisal experience defined in paragraph (3)(e) of this rule.

(b) In order for the experience to qualify for credit, the supervising appraiser supervising such state registered real property appraiser shall for each appraisal:

1. accept responsibility for supervising the state registered real property appraiser by signing the appraisal report and certifying that it complies with generally accepted appraisal procedures and is in compliance with the standards required by the federal financial institutions regulatory agency that regulates the financial transaction for which the appraisal assignment was undertaken;

2. review the report before signing it; and

3. personally inspect along with the state registered real property appraiser each property appraised until such time as the supervising appraiser determines that the state registered real property appraiser is competent in inspecting properties. The Board will deem a registered appraiser to have demonstrated competence in inspecting residential properties after having performed at least twenty inspections of one to four family residential properties in the presence of a supervising appraiser while performing an appraisal assignment.

(c) The supervising appraiser and the supervised state registered real property appraiser shall jointly maintain an appraisal log that shall include at least the following information for each appraisal performed:

1. the address of the property appraised;
2. the type of property appraised;
3. the date of the value estimate;
4. a notation of whether the supervising appraiser inspected the property along with the state registered real property appraiser;
5. a description of the work performed by the state registered real property appraiser and the scope of the review and supervision of the supervising appraiser;
6. the actual number of hours worked on the assignment by the state registered real property appraiser; and
7. the signature and state classification number of each appraiser.

(d) The supervising appraiser and the state registered real property appraiser must each comply with the requirements of 43-39A-18(b)(12) to retain for a period of five years the original or a true copy of each appraisal report prepared or signed by each appraiser and all supporting data assembled and formulated by the appraisers in preparing each such appraisal report.

(e) A state registered real property appraiser may work with more than one supervising appraiser.

(f) At the time of supervising a state registered real property appraiser, the supervising appraiser must be in good standing and must not have received a suspension or revocation of an appraisal classification within the last five years.

(g) Experience credit shall be given only for experience earned while the applicant has a classification in this or another state.

RULES
OF
GEORGIA REAL ESTATE APPRAISERS BOARD

CHAPTER 539-2
STANDARDS FOR APPRAISAL COURSES

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539-2-.01 College and Equivalent Courses. Amended.

539-2-.03 Courses. Amended.

539-2-.01 College and Equivalent Courses. Amended.

1) An applicant for state licensed real property appraiser who has successfully completed any course or courses of at least one hundred fifty (150) credit hours of prelicense appraiser education which was approved by another appraiser licensing and certification agency in any state, district, territory, possession, or province of the United States or Canada may submit with the applicant's application for examination evidence of that completion from such agency in order to meet the education requirement to sit for a licensing examination and to apply for state licensed real property appraiser.

An applicant for a state certified residential real property appraiser who has successfully completed any course or courses of at least two hundred (200) credit hours of prelicense appraiser education which was approved by another licensing and certification agency in any state, district, territory, possession, or province of the United States or Canada may submit with the applicant's application for examination evidence of that completion from such agency in order to meet the education requirement to sit for a certification examination and to apply for state certified residential real property appraiser. An applicant for state certified general real property appraiser who has successfully completed any course or courses of at least three hundred (300) credit hours of prelicense appraiser education approved by another appraiser licensing and certification agency in any state, district, territory, possession, or province of the United States or Canada may submit

with the applicant's application for examination evidence of that completion from such agency in order to meet the education requirement to sit for the certification examination and to apply for state certified general real property appraiser.

(1.1) An applicant who has taken a college course, the content of which is demonstrated to the satisfaction of the Board to include subject matters authorized by Code Section 43-39A-8(d) and enumerated in Chapter 539-2 of the Rules, may count such college course toward meeting the education requirements for state licensed real property appraiser, state certified residential real property appraiser, or state certified general real property appraiser at a rate of 8 classroom hours per quarter hour or 13.3 classroom hours per semester hour of credit earned.

(2) The Board shall deem the education requirements for an appraiser classification as met by any applicant who submits satisfactory written proof that he or she has taught any of the equivalent courses approved under this Rule or any courses approved under Rule 539-2-.03 provided such course or courses total at least the number of hours the applicant is required to complete for the appraiser classification for which the applicant is applying.

(3) In order to be accepted by the Board as approved to meet educational requirements for classification or for continuing education, courses approved by licensing agencies in other states, districts, territories, possessions, or provinces of the United States or Canada must be courses offered through classroom instruction or through computer-based instruction that is consistent with the standards of Rule 539-2-.14 of these regulations.

