ARKANSAS REGISTER



Proposed Rule Cover Sheet

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Name of Department Arkansas Department of Labor and Licensing

Agency or Division Name St Bd of Appraisers, Abstracters and Home Inspectors

Other Subdivision or Department, If Applicable

Previous Agency Name, If Applicable Appraiser Lic & Cert Bd, Abstracter's Board, Home Inspectors Reg Bd

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Notice of Rulemaking

Pursuant to Arkansas Code Annotated § 25-15-201 et seq. notice is hereby given that the Department of Labor and Licensing State Board of Appraisers, Abstracters, and Home Inspectors is considering changes to its rules. Act 628 of 2023 combined the Appraiser Licensing and Certification Board, the Abstracters' Board, and the Home Inspector Registration Board into one board under the title of the State Board of Appraisers, Abstracters, and Home Inspectors. To efficiently combine the rules of all three divisions and minimize duplication of rules for each division, the rules for each division in effect prior to Act 628 of 2023 are being repealed and replaced entirely by a five (5) chapter volume of rules. A detailed summary of the new rules is available on the Department's website.

Written comment will be accepted from Friday, May 17, 2024 through Monday, June 17, 2024 by the State Board of Appraisers, Abstracters, and Home Inspectors. Comments may be mailed to the Board's Office at 900 West Capitol Avenue, Suite 400, Little Rock, AR 72201, or emailed to diana.piechocki@arkansas.gov. If you would like to make oral public comments, please call our office at (501) 683-3775. A copy of the proposed rules can be accessed on the Arkansas Department of Labor and Licensing's website at: https://www.labor.arkansas.gov/licensing.

Act 628 of 2023 combined the Appraiser Licensing and Certification Board, the Abstracters' Board, and the Home Inspector Registration Board into one board under the title of the State Board of Appraisers, Abstracters, and Home Inspectors. To efficiently combine the rules of all three divisions and minimize duplication of rules for each division, the rules for each division in effect prior to Act 628 of 2023 are being repealed and replaced entirely by a five (5) chapter volume of rules. The chapters are as follows: (1) General Applicability, (2) Appraisers, (3) Appraisal Management Companies, (4) Abstracters, and (5) Home Inspectors. These proposed rules are in the best interest of the public who utilize the services of licensed professionals, as well as the licensees. Although many of the rules previously in effect for each division are contained in the new rules, below are summaries for each chapter of the significant changes that were made while combining the entities' rules into one cohesive document. The changes are consistent with statutory changes, professional development and the safety, health, and welfare of the public.

Chapter 1 – General Applicability

This chapter is designed to cover rules that are applicable to all three divisions of the combined board. Originally, each board had a variation of the rules contained in this chapter. This chapter places all information relevant to all licensees of all three divisions and the general public into one location. This chapter covers the general workings of the Board, licensure information for uniformed services members and their spouses, and general information regarding criminal background checks. The intent of this chapter is to have information easily accessible and not to repeated throughout the separate chapters for each division.

Chapter 2 – Appraisers

This chapter covers the rules governing all levels of appraisers. The following is a summary of the changes that were made from the Appraiser Licensing & Certification Board rules that were in effect prior to Act 628 of 2023:

- Definitions were removed from the rules that are already contained in the governing statutes.
- Repetitive language was removed or placed at the beginning of a rule in order to be applicable to every subsection of the rule without repeating the same language.
- Language was removed concerning criminal background checks that was either outdated or not a necessary step in the review of a criminal background check for licensure purposes.
- Grounds for disciplinary action were updated to accurately list statutory guidelines.
- General qualifications for licensure were updated to accurately state limitations concerning criminal convictions.

- Removed the percentage of work that could be completed without a traditional client for supervision hours and now allow for any percentage of work to be completed without a traditional client to mirror the federal guidelines.
- Explicitly stated that all experience must be USPAP compliant.
- Updated the value amount for transactions completed by a State Licensed Appraiser to mirror the federal guidelines.
- Added additional language to clarify that a State Registered license cannot be upgraded.
- Revised licensure by Reciprocity to ensure the least restrictive process for non-residents to be licensed and ensure that non-residents maintain the same general requirements for renewal as resident licensees.
- Removed unnecessary fees.

Chapter 3 – Appraisal Management Companies

This chapter covers the rules governing appraisal management companies. The following is a summary of the changes that were made from the Appraiser Licensing & Certification Board rules that were in effect prior to Act 628 of 2023:

- Clarified requirements for registration of foreign management companies to align with statutory requirements.
- Removed language throughout that is already contained in the governing statutes.
- Included language regarding the failure of an audit could result in disciplinary action.
- Updated complaint rules to clarify the complaint process.
- Clarified the language concerning disqualifying criminal offenses.

Chapter 4 – Abstracters

This chapter covers the rules governing abstracters. The following is a summary of the changes that were made from the Abstracter's Board rules that were in effect prior to Act 628 of 2023:

- Definitions were removed from the rules that are already contained in the governing statutes.
- Revised examination criteria to include the subjects to be covered, the percentage required for passage, and the number of attempts at passing the examination prior to a need for new application.
- Updated information regarding renewals to include electronic renewals, failure to renew notifications, and late renewals. Requirement to retake the licensure examination for failure to renewal within thirty days was removed.
- Clarified when a temporary certification of registration may be issued.
- Updated reciprocity requirements by removing requirement for letters of recommendation.

- Removed professional development requirements since they are not required by statute.
- Revised the fee schedule for clarification.

Chapter 5 – Home Inspectors

This chapter covers the rules governing home inspectors. The following is a summary of the changes that were made from the Home Inspector Registration Board rules that were in effect prior to Act 628 of 2023:

- Definitions were removed from the rules that are already contained in the governing statutes.
- Revised the fee schedule to clarify required fees for licensees and to ensure that licensees are aware that failure to pay fees would result in an expired license.
- Revised registration requirements including clarification of the effective date of initial license.
- Changed the term “pre-registration education” to “qualifying education” to be consistent with all other divisions under the combined board.
- Increased the period to complete qualifying education.
- Set a five-year period of validity for examination scores.
- Clarified the necessary requirements regarding liability insurance.
- Add automatic licensure under Act 457 of 2023.
- Revised requirements for reciprocity to ensure least restrictive process for non-residents to become licensed.
- Clarified renewal requirements and consequences of late renewals.
- Updated general requirements for both qualifying education and continuing education including the acceptance of all methods of education.
- Revised required continuing education courses to be met for each renewal period, now requiring completion of eight hours of mandatory courses per renewal period instead of requiring certain courses be completed within sixty months.
- Increased length of time licensees should maintain continuing education certificates for auditing purposes and clarified the waiver process for continuing education requirements.
- Revised information required to be submitted to the Board by education providers and required information provided to students.
- Updated qualifying education requirements to ensure practical, hands-on training is being completed during the required eighty hours of education in lieu of an apprenticeship or supervisory requirement.
- Clarified the requirement of exit examinations upon completion of coursework.
- Revised the coursework topics necessary for the eighty hours of education required for licensure.

Rule Summary

- Adopted the ASHI Standards of Practice and Code of Ethics which conforms with the examination.
- Revised requirements of information required to be on all home inspection reports to ensure clarity for the public when reviewing the report.
- Revised grounds for disciplinary action including more detailed explanation of dishonest/unethical/unprofessional conduct.
- Clarified the complaint process including limiting the filing of a complaint to three years from date of report.

State of Arkansas

Department of Labor and Licensing Rules implementing the

Arkansas Appraiser Licensing and Certification Act, The Appraisal Management Company Registration Act, the Abstracters' Licensing Law of 1969, and the Arkansas Home Inspector Registration Act

Effective Date: [upon approval by the Arkansas Legislative Council]

Markup Copy

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Chapter 1 General Applicability

Rule 1 General Provisions

(a) Purpose – These Rules of the Arkansas State Board of Appraisers, Abstracters, and Home Inspectors are set forth for the purpose of interpreting and implementing the Arkansas Appraiser Licensing and Certification Act, Appraisal Management Company Registration Act, Abstracters' Licensing Law of 1969, and Arkansas Home Inspectors Registration Act, Arkansas Code Annotated §17-14-101, §17-11-101, and §17-52-301 *et seq*. These acts establish the board and grant it full responsibility for licensure of appraisers, abstracters, and home inspectors. They also provide for the regulation of the appraisal practice, the business of abstracting, and the practice of home inspection.

(b) Citation – These rules shall be known and may be cited as the Arkansas State Board of Appraisers, Abstracters, and Home Inspectors Rules.

(c) Severability – If any provision of these rules or the application thereof to any person or circumstance is invalid, such invalidity shall not affect other provisions or applications of these rules; they can be given effect without the invalid provision or application. To this end, the provisions of these rules are declared to be severable.

(d) Defined Terms – 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, Arkansas Code Annotated §17-14-101, §17-14-401, §17-11-101, and §17-52-301 *et seq*., shall have the same meanings when used in these rules, unless the context or subject matter clearly requires a different interpretation. Further terms may be defined in subsequent chapters of these rules.

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

Rule 2 Board Meetings, Operation, and Compensation

(a) Board Meetings

(1) The board meets at least twice each calendar year to examine applicants for licensure, hear complaints, and transact other business that comes before it. 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 Arkansas Freedom of Information Act, Arkansas Code Annotated §25-19-101 *et seq.*

(b) Board Operations

(1) Board officers shall be Chairman, Vice Chairman and Treasurer. 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 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 Arkansas Freedom of Information Act, Arkansas Code Annotated §25-19-101 *et seq.*

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

(E) 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, §17-14-101

et seq., §17- 14-201 et seq., and §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, shall submit this roster at least monthly to the Appraisal Subcommittee. This roster may be published and periodically updated and provided to all interested parties at cost.

(5) Board compensation and expense reimbursement – Each member of the board shall receive a per diem pursuant to Arkansas Code Annotated §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. Appropriate expenses are the reimbursable expenses a member of the board necessarily incurs in the discharge of the board member's official duties. Request for compensation and reimbursement of appropriate expenses shall not be processed for payment unless sufficient funds are available for that purpose within the appropriates for this board.

Rule 3 General Licensure Information

(a) All individuals licensed, registered, or certified by the board 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. The license, 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. 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) Pursuant to Arkansas Code Annotated §17-5-101*et seq.*, an applicant may receive a waiver of his or her initial licensure fee, if eligible. Eligible applicants are applicants who:

(A) 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;

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

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

(2) Applicants shall provide documentation showing his or her receipt of benefits from the appropriate State Agency as follows:

(A) For those applicants receiving assistance under section (1)(A) above, documentation from the Arkansas Department of Human Services;

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

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

(3) 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 section (1) above and may be required by the board to submit documentation for verification purposes. Applicants shall also attest that any documentation provided under section (2) above 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 Annotated §17-3-102(a) or (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, § 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 A.C.A. § 17-3-102(a) or (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 Administrative Procedures Act.

(e) Pre-licensure Criminal Background Check

(1) Pursuant to Arkansas Code Annotated §17-3-103, an individual may petition for a pre-licensure 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 pre-licensure 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(s) 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 pre-licensure 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

(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 U.S. 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 (1) (A) or (B) above;

(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) A completed written "Uniformed Service Member Application" form. 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 Section (1) above.

(3) The expiration date of a license for a deployed uniform service member or spouse will be extended for one hundred and 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 and 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 Section (1) above.

(g) Application Denial – 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. The board shall afford the applicant an opportunity for a hearing before the board to show cause why the application should not be denied. 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. All proceedings concerning the denial shall be governed by the Arkansas Administrative Procedures Act. The applicant has the burden of establishing entitlement to the license.

Rule 4 Declaratory Orders

(a) 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 board has authority. 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. 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 a board. 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(s), agency rule(s), or agency order(s) 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.

(8) Request for a hearing, if desired.

(c) The board may hold a hearing to consider a petition for declaratory order. If a hearing is held, it shall be conducted in accordance with Arkansas Code Annotated §25-15-208 and §25-15-213, and the board's rules for adjudicatory hearings.

(d) 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. 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.

Chapter 2 – Appraisers

Rule 1 Purpose

The board's purpose in promulgating this Chapter is to implement the provisions of the Arkansas Appraiser Licensing and Certification Act, § 17-14-101 *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.*

Rule 2 Definitions

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

(a) "AQB" means Appraiser Qualification Board.

(b) "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.

(c) "PAREA" means practical applications of real estate appraisal.

(d) "Residential" means composed of one-to-four residential units.

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

(1) Formally agrees to supervise the work of a specific registered apprentice appraiser.

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

(3) Has successfully completed the four-hour supervisor/trainee course offered by the Arkansas State Board of Appraisers, Abstracters, and Home Inspectors or other approved education provider.

(4) Refer to Rule 9 of this Chapter for additional qualifications.

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

(1) For loans or other extensions of credit, the amount of the loan or extension of credit.

(2) For sales, leases, purchases, and investments in or exchanges of real property, the market value of the real property interest involved.

(3) 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

(4) For condemnation appraisals, the value will be the total market value of the property before any acquisition of property occurs.

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

Rule 3 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) Existing credential holders (except for Registered Apprentice and State Registered appraisers) in good standing in any jurisdiction shall be considered in compliance with current AQB *Real Property Appraiser Qualifications Criteria* if they have passed an AQB approved qualifying examination for that credential.

(A) This applies to reciprocity, temporary practice, renewals, and applications for the same credential (except for Registered Apprentice and State Registered appraisers) in another jurisdiction.

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

(3) The board adopts the 2024 USPAP as published and amended by the Appraisal Foundation. This adoption shall include all parts of USPAP including the introductory sections for the purpose of judging those applicants, registrant, 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, 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) Federally related transactions. 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) Non-federally related transactions. 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).

Rule 4 General licensure and certification information

(a) Licensure and Certification – If upon passing the required appropriate examination, an applicant is found by the board 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 and seal

(1) Each registered, licensed, and certified appraiser, at his or her own expense, shall secure, upon authorization by the board, a seal, or rubber stamp, the form of which shall be approved by the board.

(2) In addition to the personal seal or rubber stamp, 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 state seal and in addition shall contain other matters as shall be prescribed by the board.

(4) Registrations, licenses, and certificate documents, pocket cards, and seals shall remain the property of the state and upon any suspension, revocation, or denial of a license or certificate, the individual holding the related license or certificate document and pocket card shall:

(A) Return them to the board within ten (10) days of notification by the board; and

(B) Cease to use seals or stamps immediately upon receipt of notice.

(d) Individual license, certificates, and pocket cards

(1) In addition to the individual license or certificate to be issued to each qualified individual, the board shall furnish to each individual a pocket card, in a digital format, which shall:

(A) Certify that the person whose name appears on the pocket card is a:

(i) State-registered appraiser.

(ii) Registered apprentice appraiser.

(iii) State-licensed appraiser.

(iv) State-certified residential appraiser; or

(v) State-certified general appraiser; and

(B) Indicate any current restrictions of that licensee's practice.

(2) Each registered licensee or certificate holder shall:

(A) Carry his or her pocket card upon his or her person at all times when conducting any real estate appraisal-related activity; and

(B) Exhibit it upon demand.

(e) Replacement license or certificate – a registered licensee or certificate holder may, by filing a written request, obtain a duplicate registration, license, or certificate:

(1) Which has been lost, damaged, or destroyed; or

(2) If the name of the licensee or certificate holder has been lawfully changed.

(f) 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 non-temporary basis in another state and chooses to be licensed or certified in Arkansas on a non-temporary 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 non-temporary basis.

(4) An appraiser holding the classification of "State Registered" or "Registered Apprentice Appraiser" will not be assessed a national registry fee.

Rule 5 General education approval and requirements

(a) General requirements for education offerings

(1) The board may approve or disapprove all course offerings for qualifying education and continuing education.

(A) 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.

(B) The board 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.

(C) The board may recognize any educational offering recommended or approved by AQB of the Appraisal Foundation.

(D) The board shall accept all courses approved through AQB's Course Approval Program (CAP) without additional approval by the board.

(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.

(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 board; or

(G) The Appraisal Foundation or its boards.

(4) Experience may not be substituted for education, except for those individuals under Chapter 1 Rule 3(e).

(5) Distance education is defined as any education process based on the geographical separation of student and instructor. Components of distance education include synchronous, asynchronous, and hybrid.

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

(i) Synchronous courses provide for instruction and interaction substantially the same as on-site classroom courses. Synchronous courses meet class hour requirements if they comply with requirements (a)(2) and (3) above.

(B) In asynchronous educational offerings, the instructor and student interaction are non-simultaneous; the students' progress at their own pace and follow a structured course content and quiz/exam schedule.

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

(a) the course provides interaction. Interaction is a reciprocal environment where the student has verbal or written communication with the instructor; and

(b) Content approval is obtained from the AQB, the Board, or an accredited college, community college, or university that offers distance education programs and is approved or accredited by the Commission on Colleges, a regional or national accreditation association, or by an accrediting agency that is recognized by the US Secretary of Education. Non-academic credit college courses provided by a college shall be approved by the AQB or the board; and

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

(1) The AQB; or

(2) AQB approved organizations providing approval of course design and delivery (such as The Appraisal Foundation or other independent approved entity); or

(3) a college or university that qualifies for content approval in (i)(b) above 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.

(d) 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.

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

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

(a) In-person sessions meet (a)(2) and (3) above,

(b) Synchronous course sessions meet (a)(2) and (3) above,

(c) Asynchronous course sessions must meet (a)(2), (3), and (4)(B) above.

(6) A list of approved education providers and courses is available on the board's website. 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:

(A) A course completion certificate,

(B) A timed outline provided by the education provider, and

(C) A course description from the education provider.

(7) 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. Approval may be extended by an additional two (2) years on the written request by the provider. 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) All persons or providers requesting approval from the board for an education course shall submit to the board a completed "Education Course Approval Application" that is found on the board's electronic licensing platform. The application must be accompanied by the following:

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

(B) A copy of the course materials; and

(C) Instructor resume(s); and

(D) All AQB course delivery mechanism approval certificates, if applicable; and

(E) Applicable fees.

(10) Upon approval, the board may assign the course a number. The course provider may use the course number in the course syllabus, all course materials, and all written advertising materials for the course.

(11) 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.

(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 person 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.)

(a) An AQB certified Instructor or an approved professional association's instructor.

(C) Proctor(s) shall be approved, in advance, by the board.

(14) Examination Proctor Duties

(A) Be satisfied that the person taking the examination is the person registered for the course. This should be verified with a picture ID and another identification document (driver's license, student ID card, etc.).

(B) Be in the room while the student is taking the exam. Assure that the student does all the work him/herself without aids of any kind including books, notes, conversation with others, or any other external resource. If the exam calls for mathematical calculations, a non-programmable hand-held calculator may be used.

(C) The proctor shall see that the student adheres to the time limit requirement specified for the examination. The examination must be completed in one sitting. If the examination is interrupted for any reason, the examination can be re-started only by notifying the board that the examination was interrupted, 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 him/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) Class hours will be credited only for educational offerings with content that follows the AQB-required core curriculum for each respective credential classification.

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

(B) The AQB-required core curriculum is to be followed by major headings with the classroom hours for each.

(2) 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 AQB.

(A) The AQB 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.

(B) 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 AQB.

(3) Class hours may be obtained only where:

(A) The minimum length of the educational offering is at least fifteen (15) hours; 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) Courses taken to satisfy the qualifying education requirements must not be repetitive. 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 AQB-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 AQB-certified USPAP instructor who is also a state-certified appraiser in good standing.

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

(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 USPAP Course and examination.

(7) In addition to the generic requirements described in Rule 5(a) above, distance education courses intended for use as qualifying education must include a written, closed-book final examination proctored by a board-approved proctor.

(A) Bio-metric proctoring is acceptable.

(B) The term "written" as used herein refers to an exam that might be:

(i) Written on paper; or

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

(C) Oral exams are not acceptable.

(D) 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) 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.

(A) 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.

(B) 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 Rule 5(a) above, asynchronous distance education courses intended for use as continuing education must include at least one (1) of the following:

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

(i) Remote proctoring, including bio-metric procedures as noted in Rule 5(b) above is acceptable.

(ii) The term "written" as used herein refers to an exam that might be:

(a) Written on paper; or

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

(iii) Oral exams are not acceptable; or

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

(8) Real estate appraisal-related field trips may be acceptable for credit toward the continuing education requirements. However, transit time to or from the field trip may not be included when awarding credit unless instruction occurs during said transit time.

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

(A) Equivalency shall be determined through the AQB Course Approval Program or by an alternate method established by the AQB.

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

(C) Individuals who are credentialed in more than one (1) jurisdiction shall not have to take more than one (1) 7-Hour National USPAP Course within a two-calendar-year period for the purposes of meeting AQB Criteria.

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

(E) AQB-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) 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.

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

(11) 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.

(A) 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) 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 Chapter 1 Rule 3(e).

(A) The board may allow credential holders impacted by a state- or federally declared disaster than 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 board may, per continuing education cycle, award continuing education credit to credentialed appraisers who attend a single board 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 board must ensure that the credentialed appraiser attends the meeting for the required period of time.

Rule 6 Discipline: Grounds, Complaints, and Adjudication

(a) Grounds for disciplinary action – The board 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, § 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 or this board rules.

(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 Annotated §17-3-102.

(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 board rules.

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

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

(B) 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, 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 these rules may have been violated.

(5) 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.

(A) 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.

(B) 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 Arkansas Freedom of Information Act of 1967, Arkansas Code Annotated §25-19-101 *et seq.*; or

(B) Unless otherwise required by law.

(10) Disciplinary hearings shall be conducted according to the Arkansas Administrative Procedures Act, Arkansas Code Annotated §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.

Rule 7 General Qualifications for Registration, Licensure, or Certification

(a) The board 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 §17-14-101 *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 these rules 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 Annotated §17-3-102 and comply with the criminal background check requirements as listed below.

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

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

(e) 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.

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

(2) All applications shall include the appropriate fees.

(3) The board will not consider an application which is incomplete or with which the correct fees have not be 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.

(i) 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.

(ii) 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.

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

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

(ii) 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 Chapter 1 Rule 3(e).

Rule 8 General Examination, Experience Criteria and PAREA

(a) Examination criteria – 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 board, to take and pass an AQB-approved qualifying examination for the credential.

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

(b) Experience criteria – education may not be substituted for experience, except as shown in subdivision (3) of this section.

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

(A) 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.

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

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

(3) 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.

(4) Practicum courses that are approved by the AQB (CAP) or the board can satisfy the non-traditional client experience requirement.

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

(i) 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.

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

(iii) 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.

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

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

(i) Appraisal.

(ii) Appraisal review.

(iii) Appraisal consulting; and

(iv) Mass appraisal.

(B) All appraisal experience must be UPAP compliant.

(6) 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 board's discretion that the work is compliant with USPAP must be provided as part of the board's experience verification process to support the experience claimed.

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

(8) At a minimum, the applicant must be prepared to substantiate, on request by the board, the experience claimed with:

(A) A true copy of appraisal assignment reports.

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

(C) True copies of time records or calendars which support actual work time associated with the assignments.

(9) The verification for experience credit claimed by an applicant shall be on the forms prescribed by the board, which shall include:

(A) Type of property.

(B) Date of report.

(C) Address of appraised property, including city name.

(D) Description of work performed by the applicant and scope of the review and supervision of the supervising appraiser.

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

(F) The signature and credential number of the supervising appraiser, if applicable.

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

(10) The board 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.

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

(c) Practical Applications of Real Estate Appraisal (PAREA) – PAREA programs approved by the AQB utilize simulated experience training and serve as an alternative to the traditional Supervisor/Trainee experience model, under section (b) above. To qualify as creditable experience, AQB-approved PAREA programs shall:

(1) Contain, at a minimum, the content specified in the Practical Applications of Real Estate Appraisal section of *The Real Property Appraiser Qualification Criteria.*

(2) Require participants to possess the following prerequisites prior to commencement of training:

(A) For the State Licensed Module: 150 hours of qualifying education as specified in the Required Core Curriculum for the State Licensed Residential Real Property Appraiser classification.

(B) For the Certified Residential Module: 200 hours of qualifying education as specified in the Required Core Curriculum for the Certified Residential Real Property appraiser classification; and

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

(ii) Successful completion of an AQB-approved PAREA program for the State Licensed Real Property Appraiser classification.

(3) Provide an adequate number of Mentors to ensure timely and competent mentoring for all program participants.

(4) Ensure Mentors meet or exceed the following qualifications:

(A) 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

(B) 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. 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; and

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

(A) State Licensed

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

(ii) Demonstration reports must represent a variety of assignment types and property types that are consistent with the State Licensed program content; and

(iii) Reports must comply with the edition of USPAP that is in effect at the time.

(B) Certified Residential

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

(ii) Demonstration reports must represent a variety of assignment types and property types that are consistent with the Certified Residential program content; and

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

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

(A) Participants may not receive partial credit for PAREA training.

(B) 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.

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

(D) 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

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

(A) For participants completing an approved State Licensed program:

(i) State Licensed classification: 100 percent of the required experience hours.

(ii) Certified Residential classification: 67 percent of the required experience hours.

(iii) Certified General classification: 33 percent of the total required experience, none of which is eligible towards the required non-residential hours.

(B) For participants completing an approved Certified Residential program:

(i) State Licensed classification: 100 percent of the required experience hours.

(ii) Certified Residential classification: 100 percent of the required experience hours.

(iii) Certified General classification: 50 percent of the total required experience, none of which is eligible towards the required non-residential hours.

Rule 9 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 Record Keeping 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) As a prerequisite for application, an applicant must have completed seventy-five (75) hours of qualifying education.

(A) The required courses are:

(i) Basic Appraisal Principles	30 Hours
(ii) Basic Appraisal Procedures	30 Hours
(iii) 15-Hour National USPAP Course (or its equivalent)	15 Hours

(B) Additionally, applicants must pass the course examinations and pass the 15-Hour National USPAP Course, or its AQB-approved equivalent and the examination as a part of the 75 hours.

(2) All qualifying education must be completed within the five (5) 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) An appraisal experience log shall be maintained jointly by the supervisory appraiser and the registered apprentice appraiser.

(A) 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 board.

(B) 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.

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

(5) 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.

(A) 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.

(B) 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.

(C) 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.

(D) 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) 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 AQB, which is specifically

oriented to the requirements and responsibilities of supervisory appraisers and registered apprentice appraisers.

(A) The course must be completed by the registered apprentice appraiser prior to obtaining a registered apprentice appraiser credential from the board.

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

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

Rule 10 State-Licensed Real Property Appraiser Credential

(a) General – Please consult Rule 8 General Examination, Experience Criteria and PAREA for additional requirements.

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

(A) the appraisal of non-complex one-to-four residential units having a transaction value less than one million dollars ($1,000,000), and

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

(2) 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.

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

(4) For non-federally related transaction appraisals, the market value

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

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

(b) Examination

(1) The AQB-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 AQB-approved examination are completion of:

(A) One hundred fifty (150) creditable class hours as specified in Rule 10(c) below; 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 (150) creditable class hours as listed below.

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

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

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

(D) Residential Appraiser Market Analysis & Highest and Best Use, fifteen (15) hours

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

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

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

(2) As a part of the one hundred fifty (150) required hours, the applicant shall successfully complete the *15-Hour National USPAP Course*, or its AQB-approved equivalent, and successfully pass the examination.

(3) Appraisers holding a valid registered apprentice appraiser credential and who have completed the required seventy-five (75) 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-license 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 board of a demonstrated and proven capability of the applicant to adequately perform assignments of a type permitted by a state-license real property appraisal credential.

Rule 11 Certified Residential Real Property Appraiser Credential

(a) General – Please consult Rule 8 General Examination, Experience Criteria and PAREA for additional requirements.

(1) 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.

(2) 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.

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

(b) Examination

(1) The AQB-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 AQB-approved examination are completion of:

(A) Two hundred (200) creditable class hours as specified in Rule 11(c) below; and

(B) Completion of the requirements specified in the Rule 11(c)(3) or (4) below; 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 Commission on Colleges,

(B) A national or regional accreditation association, or

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

(2) Applicants with a college degree from a foreign country may have their education evaluated for "equivalency" by one 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 subdivisions (3)(A) – (E) of this section:

(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 (3)(C) and (3)(D) of this section that ensures coverage of all topics and hours identified in subdivision (C) of this section.

(4) As an alternative to the requirements in subsections (1) through (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 non-appealable 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, twenty (20) 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 AQB-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) 15-Hour National USPAP Course (or its equivalent), fifteen (15) hours

(D) Residential Appraiser Market Analysis & Highest and Best Use, fifteen (15) hours

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

(F) Residential Sales Comparison and Income Approaches, thirty (30) hours.

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

(H) Statistics, Modeling and Finance, fifteen (15) hours.

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

(J) Appraisal subject matter electives, twenty (20) hours.

(6) As a part of the one hundred fifty (150) required hours, the applicant shall successfully complete the *15-Hour National USPAP Course*, or its AQB-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, twenty (20) 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, twenty (20) 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 subsection (4) of this section must also satisfy the college-level education requirements as specified in subsection (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 board 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.

Rule 12 Certified General Real Property Appraiser Credential

(a) General – Please consult Rule 8 General Examination, Experience Criteria and PAREA for additional requirements.

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

(b) Examination

(1) The AQB-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 AQB-approved examination are completion of:

(A) Three hundred (300) creditable class hours as specified in Rule 12(c)(2) below.

(B) Completion of the college-level education requirements specified in Rule 12(c)(1) below; 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 Commission on Colleges,

(B) A national or regional accreditation association, or

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

(3) Applicants with a college degree from a foreign country may have their education evaluated for "equivalency" by one 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) 15-Hour National USPAP Course, or its equivalent, fifteen (15) hours.

(D) General Appraiser Market Analysis and Highest and Best Use, thirty (30) hours.

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

(F) General Appraiser Site Valuation and Cost Approach, thirty (30) hours.

(G) General Appraiser Sales Comparison Approach, thirty (30) hours.

(H) General Appraiser Income Approach, sixty (60) hours.

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

(J) Appraisal Subject Matter Electives, thirty (30) 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 AQB-approved equivalent, and successfully pass the examination.

(6) Applicants must demonstrate that their education includes the core courses listed in this part, 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, thirty (30) 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, thirty (30) 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 wishing to change to the certified general real property appraiser classification must also satisfy the requirements in subsections (1) through (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 non-residential 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 board 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.

Rule 13 State Registered Real Property Appraiser Credential

(a) General – Please consult Rule 8 General Examination, Experience Criteria and PAREA for additional requirements.

(1) 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.

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

(3) 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 AQB and the board.

(4) 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 seventy-nine (79) hours of qualifying education as listed below.

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

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

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

(D) 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 AQB-approved equivalent and the examination as a part of the seventy-nine (79) hours.

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

Rule 14 Non- Resident 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 non-federally 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 board 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.

(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 Rule 7; 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 Rule 15 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) The term of a temporary practice permit shall extend for the duration of the particular assignment.

(A) 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.

(B) 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 Rule 15 for the individual's credential level.

Rule 15 Renewal Requirements

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

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

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

(b) Applicants may renew electronically through a board-established electronic process.

(1) Credential holders 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.

(c) It is the policy of the board to send electronically a renewal notice to credential holders at the last email address on file with the board at least sixty (60) days prior to the expiration date of the credential. 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) The board will issue a new pocket card 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 a 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) 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.

(1) 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) 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.

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

(2) This includes evidence of completion of the most recent edition of a 7-Hour National USPAP Update Course, or its AQB-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.

(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) 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.

(i) 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 AQB-approved equivalent must be included in those hours.

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

Rule 16 Fees and Payment of Fees

(a) Types of Fees – 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 board:

(1) Application Fee	$125.00
(2) State Licensed, Certified Residential, & Certified General Appraiser	$300.00(Annual)*
(3) Temporary Practice Permit	$150.00(6 Months)
(4) Non-Resident Credential	$300.00(Annual)*
(5) Application Fee (SR & RA)	$200.00*
(6) Renewal Fee (SR & RA)	$200.00*

(7) Delinquent Fees $50.00(Monthly)

(8) Qualifying Education Course or Seminar Approval $100.00

(9) Continuing Education Course or Seminar Approval $100.00

(10) National Registry Fee (Set by ASC) $40.00(Annual)

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

Chapter 3 – Appraisal Management Company

Rule 1 Purpose

The board's purpose in promulgating this Chapter is to implement the provisions of the Appraisal Management Company Registration Act

Rule 2 Definitions

(a) "AMC" means appraisal management company.

(b) "Assignment" means:

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

(2) The valuation service that is provided as a consequence of such an agreement.

(c) "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 Arkansas Code Annotated § 17-14-401 *et seq.*

(d) "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.

(e) "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.

(f) "Owner" means an individual owning more than ten percent (10%) of an appraisal management company.

(g) "Registrant" means an appraisal management company or person that is registered under this subchapter.

(h) "Subject Individual" means:

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

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

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

(A) An individual who wholly owns a corporation that owns ten (10) percent or more of an appraisal management company;

(B) An individual wholly owning and serving as the only general partner in a limited partnership that owns ten (10) percent or more of an appraisal management company;

(C) An individual wholly owning and managing a limited liability company that owns ten (10) percent or more of an appraisal management company; or

(D) An individual who wholly owns any other type of business entity that owns ten (10) percent or more of an appraisal management company.

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

Rule 3 Registration and Renewal

(a) Before applying for registration in Arkansas, the appraisal management company must be registered with the Arkansas Secretary of State. The appraisal management company must maintain the registered business name with the Arkansas Secretary of State. The appraisal management company must use the registered business name for all transactions in this state.

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

(2) A foreign appraisal management company shall provide a certificate of authority issued by the Arkansas Secretary of State and a copy of the company's filing with the Arkansas 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 board the following information to apply for initial registration and renewal:

(A) A completed written application form, available on the Board's website or from the board office. Required information includes, but is not limited to:

(i) The name, mailing address, website address, and telephone number of the AMC. The name on the application form must match the name registered with the Arkansas Secretary of State.

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

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

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

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

(vi) 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.

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

(viii) The AMC shall submit with the application the required filing fee stipulated on the form.

(ix) 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) The application shall include a signed and dated certification attesting to all the requirements found in Arkansas Code Annotated § 17-14-405 (a)(6).

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

(i) That the AMC maintains for a 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;

(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; and

(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.

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

(2) 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. All proceeding concerning the denial of a certificate of registration shall be governed by the Arkansas Administrative Procedure Act, § 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 months of the expiration of the registration shall be assessed a late fee of fifty dollars ($50) 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) 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. 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 registraion when all other requirements are fulfilled.

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

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

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

(B) 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 submitted by the applicant.

(6) Waiver requests for a disqualifying conviction may be made in accordance with Chapter 1 Rule 3(e).

Rule 4 Appraisal management company National Registry fees

(a) An appraisal management company shall annually submit to the board on February 28 an annual AMC national registry fee that is determined by the Appraisal Subcommittee 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) 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) 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 AMC 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 National Registry.

(f) A late fee of fifty dollars ($50) must be paid for each month or partial month the form and AMC National Registry fees are delinquent.

(g) The AMC National Registry fees collected will be remitted to the Appraisal Subcommittee as invoiced.

Rule 5 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) per month or partial month from the AMC 's expiration date or when the AMC National Registry fees are delinquent.

(d) A criminal history report fee not to exceed fifty dollars ($50).

(1) Paid by the AMC for each person owning more than ten (10%) percent of the appraisal management company.

(2) The amount to be paid is included on the criminal history report authorization form.

(e) The AMC National Registry Fee of twenty-five dollars ($25) is calculated according to Rule 4(c) above.

Rule 6 Registrant responsibilities and duties

(a) The registrant shall comply with the responsibilities and duties outlined in Arkansas Code Annotated § 17-14-407 et seq.

(b) The registrant shall disclose to an appraiser within their engagement documents verification of their AMC Arkansas Registration.

(c) An AMC must submit to the board a notice of business name change within thirty (30) calendar days of the change. Such notification shall be in writing on a form prescribed by the board along with the following:

(1) A corrected surety bond; and

(2) A copy of the Arkansas Secretary of State business registration with the company's new name.

(d) An AMC with a change of individual ownership greater than fifty (50) percent interest in the AMC, shall submit to the board a notice of change of ownership. Such notification shall be in writing on a form prescribed the by the board, along with the following:

(1) A completed surety bond;

(2) A copy of the Arkansas Secretary of State business registration showing a change of registered agent; and

(3) 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.

Rule 7 Discipline: Grounds, Complaints, and Adjudication

(a) Grounds for disciplinary action –

(1) The board 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 these Rules and Arkansas Statutes.

(C) The person has pleaded guilty or nolo contendere to or been found guilty of:

(i) A felony listed in A.C.A. § 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.

(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 Annotated § 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) For a complaint to be considered the complainant shall file the complaint in writing.

(A) Complaints shall be filed within three (3) years from the date of the actions complained of.

(B) The written complaint shall 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 Executive Director, Chief 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 (i.e., appraisal reports, reviews or outlined deficiencies) are available on which to conclude that the Uniform Standards, the State law, or these rules may have been violated.

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

(A) 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.

(B) 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 Executive Director, Chief 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 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 Procedures Act, Arkansas Code Annotated §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.

Rule 8 Audits

(a) An audit of an AMC registered to provide appraisal management services in Arkansas may be conducted by the board.

(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.

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Chapter 4 – Abstracters

Rule 1 Certificate of Registration

(a) The board 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 Arkansas Abstracters' Licensing Law of 1969 §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 Chapter 1, Rule 3(c).

(3) The applicant shall pass the registration exam as described in Rule 2 below.

(c) All applications for certificates of registration shall be made on forms provided by the board and completed and signed by the applicant.

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

(2) All applications shall include the appropriate fees.

(3) The board will not consider an application which is incomplete or with which the correct fees have not be submitted.

(4) 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.

Rule 2 Certificate of Registration – Examination

(a) The examination shall be in the form of written interrogatories as may be prescribed by the board 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) Tests shall be graded either pass or fail. 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 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.

Rule 3 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) Applicants may renew electronically through a board-established electronic process.

(1) Certificate holders 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.

(c) 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. 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) 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.

(A) The notice shall be mailed not more than thirty (30) days following the certificate expiration date.

(B) 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 – 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.

(1) Certificates of registration may be renewed with twelve (12) months by submitting a renewal application and fee.

(2) 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.

Rule 4 Temporary Certificate of Registration

(a) The board 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.

Rule 5 Certificate of Registration – Reciprocity and Out of State Certification

(a) Reciprocity

(1) An applicant for a reciprocal certificate of registration pursuant to Arkansas Code Annotated §.17-1-108(c), (d)(1)(A) shall meet the following requirements:

(A) The applicant shall hold a substantially similar certificate in another United States' jurisdiction.

(i) The applicant shall hold his or her certificate in good standing;

(ii) The applicant shall not have had a certificate revoked for:

(a) An act of bad faith; or

(b) A violation of law, rule, or ethics;

(iii) The applicant shall not hold a suspended or probationary certificate in a United States' jurisdiction.

(B) The applicant shall be sufficiently competent as an abstracter.

(2) An applicant for a reciprocal certificate of registration shall submit a fully executed application, the required fee, and the documentation described below.

(A) 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.

(ii) Evidence that the other state's certification requirements match those listed in Rule 1 above.

(B) To demonstrate the applicant meets the requirement in (a)(1)(A)(ii) & (iii) above, the applicant shall provide the board 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.

(C) 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 Annotated § 17-1-108 shall be issued immediately upon receipt of:

(i) An application;

(ii) the twenty-five-dollar ($25.00) examination fee; and

(iii) the documentation required under (2) above.

(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 (1)

above, 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 Rule 4 above.

(4) An applicant from a state that does not register abstracters shall meet the following requirements in accordance with Arkansas Code Annotated § 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 Annotated § 17-3-102 and does not have a complaint, allegations, or violations 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) 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; and

(4) Notwithstanding the requirements in (b) (1) through (3) above, an applicant:

(A) 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.

Rule 6 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 board for a certificate of authority.

(b) All applications for certificates of authority shall be made on forms provided by the board and completed and signed by the applicant.

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

(2) All applications shall include the appropriate fees.

(3) The board will not consider an application which is incomplete or with which the correct fees have not been submitted.

(4) 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 Annotated §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.

Rule 7 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 (1) 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 board 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) If a holder of a certificate of authority 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.

(A) The notice shall be mailed not more than thirty (30) days following the certificate expiration date.

(B) 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 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.

Rule 8 Fees

(a) Certificate of Registration – Exam	$25.00
(b) Certificate of Registration – Temporary	$15.00
(c) Certificate of Registration – Renewal	$50.00
(d) Certificate of Authority – Application	$25.00
(e) Certificate of Authority – Renewal	$145.00

Rule 9 Discipline

(a) The board is authorized, after a hearing as provided in Arkansas Code Annotated §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 Annotated §17-11-101 *et seq.*;

(2) Upon a conviction of the holder of such a certificate of a crime under § 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 Annotated §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 Annotated §17-11-324;

(2) Failure to properly maintain an abstract plant;

(3) Failure to have employed a registered abstracter as provided in Arkansas Code Annotated §17-11-301; or

(4) Otherwise violating any of the provisions of Arkansas Code Annotated §17-11-101 *et seq.*

(c) All disciplinary proceedings shall be held in accordance with Arkansas Code Annotated §17-11-341 and the Arkansas Administrative Procedure Act, Arkansas Code Annotated §25-15-201 *et seq.*

Chapter 5 – Home Inspectors

Rule 1 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 Board and comply with the Arkansas Home Inspector Registration Act and rules of the board.

(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 Chapter 1, Rule 3 (c).

(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 Section (2) above, a non-resident applicant shall be in good standing as a home inspector in every jurisdiction where registered.

(4) All applicants for registration, renewal, or reinstatement shall be made on forms provided by the board and completed and signed by the applicant. The application shall be made under oath. All applications shall include the appropriate fees. The board shall not consider an application which is incomplete or with 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 him 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 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:

(i) Solely for the benefit of that entity; and

(ii) 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 Chapter 4 Rule 2.

(3) The applicant's passing examination score from a test provider approved by the board pursuant to Chapter 4 Rule 2.

(4) A certificate of liability insurance pursuant to Chapter 4 Rule 3.

(5) If applicable, other state or local licensure, certification, registration or permit; and

(6) A nonrefundable fee pursuant to Chapter 4 Rule 10.

(d) Certificates of Registration – The board shall issue to each registered holder a certificate in a form as shall be prescribed by the board.

(1) The certificate shall show the name of the registered holder, a certificate number assigned by the board and any other matters as shall be prescribed by the board.

(2) Certificates of registration of a home inspector shall be issued for a period of at least one year.

(3) Certificates of registration shall be maintained in sound, fully legible condition and shall be replaced as necessary. 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 – Initial certificates of registration are valid until December 31st of the calendar year following the issuance of the initial certificate of registration. Renewal certificates of registration are issued on a calendar year basis extending from January 1st through December 31st. For example, an applicant who receives a certificate of registration on March 1, 2023 would hold a valid license until December 31, 2024, at which time the holder would submit a renewal application and receive a certificate of registration for the following calendar extending from January 1, 2025 through December 31, 2025.

Rule 2 Qualifying Education and Examinations

(a) Qualifying Education

(1) An applicant for initial home inspector registration, not applying under Chapter 1 Rule 3 or Chapter 4 Rule 4, shall have successfully completed eighty (80) hours of qualifying education in a course of study pursuant to Chapter 4 Rule 7.

(A) All qualifying education must be completed within the three (3) year period immediately preceding the date of application for initial home inspector registration.

(B) Qualifying education requirements shall only be accepted from education providers and courses approved by the Board.

(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 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 board or testing service administering the examination.

(5) Failure to comply with all instructions, procedures, and appropriate standards of conduct established by the board or the testing service shall be grounds for denial of the application or disciplinary action.

Rule 3 Liability Insurance

(a) Coverage – All registered home inspectors must maintain current general liability 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 board.

(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 non-payment 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) 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. 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. However, 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.

Rule 4 Registration for Out of State Home Inspectors

(a) Automatic Occupational Licensure for Out-of-State Licensure Act

(1) The board 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 § 17-4-102 or any additional state law relating to home inspectors;

(C) Does not have a complaint, allegations, or violations pending for his or her home inspector activity; and

(D) Meets the following requirements:

(i) Applicant shall:

(a) 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

(b) An individual who worked:

(1) 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

(2) At least three (3) years in the home inspector occupation.

(2) 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. 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;

(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) Evidence of current and active license, registration, or certificate in another United States' jurisdiction. 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 requirement in Section (b)(1)(A)(ii) through (iv) above, 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;

(ii) 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 Section (b)(1)(A)(iii) and does not hold a license, registration, or certification on suspended or probationary status as described in Section (b)(1)(A)(iv). 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 Rule 3 above.

(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 section (b)(2) above.

(C) Failure to submit all documentation required under section (b)(2) prior to the expiration of the ninety (90) 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 non-regulated 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.

Rule 5 Renewal

(a) Home inspector registration must be renewed each year, with the exception of initial certificates of registration, or they will be placed in an expired status. Each home inspector registration renewal is December 31st of each year.

(b) An application to renew a registration shall be submitted on a form obtained from the board office or on the board's website. Applicants may renew electronically through the board's electronic licensing portal.

(c) Renewal Notification – The board shall mail 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. However, 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) Registered home inspectors shall file a timely and sufficient renewal application with the board by the renewal date each year. 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 evidence of completion of the required continuing education, a current certificate of insurance, the appropriate renewal fee, and, 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) During the first one hundred and eighty-four (184) days of expired status a registered home inspector may renew their registration by submitting the appropriate renewal form. This includes the payment of the renewal fees, a late fee of fifty dollars ($50) per month or partial month elapsed since the renewal date and submitting the required continuing education reporting form and completion certificates.

(3) After one hundred and 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. This includes the payment of renewal fees and submitting the required continuing education reporting form and completion certificates. This includes evidence of completion of the ASHI Standards of Practice and Code of Ethics course.

(4) 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. This includes payment of the appropriate renewal fee and evidence of the completion of the required continuing education hours.

(A) 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. The required hours must also include evidence of completion of the ASHI Standards of Practice and Code of Ethics course.

(B) 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.

(i) For example – Number of years expired X 14 hours + number of hours due when registration was placed on expired status = Total number of continuing education hours that must be submitted.

(5) 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. 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.

Rule 6 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 section (k)(1) below.