Authority O.C.G.A. §§43-39A-3, 43-39A-8, 43-39A-9, 43-39A-11, 43-39A-13, 43-39A-18, & 43-39A-22.

539-2-.03 Courses. Amended.

(1) The Board intends that all approved courses be educational in nature. Schools should not specifically orient approved courses to the passing of state examinations or other examinations. The courses should introduce students to the language of the profession and basic theory underlying the duties and responsibilities of a real estate appraiser. Approved courses

shall require practice in the skills being taught and provide a significant number of exercises for practice of those skills. All courses should make students aware of the need for further study and the perfection of practical skills.

(2) The curriculum of courses approved under this Rule should include at a minimum the following:

(a) for courses approved to meet the education requirement for state registered real property appraiser:

1. 30 hours in Basic Appraisal Principles covering topics such as real property concepts and characteristics, legal considerations, influences on real estate values, types of value, economic principles, an overview of real estate markets and analysis, and ethics and how they apply in appraisal theory and practice;

2. 30 hours in Basic Appraisal Procedures covering topics such as an overview of approaches to value, valuation procedures, property description, and residential applications;

3. 15 hours in Residential Report Writing and Case Studies covering topics such as writing and reasoning skills, common writing problems, form reports, report options, USPAP compliance, and case studies or 15 hours in General Appraisal Report Writing and Case Studies covering topics such as writing and reasoning skills, common writing problems, and report options;

4. 15 hours in the Uniform Standards of Professional Appraisal Practice and the provisions of the Appraisal Act and its Rules and Regulations; and

5. such other subject matter as the Board may require or approve.

(b) for courses approved to meet the education requirement for state licensed real property appraiser:

1. 30 hours in Basic Appraisal Principles covering topics such as real property concepts and characteristics, legal considerations, influences on real estate values, types of value, economic principles, an overview of real estate markets and analysis, and ethics and how they apply in appraisal theory and practice;

2. 30 hours in Basic Appraisal Procedures covering topics such as an

overview of approaches to value, valuation procedures, property description, and residential applications;

3. 15 hours in Residential Market Analysis And Highest And Best Use covering topics such as market fundamentals and characteristics, supply analysis, demand analysis, use of market analysis, and the application of highest and best use;

4. 15 hours in Residential Appraisal Site Valuation And Cost Approach covering topics such as site valuation methods, cost approach concepts and definitions, replacement/reproduction cost new, and methods of estimating accrued depreciation;

5. 30 hours in Residential Sales Comparison And Income Approaches covering topics such as sales comparison valuation principles & procedures, income valuation principles & procedures, finance and cash equivalency, financial calculators, derivation and measurement of adjustments, gross rent multipliers, partial interests, and reconciliation;

6. 15 hours in Residential Report Writing and Case Studies covering topics such as writing and reasoning skills, common writing problems, form reports, report options, USPAP compliance, and case studies;

7. 15 hours in the Uniform Standards of Professional Appraisal Practice and the provisions of the Appraisal Act and its Rules and Regulations; and

8. such other subject matter as the Board may require or approve.

(c) for courses approved to meet the education requirement for state certified residential real property appraiser:

1. 30 hours in Basic Appraisal Principles covering topics such as real property concepts and characteristics, legal considerations, influences on real estate values, types of value, economic principles, an overview of real estate markets and analysis, and ethics and how they apply in appraisal theory and practice;

2. 30 hours in Basic Appraisal Procedures covering topics such as an overview of approaches to value, valuation procedures, property description, and residential applications;

3. 15 hours in Residential Market Analysis And Highest And Best Use covering topics such as market fundamentals and characteristics, supply

analysis, demand analysis, use of market analysis, and the application of highest and best use;

4. 15 hours in Residential Appraisal Site Valuation And Cost Approach covering topics such as site valuation methods, cost approach concepts and definitions, replacement/reproduction cost new, and methods of estimating accrued depreciation;

5. 30 hours in Residential Sales Comparison And Income Approaches covering topics such as sales comparison valuation principles & procedures, income valuation principles & procedures, finance and cash equivalency, financial calculators, derivation and measurement of adjustments, gross rent multipliers, partial interests, and reconciliation;

6. 15 hours in Residential Report Writing and Case Studies covering topics such as writing and reasoning skills, common writing problems, form reports, report options and USPAP compliance, and case studies;

7. 15 hours in Statistics, Modeling And Finance covering topics such as statistics, valuation, models, and real estate finance;

8. 15 hours in Advanced Residential Applications And Case Studies covering topics such as complex property, ownership and market conditions, deriving and supporting adjustments, residential market analysis, and advanced case studies;

9. 20 hours of additional courses in appraisal subject matter;

10. 15 hours in the Uniform Standards of Professional Appraisal Practice and the provisions of the Appraisal Act and its Rules and Regulations; and

11. such other subject matter as the Board may require or approve.

(d) for courses approved to meet the education requirement for state certified general real property appraiser:

1. 30 hours in Basic Appraisal Principles covering topics such as real property concepts and characteristics, legal considerations, influences on real estate values, types of value, economic principles, an overview of real estate markets and analysis, and ethics and how they apply in appraisal theory and practice;

2. 30 hours in Basic Appraisal Procedures covering topics such as an overview of approaches to value, valuation procedures, property description, and residential applications;

3. 30 hours in General Appraisal Market Analysis And Highest And Best Use covering topics such as market fundamentals and characteristics, supply analysis, demand analysis, use of market analysis, and the application of highest and best use;

4. 30 hours in General Appraisal Site Valuation And Cost Approach covering topics such as site valuation methods, cost approach concepts and definitions, replacement/reproduction cost new, and methods of estimating accrued depreciation;

5. 30 hours in General Appraisal Sales Comparison Approach covering topics such as sales comparison valuation principles & procedures, derivation and measurement of adjustments, and reconciliation;

6. 60 hours in General Appraisal Income Approach covering topics such as compound interest, lease analysis, income analysis, vacancy and collection loss, estimating operating expenses and reserves, reconstructed income and expense statement, stabilized net operating income estimate, direct capitalization, discounted cash flow, yield capitalization, and partial interests;

7. 30 hours in General Appraisal Report Writing and Case Studies covering topics such as writing and reasoning skills, common writing problems, and report options;

8. 15 hours in Statistics, Modeling And Finance statistics, valuation, and models;

9. 30 hours of additional courses in appraisal subject matter

10. 15 hours in the Uniform Standards of Professional Appraisal Practice and the Appraisal Act and its Rules and Regulations; and

11. such other subject matter as the Board may require or approve.

(3) Course fees, entrance standards, and standards for successful completion shall not be based on the student's race, color, sex, religion, national origin, familial status, or handicap.

(4) An instruction hour is at least fifty minutes of each sixty minute

segment. The Board will grant credit toward a classroom hour requirement for preclassification education only if the course offering is at least fifteen hours in length and the applicant successfully completes an examination pertinent to the course. The Board will grant credit toward a classroom hour for continuing education only if the course offering is at least two hours in length. Unless it has prior approval of the Board, no school may schedule a student for more than seven and one-half (7½) hours per day of classroom instruction and testing. The school shall hold all classroom instruction between the hours of 8:00 a.m. and 10:00 p.m. with breaks totaling at least fifteen minutes every two hours. The schedule shall allow reasonable time for preparation for each classroom session.

(5) The school coordinator/director shall notify the Board when any individual class has fewer than six (6) or more than forty (40) students. The coordinator/director shall give this notice to the Board within twenty-four hours after the first session of the class.

(6) Each course shall begin and end with the playing of any audio or video tape message the Board may require.

(7) For all courses schools shall include with each instructional unit appropriate reading assignments for completion out of class. The school shall also require that students complete out of class extensive written exercises which the Board approves. Each written assignment a student submits for grading shall include the following:

I certify that I have personally completed this assignment.

(DATE)

(STUDENT'S SIGNATURE)

The school shall refuse to grade any written assignment on which the student does not sign this statement.

(8) Schools may offer units of instruction on subjects other than those required by the Board only with prior written approval from the Board.

(9) While instructors may use such teaching methods as lecture, discussion, questions and answers, etc. in in-class sessions, instruction should also include role play, simulations, or other similar instructional techniques designed to assist students in mastering the skills required to act as a real estate appraiser.

(10) The school coordinator/director shall be responsible for consistent and

regular evaluation of the school's instructors. The coordinator/director shall provide each student with an opportunity to make unsigned, written evaluations of instructors. Schools shall maintain summaries of these evaluation forms for a period of five years or until the instructor is no longer used by the school, whichever is earlier.

Authority O.C.G.A. §§43-39A-3, 43-39A-8, 43-39A-9, 43-39A-11, 43-39A-13, 43-39A-18, & 43-39A-22.