(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) 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. 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. 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 Chapter 4 Rule 7, asynchronous distance education courses intended for use as continuing education must include at least one of the following:

(1) A written examination proctored by an official approved by the college, university, or by the sponsoring organization. Remote proctoring, including bio-metric procedures as noted in Chapter 4 Rule 7 is acceptable. The term "written" as used herein refers to an exam that might be written on paper or administered electronically on a computer workstation or other device. Oral exams are not acceptable; or

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

(f) The board may award continuing education credit to registered home inspectors who attend a board meeting, under the following conditions:

(1) Credit may be awarded for a single board meeting per continuing education cycle. The meeting must be open to the public and must be a minimum of two (2) hours in length. 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) 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.

(1) Loss of income resulting from cancellation of license is not a hardship.

(2) 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. 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) Registered home inspectors shall maintain and submit with registration renewal a Continuing Education Credit Reporting form. The reporting form shall be completed in its entirety to list all completed courses being submitted for continuing education credit. 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.

(2) Elective courses include, but are not limited to:

(A) Business concepts and marketing techniques; and

(B) Report writing/customer relations overview;

Rule 7 General Education Approval, Requirements, and Provider Information

(a) General Requirements for Education Offerings

(1) The board may approve or disapprove all course offerings for qualifying education and continuing education. The approval process shall apply to course content, facilities, text, course delivery mechanism, and other materials utilized in the offering and instructors. 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.

(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) Distance education is defined as any education process based on the geographical separation of student and instructor. Components of distance education include synchronous, asynchronous, and hybrid.

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

(i) Synchronous courses provide for instruction and interaction substantially the same as on-site classroom courses. Synchronous courses meet class hour requirements if they comply with requirements (a)(2) and (3) above.

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

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

(a) the course provides interaction. Interaction is a reciprocal environment where the student has verbal or written communication with the instructor; and

(b) 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 Commission on Colleges, a regional or national accreditation association, or by an accrediting agency that Is recognized by the us Secretary of Education. Non-academic 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 (i)(b) above 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 incorporate interactivity.

(d) 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.

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

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

(a) In-person sessions meet (a)(2) and (3) above,

(b) Synchronous course sessions meet (a)(2) and (3) above,

(c) Asynchronous course sessions must meet (a)(2),(3), and (4)(B) above.

(5) A list of approved education providers and courses is available on the board's website. 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:

(A) A course completion certificate,

(B) A timed outline provided by the education provider, and

(C) A course description from the education provider.

(6) 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. Approval may be extended by an additional two (2) years on the written request by the provider. 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) 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. The application must be accompanied by the following:

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

(B) A copy of the course materials; and

(C) Instructor resume(s); and

(D) All course delivery mechanism approval certificates, if applicable; and

(E) Applicable fees.

(9) Upon approval, the board may assign the course a number. The course provider may use the course number in the course syllabus, all course materials, and 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 person 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.)

(C) Proctor(s) shall be approved, in advance, by the board.

(13) Examination Proctor Duties

(A) Be satisfied that the person taking the examination is the person registered for the course. This should be verified with a picture ID and another identification document (driver's license, student ID card, etc.).

(B) Be In the room while the student is taking the exam. Assure that the student does all the work him or herself without aids of any kind including

books, notes, conversation with others, or any other external resource. If the exam calls for mathematical calculations, a non-programmable hand-held calculator may be used.

(C) The proctor shall see that the student adheres to the time limit requirement specified for the examination. The examination must be completed in one sitting. If the examination is interrupted for any reason, the examination can be re-started only by notifying the board that the examination was interrupted, 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 him/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, a course shall be defined as 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 (b)(2) below.

(C) An exit examination of a minimum of one hundred and twenty-five (125) questions covering all topics in section (b)(2) below is required at the end of the qualifying education program. The questions shall be either multiple choice or true-false or a combination of multiple choice and true-false. Open book examinations shall not be accepted. No student shall be deemed to have successfully completed the program unless he or she has scored a minimum of 70% on the exit examination.

(D) The board shall only grant approval for courses that are part of an overall qualifying education program for a home inspector registration. An education provider must have a complete eighty (80) hour qualifying education program approved by the board.

(E) In addition to the generic requirements described in Rule 7(a) above, distance education courses intended for use as qualifying education must include a written, closed-book final examination. The examination must be proctored in person or remotely by a board approved proctor. Bio-metric proctoring is acceptable. The term "written" as used herein refers to an exam that might be written on paper or administered electronically on a computer workstation or device. Oral exams are not acceptable. The testing must comply with the examination requirements of this section.

(F) No approved education provider shall advertise that it is endorsed, recommended or accredited by the board. 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 – 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. 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:

(A) Exteriors: Exterior study must contain the following, at a minimum.

(i) Identification and inspection of exposed foundations.

(ii) 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.

(iii) Identification and inspection of gutter and drainage control systems.

(iv) Inspection of porches, steps and railings, including the structural composition.

(v) Identification and implications of vegetation, grading and surface drainage, including: retaining walls, walkways and driveways leading to a dwelling entrance.

(B) Interiors: Interior study must contain the following, at a minimum:

(i) Identification and inspection of wall, ceiling and floor defects.

(ii) Identification and inspection of step, stair and railing defects.

(iii) Identification and inspection of countertop, cabinet and island defects, as they pertain to a kitchen or other type room.

(iv) Identification and inspection of interior and exterior door defects.

(v) Identification and inspection of window defects and operation.

(vi) Identification and inspection of garage door defects, garage door opener defects, and garage structure defects, including fire safety and habitability.

(C) Roofing: Roofing study must contain the following, at a minimum:

(i) Identification of the types and styles of roofs.

(ii) 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.

(iii) Identification and inspection of skylights and flashing.

(iv) Identification of chimneys and other penetrations, including proper height and composition.

(D) Plumbing: Plumbing study must contain the following, at a minimum:

(i) Identification and description of the main distribution system, including all fixtures, faucets and materials.

(ii) Identification and description of all drain, waste and vent systems, including all fixtures and materials.

(iii) Identification and description of water heating systems.

(iv) Identification and description of fuel distribution systems and materials.

(v) Description and identification of all drainage control devices, including sump pumps, ejector pumps or other related piping.

(vi) Identification of water source and sewer distribution.

(E) Electrical: Electrical study must contain the following, at a minimum:

(i) 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.

(ii) Identification and inspection of the branch distribution, including fuse boxes, breaker boxes and subpanels.

(iii) Identification and inspection of all overcurrent protection devices and wire type identification.

(iv) Identification and inspection of installed lighting fixtures, switches and receptacles.

(v) Identification and inspection of safety devices, including ground fault circuit interrupters.

(F) Heating, ventilation and air conditioning (HVAC): HVAC study must include the following, at a minimum:

(i) 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.

(ii) Identification and inspection of fuel sources and distribution.

(iii) Identification and inspection of flue pipes and spent gas removal systems.

(iv) Identification and inspection of all related safety devices.

(v) Identification and inspection of installed cooling systems, including central and window mounted systems.

(G) Structural: Structural study must contain the following, at a minimum:

(i) Identification and inspection of all structural components, including floor and wall framing.

(ii) Identification and inspection of all foundation support systems, including poured concrete, concrete block, brick, stone and wood, and all related perimeter footing systems.

(iii) Identification and inspection of water related or seepage related sources.

(iv) Identification and inspection of flood control devices.

(v) Identification and inspection of roof structure and systems related to composition.

(vi) Identification and inspection of under-roof and under-floor ventilation.

(vii) Identification and inspection of insulation and vapor protection systems.

(H) Miscellaneous Appliances: Appliance study must contain the following, at a minimum:

(i) Identification of all fireplaces, solid fuel burning appliances, chimneys and vents.

(ii) 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.

(I) Standards of Practice: Standards of practice study must contain the following, at a minimum:

(i) The full content of the current version of the American Society of Home Inspectors Standards of Practice.

(ii) The current version of the American Society of Home Inspectors Code of Ethics.

(iii) Required disclosures to a client.

(iv) Required report content.

(v) Competent report writing.

(vi) Specific knowledge of business practices and standards of practice.

Rule 8 Standards of Practice, Code of Ethics, and Inspection Reports

(a) Except where in conflict with Arkansas law or the rules of the board, the board adopts the most current American Home Inspectors Association 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 Home Inspectors Association 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 – 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.

(A) 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.

(B) 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.

Rule 9 Discipline: Grounds, Complaints, and Adjudication

(a) Grounds for Disciplinary Action – the board may take appropriate disciplinary action for, but not limited to, the following:

(1) Any violation of the provisions of the Arkansas Home Inspector Registration Act or board rules.

(2) Falsifying any application for registration or otherwise providing false information to the board.

(3) Conviction of any felony listed under Arkansas Code Annotated §17-3-102.

(4) Any actions demonstrating untrustworthiness, incompetence, dishonesty, gross negligence, material misrepresentation, fraud, or unethical conduct in any dealings subject to the Arkansas Home Inspector Registration Act or board rules.

(A) Dishonest, unethical or unprofessional conduct may include, but 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) 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. If any dangerous situations exist, the home inspector is required to report those findings to the home owner.

(iv) The home inspector accepts compensation from more than one 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 Homes Inspector Registration Act or board rules.

(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.

(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 excessing 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) For a complaint to be considered, the complainant shall file the complaint in writing. The written complaint shall specifically state the issues of the

complaint, and the date(s) 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) The registered home inspector will be notified in writing of the complaint. A copy of the complaint and a request for a written response within thirty (30) days shall be furnished to the home inspector. 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) 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. Recommendations may include:

(A) Dismissal of complaint.

(B) Informal proceedings (including, but not limited to, caution letters, corrective action agreements, or consent agreements); or

(C) 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 Annotated §25-19-101 *et seq.*

(c) Hearings

(1) Hearings to revoke or suspend a registration or to impose other disciplinary sanctions are adjudicative hearings. 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 Annotated §25-15-201 *et seq.*

Rule 10 Fees

(a) Types of Fees – the following fees shall be paid for pre-registration applications and for the issuance of original and renewal registrations and for other purposes and activities of the board:

(1) Initial Registration Fee	$250.00
(2) Registration Renewal Fee	$250.00
(3) Delinquent Fee	$50.00 (monthly)
(4) Returned Check Fee	$25.00(plus State Treasure fee)
(5) Change of Address Fee	$10.00
(6) Qualifying Education Course or Seminar Approval Fee	$200.00
(7) Continuing Education Course or Seminar Approval Fee	$45.00
(8) Renewal of Qualifying Education Fee	$100.00
(9) Renewal of Continuing Education Fee	$25.00

*Pursuant to Arkansas Code Annotated §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 shall be paid either by cashier's check, money order or personal check made payable to the Arkansas State Board of Appraisers, Abstracters, and Home Inspectors or electronic payment through the board's electronic licensing platform.

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

DRAFT

~~**State of Arkansas**~~

~~**Department of Labor and Licensing**~~

~~**Appraiser Licensing and Certification Board Rules**~~

~~**Effective Date: July 1, 2022**~~

Department of Labor and Licensing

Arkansas Appraiser Licensing and Certification

Board Rules

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~~Section I – General (A) Creation, Purpose~~

~~The Arkansas Appraiser Licensing and Certification Board, (Board), was created by the action of the 78th General Assembly of the State of Arkansas during its regular session of 1991 with the passage of Act 541, "The Arkansas Appraiser Licensing and Certification Act 541" of 1991, (A. C. A. 17-14-201 as amended).~~

~~The Arkansas Appraiser Licensing and Certification Board's purpose in promulgating these rules is to implement the provisions of Act 541 of 1991. The Arkansas Appraiser Licensing and Certification Act in a manner consistent with Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA), Title 12, United States Code, Sections 93, et seq. The Board is authorized to promulgate such rules as may be necessary to ensure compliance with FIRREA and other applicable federal law.~~

~~The Board shall hire a permanent staff to conduct the daily business of the Board. The specific duties of the permanent staff shall be determined by the Board. The staff shall consist in the first year of the biennium beginning July 1, 1991, of an Executive Director and one (1) Administrative Assistant. During the second year of the biennium one (1) additional permanent position of Investigator shall be created. Qualifications and salary levels for all permanent staff positions shall be determined by the Board and vacant staff positions will be filled following proper notice and advertising of the available positions with the State Employment Security Division and in accordance with all other State statutes regarding the hiring of public employees.~~

~~The Board shall hold regular meetings in accordance with Section 5 of Act 541 to consider and act upon applications for certification and licensure, complaints regarding licensees, and to transact other business as may come properly before it.~~

~~Request for general information, applications for examination for certificates or licenses, complaint forms or copies of rules may be directed to the Arkansas Appraiser Licensing and Certification Board.~~

~~Section I – General (B) Definitions~~

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

~~1. "**Act 541**" – The Arkansas Appraiser Licensing and Certification Act of 1991, as amended, and codified as A. C. A. 17-14-101 et seq.~~

2. "**Board**" – The Arkansas Appraiser Licensing and Certification Board created under Act 541 of 1991.

3. "**Appraiser or Real Estate Fee Appraiser**" – Any person who, for a fee or valuable consideration, develops and communicates a real estate appraisal or otherwise gives an opinion of the value of real estate or any interest therein.

4. "**Independent Appraisal Assignment**" – Any engagement for which an appraiser is employed, or retained to act or to be perceived by third parties or the public as acting as a disinterested third party in rendering an unbiased analysis, opinion, or evaluation, or conclusions relating to the nature, quality, value, or utility or identified as real estate or real Property.

5. "**State Certified Appraiser**" – Any individual who has satisfied the requirements for State Certification in the State of Arkansas and who is qualified to perform appraisals of real property types of any monetary size and complexity. Within this category are included two (2) sub-classifications of certification;

a. "State Certified Residential Appraiser" which applies to the appraisal of one to four residential units without regard to transaction value or complexity. (Note: This classification applies to the appraisal of one to four residential units without regard to transaction value of complexity based on the consensus of the Appraiser Qualifications Board of The Appraisal Foundation. The Federal Financial Institutions Regulatory Agencies as well as other agencies and regulatory bodies permit the Certified Residential classification to appraise properties other than those specified by the Appraiser Qualifications Board. All Certified Residential appraisers are bound by the Competency Rule of the Uniform Standards of Professional Appraisal Practice.)

b. "State Certified General Appraiser" which applies to the appraisal of all types of real property. All Certified General real property appraisers are bound by the Competency Rule of the Uniform Standards of Professional Appraisal Practice.

6. "**State Licensed Appraiser**" – Any individual who has satisfied the requirements for State Licensing in the State of Arkansas and who is qualified to perform appraisals of real property types up to a monetary size and complexity as prescribed by the Appraisal Qualifications Board of The Appraisal Foundation. (Note: This classification applies to the appraisal of non-complex one-to-four residential units having a transaction value less than $1,000,000 and complex one-to-four residential units having a transaction value less than $250,000 based on the consensus of the Appraiser Qualifications Board of The Appraisal Foundation. The Federal Financial Institutions Regulatory Agencies as well as other agencies and regulatory bodies permit the licensed classification to appraise properties other than those specified by the Appraiser Qualifications Board. All Licensed appraisers are bound by the Competency Rule of the Uniform Standards of Professional Appraisal Practice.)

7. "**State Registered Appraiser**" – Any person who has satisfied the requirements for registering as set forth in Section 17-14-307 of the Arkansas Appraiser Licensing and

~~Certification Act or requirements as may have been determined by the Board and who may perform appraisals on any type of property except when the purpose of the appraisal is for use in federally related transactions.~~

~~8. "**Complex 1-to-4 Family Residential Property Appraisal**" – One in which the property to be appraised, the form of ownership, or market conditions are atypical.~~

~~9. "**Open Public Meetings**" – All meetings, formal or informal, special, or regular of the Arkansas Appraiser Licensing and Certification Board except those classified as "Executive Sessions" under Act 541, Section 12. (a), the Arkansas Appraiser Licensing and Certification Act and [Ark. Stat. 25-19-106, Paragraphs (c)(1), (c)(2)(A) & (c)(2)(B), and (c)(4)], the Freedom of Information Act.~~

~~10. "**Executive Sessions**" – Those meetings of the Arkansas Appraiser Licensing and Certification Board conducted for the purpose of disciplinary hearings, to determine whether to levy civil penalties under this Act, and/or for the purpose of determining whether to revoke or suspend any license or certificate issued pursuant to Act 541 of 1991, and additionally, those permitted under the Freedom of Information Act for the purpose of considering employment, appointment, promotion, disciplining, or resignation of any public officer or employee.~~

~~11. "**Transaction Value**" – For the purposes of these rules this means:~~
~~For loans or other extensions of credit, the amount of the loan or extension of credit;~~
~~a. For sales, leases, purchases, and investments in or exchanges of real property, the market value of the real property interest involved;~~
~~b. 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;~~
~~c. For condemnation appraisals the value will be the total market value of the property before any acquisition of property occurs;~~

~~12. "**Supervisory Appraiser**" – A State Certified Appraiser who, (1) formally agrees to supervise the work of a specific Registered Apprentice Appraiser; (2) is recorded by the Board as a Supervisory Appraiser; and (3) has successfully completed the four (4) hour Supervisor/Trainee course offered by the Arkansas Appraiser Licensing and Certification Board or other approved education provider. Refer to Section XIII of these Rules for additional qualifications.~~

~~13. "**Registered Apprentice Appraiser**" – An individual who has satisfied the requirements for apprentice appraiser by the Appraiser Qualifications Board and who is subject to direct control and supervision by a qualified state certified appraiser supervisor as a part of upgrading his/her classification to state licensed or state certified. The scope of practice for a registered apprentice appraiser is the appraisal of properties that the state certified appraiser supervisor is permitted by his or her current credential and competent to appraise.~~

~~**Section I – General (C) Board Compensation and Expense Reimbursement**~~

~~Each member of the Arkansas Appraiser Licensing and Certification Board shall receive a per diem allowance of sixty dollars ($60) (or as amended by Legislative Act) 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. Appropriate expenses are the reimbursable expenses a member of the Board necessarily incurs in the discharge of his/her official duties. Request for compensation or reimbursement of appropriate expenses shall not be processed for payment unless sufficient funds are available for that purpose within the appropriations for this Board.~~

~~**Section I – General (D) Action of the Board**~~

~~Any adjudicatory or rule making action taken by the Board pursuant to Act 541 of 1991 or these rules shall first be in compliance with the Administrative Procedure Act, A. C. A. 25-15-201 et seq., and may be performed by a number of the Board's members or by those officers, employees, agents, or representatives of the Board as is permitted by law and authorized by a majority of the Board's membership. The Board may take action by a mail ballot or by a conference telephone call and any such action so taken shall be conducted in the presence of an administrative secretary and a record of such actions and meetings shall be recorded in the minutes of the Board. All meetings of the Board or subcommittees of the Board shall be open public meetings as defined herein except as provided herein for "Executive Sessions" in Section I General (B) (10).~~

~~The Executive Director, Deputy Director, Administrative Assistant, and the Investigator are prohibited from engaging in any act for which a certificate or a license is required under the provisions of Act 541 or receive or become entitled to receive any fee or compensation of any kind in any capacity whatsoever, either directly or indirectly, in connection with any real estate appraisal transaction. Practicing appraiser members of the Board are excluded from this prohibition as are contracted investigators or other contracted experts who may be employed by the Board from time to time.~~

~~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. For a complaint to be considered, the complainant shall file the complaint in writing at the permanent address of the Board, directed to the Arkansas Appraiser Licensing and Certification Board. The written complaint shall specifically state the issues of the complaint, and the date(s) on which the events causing or leading to the complaint occurred. The Executive Director, Chief 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.~~

~~The Board may initiate its own complaint when sufficient documents and information (i.e., appraisal reports, reviews and/or outlined deficiencies) are available on which to conclude that the Uniform Standards, the State law, and/or these Rules may have been violated.~~

~~If jurisdiction is established or the Board initiates its own complaint, the Executive Director, or board staff, shall notify in writing every person complained against, and provide that person an opportunity to respond in writing. 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. 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.~~

~~The Executive Director, Chief 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. The Board may request the registered, licensed, or certified appraiser under investigation to answer the charges made against him/her in writing and to produce relevant documentary evidence and may request him/her to appear before it.~~

~~Every properly filed complaint shall be presented to and reasonably disposed of by the Board. The Board may subpoena and issue subpoena duces tecum and bring before it any person in this State or licensed by the Board, and take testimony by deposition, in the same manner as prescribed by law in judicial proceedings in the courts of this State, or require production of any records relevant to any inquiry or hearing by the Board.~~

~~Records of ongoing disciplinary proceedings and investigations shall not be disseminated by the Board or its staff to the public unless a request has been made pursuant to the Arkansas Freedom of Information Act or unless otherwise required by law. Disciplinary hearings shall be conducted according to the Arkansas Administrative Procedures Act, A. C. A. Sec. 25-15- 201 et seq.~~

~~Section I – General (E) Records of the Board~~

~~All public records of the Arkansas Appraiser Licensing and Certification Board shall be open for inspection and copying at the office of the Board by any member of the general public during normal business hours (8:00 a.m. to 4:30 p.m. Monday through Friday, except holidays) except for those records exempt under Act 541 of 1991 and under these rules. All public meetings of the Arkansas Appraiser Licensing and Certification Board will be open to any member of the public.~~

~~The Executive Director of the Board shall be established as the custodian of the Records of the Board. The Executive Director shall be responsible for the maintenance of the Board's records~~

~~and shall also be responsible for access to public records.~~

~~Individuals may inspect and copy public records pursuant to the procedures set forth in the Arkansas Freedom of Information Act, A. C. A. 25-19-101 et. seq. and shall pay an appropriate fee or fees as shall be set by the Board.~~

~~Pursuant to Act 1028 of 2019, the Board must record all officially scheduled, special, and called open public meetings in a manner that allows for the capture of sound. Therefore, with the exception of Executive Sessions, a sound only recording will be made of the open public meetings of the Board. The recordings will be maintained by the Board for a period of one (1) year from the date of the open public meeting. The recordings will be maintained in a format that may be reproduced.~~

~~Section I – General (F) Standards of Practice and Restrictions on Appraisal Practice~~

~~Standards of Practice~~

~~Appraisers in all classifications shall perform and practice in compliance with the Uniform Standards of Professional Appraisal Practice (USPAP).~~

~~Existing credential holders (with the exception of Registered Apprentice 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. This applies to reciprocity, temporary practice, renewals, and applications for the same credential (with the exception of Registered Apprentice and State Registered appraisers) in another jurisdiction. All credential holders must comply with ongoing requirements for continuing education and renewal procedures.~~

~~Restrictions on Appraisal Practice~~

~~All appraisal services rendered in federally related transactions must be performed or rendered by a person or persons holding the appropriate registration, license, or certification. All written appraisal reports shall make a specific reference to any person(s), bear the signature(s) and seal(s) of all properly registered, licensed, or certified person(s) who participated significantly in the performance of the appraisal or delivery of appraisal services. 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 Uniform Standards of Professional Appraisal Practice.~~

~~A **State Licensed Appraiser** may perform appraisals of non-complex one (1) to four (4) residential units having a transaction value of less than $1,000,000, and complex one (1) to~~

four (4) residential units having a transaction value of less than $250,000. Complex one-to-four units residential property appraisal means one in which the property to be appraised, the form of ownership, or the market conditions are atypical. For non federally related transaction appraisals, transaction value shall mean market value. The classification includes the appraisal of vacant or unimproved land that is utilized for one-to-four residential units, or for which the highest and best use is for one-to-four residential units. The classification does not include the appraisal of subdivisions for which a development analysis/appraisal is necessary. All State Licensed Appraisers must comply with the Competency Rule of the Uniform Standards of Professional Appraisal Practice.

A **State Certified Residential Appraiser** may perform appraisals of one (1) to four (4) residential units without regard to value or complexity. The classification includes the appraisal of vacant or unimproved land that is utilized for one-to-four residential unit purposes or for which the highest and best use is for one-to-four residential units. The classification does not include the appraisal of subdivisions for which a development analysis/appraisal is necessary. All Certified Residential appraisers must comply with the Competency Rule of the Uniform Standards of Professional Appraisal Practice.

A ***State Certified General Appraiser*** perform appraisals of all types of real property. All Certified General appraisers must comply with the Competency Rule of the Uniform Standards of Professional Appraisal Practice.

**State Licensed and Certified Residential appraisers performing appraisals on non-residential (i.e., commercial, farms, timberland, etc.) property types shall comply with the following limitations.*

- Federally Related Transactions: A state licensed/certified residential appraiser shall be limited to appraising a "transaction value" (loan value) of no more than $250,000.

- Non-Federally Related Transactions: A state licensed/certified residential appraiser shall be limited to a "property value" of no more than $250,000.

A ***State Registered Appraiser*** may perform appraisals on any type of property except (1) when the purpose of the appraisal is for use in federally related transactions, or (2) The client requires a State Licensed or Certified appraiser, and must include in all appraisals reports a statement that the appraisal may not be eligible for use in federally related transactions.

All appraisals and/or appraisal services performed by a state registered appraiser shall be subject to the Competency Rule of the Uniform Standards of Professional Appraisal Practice.

A ***Registered Apprentice Appraiser*** may assist in the performance of an appraisal of

~~properties that his or her state-certified appraiser supervisor is permitted to appraise by his or her current credential. The Registered Apprentice Appraiser and his or her state-certified supervisor must comply with the Competency Rule of the Uniform Standards of Professional Appraisal Practice.~~

~~Section I – General (G) Licensure and Certification~~

~~If upon passing the required appropriate examination, an applicant is found by the Board 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.~~

~~Section I – General (H) Denial of a Registration, License or Certification~~

~~If the Board finds that there is substantial reason to deny the application for a registration, license, or certification, the Board shall notify the applicant that the application has been denied. The Board shall afford the applicant an opportunity for a hearing before the Board to show cause why the application should not be denied. 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.~~

~~All proceedings concerning the denial of an appraiser credential shall be governed by the Arkansas Administrative Procedures Act, § 25-15-201 et seq.~~

~~Section I – General (I) Appraiser Signature and Seal~~

~~Each registered, licensed, and certified appraiser, at his/her own expense, shall secure, upon authorization by the Board, a seal, or rubber stamp, the form of which shall be approved by the Board.~~

~~In addition to the personal seal or rubber stamp, the credential holder shall also affix his/her signature, at a minimum, to the letter of transmittal (if applicable) and the certification page of each appraisal report or appraisal service, which were prepared by him/her or were prepared under his/her direction.~~

~~Section I – General (J) Form and Content~~

~~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. The license and/or certificate shall show the name of the registered, licensee or certificate holder and a license or certificate number assigned by the Board. Each license and/or certificate shall have imprinted on it the~~

~~state seal and in addition shall contain other matters as shall be prescribed by the Board.~~

~~Registrations, License and certificate documents, pocket cards and seals shall remain the property of the state and upon any suspension, revocation or denial of a license or certificate, the individual holding the related license or certificate document and pocket card shall return them to the Board within ten (10) days of notification by the Board and shall cease to use seals or stamps immediately upon receipt of notice.~~

~~Section I – General (K) Individual License, Certificates, and Pocket Cards~~

~~A registered, licensee or certificate holder shall not conduct his/her business under any other name or at any other address than the one for which his/her individual license or certificate is issued unless he/she first registers the name(s) with the Board. If a registered, licensee or certificate holder changes his/her name or business address, he/she shall notify the Board in writing within thirty (30) days after the change becomes effective.~~

~~In addition to the individual license or certificate to be issued to each qualified individual, the Board shall furnish to each individual a pocket card, which shall certify that the person whose name appears on the pocket card is a state registered appraiser, registered apprentice appraiser, state licensed appraiser, a state certified residential appraiser, or a state certified general appraiser, and indicate any current restrictions of that licensees practice. Each registered, licensee or certificate holder shall carry his/her pocket card upon his/her person at all times when conducting any real estate appraisal related activity and shall exhibit it upon demand.~~

~~Section I – General (L) Replacement License or Certificate~~

~~A registered, licensed or certificate holder may, by filing a written request obtain a duplicate registration, license or certificate which has been lost, damaged, or destroyed or if the name of the licensee or certificate holder has been lawfully changed.~~

~~Section I – General (M) National Appraiser Registry~~

~~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 non-resident, provided the individuals have paid to the Board the appropriate registry fee established for that purpose by the Appraisal Subcommittee or any other appropriate federal agency or instrumentality. If a non-resident appraiser is licensed or certified on a non-temporary basis in another state, and chooses to be licensed or certified in Arkansas on a non-temporary basis, the national registry fee shall be collected by the Arkansas Appraiser Licensing and Certification Board and submitted to the~~

~~Appraisal Subcommittee. The national registry fee collected by the Arkansas Appraiser Licensing and Certification Board from non-resident appraisers shall be an additional national registry fee to that which is collected from the other state(s) where the appraiser may be licensed or certified on a non-temporary basis. An appraiser holding the classification of "State Registered" or "Registered Apprentice Appraiser" will not be assessed a national registry fee.~~

~~Section I – General (N) Education Approval and Requirements~~

~~1. General Requirements for Education Offerings~~

~~A. The Board may approve or disapprove all course offerings for qualifying education and continuing education. The approval process shall apply to course content, facilities, text, course delivery mechanism, and other materials utilized in the offering and instructors. 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. The Board may recognize any educational offering recommended or approved by the Appraiser Qualification Board (AQB) of the Appraisal Foundation.~~

~~B. Time requirements for the purpose of all educational offerings include:~~
~~1. A class hour is defined as 60 minutes, of which at least 50 minutes are instruction attended by the student.~~
~~2. The prescribed number of class hours includes time for examinations.~~

~~C. Credit for the class hour requirements may be obtained only from the following providers:~~

- ~~1. Colleges or universities;~~
- ~~2. Community or junior colleges;~~
- ~~3. Real estate appraisal or real estate related organizations;~~
- ~~4. State or federal agencies or commissions;~~
- ~~5. Proprietary schools;~~
- ~~6. Providers approved by the Board; or~~
- ~~7. The Appraisal Foundation or its Boards.~~

~~D. Experience may not be substituted for education.~~

~~E. Distance education is defined as any education process based on the geographical separation of student and instructor. Components of distance education include synchronous, asynchronous, and hybrid. In synchronous educational offerings, the instructor and students interact simultaneously online, similar to a phone call, video chat or live webinar, or web-based meeting. In asynchronous educational offerings, the instructor and student interaction is non-simultaneous; the students progress at their own pace and follow a structured course content and quiz/exam schedule. Hybrid courses, also known as blended courses, are learning~~

~~environments that allow both in-person and online (synchronous, or asynchronous) interaction.~~

~~Synchronous courses provide for instruction and interaction substantially the same as on-site classroom courses. Synchronous courses meet class hour requirements if they comply with requirements (B) and (C) above.~~

~~An asynchronous distance education course is acceptable to meet class hour requirements if:~~

~~1. The course provides interaction. Interaction is a reciprocal environment where the student has verbal or written communication with the instructor; and~~

~~2. Content approval is obtained from the AQB, the Board, or an accredited college, community college, or university that offers distance education programs and is approved or accredited by the Commission on Colleges, a regional or national accreditation association, or by an accrediting agency that is recognized by the US Secretary of Education. Non-academic credit college courses provided by a college shall be approved by the AQB or the Board; and~~

~~3. Course delivery mechanism approval is obtained from one of the following sources:~~
~~a. The AQB; or~~
~~b. AQB approved organizations providing approval of course design and delivery (such as The Appraisal Foundation or other independent approved entity); or~~
~~c. a college or university that qualifies for content approval in paragraph 2 above that awards academic credit for the distance education course; or~~
~~d. a qualifying college or university for content approval with a distance education delivery program that approves the course design and delivery that incorporate interactivity.~~

~~4. 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.~~

~~F. Hybrid courses meet class hour requirements if each of its sessions meet the requirement for the delivery method employed:~~
~~1. in-person sessions must meet (B) and (C) above,~~
~~2. synchronous course sessions must meet (B) and (C) above,~~
~~3. asynchronous courses sessions must meet (B), (C), and (E 1-3) above.~~

~~G. A list of approved education providers and courses is available on the Board's website. 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:~~
~~1. A Course Completion Certificate,~~
~~2. A timed outline provided by the education provider, and a~~
~~3. A course description from the education provider.~~

H. 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. Approval may be extended for an additional two (2) years on the written request by the provider. Failure to timely request an extension will result in automatic termination of the education offerings approval status.

I. *The fifteen (15) hour National USPAP Course* may not be substituted for the *7 hour National USPAP Update Course*.

J. 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. The application must be accompanied by the following:

1. A timed outline allocating each heading and subtopic; and
2. A copy of the course materials; and
3. Instructor resume(s); and
4. All AQB and course delivery mechanism approval certificates, if applicable; and
5. Applicable fees.

K. 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 this agency.

L. Examination Proctor Qualifications:

1. The person 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.
2. The proctor may be selected from the following professions:
   a. A university, college or community college professor or instructor.
   b. A public and private school professional (superintendent, principal, guidance counselor, librarian, etc.)
   c. An AQB certified instructor or an approved professional association's instructor.
3. Proctor(s) shall be approved, in advance, by the Arkansas Appraiser Licensing and Certification Board.

M. Examination Proctor Duties

1. Be satisfied that the person taking the examination is the person registered for the course. This should be verified with a picture ID and another identification document (driver's license, student ID card, etc.).

2. Be in the room while the student is taking the exam. Assure that the student does all the work him/herself without aids of any kind including books, notes, conversation with others, or any other external resource. If the exam calls for mathematical calculations, a non-programmable hand-held calculator may be used.

~~3. The proctor shall see that the student adheres to the time limit requirement specified for the examination. The examination must be completed in one sitting. If the examination is interrupted for any reason, the examination can be re-started only by notifying the Arkansas Appraiser Licensing and Certification Board that the examination was interrupted, the reason for the interruption and the Board, or its designee, must approve the request to resume.~~

~~4. 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 him/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.~~

~~2. Criteria Specific to Qualifying Education~~

~~A. Class hours will be credited only for educational offerings with content that follows the AQB *Required Core Curriculum* for each respective credential classification. Course content requirements may be general or specific to property types. The AQB *Required Core Curriculum* is to be followed by major headings with the classroom hours for each.~~

~~B. 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 US Secretary of Education, provided that the college or university has had its curriculum reviewed and approved by the AQB.~~

~~The AQB 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. 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 AQB.~~

~~C. Class hours may be obtained only where:~~

~~1. the minimum length of the educational offering is at least 15 hours; and~~

~~2. the individual successfully completes a proctored, closed-book final examination pertinent to that educational offering.~~

~~D. 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.~~

~~E. Courses taken to satisfy the qualifying education requirements must not be repetitive. Courses shall foster problem-solving skills in the education process by utilizing case studies as~~

~~a major teaching method when applicable.~~

~~F. Applicants must take the *15 hour National USPAP Course*, or its AQB approved equivalent, and pass the associated 15 hour National USPAP Course examination. At least one of the course instructors must be an AQB Certified USPAP Instructor who is also a state certified appraiser in good standing. Course equivalency shall be determined through the AQB Course Approval Program or by an alternative method established by the AQB. 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.~~

~~G. In addition to the generic requirements described in Section (I) (N) (1) (E), distance education courses intended for use as qualifying education must include a written, closed book final examination. The examination must be proctored in person or remotely by a Board approved proctor. Bio metric proctoring is acceptable. The term "written" as used herein refers to an exam that might be written on paper, or administered electronically on a computer workstation or other device. Oral exams are not acceptable. The testing must comply with the examination requirements of this section.~~

~~3. Criteria Specific to Continuing Education~~

~~A. 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.~~

~~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.~~

~~B. 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.~~

~~C. Credit may be granted for education offerings that are consistent with the purpose of continuing education and cover real property related appraisal topics, including, but not limited to:~~

- ~~1. Ad valorem taxation;~~
- ~~2. Arbitration, dispute resolution;~~
- ~~3. Courses related to the practice of real estate appraisal or consulting;~~
- ~~4. Development cost estimating;~~
- ~~5. Ethics and standards of professional practice, USPAP;~~
- ~~6. Valuation bias, fair housing, and/or equal opportunity;~~
- ~~7. Land use planning, zoning;~~
- ~~8. Management, leasing, timesharing;~~
- ~~9. Property development, partial interest;~~

~~10. Real estate law, easements, and legal interest;~~
~~11. Real estate litigation, damages, condemnation;~~
~~12. Real estate financing and investment;~~
~~13. Real estate appraisal-related computer applications;~~
~~14. Real estate securities and syndication;~~
~~15. Developing opinions of real property value in appraisals that also include personal property and/or business value;~~
~~16. Seller concessions and impact on value; and/or~~
~~17. Energy efficient items and "green building" appraisals.~~

~~D. Up to one half of an individual's continuing education requirement may also be granted for participation, other than as a student, in appraisal educational processes and programs. Examples of activities for which credit may be granted are teaching, program development, authorship of textbooks, or similar activities that are determined to be equivalent to obtaining continuing education. Credit for instructing any given course or seminar can only be awarded once during a continuing education cycle.~~

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

~~F. In addition to the general requirements described in Section (I) (N) (1) (E), asynchronous distance education courses intended for use as continuing education must include at least one of the following:~~

~~1. A written examination proctored by an official approved by the college or university, or by the sponsoring organization. Remote proctoring, including bio-metric procedures as noted in Section (I)(N)(2)(G) above is acceptable. The term "written" as used herein refers to an exam that might be written on paper or administered electronically on a computer workstation or other device. Oral exams are not acceptable; or~~
~~2. Successful completion of prescribed course mechanisms required to demonstrate knowledge of the subject matter.~~

~~G. Real estate appraisal-related field trips may be acceptable for credit toward the continuing education requirements. However, transit time to or from the field trip may not be included when awarding credit unless instruction occurs during said transit time.~~

~~H. Appraisers must successfully complete the *7 hour National USPAP Update Course*, or its AQB-approved equivalent, every two (2) calendar years. Equivalency shall be determined through the AQB Course Approval Program or by an alternate method established by the AQB. *The fifteen (15) hour National USPAP Course* may not be substituted for the *7 hour National USPAP Update Course*.~~

~~I. Individuals who are credentialed in more than one jurisdiction shall not have to take more~~

~~than one *7 Hour National USPAP Course* within a two calendar year period for the purposes of meeting AQB Criteria.~~

~~J. USPAP continuing education credit shall only be awarded when the course is instructed by at least one AQB Certified USPAP Instructor who is also a state certified appraiser in good standing.~~

~~K. AQB Certified USPAP Instructors successfully completing a *7 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.~~

~~L. Each State Licensed, Certified Residential, and Certified General appraiser shall complete during the two (2) year period prior to renewal of his/her credential in an even numbered year (i.e., 2018, 2020, etc.) a minimum of twenty eight (28) hours of qualifying or continuing education. The class hour requirement may be fulfilled at any time during the cycle.~~

~~M. 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/her credential. The class hour requirement can be fulfilled at any time during the cycle.~~

~~N. Waivers may not be granted to credential holders who have failed to meet the continuing education requirements.~~

~~O. Deferrals may not be granted to credential holders, except in the case of individuals returning from active military duty, or individuals impacted by a state- or federally declared disaster. The Board may allow credential holders returning from active military duty to be placed in an active status for a period of up to ninety (90) days pending completion of all continuing education requirements. The Board may allow credential holders impacted by a state- or federally declared disaster than 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.~~

~~P. Credentialed appraisers are required to complete continuing education for a partial year in a continuing education cycle as follows: For continuing education cycle periods of 185 days or more, fourteen (14) hours of continuing education is required. For continuing education cycle periods of less than 185 days, no hours of continuing education are required.~~

~~Q. The Board may award continuing education credit to credentialed appraisers who attend a Board meeting, under the following conditions:~~

~~1. Credit may be awarded for a single Board meeting per continuing education cycle. The meeting must be open to the public and must be a minimum of two (2) hours in length. The total credit cannot exceed seven (7) hours; and~~

2. The Board must ensure that the credentialed appraiser attends the meeting for the required period of time.

Section I – General (O) Uniform Standards of Professional Appraisal Practice

The Arkansas Appraiser Licensing and Certification Board adopts the "Uniform Standards of Professional Appraisal Practice" (USPAP) as published and amended by the Appraisal Foundation for 2020-2021. This adoption shall include all parts of USPAP including the introductory sections for the purpose of judging those applicants, registrant, licensees, and certificate holders with respect to the appropriateness of their conduct and activities as appraisers in the State of Arkansas.

Section I – General (P) Grounds for Disciplinary Action

The Board may, upon its own motion or upon written complaint of any person, and after notice of hearing as prescribed by the Administrative Procedures Act, suspend, or revoke the registration, license, or certification of any registered, licensee or certificate holder and/or issue a fine up to the amount of $1,000 per violation occurrence for:

1. Violation of any provision of the Arkansas Appraiser Licensing and Certification Act 541 of 1991 as amended or any of these rules;
2. Falsifying any application for licensure or certification or otherwise providing any false information to the Board;
3. Conviction in any jurisdiction of any felony. A plea of nolo contendere or no contest shall be considered a conviction for the purposes of this section.
4. Any actions demonstrating untrustworthiness, incompetence, dishonesty, gross negligence, material misrepresentation, fraud, or unethical conduct in any dealings subject to the Act or these rules;
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 Act or these rules;
8. Habitual or excessive use of intoxicants or illegal drugs;
9. Failure to meet continuing education requirements within the proper time period;
10. Continuing, after January 1, 2010, to perform appraisal services for an appraisal management company client who is not registered pursuant to Subchapter IV of the A. C. A. 17-14-401 et seq.

Section I – General (Q) Complaint Adjudication and Publication of Action

A. Any appraiser who fails to timely renew their registration, license, certification or elects to surrender their license/certification while a complaint is pending, will be unable to have their license reinstated until the complaint has been resolved. If a disciplinary hearing or informal conference is pending at the time of surrender, the scheduled hearings will proceed with or without the appraiser's participation and any disciplinary action resulting from the hearing shall be placed in the appraiser's file and addressed prior to any reinstatement of their credentials. Appraisers who have their license suspended or revoked are prohibited from performing any and all duties and responsibilities (researching data, and/or assisting associates with the development and reporting of real property appraisals).

B. 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, the Arkansas Bankers Association and the Mortgage Bankers Association of Arkansas periodicals, and any other appropriate publications, which will communicate such actions taken against an appraiser's license.

Section I – General (R) Declaratory Orders

A. 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 agency has authority. 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. 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 an agency. A petition or declaratory order must describe the potential impact of statutes, rules, or orders upon the petitioner's interest.

B. The process to obtain a declaratory order is begun by filing with the Arkansas Appraiser Licensing and Certification Board a petition that provides the following information:

1. The caption shall read: Petition for Declaratory Order Before the Arkansas Appraiser Licensing and Certification Board.
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(s) agency rule(s), or agency order(s) 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 questions or issue on which petitioner seeks a declaratory order.
6. The signature of the petitioner or petitioner's attorney.
7. The date.
8. Request for a hearing, if desired.

C. The agency may hold a hearing to consider a petition from declaratory statement. If a hearing is held, it shall be conducted in accordance with A. C. A. {25-15-208 and 25-15-213}, and the agency's rules for adjudicatory hearings.

D. The agency may rely on the statements of fact set out in the petition without taking any position with regard to the validity of the facts. Within ninety (90) days of filing of the petition, the agency will render a final order denying the petition or issuing a declaratory order.

Section I – General (S) – Uniformed Service Members

Pursuant to Act 135 of 2021 the Board shall grant automatic credentialing to a uniformed service veteran. As used in this section, a uniformed service veteran means a former member of the United States Uniformed Services discharged under circumstances other than dishonorable.

A. The Board shall grant automatic credentialing to an individual who is the holder in good standing of a credential with a similar scope of practice issued by another jurisdiction and is:

1. A uniformed service member stationed in the State of Arkansas;
2. A uniformed service veteran who resides in or establishes residency in the State of Arkansas; or
3. The spouse of:
   a. A person under A (1) or (2) above.;
   b. 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
   c. 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.

B. The Board shall grant such automatic credentialing upon receipt of all of the below:

1. A completed written "Uniformed Service Veterans Application" form. The form is available on the Board's website or from the Board office;
2. The payment of the initial credential fee;
3. Evidence that the individual is a holder in good standing of a credential with a similar scope of practice in another jurisdiction; and
4. Evidence that the applicant is a qualified applicant under Section A.

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

D. A (full/partial) 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.~~

~~Section II – General Qualifications for Registration, Licensure or Certification~~

~~The Board 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 Act 541. The best interest of the public shall be given due regard when considering each applicant for registration, licensing, or certification.~~

~~Every applicant to the Arkansas Appraiser Licensing and Certification Board as a State Registered appraiser, Registered Apprentice appraiser, State Licensed appraiser or State Certified appraiser 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, licensed, or certified appraiser in such a manner as to safeguard the interest of the public.~~

~~B. The applicant shall meet the current educational and experience requirements for licensing and certification prior to the time he or she applies to sit for the licensing or certification exam.~~

~~1. Prior to applying to become a State Registered Appraiser, the applicant must meet the requirements of Section VIII.~~

~~2. Prior to applying to become a Registered Apprentice Appraiser, the applicant must meet the requirements of Section IV.~~

~~C. A non-resident applicant shall be in good standing as an appraiser in every jurisdiction where credentialed.~~

~~D. The applicant shall not have been convicted, found guilty or pled guilty, regardless of adjudication, in any jurisdiction of any felony. Any plea of nolo contendere shall be considered a conviction for the purposes of this paragraph. The record of a conviction authenticated in such form as to be admissible in evidence under the laws of the jurisdiction where convicted shall be admissible as prima facie evidence of such conviction.~~

~~E. The applicant shall be at least 18 years old and shall have received a high school diploma or its equivalent.~~

~~F. 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. The application may require the signature acknowledged before a notary public. All applications shall include the appropriate fees. The Board will not consider an application~~

~~which is incomplete or with which the correct fees have not be submitted.~~

~~G. The Board may require each applicant for a license to furnish, at his/her expense, a recent passport type photograph of him/herself, as well as any other information or form of identification deemed necessary by the Board to determine the applicant's qualifications for licensing or certification.~~

~~H. 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.~~

~~I. The Board shall grant a credential to an applicant who fulfills the Arkansas requirements for an appraiser credential and is a person who holds a Federal Form I-766 United States Citizenship and Immigration Services issued Employment Authorization Document, know popularly as a "work permit."~~

~~Section III – General Examination and Experience Criteria~~

~~A. Examination Criteria~~

~~1. A new applicant, not currently licensed or certified and in good standing in another jurisdiction, shall have up to 24 months, after approval by the Board, to take and pass an AQB approved qualifying examination for the credential. Successful completion of the examination is valid for a period of 24 months.~~

~~B. Experience Criteria~~

~~1. Education may not be substituted for experience, except as shown below in Section four(4).~~

~~2. The quantitative experience requirements must be satisfied by time spent in the appraisal process. The appraisal process consists of: analyzing factors that affect value; defining the problem; gathering and analyzing data; applying the appropriate analysis and methodology; and arriving at an opinion and correctly reporting the opinion in compliance with USPAP.~~

~~3. Hours may be treated as cumulative in order to achieve the necessary number of hours of appraisal experience. 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 purpose) in order for an appraisal to qualify for experience, but experience gained for work without a traditional client cannot exceed 50% of the total experience requirement.~~

a. Practicum courses that are approved by the Board can satisfy the non-traditional client experience requirement. A practicum course must include the generally applicable methods of appraisal practice for the credential category. Content includes, but is not limited to: requiring the student to produce credible appraisals that utilize an actual subject property; performing market research containing sales analysis; and applying and reporting the applicable appraisal approaches in conformity with USPAP. Assignments must require problem solving skills for a variety of property types for the credential category.

b. 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.

5. An hour of experience is defined as verifiable time spent in performing tasks in accordance with acceptable appraisal practice. Acceptable real property appraisal practice for experience credit includes appraisal, appraisal review, appraisal consulting, and mass appraisal. All experience must be obtained after January 30, 1989, and must be USPAP compliant. An applicant's experience must be in appraisal work conforming to Standards 1,2,3,4,5, and/or 6, where the appraiser demonstrates proficiency in appraisal principles, methodology, procedures (development), and reporting conclusions.

6. 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 Board's discretion that the work is compliant with USPAP must be provided as part of the Boards experience verification process to support the experience claimed.

7. Acceptable experience may include a limited number of hours related to necessary and fundamental tasks, such as records research, measurements, and certain aspects of property inspections. But to be satisfactory, the experience of the applicant must clearly demonstrate a progression in exposure, charge, responsibility, and successful performance of those comprehensive tasks related to real property appraisal practice, to include, but not limited to appraisal development and reporting, and should involve all aspects of the valuation process.

8. The burden of proving the amount and validity of experience claimed is entirely the responsibility of the applicant. As a minimum, the applicant must be prepared to substantiate, on request by the Board, the experience claimed with a true copy of appraisal assignment reports, work file to support the nature or the experience claims, and true copies of time records or calendars which support actual work time associated with the assignments.

9. The verification for experience credit claimed by an applicant shall be on the forms

prescribed by the Board, which shall include:

a. Type of property;

b. Date of report;

c. Address of appraised property, including city name;

d. Description of work performed by the applicant and scope of the review and supervision of the supervising appraiser;

e. Number of actual work hours by the applicant on the assignment; and

f. The signature and credential number of the supervising appraiser, if applicable. Separate appraisal logs shall be maintained for each supervising appraiser, if applicable.

10. The Board 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.

11. There is no maximum time limit during which experience may be obtained.

Section IV – Criteria Applicable to a Registered Apprentice Appraiser Credential

A. General

1. The Registered Apprentice Appraiser classification is intended to incorporate any documented non-certified/non-licensed real property appraisers who are subject to the Real Property Appraiser Qualification Criteria.

2. 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/her current credential and that the Supervisory Appraiser is competent to appraise.

3. The Registered Apprentice Appraiser, as well as the Supervisory Appraiser, shall be entitled to obtain copies of appraisal reports and/or permitted appropriate access and retrieval arrangements for all work files for appraisals in which he or she participated, in accordance with the Record Keeping Rule of USPAP.

4. Experience hours do not begin to accumulate until the appraiser is issued Registered Apprentice Appraiser credential.

5. All Registered Apprentice Appraisers must comply with the Competency Rule of USPAP for all assignments.

B. Examination

1. 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. As the prerequisite for application, an applicant must have completed seventy-five (75) hours of qualifying education as listed below. Additionally, applicants must pass the course examinations and pass the 15-Hour National USPAP Course, or its AQB-approved equivalent and the examination as a part of the 75 hours. All qualifying education must be completed within the five (5) year period immediately preceding the date of application for a Registered Apprentice Appraiser credential. The required courses are:~~

~~Basic Appraisal Principles~~	~~30 Hours~~
~~Basic Appraisal Procedures~~	~~30 Hours~~
~~15-Hour National USPAP Course (or its equivalent)~~	~~15 Hours~~

~~2. Appraisers holding a valid State Licensed Real Property Appraiser credential satisfy the educational requirements for the Registered Apprentice Appraiser.~~

~~3. Appraisers holding a valid Certified Residential Real Property Appraiser credential satisfy the educational requirements for the Registered Apprentice Appraiser credential.~~

~~4. Appraisers holding a valid Certified General Real Property Appraiser credential satisfy the educational requirements for the Registered Apprentice Appraiser credential.~~

~~D. Experience~~

~~1. No experience is required as a prerequisite for the Registered Apprentice Appraiser classification.~~

~~E. Training~~

~~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. A Registered Apprentice Appraiser is permitted to have more than one Supervisory Appraiser.~~

~~2. 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(s); 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.~~

~~3. The Registered Apprentice Appraiser is permitted to have more than one Supervisory Appraiser, but a Supervisory Appraiser may not supervise more than three (3) Registered Apprentice Appraisers, at one time.~~

~~4. An appraisal experience log shall be maintained jointly by the Supervisory Appraiser and the Registered Apprentice Appraiser. 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 Board. At a minimum, the appraisal log requirements shall include:~~

~~a. Type of property;~~
~~b. Date of report;~~
~~c. address of appraised property~~
~~d. Description of the work performed by the Registered Apprentice Appraiser and scope of the review and supervision of the Supervisory Appraiser;~~
~~e. Number of actual work hours by the Registered Apprentice Appraiser on the assignment; and~~
~~f. The signature and state certification number of the Supervisory Appraiser. Separate appraisal logs shall be maintained for the Supervisory Appraiser, if applicable.~~

~~5. 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. 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. 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. A Supervisory Appraiser subject to a disciplinary action would be considered to be in good standing three (3) years after the successful completion/termination of the sanction imposed against the appraiser.~~

~~6. Registered Apprentice Appraisers shall be required to complete a course that, at a minimum, complies with the specifications for course content established by the AQB, which is specifically oriented to the requirements and responsibilities of Supervisory Appraisers and Registered Apprentice Appraisers. The course must be completed by the Registered Apprentice Appraiser prior to obtaining a Registered Apprentice Appraiser credential from the Board. Further, the Registered Apprentice Appraiser course is not eligible towards the 75 hours of qualifying education required.~~

~~Section V – Criteria Applicable to a State Licensed Real Property Appraiser Credential~~

~~Please consult **Section III – General Examination and Experience Criteria** for additional~~

~~requirements.~~

~~A. General~~

~~1. The State Licensed Real Property Appraiser classification applies to the appraisal of non-complex one-to-four residential units having a transaction value less than $1,000,000, and complex one-to-four residential units having a transaction value less than $250,000.~~

~~2. Complex one-to-four-unit residential property appraisal means one in which the property to be appraised, the form of ownership, or the market conditions are atypical.~~

~~3. For non federally related transaction appraisals, transaction value shall mean market value.~~

~~a. The classification includes the appraisal of vacant or unimproved land that is utilized for one-to-four residential units, or for which the highest and best use is for one-to-four residential units.~~

~~b. The classification does not include the appraisal of subdivisions for which a development analysis/appraisal is necessary.~~

~~4. All State Licensed Real Property Appraisers must comply with the Competency Rule of USPAP.~~

~~B. Examination~~

~~1. Upon completion of all applicable requirements, applicants for a State License credential shall be personally interviewed by members of the Appraiser Licensing and Certification Board prior to being granted an approval to sit for the exam.~~

~~2. The AQB-approved State Licensed Real Property Appraiser examination must be successfully completed. 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 AQB-approved examination are completion of:~~

~~a. One hundred fifty (150) creditable class hours as specified in Section (IV) (C) (1), and;~~

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

~~4. An applicant for State License 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 the last exam. 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.~~

C. Qualifying Education

1. The State Licensed Real Property Appraiser classification requires completion of one hundred fifty (150) creditable class hours as listed below. As a part of the 150 required hours, the applicant shall successfully complete the *15-Hour National USPAP Course,* or its AQB-approved equivalent, and successfully pass the examination. There is no alternative to successful completion of the USPAP Course and examination. The required courses are:

a. Basic Appraisal Principles	30 Hrs
b. Basic Appraisal Procedures	30 Hrs
c. *15-Hour National USPAP Course* (or its equivalent)	15 Hrs
d. Residential Appraiser Market Analysis & Highest and Best Use	15 Hrs
e. Residential Appraiser Site Valuation and Cost Approach	15 Hrs
f. Residential Sales Comparison and Income Approaches	30 Hrs
g. Residential Report Writing and Case Studies	15 Hrs

2. Appraisers holding a valid State Registered appraiser credential and who have completed the required 75 hours of qualifying education may satisfy the educational requirements for the State Licensed Real Property Appraiser credential by successfully completing the following additional education hours:

a. Residential Market Analysis and Highest and Best Use 15 Hours
b. Residential Appraiser Site Valuation and Cost Approach 15 Hours
c. Residential Sales Comparison and Income Approaches 30 Hours
d. Residential Report Writing and Case Studies 15 Hours

3. Appraisers holding a valid Certified Residential Real Property Appraiser credential satisfy the educational requirement for the State Licensed Real Property Appraiser credential.

4. Appraisers holding a valid Certified General Real Property Appraiser credential satisfy the educational requirements for the State Licensed Real Property Appraiser credential.

D. Experience

The applicant for a State License credential shall demonstrate at least (as a minimum) one thousand (1,000) hours of appraisal experience, obtained in no less than six (6) months. While the hours may be cumulative, the required number of months must accrue before an individual can be licensed. The experience of the applicant must be of a type and nature sufficient to convince the Board of a demonstrated and proven capability of the applicant to adequately perform assignments of a type permitted by a State License Real Property Appraisal credential.

Section VI – Criteria Applicable to a Certified Residential Real Property Appraiser

Credential

Please consult **Section III – General Examination and Experience Criteria** for additional requirements.

A. General

1. The Certified Residential Real Property Appraiser classification qualifies the appraiser to appraise one to four residential units without regard to value or complexity.

a. The classification includes the appraisal of vacant or unimproved land that is utilized for one to four residential unit purposes or for which the highest and best use is for one to four residential units.

b. The classification does not include the appraisal of subdivisions for which a development analysis/appraisal is necessary.

2. All Certified Residential appraisers must comply with the Competency Rule of USPAP.

B. Examination

1. Upon completion of all applicable requirements, applicants for a State Certified Residential credential shall be personally interviewed by members of the Arkansas Appraiser Licensing and Certification Board prior to sitting for the exam unless previously interviewed on a residential appraisal.

2. The AQB approved Certified Residential Real Property Appraiser examination must be successfully completed. 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 AQB approved examination are completion of:

a. Two hundred (200) creditable class hours as specified in Section (V) (C) (4)

b. Completion of the requirements specified in Section (V) (C) (2) or Section (V) (C) (3), "Qualifying Education"; and

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

4. An applicant for a State Certified Residential credential 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. 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.

C. Qualifying Education

1. All college level education must be obtained from a degree granting institution by the Commission on Colleges, a national or regional accreditation association, or by an accrediting agency that is recognized by the US Secretary of Education.

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

- ~~An accredited, degree-granting domestic college or university;~~
- ~~foreign degree credential evaluation service company that is a member of the National Association of Credential Evaluation Services (NACES); or~~
- ~~A foreign degree credential evaluation service company that provides equivalency evaluation reports accepted by an accredited degree-granting domestic college or university or by a state licensing Board that issues credentials in another discipline.~~

~~2. Applicants for the Certified Residential credential must satisfy at least one of the following five options Section (V) (C) (2) (a), Section (V) (C) (2) (b), Section (V) (C) (2) (c), Section (V) (C) (2) (d), or Section (V) (C) (2) (e).~~

~~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 30 semester hours of college-level courses that cover each of the following specific topic areas and hours:~~
~~i. English Composition (3 semester hours);~~
~~ii. Microeconomics (3 semester hours);~~
~~iii. Macroeconomics (3 semester hours);~~
~~iv. Finance (3 semester hours);~~
~~v. Algebra, Geometry, or higher mathematics (3 semester hours);~~
~~vi. Statistics (3 semester hours);~~
~~vii. Computer Science (3 semester hours);~~
~~viii. Business or Real Estate Law (3 semester hours); and~~
~~ix. Two elective courses in any of the topics listed above or in accounting, geography, agricultural economics, business management, or real estate (3 semester hours each).~~

~~d. Successful completion of at least 30 semester hours of College Level Examination Programs® (CLEP®) examinations from each of the following subject matter areas:~~
~~i. College Algebra (3 semester hours);~~
~~ii. College Composition (6 semester hours);~~
~~iii. College Composition Modular (3 semester hours);~~
~~iv. College Mathematics (6 semester hours);~~
~~v. Principles of Macroeconomics (3 semester hours);~~

~~vi. Principles of Microeconomics (3 semester hours);~~
~~vii. Introductory Business Law (3 semester hours); and~~
~~viii. Information Systems (3 semester hours).~~
~~c. Any combination of (c) and (d) above that ensures coverage of all topics and hours identified in (c).~~

~~3. As an alternative to the requirements in Section (V) (C) above, 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 non-appealable 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~~	~~15 Hours~~
~~ii. Advanced Residential Applications and Case Studies~~	~~15 Hours~~
~~iii. Appraisal Subject Matter Electives~~	~~20 Hours~~

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

~~d. Successful completion of the AQB-approved Certified Residential Real Property Appraiser examination. The only alternative to successful completion of the Certified Residential examination is the successful completion of the Certified General examination.~~

~~4. The Certified Residential Real Property Appraiser classification requires completion of two hundred (200) creditable course hours as listed below. As part of the 200 required hours, the applicant shall successfully complete the *15 Hour National USPAP Course,* or its AQB-approved equivalent and the examination. There is no alternative to successful completion of the USPAP Course and examination. The required courses are:~~

~~a. Basic Appraisal Principles~~	~~30 Hours~~
~~b. Basic Appraisal Procedures~~	~~30 Hours~~
~~*c. 15 Hour National USPAP Course* (or its equivalent)~~	~~15 Hours~~
~~d. Residential Appraiser Market Analysis and Highest and Best Use~~	~~15 Hours~~
~~e. Residential Appraiser Site Valuation and Cost Approach~~	~~15 Hours~~
~~f. Residential Sales Comparison and Income Approaches~~	~~30 Hours~~
~~g. Residential Report Writing and Case Studies~~	~~15 Hours~~
~~h. Statistics, Modeling and Finance~~	~~15 Hours~~
~~i. Advanced Residential Applications and Case Studies~~	~~15 Hours~~
~~j. Appraisal Subject Matter Electives~~	~~20 Hours~~

~~5. Appraisers holding a valid State Registered 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~~	~~15 Hours~~
~~b. Residential Appraiser Site Valuation and Cost Approach~~	~~15 Hours~~
~~c. Residential Sales Comparison and Income Approaches~~	~~30 Hours~~
~~d. Residential Report Writing and Case Studies~~	~~15 Hours~~
~~e. Statistics, Modeling and Finance~~	~~15 Hours~~
~~f. Advanced Residential Applications and Case Studies~~	~~15 Hours~~
~~g. Appraisal Subject Matter Electives~~	~~20 Hours~~

~~6. 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~~	~~15 Hours~~
~~b. Advanced Residential Applications and Case Studies~~	~~15 Hours~~
~~c. Appraisal Subject Matter Electives~~	~~20 Hours~~

~~7. Appraisers holding a valid State Registered appraiser credential wishing to change to the Certified Residential Real Property Appraiser classification must also satisfy the college level education requirement as specified in Section (V) (C).~~

~~8. 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 Section (V) (C) (3) must also satisfy the college level education requirements as specified in Section (V) (C) (2).~~

~~9. Appraisers holding a valid State Licensed Real Property Appraiser credential wishing to change to the Certified Residential Real Property Appraiser classification who meet the requirements outlined in Section (V) (C) (3) do not need to satisfy college level education requirements as specified in Section (V) (C) (2).~~

~~10. Appraisers holding a valid Certified General Real Property Appraiser credential satisfy the educational requirements for the Certified Residential Real Property Appraiser credential.~~

~~D. Experience~~

~~The applicant for a State Certified Residential Appraiser credential shall demonstrate at least (as a minimum) one thousand five hundred (1,500) hours of appraisal experience that is obtained during no fewer than twelve (12) months. While the hours may be cumulative, the required number of months must accrue before an individual can be certified. The experience of the applicant must be of a type and nature sufficient to convince the Board 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.~~

~~Section VII – Criteria Applicable to a Certified General Real Property Appraiser Credential~~

~~Please consult **Section III – General Examination and Experience Criteria** for additional requirements.~~

~~A. General~~

~~1. The Certified General Real Property Appraiser classification qualifies the appraiser to appraise all types of real property.~~

~~2. All Certified General appraisers must comply with the Competency Rule of USPAP~~

~~B. Examination~~

~~1. Upon completion of all applicable requirements, applicants for a State Certified General Appraiser credential shall be personally interviewed by members of the Arkansas Appraiser Licensing and Certification Board prior to sitting for the exam.~~

~~2. The AQB approved Certified General Real Property Appraiser examination must be successfully completed. There is no alternative to successful completion of the exam.~~

~~The prerequisites for taking the AQB approved examination are completion of:~~

~~a. Three hundred (300) creditable class hours as specified in Section (VI) (C) (2).~~
~~b. Completion of the college level education requirements specified in Section (VI) (C) (1).~~
~~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 non-residential appraisal work.~~

~~3. An applicant for State Certified General Appraiser credential 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. 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.~~

~~C. Qualifying Education~~

~~1. Applicants for the Certified General credential must hold a bachelor's degree or higher from an accredited college or university. The college or university must be a degree granting~~

~~institution accredited by the Commission on Colleges, a national or regional accreditation association, or by an accrediting agency that is recognized by the US Secretary of Education. Applicants with a college degree from a foreign country may have their education evaluated for "equivalency" by one of the following:~~

- ~~An accredited, degree-granting domestic college or university;~~
- ~~A foreign degree credential evaluation service company that is a member of the National Association of Credential Evaluation Services, (NACES); or~~
- ~~A foreign degree credential evaluation service company that provides equivalency evaluation reports accepted by an accredited degree-granting domestic college or university or by a state licensing Board that issues credentials in another discipline.~~

~~2. The Certified General Real Property Appraiser classification requires completion of three hundred (300) creditable class hours as listed below. As part of the 300 required hours, the applicant shall complete the *15-Hour National USPAP Course,* or its AQB-approved equivalent, and the examination. There is no alternative to successful completion of the USPAP Course and examination. The required courses are:~~

~~a. Basic Appraisal Principles~~	~~30 Hours~~
~~b. Basic Appraisal Procedures~~	~~30 Hours~~
~~c. *15-Hour National USPAP Course* (or its equivalent)~~	~~15 Hours~~
~~d. General Appraiser Market Analysis and Highest and Best Use~~	~~30 Hours~~
~~e. Statistics, Modeling, and Finance~~	~~15 Hours~~
~~f. General Appraiser Site Valuation and Cost Approach~~	~~30 Hours~~
~~g. General Appraiser Sales Comparison Approach~~	~~30 Hours~~
~~h. General Appraiser Income Approach~~	~~60 Hours~~
~~i. General Appraiser Report Writing and Case Studies~~	~~30 Hours~~
~~j. Appraisal Subject Matter Electives~~	~~30 Hours~~

~~(May include hours over minimum shown above in other modules)~~

~~3. Applicants must demonstrate that their education includes the core courses listed in these rules, with particular emphasis on non-residential properties. Residential is defined as "composed of one to four residential units."~~

~~4. Appraisers holding a valid State Registered 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~~	~~30 Hours~~
~~b. Statistics, Modeling, and Finance~~	~~15 Hours~~
~~c. General Appraiser Site Valuation and Cost Approach~~	~~30 Hours~~
~~d. General Appraiser Sales Comparison Approach~~	~~30 Hours~~
~~e. General Appraiser Income Approach~~	~~60 Hours~~
~~f. General Appraiser Report Writing and Case Studies~~	~~30 Hours~~

~~g. Appraisal Subject Matter Electives 30 Hours~~

~~5. 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 15 Hours~~
~~b. Statistics, Modeling, and Finance 15 Hours~~
~~c. General Appraiser Site Valuation and Cost Approach 15 Hours~~
~~d. General Appraiser Sales Comparison Approach 15 Hours~~
~~e. General Appraiser Income Approach 45 Hours~~
~~f. General Appraiser Report Writing and Case Studies 15 Hours~~
~~g. Appraisal Subject Matter Electives 30 Hours~~

~~6. Appraisers holding a valid Certified Residential Real Property Appraiser credential may satisfy the educational requirements for the Certified General Real Property Appraiser credential by successfully completing the following additional educational hours:~~

~~a. General Appraiser Market Analysis and Highest and Best Use 15 Hours~~
~~b. General Appraiser Site Valuation and Cost Approach 15 Hours~~
~~c. General Appraiser Sales Comparison Approach 15 Hours~~
~~d. General Appraiser Income Approach 45 Hours~~
~~e. General Appraiser Report Writing and Case Studies 10 Hours~~

~~7. State Registered 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 Section (VI) (C) (1) and Section (VI) (C) (3).~~

~~D. Experience~~

~~Three thousand (3,000) hours of experience are required to be obtained during no fewer than eighteen (18) months. One thousand five hundred (1,500) hours must be in non-residential appraisal work. While the hours may be cumulative, the required number of months must accrue before an individual can be certified. The experience of the applicant must be of a type and nature sufficient to convince the Board 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.~~

~~Section VIII – Criteria Applicable to a State Registered Real Property Appraiser Credential~~

A. General

Please consult **Section III – General Examination and Experience Criteria** for additional requirements.

1. The State Registered Appraiser classification qualifies the appraiser to perform appraisals on any type of property except when the purpose of the appraisal is for use in federally related transactions.
2. As a part of the application, the applicant must sign an affidavit, attesting to having read and an understanding of the current edition of the Uniform Standards of Professional Appraisal Practice, the applicable State Laws and the Rules governing appraisal practice in Arkansas.

3. 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 (AQB) and the Arkansas Appraiser Licensing and Certification Board

4. All State Registered Appraisers must comply with the Competency Rule of USPAP for all assignments.

B. Examination

1. 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 seventy-nine (79) hours of qualifying education as listed below. Additionally, applicants must pass the course examinations and pass the *15 Hour National USPAP Course*, or its AQB-approved equivalent and the examination as a part of the 79 hours. All qualifying education must be completed within the five (5) year period immediately preceding the date of application for a State Registered Appraiser credential. The required courses are:

Basic Appraisal Principles	30 Hours
Basic Appraisal Procedures	30 Hours
15 Hour National USPAP Course (or its equivalent)	15 Hours
Supervisory Appraiser/Trainee Appraiser Course	4 Hours

Section IX – Non-Resident Registration and/or Licensing: Reciprocity

"Reciprocity" is a type of appraiser credential which allows an appraiser from another jurisdiction to complete an appraisal assignment in this State. A reciprocal credential is issued to qualified applicants for a period not to exceed twelve (12) months from the date of issuance. Only nonresident licensed or certified appraisers may apply for reciprocity. A reciprocal credential may be renewed each year.

Reciprocity Appraiser Requirements

A. A non-resident appraiser planning to develop an appraisal assignment in Arkansas for a federally related transaction must first apply for a state license or certification. In the case of a non-federally related transaction, the appraiser shall apply to be registered, licensed, or certified in advance of initiating the appraisal assignment as a non-resident appraiser. Only non-resident licensed or certified appraisers may apply for Reciprocity.

Non-Resident 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.

B. Reciprocity may be obtained by non-residents of this State through recognition of another jurisdiction's program of licensing and certification in accordance with A. C. A. § 17-14-306.

1. 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 Reciprocal applicant is currently in good standing as an appraiser in every jurisdiction where he/she is credentialed. The appraiser's National Registry information found on the Appraisal Subcommittee's website may be used in determining the appraiser's licensing and disciplinary history.

b. The applicants background meets Board's qualifications. A new Reciprocal applicant or a Reciprocal applicant whose credential has been inactive for more than twelve (12) months must submit to a state criminal record check conducted by the Arkansas State Police and a nationwide criminal record check conducted by the Federal Bureau of Investigation, including the taking of fingerprints.

C. A person wishing to be credentialed under this section must:

1. Submit an application for a Reciprocal credential on a form approved by the Board, found on the Board's website;

2. Submit an irrevocable consent to service of process in this State on a form approved by the Board, found on the Board's website;

3. Pay the required fees; and

4. Provide all supporting documentation or information requested by the Board in

~~connection with the application for reciprocity.~~

~~D. The term of a Reciprocal credential shall be for no more than twelve (12) months. Renewal may be accomplished by submitting evidence of the completion of fourteen (14) hours of continuing education, a renewal form, and the appropriate fees. The appraiser's National Registry information found on the Appraisal Subcommittee's website may be used in determining the appraiser's licensing and disciplinary history.~~

~~Section X – Non-Resident Licensure & Certification – Temporary Practice Permit~~

~~A Temporary Practice Permit is a type of an appraiser credential which allows a licensed or certified appraiser from another jurisdiction to complete an appraisal assignment in this State. A Temporary Practice Permit is issued to qualified applicants on an assignment basis. The original term of the Permit will not exceed six (6) months from the date of issuance. Only nonresident licensed or certified appraisers may apply for a Temporary Practice Permit.~~

~~Temporary Practice Permit Requirements~~

~~A. 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 A. C. A. § 17-14-306. Temporary Practice Permits are issued on an assignment basis, with a term not to exceed six (6) months from the date of issuance. Only licensed or certified appraisers qualify for a Temporary Practice Permit.~~

~~1. 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/she is credentialed. The appraiser's National Registry information found on the Appraisal Subcommittee's website may be used in determining the appraiser's licensing and disciplinary history.~~

~~2. A person wishing to be credentialed under this section must:~~
~~a. Submit an application for a Temporary Practice Permit on a form approved by the Board, found on the Board's website;~~
~~b. Submit an irrevocable consent to service of process in this State on a form approved by the Board, found on the Board's website;~~
~~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.~~
~~3. The appraiser who registers for a Temporary Practice Permit is not required to complete a Criminal Background Check.~~

B. The term of a Temporary Practice Permit shall extend for the duration of the particular assignment. However, 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:

1. Is continuing the same appraisal assignment listed on the original application for a Temporary Practice Permit; and

2. Requests an extension on a form approved by the Board. The request must be received by the Board or postmarked (not metered) 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.

Section XI – Transfer of Licensed or Certified Credential

A. 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:

1. The applicant is in good standing as an appraiser in every jurisdiction where he or she is credentialed. The appraiser's National Registry information found on the Appraisal Subcommittee's website may be used in determining the appraiser's credentialing and disciplinary history.

2. The applicant's background meets the Board's qualifications. A transfer applicant must submit to a state criminal record check conducted by the Arkansas State Police and a nationwide criminal record check conducted by the Federal Bureau of Investigation, including the taking of fingerprints.

3. A person wishing to be credentialed under this section must:

a. Submit a Transfer Application on a form approved by the Board, found on the Board's website;

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.

4. The renewal date for a licensed or certified credential is June 30 of each year.

Section XII – Licensure Expiration, Renewal, Upgrade, and Inactive Status

A. Appraiser credentials must be renewed each year, or they will be placed on an inactive status. Each State Licensed (SL), Certified Residential (CR) and Certified General (CG) credential renewal is June 30th of each year. Each State Registered (SR) credential renewal is

~~December 31st of each year.~~

~~B. An application to renew a credential shall be submitted on a form obtained from the Board office or on the Board's website. Applicants may renew electronically through a Board-established electronic process, as available.~~

~~C. 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. 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. Credential holders must ensure that the address on file with the Board office is current and that the Board is notified within thirty (30) days of any mailing address or email address change.~~

~~D. Credential holders shall file a timely and sufficient renewal application with the Board by the renewal date each year. 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 pocket card indicating the new expiration date after receiving evidence of completion of the required continuing education and appropriate fee. Any credential holder who fails to complete continuing education requirements will not be eligible to renew their credential.~~

~~F. The credential of a SR, SL, CR and CG shall be placed on inactive status unless the appraiser submits a timely and sufficient renewal application by the expiration date.~~

~~G. During the first 184 days of inactive status a credential holder may renew their credential by submitting the appropriate renewal form. This includes the payment of renewal fees, a late fee of fifty dollars ($50) per month or partial month elapsed since the renewal date and submitting the required continuing education completion certificates.~~

~~H. After 185 days up to twelve (12) months of inactive status a credential holder may renew their credential by submitting the appropriate renewal form. This includes the payment of renewal fees and submitting the required continuing education completion certificates. This includes evidence of completion of the most recent edition of a *7 Hour National USPAP Update Course* (or its AQB 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 the appropriate reinstatement form. This includes payment of the appropriate renewal fee and evidence of the completion of the required continuing education hours. Credential holders in an inactive status must complete all required continuing education that would have been required if the credential holder was in an active status. The required hours must also include~~

the most recent edition of a *7 Hour National USPAP Update Course* (or its AQB approved equivalent). Continuing education hours required are 14 hours per year for each year or partial year the credential was inactive plus any continuing education hours required at the time the credential was placed on inactive status. For example: Number of years inactive x 14 hours + number of hours due when credential was placed on inactive status = Total number of continuing education hours that must be submitted. Evidence of completion of the most recent edition of a *7 Hour National USPAP Update Course* (or its AQB approved equivalent) must be included in those hours.

J. After January 1, 2017, a credential holder whose appraiser credential has been in an inactive status for more than twelve (12) months shall be required to consent to a background check as described below. Prior to reinstatement the credential holder is required to obtain 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 registration, licensure, or certification.

K. Credential holders are not authorized to practice or to hold themselves out to the public as appraisers during the period of time that his or her appraiser credential is inactive. Any violation of this shall be grounds for discipline.

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

Section XIII – Supervisory Appraiser Requirements

Applicable to supervision of a Registered Apprentice Appraiser only.

A. General

1. Supervisory appraisers shall be responsible for the training, guidance, and direct supervision of the Registered Apprentice Appraiser by:
   a. Accepting responsibility for the appraisal by signing and certifying the appraisal complies with the Uniform Standards of Professional Appraisal Practice (USPAP);
   b. Reviewing and signing the Registered Apprentice Appraiser appraisal report(s); 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.

2. 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. 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. 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. A Supervisory Appraiser subject to a disciplinary action would be considered to be in "good standing" three (3) years after the successful completion/termination of the sanction imposed against the appraiser.~~

~~3. Supervisory Appraisers must comply with the Competency Rule of USPAP for the property type and geographic location where the Registered Apprentice Appraiser is being supervised.~~

~~4. Whereas a Registered Apprentice Appraiser is permitted to have more than one Supervisory Appraiser, Supervisory Appraisers may not supervise more than three (3) Registered Apprentice Appraisers at one time.~~

~~5. An appraisal experience log shall be maintained jointly by the Supervisory Appraiser and the Registered Apprentice Appraiser. It is the responsibility of both the Supervisory Appraiser and Registered Apprentice Appraiser to ensure the experience log is accurate, current, and complies with the requirements of the Board. At a minimum, the appraisal log requirements shall include:~~

~~a. Type of property;~~
~~b. Date of report;~~
~~c. Address of appraised property;~~
~~d. Description of work performed by the Registered Apprentice Appraiser and the scope of the review and supervision of the Supervisory Appraiser;~~
~~e. Number of actual work hours by the Registered Apprentice Appraiser on the assignment; and~~
~~f. The signature and state certification number of the Supervisory Appraiser. Separate appraisal logs shall be maintained for each Supervisory Appraiser, if applicable.~~

~~6. Supervisory Appraisers shall be required to complete a course that, at a minimum, complies with the specifications for course content established by the AQB, which is specifically oriented to the requirements and responsibilities of Supervisory Appraisers and Trainee Appraisers. The course is to be completed by the Supervisory Appraiser prior to supervising a Registered Apprentice Appraiser.~~

~~Section XIV – Fees and Payment of Fees~~

~~A. Types of Fees~~

~~The following fees shall be paid for pre-licensure and pre-certification applications and for the issuance of original and renewal licenses and certificates and for other purposes and activities of the Board:~~

~~1. Application Fee $125.00~~
~~2. State Licensed, Certified Residential, and Certified General Appraiser $300.00 (Annual)*~~
~~3. Temporary Non-Resident Licensed, Certified Residential, and Certified General Appraiser $150.00 (6 Months)~~
~~4. Non-Resident Licensed, Certified Residential and Certified General Appraiser $300.00 (Annual)~~
~~5. Delinquent Fees (All classifications) $ 50.00 (Monthly)~~
~~6. Reissuance Fees (Upgrade, Replacement of or Destroyed Licenses or Certificates) $ 25.00 Lost, Stolen,~~
~~7. Pre-License/Certification Course or Seminar Approval Fee $100.00 (Per Offering)~~
~~8. Continuing Education Course or Seminar Approval Fee $100.00 (Per Offering)~~
~~9. Photocopies of Records of the Board $ 00.05 (Per Page)~~
~~10. National Registry Fee (Set by ASC) $ 40.00 (Annual)~~
~~11. Testing Service Fee (Paid directly to the service) $100.00 (Maximum)~~
~~12. Application Fee (State Registered Appraiser) $200.00*~~
~~13. Renewal Fee (State Registered Appraiser) $200.00*~~
~~14. Renewal of Continuing and Pre License Education $ 50.00 (Qualifying)~~
~~15. Criminal Background Check Fee $ 37.50~~

~~*Pursuant to A. C. A. 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 $300 annually.~~

~~B. Payment of Application, Renewal and Upgrade Fees~~

~~All fees shall be paid by cashier's check, money order or personal check made payable to the Arkansas Appraiser Licensing and Certification Board except for the Testing Service Fee. The testing fee shall be payable directly to the testing service designated by the Board upon rescheduling the exam. (See instructions for testing.)~~

~~All fees are non-refundable except in special circumstances when a refund petition has been submitted to the Board and the Board consents to the request. 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. The initial application fee is acceptable for the first three (3) attempts at passing the examination. Upon successful completion of the examination, the application fee will be applied toward the appropriate license or certification fee.~~

~~C. Delinquency Provision (Fees and Continuing Education)~~

~~Registered, Licensed or Certified appraisers who fail 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 inactive.~~

~~D. Workforce Expansion Act of 2021~~

~~1. Pursuant to Act 725 of 2021, an applicant may receive a waiver of his or her initial credential fee, if eligible. Eligible applicants are applicants who:~~

~~a. Are receiving assistance through the Arkansas, or current state of residence equivalent, Medicaid Program, the Supplemental Nutrition Assistance Program (SNAP), the Special Supplemental Nutrition Program for Women, Infants, and Children (SSNP), the Temporary Assistance for Needy Families Program (TEA), or the Lifeline Assistance Program (LAP);~~

~~b. Were approved for unemployment within the last twelve (12) months; or~~

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

~~2. Applicants shall provide documentation showing his or her receipt of benefits from the appropriate State Agency.~~

~~a. For Medicaid, SNAP, SSNP, TEA, or LAP, documentation from the Arkansas Department of Human Services (DHS), or current state of residence equivalent agency;~~

~~b. For unemployment benefits approval in the last twelve (12) months, the Arkansas Department of Workforce Services, or current state of residence equivalent agency; or~~

~~c. For proof of income, copies of all United States Internal Revenue Service Forms indicating applicant's total personal income for the most recent tax year e.g., "W2," "1099," etc.~~

~~3. An applicant seeking a waiver will be required to provide a signed affidavit confirming that he or she qualifies for the waiver based on the conditions listed in section (1) above and may be required by the Board to submit documentation for verification purposes. Applicants shall also attest that any documentation provided under (2) is a true and correct copy and fraudulent or fraudulently obtained documentation shall be grounds for denial or revocation of his or her credential.~~

~~Section XV – Criminal Background Checks~~

A. Definitions:

1. "**All applicants**" applies to an applicant for a State Registered appraiser credential, a Registered Apprentice Appraiser, an application to transfer an appraiser credential to Arkansas, an application to upgrade an existing appraiser credential, an application to reinstate an appraiser credential that has been inactive for more than 12 months, and an application for a new reciprocal appraiser credential. "All applicants" does not apply to an application for a Temporary Practice Permit.

2. "**Appraiser credential**" means authorization issued by the Arkansas Appraiser Licensing and Certification Board to individuals who have satisfied the requirements to become a registered, licensed, or certified appraiser.

3. "**Criminal background check**" means both a state criminal records check conducted by the Arkansas State Police ("state background check") and a nationwide criminal record check conducted by the Federal Bureau of Investigation ("federal background check"), including the taking of fingerprints.

4. "**Disqualifying conviction**" means the applicant's criminal background history report or application indicates a conviction of a criminal offense that calls into question public trust or the applicant's fitness for registration, licensure, or certification.

B. Background Check Required:

1. Effective January 1, 2017, all applicants for an appraiser credential shall apply for state and national fingerprint based criminal background checks, using forms furnished by and pursuant to instructions provided by the Board.

2. 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.

3. A new state and federal criminal background check are required each time an appraiser applies to upgrade his/her credential type.

C. Application Procedure

1. All personnel for the Arkansas Appraiser Licensing and Certification Board will be trained and authorized to have access to each applicant and credential holder's criminal background history.

2. When an applicant applies for his/her appraiser credential or an existing credential holder applies to upgrade his/her credential type, and the Board receives the appropriate application form and check for his/her application or upgrade fee: the Board Staff will provide

~~the applicant with instructions to obtain his or her background check.~~

~~3. If the applicant does not have a criminal history, agency personnel will issue his/her appraiser credential when all other requirements are fulfilled.~~

~~4. If the applicant's criminal history report contains a disqualifying conviction(s), the applicant's application will not be approved. 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.~~

~~5. It is the policy of the Board not to provide a copy of the FBI criminal history record to the applicant. The applicant may obtain a copy of the record by submitting fingerprints and a fee to the FBI. Information regarding this process may be obtained on the FBI's website.~~

~~6. If, after viewing his/her criminal identification record, he/she believes that it is incorrect or incomplete in any respect and wish changes, corrections, or updating of the alleged deficiency he/she should make application directly to the agency which contributed the questioned/deficient information. He/she may also direct his/her challenge as to the accuracy or completeness of any entry on his/her record to the FBI, Criminal Justice Information Service (CJIS) Division, and Attn: SCU, Mod. D2, 1000 Custer Hollow Road, Clarksburg, WV 26306. The FBI will then forward the challenge to the agency which submitted the data, requesting that agency to verify or correct the questioned/deficient entry. Upon the receipt of an official communication directly from the agency which contributed the original information, the FBI CJIS Division will make any changes necessary in accordance with the information supplied by that agency.~~

~~7. Should an applicant challenge his/her criminal identification record, he/she shall notify the Board in writing. After receipt of such notice, the Board shall not determine whether an applicant is qualified for an appraiser credential until the applicant has had a reasonable opportunity to challenge said criminal identification record and shall not process the application until the challenge of said record is resolved by the State Identification Bureau and/or Arkansas Crime Information Center. The applicant shall notify the Identification Bureau to forward to the Board changes in the applicant's record as a result of such challenge.~~
~~8. If an applicant with a disqualifying conviction chooses to appeal the decision to deny his/her application, he/she may appeal to the Board for a waiver to be credentialed. The applicant has (30) thirty calendar days from the date notification is received from the Board in which to appeal the decision.~~

~~9. Each applicant with a disqualifying conviction who requests a waiver may appear before the Board or may 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.~~

~~10. If an individual has been convicted of an offense listed in A.C.A § 17-3-102(a) or (e),~~

~~the Board may waive disqualification of a potential applicant or revocation of a credential based on the conviction if a request for a waiver is made by:~~

~~a. An affected applicant for a credential; or~~

~~b. An individual holding a credential subject to revocation.~~

~~11. 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 registration; and~~

~~h. Other evidence demonstrating that registration of the applicant does not pose a threat to the health or safety of the public.~~

~~12. A request for a waiver, if made by an applicant, must be in writing.~~

~~13. The Board will respond with a decision in writing and will state the reasons for the decision.~~

~~14. An appeal of a determination under this section will be subject to the Administrative Procedures Act § 25-15-201 *et seq.*~~

~~15. The criminal history information, along with all supporting documentation, will be destroyed after (7) seven years by having authorized agency personnel cross shred all information including the file folder. This time limit will be confirmed with the State of Arkansas Records Retention policy in effect at the time the documents are scheduled to be destroyed.~~

~~16. The exchange of the Criminal History Report Information is subject to cancellation if dissemination is made outside the receiving departments or related agencies and if Criminal History Record Information is used for any other reason that is not stated in Arkansas State law. Furthermore, depending upon the nature of the offense and the identity of the offender, federal or state crimes may be charged for the willful, unauthorized disclosure of Criminal History Report Information. Misuse of the Criminal History Report Information is a Class A Misdemeanor or a Class D Felony depending on the circumstances. ACA 12-12-212 and 12-12-1002(b) and Title 28, U.S.C., § 534, Pub. L. 92-544, Title 28, CFR, 20.33 (d). Misuse of the Criminal History Report Information may result in termination of agency personnel involved.~~

~~D. Pre-Licensure Criminal Background Check~~

~~1. Pursuant to Act 990 of 2019, an individual may petition for a pre-registration determination of whether the individual's criminal record will disqualify the individual from registration and whether a waiver may be obtained.~~

~~2. The individual must obtain the pre-registration 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 or at the next available Board meeting.~~

~~4. The Boards response will state the reason(s) 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 pre-registration criminal background check 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.~~

~~**Department of Labor and Licensing**~~

~~**Arkansas Appraiser Licensing and Certification Board**~~

~~**Appraisal Management Company Rules**~~

~~**Clean Copy**~~

~~**Effective: July 1, 2022**~~

~~Section I – General – Creation, Purpose and Authority~~

~~1. The Arkansas General Assembly created, by passage of HB1694, an act to provide for registration and regulation of appraisal management companies by amending A.C.A. § 17-14-101 (The Arkansas Appraiser Licensing & Certification Act). Act 628 of 2009 effectively added a subchapter 4 titled The Appraisal Management Company Registration Act to the existing Appraiser Licensing & Certification Board Statutes. The purpose and intent of this act is to give the Arkansas Appraiser Licensing & Certification Board statutory authority to develop and implement rules resulting in the registration and government oversight of individuals or companies offering to or providing appraisal management services in Arkansas.~~

~~2. The Arkansas Appraiser Licensing & Certification Board and its staff have been charged by statute the overall responsibilities of administering the act in accordance with any and all officially promulgated rules. It is the legislative intent of Act 628 to insure that no person (individual, company, or organization) shall act as an appraisal management company or offer to perform appraisal management services in this state unless registered by the Arkansas Appraiser Licensing & Certification Board on or after January 1, 2010.~~

~~Section II – General Definitions~~

~~A. The following words and terms when used in these rules will have the following meanings:~~

~~1. "**Act 628**" – the Arkansas Appraisal Management Company Registration Act of 2009 which amended Arkansas Statute A.C.A. § 17-14-101 et seq. by adding a Subchapter 4.~~

~~2. "**Assignment**" – means:~~

~~a. An agreement between an appraiser and a client to perform a valuation service;~~

~~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 A.C.A. § 17-14-401 et seq. through A.C.A. § 17-14-414 et seq.~~

~~4. "**Competency**" or "**Competent**" – refers to the Competency Rule as defined in the Uniform Standards of Professional Appraisal Practice (USPAP).~~

~~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 more than ten percent (10%) of an appraisal management company.~~

7. "**Registrant**" means an appraisal management company or person that is registered under this subchapter.

8. "**Subject Individual**" means:
   a. A person designated as the controlling person or managing principal as defined in A.C.A. § 17-14-402 (11);
   b. An individual with an ownership interest of ten (10) percent or more of an appraisal management company; or
   c. In cases where ownership interest of ten (10) percent or more of the appraisal management company is held by an entity other than an individual:
      i. An individual who wholly owns a corporation that owns ten (10) percent or more of an appraisal management company;
      ii. An individual wholly owning and serving as the only general partner in a limited partnership that owns ten (10) percent or more of an appraisal management company;
      iii. An individual wholly owning and managing a limited liability company that owns ten (10) percent or more of an appraisal management company; or
      iv. An individual who wholly owns any other type of business entity that owns ten (10) percent or more of an appraisal management company.

9. "**System**" means an organized or established procedure or method.

Section III – Registration of appraisal management companies required

A person shall not act as an appraisal management company or perform appraisal management services in Arkansas unless they are registered by the Arkansas Appraiser Licensing and Certification Board.

Section IV (A) – Requirements for registration and initial application

A. Before applying for registration in Arkansas, the appraisal management company must be registered with the Arkansas Secretary of State. For the purpose of this rule, "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. The appraisal management company must maintain the registered business name with the Arkansas Secretary of State. The appraisal management company must use the registered business name for all transactions in this state.

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

   2. A foreign appraisal management company shall provide either a certificate of authority issued by the Arkansas Secretary of State or a copy of the company's

filing with the Arkansas Secretary of State appointing an agent for service of process.

B. An appraisal management company shall submit to the Board the following information to apply for initial registration.

1. A completed written initial application form. The initial application form is available on the Board's website or from the Board office. Required information includes, but is not limited to:
   a. The name, mailing address, website address, and telephone number of the appraisal management company. The name on the application form must match the name registered with the Arkansas 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 (10) percent or more of the appraisal management company.
   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 appraisal management company.
   f. If the appraisal management company 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. The application shall be accompanied with a surety bond in the amount of $20,000 in a form and format approved by the Board. Cash or securities may, with the Board's approval, be deposited in lieu of a bond.
   h. The appraisal management company shall submit with the application the required filing fee stipulated on the form.
   i. A completed criminal history report authorization form for all subject individuals.

2. A disclosure and documentation of any administrative disciplinary action must be included with the application, if an appraisal management company, 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.

3. The initial application for registration shall include a signed and dated certification attesting to all of the requirements found in A.C.A. § 17-14-405 (a)(6).

4. A signed and dated certification attesting the following.
   a. That the appraisal management company maintains for a least five (5) years:
      i. 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;

ii. A copy of each written complaint received by the appraisal management company, along with proof of documentation showing the complaint was forwarded to the appraisal management company's client for the appraisal assignment; and

b. 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.

c. Maintain a system to verify the competency of appraisers on the appraisal management company's appraiser panel that meets the minimum requirements in A.C.A. § 17-14-405 (6) (E).

5. If the Board finds that there is substantial reason to deny the application for registration, 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. All proceeding concerning the denial of a certificate of registration shall be governed by the Arkansas Administrative Procedures Act, § 25-15-201 et seq.

6. 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.

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

8. 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. 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. Registrants must ensure that the address on file with the Board office is current and that the Board is notified within thirty (30) days of any mailing address or email address change.

Section IV (B) – Requirements for renewal applications

A. An appraisal management company shall submit to the Board the following information to apply for renewal registration.

1. A completed written renewal application form. The renewal application form is available on the Board's website or from the Board office. Required information includes, but is not limited to:

a. The name, mailing address, website address, and telephone number of the appraisal management company. The name on the application form must match the name registered with the Arkansas 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 (10) percent or more of the appraisal management company.
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 appraisal management company.
f. If the appraisal management company 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. The renewal application shall be accompanied with a surety bond in the amount of $20,000 in a form and format approved by the Board. Cash or securities may, with the Board's approval, be deposited in lieu of a bond.
h. The appraisal management company shall submit with the application the required renewal fee stipulated on the form.
i. A completed criminal history report authorization form for all subject individuals.

2. A disclosure and documentation of any administrative disciplinary action must be included with the renewal application, if an appraisal management company, 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.

3. The renewal application for registration shall include a signed and dated certification attesting to all of the requirements found in A.C.A. § 17-14-405 (a)(6).

4. A signed and dated certification attesting the following.
   a. That the appraisal management company maintains for a least five (5) years:
      i. 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;
      ii. A copy of each written complaint received by the appraisal management company, along with proof of documentation showing the complaint was forwarded to the appraisal management company's client for the appraisal assignment; and

   b. 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.

c. Maintain a system to verify the competency of appraisers on the appraisal management company's appraiser panel that meets the minimum requirements in A.C.A. § 17-14-405 (6) (E).

5. If the Board finds that there is substantial reason to deny the renewal application for registration, the Board shall notify the applicant that the renewal 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. All proceeding concerning the denial of a certificate of registration shall be governed by the Arkansas Administrative Procedures Act, § 25-15-201 et seq.

6. The acceptance by the Board of a renewal application for registration does not constitute the approval of its contents or waive the authority of the Board to take disciplinary action.

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

8. An appraisal management company whose registration is in an inactive status shall cease operating as an appraisal management company in Arkansas.

9. Renewal applications received after the expiration date and within six months of the expiration of the registration shall be assessed a late fee of $50 per month or partial month, in addition to the renewal fee.

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

Section V (A) – Appraisal Management Company National Registry fees

A. An appraisal management company shall annually submit to the Board on February 28 an annual appraisal management company national registry fee that is determined by the Appraisal Subcommittee 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 appraisal management company on a covered transaction in Arkansas during January 1 to December 31 of the previous year. The calculations are as follows.

1. If the appraisal management company has been existence for more than a year, twenty-five dollars ($25) multiplied by the number of appraisers who have performed an appraisal for the appraisal management company on a covered transaction in Arkansas during the previous year; and
2. If the appraisal management company has not been in existence for more than a year, twenty-five dollars ($25) multiplied by the number of appraisers who have

performed an appraisal for the appraisal management company on a covered transaction in Arkansas since the appraisal management company commenced doing business.

C. The fee will also apply to appraisal management companies that are subsidiaries of Federal Financial Institutions that are exempt from state regulation but are subject to the national registry fees.

D. If the report and fees are not paid by February 28 of each calendar year, the appraisal management company will be placed on inactive status on the Appraisal Management Company National Registry.

E. A late fee of fifty dollars ($50) must be paid for each month or partial month the form and appraisal management company national registry fees are delinquent.

F. The Appraisal Management Company national registry fees collected will be remitted to the Appraisal Subcommittee as invoiced.

Section V (B) – Fees

A. The initial application fee for each appraisal management company shall not exceed one thousand five hundred dollars ($1,500).

B. The renewal application fee for each appraisal management company shall not exceed one thousand five hundred dollars ($1,500).

C. Late fees are assessed at fifty dollars ($50) per month or partial month from the appraisal management company's expiration date or when the appraisal management company national registry fees are delinquent.

D. A criminal history report fee not to exceed fifty dollars ($50) must be paid by the appraisal management company for each person owning more than ten (10%) percent of the appraisal management company. The amount to be paid is included on the criminal history report authorization form.

E. The Appraisal Management Company National Registry Fee of twenty-five dollars ($25) is calculated according to Section V (A) (B) (1) and (2) of these rules.

Section VI–Registrant responsibilities and duties

A. The registrant shall comply with the responsibilities and duties outlined in A.C.A. § 17-14-407 et seq.

B. The registrant shall disclose to an appraiser within their engagement documents verification of their appraisal management company Arkansas Registration.

C. An appraisal management company must submit to the Board a notice of business name change within thirty (30) calendar days of the change. Such notification shall be in writing on a form prescribed by the Board along with the following:

1. A corrected surety bond.
2. A copy of the Arkansas Secretary of State business registration with the company's new name.

D. An appraisal management company with a change of individual ownership greater than fifty (50) percent interest in the appraisal management company, shall submit to the Board a notice of change of ownership. Such notification shall be in writing on a form prescribed the by the Board, along with the following:

1. A completed surety bond.
2. A copy of the Arkansas Secretary of State business registration showing a change of registered agent;
3. A completed background check authorization form for the new owner.

E. If the surety bond maintained by an appraisal management company is terminated or cancelled, the appraisal management company shall file a replacement surety bond as soon as practicable or within ten (10) calendar days of the cancellation or termination, whichever occurs sooner. An appraisal management company that does not file a replacement surety bond shall surrender the appraisal management company's registration and cease operating as an appraisal management company effective on the date of cancellation of the surety bond.

F. Every subject individual and employee of an appraisal management company must cooperate with the Board and must respond fully and truthfully to Board inquiries and comply with any requests from the Board, subject only to the exercise of any applicable right or privilege. Failure to cooperate with the Board is unethical and is grounds for discipline including revocation or suspension of a registration, imposition of a civil penalty, or denial of a registration, or any combination thereof.

Section VII – Disciplinary authority, enforcement and hearings

A. In addition to the registering of appraisal management companies, the Board has been granted authority to consider and prosecute complaints against registrants for practices that are alleged to be in violation of Arkansas state law and/or these rules.

B. A violation of the prohibited activities outlined in A.C.A. § 17-14-408 et seq. are grounds on which the Board may file its own complaint against the appraisal management company or on which any party may make a written complaint.

C. The Board will accept anonymous complaints.

D. The Board 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.~~

~~1. The application for registration is found to contain statements that in light of the circumstances under which it was made is false or misleading with respect to a material fact.~~

~~2. The registrant has violated or failed to comply with these Rules and Arkansas Statutes.~~

~~3. The appraisal management company's controlling person or managing principal or other subject individuals has pleaded guilty or nolo contendere to or been found guilty of:~~

~~a. An offense listed in A.C.A. § 17-3-102(a) or (e); or~~

~~b. Within the past five (5) years:~~

~~i. a misdemeanor involving mortgage lending or real estate appraising; or~~

~~ii. an offense involving breach of trust or fraudulent or dishonest dealing.~~

~~4. The registrant 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 appraisal management company.~~

~~5. The registrant is the subject of an order by the Board or appraisal management company regulatory agency denying, suspending, or revoking the registrant's privilege to operate as an appraisal management company in that jurisdiction.~~

~~6. The applicant/registrant acted as an appraisal management company while not properly registered by this Board.~~

~~7. The applicant/registrant failed to pay the proper filing or renewal fees at the appropriate time.~~

~~E. Upon receipt of a written complaint or its own motion the Board shall proceed in processing a complaint as follows.~~

~~1. First, establish that the issue raised in the complaint is within the Board's jurisdiction.~~

~~2. A written notice and a copy of the complaint shall be provided to the registrant advising of the allegations and a request made of the respondent to submit a response within twenty (20) days.~~

3. Upon timely receipt of the registrant's response or a lack thereof, an investigation is initiated and a report is subsequently provided to a Probable Cause Panel consisting of three (3) Board members who will determine if the complaint should be dismissed, resolved at the level of an informal conference or warrants a full Board (Administrative) hearing. The recommendation of the Probable Cause Panel shall be ratified by the Board before any further action is taken.

F. Subsequent to ratification of a Probable Cause Panel recommendation by the Board, the respondent is advised of the status of the complaint and the direction in which it is being processed.

G. Upon the Board's recommendation that a complaint be referred for a full Board (Administrative) Hearing, it shall proceed as prescribed under the "Arkansas Administrative Procedures Act" (A.C.A. § 25-15-201 et seq.) and the Board may suspend or revoke the registration of an appraisal management company; or impose a fine not to exceed $1,000 per violation; or take any other appropriate disciplinary action as determined appropriate by the Board.

1. Prior to the Board imposing any penalty to the registrant, the Board shall first notify the registrant in writing (via an Order and Notice of Hearing) at least twenty (20) days prior to any hearing on the charges and allegations made.

2. The Board shall afford the registrant an opportunity to be heard in person or by counsel.

3. Upon the Board making a Findings of Fact, Conclusions of Law, and Order, the Order shall be delivered by certified mail to the registrant.

4. Pursuant to the Administrative Procedures Act § 25-15-208 (b), the Board has the option of resolving company complaints against an appraisal management company without a formal hearing if deemed appropriate by an action of the Board and consented to by the responding appraisal management company.

Section VIII – Background Check

Any owner of an appraisal management company shall submit to a state criminal background check and a national fingerprint-based criminal background check performed by the Federal Bureau of Investigation. Each owner shall apply for state and national fingerprint-based criminal background checks, using forms furnished by and pursuant to instructions provided by the Board.

Each owner shall authorize the release of criminal background check reports to the Board and pay any applicable fees associated with the state and federal criminal background checks pursuant to the written instructions provided by the Board.

Application Procedure

~~All personnel for the Arkansas Appraiser Licensing and Certification Board (Board) will be trained and authorized to have access to each owner's criminal history report.~~

~~When an owner applies for his or her background check, and the Board receives the appropriate application form and required fees the Board Staff will provide the owner with instructions to obtain his or her background check.~~

1. ~~If the owner does not have a criminal history, agency personnel will issue the registration when all other requirements are fulfilled.~~

2. ~~If the owner's criminal history report contains a disqualifying conviction(s), the appraisal management company's application or renewal will not be approved. A letter indicating there is a disqualifying conviction will be sent to the owner by Restricted and Certified mail with the owner as the only individual who may sign for the receipt of the letter at the United States Postal Service.~~

3. ~~It is the policy of the Board not to provide a copy of the FBI criminal history record to the owner. The owner may obtain a copy of the record by submitting fingerprints and a fee to the FBI. Information regarding this process may be obtained on the FBI's website.~~

4. ~~If, after viewing his/her criminal identification record, he/she believes that it is incorrect or incomplete in any respect and wish changes, corrections, or updating of the alleged deficiency he/she should make application directly to the agency which contributed the questioned/deficient information. He/she may also direct his/her challenge as to the accuracy or completeness of any entry on his/her record to the FBI, Criminal Justice Information Service (CJIS) Division, and Attn: SCU, Mod. D2, 1000 Custer Hollow Road, Clarksburg, WV 26306. The FBI will then forward the challenge to the agency which submitted the data, requesting that agency to verify or correct the questioned/deficient entry. Upon the receipt of an official communication directly from the agency which contributed the original information, the FBI CJIS Division will make any changes necessary in accordance with the information supplied by that agency.~~

5. ~~Should an owner challenge his/her criminal identification record, he/she shall notify the Board in writing. After receipt of such notice, the Board shall not determine whether an owner is qualified until the owner has had a reasonable opportunity to challenge said criminal identification record and shall not process the application until the challenge of said record is resolved by the State Identification Bureau and/or Arkansas Crime Information Center. The owner shall notify the Identification Bureau to forward to the Board changes in the owner's record as a result of such challenge.~~

6. ~~If an applicant with a disqualifying conviction chooses to appeal the decision to deny his/her application, he/she may appeal to the Board for a waiver to be credentialed. The applicant has (30) thirty calendar days from the date notification is received from the AALCB in which to appeal the decision.~~

~~7. Each applicant with a disqualifying conviction who requests a waiver may appear before the AALCB or may 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.~~

~~8. If an individual has been convicted of an offense listed in has been convicted of an offense listed in A.C.A. § 17-3-102(a) or (e), the Board may waive disqualification of a potential applicant or revocation of a registration based on the conviction if a request for a waiver is made by:~~

~~1. An affected applicant for registration; or~~

~~2. An individual holding a registration subject to revocation.~~

~~9. The Board may grant a waiver upon consideration of the following, without limitation:~~

~~1. The age at which the offense was committed;~~

~~2. The circumstances surrounding the offense;~~

~~3. The length of time since the offense was committed;~~

~~4. Subsequent work history since the offense was committed;~~

~~5. Employment references since the offense was committed;~~

~~6. Character references since the offense was committed;~~

~~7. Relevance of the offense to the registration; and~~

~~8. Other evidence demonstrating that registration of the applicant does not pose a threat to the health or safety of the public.~~

~~10. A request for a waiver, if made by an applicant, must be in writing.~~

~~11. The Board will respond with a decision in writing and will state the reasons for the decision.~~

~~12. An appeal of a determination under this section will be subject to the Administrative Procedures Act § 25-15-201 *et seq.*~~

~~13. The criminal history information, along with all supporting documentation, will be destroyed after (7) seven years by having authorized agency personnel cross-shred all information including the file folder. This time limit will be confirmed with the State of Arkansas Records Retention policy in effect at the time the documents are scheduled to be destroyed.~~

~~14. The exchange of the Criminal History Report Information is subject to cancellation if dissemination is made outside the receiving departments or related agencies and if Criminal History Record Information is used for any other reason that is not stated in Arkansas State law. Furthermore, depending upon the nature of the offense and the identity of the offender, federal or state crimes may be charged for the willful, unauthorized disclosure of Criminal History Report Information. Misuse of the Criminal History Report Information is a Class A Misdemeanor or a Class D Felony depending on the circumstances. ACA 12-12-212 and 12-12-1002(b) and Title 28, U.S.C., § 534, Pub. L. 92-544, Title 28, CFR, 20.33 (d). Misuse of the Criminal History Report Information may result in termination of agency personnel involved.~~

~~Pre-Licensure Criminal Background Check~~

~~A. Pursuant to Act 990 of 2019, an individual may petition for a pre-registration determination of whether the individual's criminal record will disqualify the individual from registration and whether a waiver may be obtained.~~
~~B. The individual must obtain the pre-registration criminal background check petition form from the Board.~~
~~C. The Board will respond with a decision in writing to a completed petition within a reasonable time.~~
~~D. The Boards response will state the reason(s) for the decision.~~
~~E. All decisions of the Board in response to the petition will be determined by the information provided by the individual.~~
~~F. Any decision made by the Board in response to a pre-registration criminal background check is not subject to appeal.~~
~~G. The Board will retain a copy of the petition and response and it will be reviewed during the formal application process.~~

~~Section IX – Audits~~

~~A. An audit of an appraisal management company registered to provide appraisal management services in Arkansas may be conducted by the Board.~~

~~B. In the case of a subsidiary or affiliate of a financial institution engaging in business as an appraisal management company 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 requirement by applicable law.~~

~~C. The Board may audit an appraisal management company 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 appraisal management company that refuses to submit to an audit shall be considered to have failed the audit.~~

~~Section X – Injunctive Relief – Criminal Penalty~~

~~It is unlawful for an appraisal management company or a person not registered under A.C.A. § 17-14-401 et seq. to perform any act for which registration is required. In order for the Appraiser Licensing and Certification Board to fulfill its legislated responsibilities, it may appear in its own name before a Circuit Court of competent jurisdiction to obtain injunctive relief to prevent a person from violating any provision of this Act. The Circuit Court has the option of granting a temporary or permanent injunction regardless of whether any criminal prosecution~~

has been or may be instituted as a result of the violation or the individual or company is a holder of a registration issued by the Board.

Section XI – Applicability

A. Act 628 of 2009 clearly sets forth the following specific entities and conditions for which an appraisal management company registration is not required. These rules of registration shall not apply to:

1. An agency of the federal, state, county, or municipal government;
2. A person authorized to engage in business as a bank, farm credit system, savings institution, or credit union under the laws of the United States, the State of Arkansas, or any other state;
3. A licensed real estate broker or licensed real estate agent performing activities regulated by the Arkansas Real Estate Commission unless the licensed real estate broker or licensed real estate agent received compensation or other pecuniary gain in connection with the referral, placement, or execution of a request for appraisal services; or
4. An officer or employee of a government agency, person, licensed real estate broker, or licensed real estate agent described in this section when acting within the scope of employment of the officer or employee.

A violation of A.C.A. § 17-14-401 et seq. is a class D felony.

Arkansas Abstracters' Board

Rules

SECTION 1. PURPOSE

The purpose of this Rule is to implement Ark. Code Ann. §17-11-101 *et seq.* and to set the standards and guidelines for applicants seeking Abstractor licenses in the State of Arkansas.

SECTION 2. AUTHORITY

The authority for this Rule is power given to the Arkansas Abstracters' Board for the State of Arkansas by Ark. Code Ann. §17-11-403(b), and other applicable laws.

SECTION 3. APPLICABILITY AND SCOPE

1. These Rules shall apply to all applicants seeking to become a registered abstracter under the Arkansas Abstracters' Board Act, Ark. Code Ann. § 17-11-302 (a) *et seq.*

2. These Rules shall apply to registered abstracters previously licensed pursuant to the repealed Arkansas Title Insurance Agents' Licensing Act, § 17-11-201 *et seq.* who continue to meet all the residency and other requirements of the Arkansas Abstracters' Board Act and these Rules, effective January 1, 2008.

SECTION 4. OFFICERS AND MEETINGS

1. Officers shall:
    a. Consist of a chairperson and a secretary/treasurer, each of whom shall have the privilege of re-election.
    b. Officers shall be elected annually in January, unless otherwise determined by the board.

2. Duties of Officers
    a. The chairperson shall:
        1. Call and preside at all meetings. In the absence of a chairperson, he/she shall designate a member to preside.
        2. Be custodian of all records or designate a custodian of all records.
        3. Delegate duties to Board members.
        4. Vote on all issues.
    b. The Secretary/Treasurer shall:
        1. Ensure that accurate minutes of each meeting are kept and distributed to each Board member.
        2. Supervise disbursement of Board funds.

SECTION 5. DUTIES OF THE BOARD

1. The Office of the Arkansas Abstracters' Board shall, in all respects, be deemed to be the Office of the Board. All correspondence and filings shall be addressed or delivered to the Arkansas Abstracters' Board.

2. The Director, who shall be employed by the Board, shall keep a record of all proceedings, transactions, communications and official acts of the Board. The Director shall be custodian of all records, and perform such other duties as the Board may require. Office hours, for the purpose of filing papers, examining public records or transacting any business with the Board or its staff, shall be determined by the Director. When filing or doing any act is required before a certain date, which falls on any Saturday, Sunday or legal holiday, the time for completing said filing or act shall be extended to the next succeeding working day.

3. Any Applicant may be given one opportunity to review his or her test papers in the company of the Director or a member of the Board. Any review by an Applicant shall be scheduled at the discretion of the Director or the Board and in no case shall occur later than three (3) months after the examination date. All public records of the Board shall be open for inspection at any time during the office hours determined by the Director.

4. The action of the majority vote of quorum of the Board shall be deemed the action of the Board of the members of quorum.

5. All meetings of the board, unless otherwise stated in the Rules or Statutes shall be conducted in accordance with Roberts Rules of Order.

6. The location of the office of the Board shall be designated by the Board.

SECTION 6. MEETINGS

1. Special meeting may be called at the discretion of the chairperson, or by two members of the Board, provided that all members are adequately notified.

2. All meetings shall be conducted pursuant to the Arkansas Freedom of Information Act and disciplinary proceedings shall be conducted in accordance with the Arkansas Administrative Procedures Act.

SECTION 7. INFORMATION FOR PUBLIC GUIDANCE

1. The Board makes available a list of persons holding certain responsibilities for handling FOIA requests, licensing questions, and complaints against licensees so that the public may obtain information about the Board or make submissions or requests. The names, mailing addresses, telephone numbers, and electronic

addresses can be obtained from the Board's website.

2. The Board has a list of official forms used by the Board and a list of all formal, written statements of policy and written interpretative memoranda, and orders, decisions and opinions resulting from adjudications, which may be obtained from the Board's office or website.

SECTION 8. DEFINITIONS

1. "Board" shall mean the Arkansas Abstracters' Board.

2. "Rule" shall mean the rules promulgated by the Arkansas Abstracters' Board unless the context requires otherwise.

3. "Abstracter" shall mean a person who verifies the original government survey, which should include gaps and overlaps in land ownership. Given improved technology, surveys have a margin of error of less than one foot. The abstractor must understand the various means of describing the exact boundaries of a piece of land and must recognize unacceptable methods.

4. "Abstract of title" shall mean the various activities affecting ownership of a parcel of land. A title search is conducted to determine that the seller of the property in fact owns the property and has a free-and-clear title. A free-and-clear title has no clouds on it, which means that no person or business other than the seller has an interest in, or claim to, the property.

5. "Person" shall mean any natural person, or any partnership, association, cooperative, corporation, firm, trust, limited liability company, or other legal entity.

6. "Application" shall mean paperwork to be completed by all applicants available from the Board's office.

7. Application "Applicant for a Certificate of Registration" shall be defined as any person desiring to become a registered abstractor, who shall have reached the age of majority, shall have not been convicted of a felony and shall have at least one year of verified land title related experience satisfactory to the Board.

8. "Applicant for a Renewal of a Certificate of Registration" shall be defined as any person who shall have successfully completed and passed a written examination prescribed by Section 14, who shall have been duly issued a Certificate of Registration, and who shall have acquired the required number of professional development credit hours within the prescribed period.

9. "Applicant for Certificate of Authority" shall be defined as any person, firm, partnership, association, corporation or business entity engaged in the business of abstracting as defined by the Act who shall be or have in his, her or its employ

a registered abstractor.

10. "Applicant for a Provisional Certificate of Registration" shall be defined as any person who applies for and is granted a Certificate of Registration that is effective for at least ninety (90) days, or until the Board makes a decision on an application for a reciprocal certificate of registration.

11. "Applicant for a Reciprocal Certificate of Registration" shall be defined as an applicant holding a substantially similar certificate of registration in another United States' jurisdiction who is seeking a certificate of registration in Arkansas.

12. "Applicant for a Temporary Certificate of Registration" shall be defined as any person succeeding to ownership of any abstract plant or business by any means other than by purchase, or any person who by reason of the incapacity of any registered abstractor owner is required to assume operation of the abstract plant or business.

13. "Applicant from a state that does not register appraisers" shall be defined as an applicant who can demonstrate sufficient competency in the field to be registered in Arkansas.

14. "Uniformed Service Veteran" shall be defined as a former member of the United States Uniformed Services discharged under circumstances other than dishonorable.

15. "Proof of land related experience" shall be defined as proof of not less than one year of full time land title related experience which shall be verified and shall be satisfactory to the Board.

SECTION 9. CERTIFICATE OF REGISTRATION – RECIPROCITY AND AUTOMATIC LICENSURE FOR UNIFORMED SERVICE MEMBERS, VETERANS AND SPOUSES

1. An applicant for a reciprocal certificate of registration pursuant to Ark. Code Ann. § 17-1-108(c), (d)(1)(A) shall meet the following requirements:
    a. The applicant shall hold a substantially similar license in another United States' jurisdiction.
        i. The applicant shall hold his or her license in good standing;
        ii. The applicant shall not have had a license revoked for:
            1. An act of bad faith; or
            2. A violation of law, rule, or ethics;
        iii. The applicant shall not hold a suspended or probationary license in a United States' jurisdiction.
    b. The applicant shall be sufficiently competent as an appraiser.

2. An applicant for a reciprocal certificate of registration shall submit a fully-executed application, the required fee, and the documentation described below.
    a. As evidence that the applicant's license from another jurisdiction is substantially similar to Arkansas's, the applicant shall submit the following information:
        i. Evidence of current and active license in that state.
        ii. Evidence that the other state's licensure requirements match those listed in Section 10.
    b. To demonstrate the applicant meets the requirement in Section 9.1 (a) ii. & iii. above, the applicant shall provide the Board with:
        i. The names of all states in which the applicant is currently licensed or has been previously licensed, and
        ii. Letters of good standing or other information from each state in which the applicant is currently or has ever been licensed showing that the applicant has not had his license revoked for bad faith or a violation of law, rule or ethics and does not hold a license on suspended or probationary status.
    c. As evidence that the applicant is sufficiently competent, an applicant shall:
        i. Provide proof of at least one year of verified land title related experience to the Board;
        ii. Pass a proficiency examination given by the Board; and
        iii. Provide three (3) letters of recommendation

3. A provisional certificate of registration pursuant to Ark. Code Ann. § 17-1-108 shall be issued immediately upon receipt of:
    a. An application, the twenty-five dollar ($25.00) examination fee, and the documentation required under Section 9.2 above.
    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 and the Board makes a determination on the application.
    c. After issuance of the provisional certificate of registration, if the Board determines that the applicant does not meet the requirements of Section 9.1(a) or (b) above, the Board may immediately revoke the provisional certificate of registration.
    d. An applicant may provide the rest of the documentation required above in order to receive a Certificate of Registration, or the applicant may provide only the information necessary for the issuance of a temporary Certificate of Registration.

4. An applicant from a state that does not register appraisers shall meet the following requirements in accordance with Ark. Code Ann. § 17-1-108(d)(2) in order to be registered in Arkansas:
    a. Demonstrate sufficient competency as an appraiser by providing proof of at least one year of verified land title related experience to the Board;
    b. Pass a proficiency examination given by the Board;
    c. Provide three (3) letters of recommendation; and
    d. Submit a fully executed application, pay the required fee, and attach the documents described above in Section 9.2.

5. 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 U.S. 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 Section 9.5 (a) or (b) above;
        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.

6. The Board shall grant such automatic licensure upon receipt of all the below:
    a. Payment of the initial licensure fee;
    b. Evidence that the individual holds a license with a similar scope of practice in another state; and
    c. Evidence that the applicant is a qualified applicant under Section 9.5.

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

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

SECTION 10. CERTIFICATE OF REGISTRATION

1. No Certificate of Registration shall be issued unless an Applicant shall first pass the written examination, as prescribed and specified in accordance with Section

14.

2. Application forms for the written examination may be obtained from the office of the Director of the Arkansas Abstracters' Board.

3. Applications must be received by the Director thirty (30) days in advance of the examination date. Applications must be typed or neatly printed in ink on forms prescribed and furnished by the Board. To be acceptable they must be filled out completely and in the detail required.

4. No application for registration as an Abstracter will be accepted unless it is accompanied by a check, draft or money order in a sum which shall include an examination fee of twenty-five dollars ($25.00).

5. An applicant shall not be admitted to the examination until satisfactory replies have been received from a minimum of three of his or her references.

6. Upon the Applicant passing the examination and meeting the requirements set forth in Section 10, the Board shall issue a Certificate of Registration designating him or her, a Registered Abstracter.

7. A Holder of a Certificate of Registration or Temporary Certificate of Registration shall notify the Director in writing within thirty (30) days of any changes of his or her business address, increase or decrease in the number of places of business and the address(es) of the same.

8. When an Applicant is rejected for any cause, the unsuccessful Applicant shall be notified as promptly as practicable and informed of the reason or reasons for his or her rejection.

9. A temporary certificate of registration pursuant to Ark. Code Ann. §17-11-305 shall be issued after the applicant completes an application and provides proof of land title related experience sufficient to meet the standards established by the Board.
    a. The fee for a temporary certificate of registration shall be fifteen dollars ($15.00).
    b. The temporary certificate of registration shall expire six (6) months after the date it is issued or upon the expiration of sixty (60) days after the next regularly scheduled examination which could be taken by the applicant, whichever period is longer.
    c. The holder of a temporary certificate of registration will be assessed the twenty-five dollar ($25.00) examination fee if he or she elects to take the examination.
    d. The Board shall notify the holder of the temporary certificate of registration of the time and place of the examination by regular U.S. Mail.

10. The Board shall waiver the temporary certificate of registration fee if the applicant:
    a. Is 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;
    b. Was approved for unemployment within the last twelve (12) months; or
    c. Has an income that does not exceed two hundred percent (200%) of the federal poverty income guidelines.

SECTION 11. CERTIFICATE OF REGISTRATION NOTICE OF ANNUAL FEE

1. Prior to May 1 of each year, the Director shall notify all persons currently registered under the Abstracters' Act of expiration and shall at the same time provide an application for renewal including a statement for the fifty dollar ($50) annual fee for the following year and that it will be due and payable on or before July 1.

2. Each applicant for renewal must return the Application for Renewal, together with the appropriate fee, to the Director on or before July 1.

3. Any registration which has not been renewed for the next July 1 to July 1 period in any one year will be cancelled on July 31. The Director will immediately remove said registration from the active roster and within thirty (30) days, shall notify said registrant by registered or certified mail of the fact of such cancellation and removal. Nothing contained in this Rule shall be construed as excusing any person, firm, partnership or individual from the provisions of the Act, or the rules and regulations, which prohibit engaging in the business of abstracting contrary to the provisions of said Act.

4. Each applicant must complete the professional development requirements imposed by Section 15 of these rules before the board shall renew the Certificate of Registration.

5. If a Board, in its sole discretion, determines that the applicant has shown good cause for not completing the professional development requirements, the Board shall permit the applicant to make up all outstanding hours of professional development credits within six (6) months of the renewal of the Certificate of Registration. If the credits are not obtained within such six month period, the certificate shall be revoked.

6. After August 1 of each year, any holder of a Certificate of Registration who has not renewed his or her registration will take the written examination prescribed by Section 14, if he or she passes the examination and meets the other requirements of these rules, he or she shall be given a Certificate of Registration.

SECTION 12. CERTIFICATE OF AUTHORITY

1. Applications for a Certificate of Authority may be obtained from the Director of the Arkansas Abstracters' Board.

2. Applications must be typed or neatly printed in ink on forms prescribed and furnished by the Board. To be acceptable they must be filled out completely and in the detail required.

3. No Application for a Certificate of Authority will be accepted unless it is accompanied by the Application Fee in the form of a check, draft or money order in the amount of twenty-five dollars ($25.00), made payable to the Arkansas Abstracters' Board.

4. Applicant shall furnish proof that such applicant is or has been employed as a registered abstracter, as defined herein.

5. Any holder of a Certificate of Authority shall, within fifteen (15) days of the termination of employment, death or incapacity of any registered abstracter employed by said holder, notify the Director, in writing, of the fact of such termination, death or incapacity. Such holder shall furnish any additional information regarding such termination, death or incapacity as the Board or Director may require.

6. If the termination of employment, death or incapacity of a registered Abstracter leaves the holder of a Certificate of Authority without a Registered Abstracter in its employ, such holder shall immediately cease any business of abstracting and forward it's Certificate of Authority for cancellations. Alternatively, any person to whom Section 10 is applicable may proceed pursuant to that Section to apply for a temporary certificate of registration, in accordance with these Rules.

7. Any holder of a Certificate of Authority shall notify the Director in writing within thirty (30) days of any change of its business address, increase or decrease of places of business and the address (s) of the same.

8. A Certificate of Authority must be publicly displayed at all times.

9. Any firm or entity advertising as an Abstract Company or similar name must have been issued a Certificate of Authority from the Arkansas Abstracters' Board.

SECTION 13. CERTIFICATE OF AUTHORITY NOTICE OF ANNUAL FEE

1. Prior to May 1 of each year, the Director shall notify all persons or business entities currently registered under the Abstracters Act of the expiration and shall provide at the same time an application for renewal, together with a statement for the annual fee for the following year, which fee shall be due and payable on or before July 1 of the same year.

2. Each applicant for renewal must return the Application for renewal, and the appropriate fee to the Director on or before July 1.

3. Any certificate of authority which has not been renewed for the next July 1 to July 1 period in any year will be mailed a notice of cancellation no later than August 1. The Director will immediately remove said Certificate of Authority from the active roster and shall, before August 1, notify the applicant of such cancellation and removal by Registered or certified mail.

4. Any applicant so cancelled may, within sixty (60) days of the date of mailing of the notice of cancellation, reinstate the certificate of authority by submitting a late renewal application. Upon receipt of the annual fee and approval of the application, the Board shall reinstate such Certificate of Authority for the remainder of the year.

5. Upon receipt of the annual fee in the amount of one hundred forty five dollars ($145.00) for a Certificate of Authority, and upon compliance with all applicable rules, the director of the Board shall issue a Certificate of Authority to each applicant whose registration is in full force. Such renewal shall be for the period beginning July and ending on the next following July 1 unless cancelled, suspended or revoked by the Board.

SECTION 14. EXAMINATIONS

1. Examinations shall be conducted as prescribed in herein, at such times and places as the Board may designate, but shall be given at least twice a year. The Board on its own motion may conduct the examination in a manner which provides security, reduces the risk of cheating or plagiarism and is not in conflict with these rules.

2. The application for registration is a part of the examination. Each applicant must show to the satisfaction of the Board that he or she meets the minimum requirements before he or she will be admitted to any examination. If the application is not accepted, the examination fee, tendered pursuant to Section 10, shall be returned or refunded to the Applicant.

3. Upon receipt of a completed application and the application fee, the Director shall acknowledge the application and advise the applicant that the routing of making

necessary investigations will be followed and that he or she will be notified no later than 30 days before the written examination whether he or she will admit to the examination

4. In the event an Applicant does not appear for either of the two examinations held after he or she has been advised of admittance to the examination, he or she must repeat the application process, including the payment of the prescribed fees, before being permitted to take a subsequent examination.

5. The written examination shall be comprised of two sections, i.e.: legal descriptions; and general knowledge of the practice of abstracting.

6. Each applicant shall submit, as a portion of his or her application, a summary or digest of his or her land title-related experience and training. No person shall be eligible for admittance to the examination until the Board has determined that he or she has demonstrated the minimal experience required by these rules.

7. Any applicant or applicants may be called before the Board for a personal interview.

8. Any applicant, in order to qualify for registration, must pass the examination. Each member of the Board will independently grade the examination and give a grade of "Pass" or "Fail" to the applicant. The Board will determine which applicants have passed or failed the examination. The applicant, the Director or any member of the Board may request that the grade on an examination be reviewed by the Board at a regular meeting. Such request must be delivered in writing to the Director of the Board within sixty (60) days of notification of the grades. The decision of the Board in such reviews will be final.

9. If any applicant fails to pass the examination he or she may be reexamined no sooner than the next regularly scheduled examination, but no later than two years following the failed examination, upon remittance of the examination fee.

10. Any applicant re-examined will be required to remit the regular examination fee before being admitted to any re-examination.

11. The Board shall have the authority to impose, in its discretion, any further or additional rules or regulations necessary to the efficient and fair administration of the examination, so long as such further or additional rules or regulations do not affect any substantive rights of any applicant.

SECTION 15. PROFESSIONAL DEVELOPMENT

1. Each applicant for renewal of a Certificate of Registration shall certify to the Board that he or she has duly acquired three (3) hours of board approved professional development credits.

2. Professional development credits shall be awarded on the basis of attendance at Board-approved seminars, workshops or correspondence courses which are directly related to the practice of abstracting, at a rate of 1.0 Professional Development Credit for each actual hour of attendance.

   a. Program sponsors will be required to submit to the Board an outline of each program for which professional development credits is sought. Such outline must be submitted not later than forty five (45) days prior to the date set for presentation of the program. Upon review of the outline and any other information submitted by program sponsors, the Board may approve or disapprove of the number of professional development credit hours sought, or the Board may approve a lesser number of credit hours than originally sought by the program sponsor.

   b. Program sponsors may request approval of professional development programs for credit in letter form with course outlines, syllabi or other relevant material attached.

   c. If a program consists of a session of more than one day's duration, the credits may be divided between the days, and credits may be obtained for hours of actual attendance on any day or days of any particular program, unless the granting of partial or divided credits would be achieved only through a break in continuity of subject matter of a particular program.

   d. Once the Board has approved the professional development program for professional development credits, the program sponsor must mail notice of such program to all registered abstracters within the State of Arkansas at least ten (10) days in advance of the program presentation. The official roster of Registered Abstracters as maintained by the Director shall control In the event of any controversy regarding mailing of notice to any particular abstracter or abstracters.

   e. Any correspondence course for which approval of professional development credits is requested will be examined by the Board with strict scrutiny in order to determine, to the extent possible, that integral to such courses are sufficient controls to ensure that the courses are administered in a fair, professional manner, to ensure that the individuals seeking professional development credits actually participate in, and successfully complete, the course for the actual number of hours for which credit is sought.

   f. APPEAL OF AWARD OF CREDIT HOURS. Any program sponsor may request that the Arkansas Abstracters Board review the number of credit hours awarded that sponsor's professional development programs. Such request shall be in writing and shall be received at the Office of the Board of Examiners not later than ten days following the date of mailing, to the

program sponsor, of the original notice of award of credit hours. Upon receipt of a written request for review, the Board of Examiners shall forthwith conduct its review and advise the program sponsor, in writing, of:

1. An award of a greater number of credit hours than originally granted, or;

2. No change in the number of credit hours granted. The Board of Examiners shall complete its review and notification of the program sponsor within ten days of receipt of the sponsor's request for review.

3. Upon completion of an approved professional development program, the program sponsor shall furnish, to each individual who completes said program, a Certificate of Completion showing the name of the individual, the date of the program, and the number of credit hours obtained at the program. Program sponsor shall furnish the Office of the Arkansas Abstracters' Board with an alphabetical list of those abstracters who successfully completed the program.

4. The Board may refuse to grant professional development credit to any abstracter who, within any prescribed two-year professional development credit period, attends more than one program with substantially identical subject matter.

SECTION 16. ANNUAL FEES

1. Annual Renewal fees for each firm are in the amount of one hundred forty five dollars ($145.00) and due by June 30th of each year.

2. Annual Renewal fees for each individual holding a license under a firm that is already licensed are fifty dollars ($50.00) per license and due by June 30th of each year.

3. Abstracters who hold an Inactive license can renew each year by June 30th and the amount is fifty dollars ($50.00.)

SECTION 17. DISCIPLINE

1. After a hearing, the Board may cancel and revoke any certificate of registration issued to any person under the provision of Abstracters' Act or impose alternative sanctions under the Administrative Procedure Act, Ark. Code Ann. §25-15-217:
   a. For a violation of any provision of the Abstracters' Act;
   b. Upon conviction of the holder of such a certificate of a crime under Ark. Code Ann. §17-3-102;
   c. Or if the Board finds the holder guilty of habitual carelessness or of fraudulent practices in the conduct of the business of abstracting.

2. After a hearing, the Board may cancel and revoke any certificate of authority issued to any person, firm or corporation under the provision of Abstracters' Act or impose alternative sanctions under the Administrative Procedure Act, Ark. Code Ann. §25-15-217 for:
    a. Failure to furnish the bond or bonds, or other securities, required by Ark. Code Ann. §17-11-324;
    b. Failure to properly maintain an abstract plant;
    c. Failure to have employed a registered abstracter as provided in Ark. Code Ann. §17-11-301; or
    d. Otherwise violating any of the provisions of the Abstracters' Act.

3. The Board shall immediately notify in writing the holder of a certificate of registration that the Board has received a verified complaint or that upon its own motion has filed a complaint charging the holder with a violation of any of Section 17.1 or 2 above.

4. Administrative proceedings under this Section shall be conducted under the Administrative Procedure Act, Ark. Code Ann. §25-15-201 *et seq.* and the Abstracters' Act.
5. Upon any cancelation and revocation, expiration or lapse, the abstracter agent license shall be returned to the Board as the property of the State of Arkansas.

SECTION 18. SEVERABILITY

Any section or provision of this Rule held by a court to be invalid or unconstitutional shall not affect the validity of any other section or provision of this Rule.

~~Rules and Procedures~~

~~of the~~

~~Arkansas~~
~~Home Inspector Registration Board~~

~~Effective July 31, 2022~~

~~Arkansas Home Inspector Registration Board~~
~~900 W. Capitol Ave. Ste. 400~~
~~Little Rock, Arkansas 72201~~
~~(501) 683-3710~~
~~www.ahirb.org~~

Rules & Procedures
of the Arkansas Home Inspector Registration Board
Effective July 31, 2022

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~~**100 Board Organization, Duties and Meetings**~~

~~**101Creation, Purpose and Powers of the Board:**~~

~~A. Creation: The Arkansas Home Inspector Registration Board (the Board) was created by the action of the 2003 Regular Session of the 84th General Assembly of the State of Arkansas with the passage of Act 1328, also known as "The Arkansas Home Inspectors Registration Act" and codified as Arkansas Code Annotated §17-52-301 et. seq..~~

~~B. Purpose: The purposes of the Board are to:~~

~~1. Administer and enforce the provisions of the Arkansas Home Inspectors Registration Act;~~

~~2. Promote a business atmosphere that will protect consumers of home inspection services;~~

~~3. Oversee an ongoing continuing education program to develop high level skills in home inspectors, and;~~

~~4. Encourage the presence of a viable home inspection industry in Arkansas.~~

~~C. Powers: Specific powers and duties of the Board are delineated in Ark. Code Ann. §17-52-306.~~

~~**102 Election and Terms of Officers:**~~

~~A. In May of each year, the Board shall elect from its membership, the following officers: Chairperson, Vice Chairperson, and Secretary/Treasurer.~~

~~B. Election of officers shall be held as the last item on the agenda.~~

~~C. The officers shall serve twelve (12) month terms.~~

~~D. A person may serve a maximum of two consecutive terms as a Board officer.~~

~~E. After not being an officer for at least twelve (12) months, a member may be elected as an officer again and at that time may commence a maximum of two consecutive, twelve month terms.~~

~~**103 Duties of Board Members**~~

~~A. The Chairperson shall:~~

~~1. Preside over all meetings at which he or she is present and act as the spokesperson for the Board.~~

~~2. He or she may assign duties to Board members in addition to those specified herein. Likewise, the Chairperson may from time to time form temporary committees whose members are drawn from the citizens of Arkansas. The formation of any such groups shall be accomplished in writing and be for a specified period of time and purpose.~~

~~3. He or she shall determine the order and content of Board meeting agendas.~~

~~B. The Vice Chairperson shall preside and determine the order and content of Board meeting agendas in the temporary absence of the Chairperson or in any circumstance where the Chairperson recuses himself or herself in a matter being considered by the Board.~~

~~C. The Secretary/Treasurer shall be responsible for performing the following duties or delegating any or all such duties to the Board Staff with the approval of the Board:~~

~~1. Preparation, publication, and maintenance of the minutes of Board meetings.~~

~~2. Preparation of correspondence and conduct of administrative support as the Chairperson may direct or as may be prescribed in these rules and regulations.~~

~~3. Instituting and maintaining a system of books and financial records satisfactory to the Director of the Department of Finance and Administration.~~

~~4. Maintaining the permanent records of the Board.~~

5. Notification of the Governor's office whenever a member misses 3 board meetings.

D. All Board members shall diligently attend and participate in Board meetings and other business of the Board.

104 Board Meetings:

A. State Regulations: All meetings, procedures and actions of the Board and its staff shall be conducted in accordance with the Arkansas Freedom of Information Act, the Arkansas Administrative Procedures Act, and A.C.A. §17-52-301 *et seq*.

B: Meeting Protocol: Unless otherwise specified herein, Board meetings shall be conducted in accordance with Robert's Rules of Order. Such rules may be modified as appropriate to accommodate expeditious conduct of electronic meetings.

C. Quorum: A majority of the Board shall constitute a quorum for transacting any business of the Board.

D. Meeting Scheduling:

1. The Board shall physically meet not less than two (2) times each calendar year to consider and act upon applications for initial registration and renewal of registration, complaints regarding registrants, and to transact other business as may properly come before it.
2. The Board may conduct any additional meetings in person, by telephone conference call, or by other electronic means.
3. Dates, times, and places of meetings shall be decided by a majority vote of the members of the Board.
4. Meeting Notice: Notice shall be given to each member of the Board of the time and place of each meeting at least ten (10) calendar days before the scheduled date of the meeting. The same information will be posted on the official Arkansas State website at www.arkansas.gov, as well as the Board website at www.ahirb.org.

E. Meeting Minutes: The minutes of all meetings shall be prepared within seven (7) calendar days and delivered to all Board members for review. Upon approval by Board vote, the minutes shall be posted on the Board website.

105 Board Expense Reimbursement: Each member of the Arkansas Home Inspector Registration Board may receive appropriate expense reimbursement as approved by the Board. Appropriate expenses are those which a member of the Board necessarily incurs in the discharge of his/her official duties. Requests for reimbursement of appropriate expenses shall not be processed for payment unless sufficient funds are available for that purpose within the appropriations for this Board.

106 Administrative Support to the Board:

A. The Board may employ a staff of public employees or contract for administrative support to the Board.

B. The positions of public employees of the Board shall be established by the General Assembly and filled in accordance with all State laws and regulations governing the hiring of public employees.

C. The staff shall:

1. Be the custodian of permanent official home inspector registration files and shall maintain permanent records of all home inspector registration applications received since enactment of the original Arkansas Home Inspector Registration Act in 1997.
2. Maintain the permanent records of the Board.
3. Receive and process all correspondence addressed to the Board including, but not limited to, applications for initial registration and renewal of registration.
4. Respond to requests for general information, applications for registration or renewal of registration, complaint forms, or requests for copies of documents.
5. Perform other administrative duties as may be assigned by the Board.

200 Administrative Procedures and Fees

201 Contacting the Board and Public Information Requests:

A. The Board may be contacted during business hours (8:00 a.m. to 4:30 p.m. Monday through Friday, except on Arkansas State holidays,) by the following methods:
   1. Telephone at (501) 683-3710
   2. Facsimile at (501) 682-3574
   3. Mail (U.S. Postal Service) to 900 W. Capitol Ave. Ste. 400, Little Rock, AR 72201
   4. Courier deliveries or deliveries in person at the current physical address of the Board office, which may be obtained by referencing the Board website at www.ahirb.org, or by telephoning the Board office
   5. Electronic mail (email) at ahib@arkansas.gov

B. Requests for public information should be made in accordance with the Arkansas Freedom of Information Act (A.C.A. § 25-19-109). The Board may charge a reasonable fee for providing printed documents in response to a request made pursuant to the Arkansas Freedom of Information Act.

202 Publication of Board Documents:

Board Rules and Procedures, as well as all Board forms, shall be made available on the Board website at www.ahirb.org, or can be obtained by contacting the Board office.

203 Applications and Forms:

All applications for registration, course certification, complaints, and similar actions shall be made on forms prescribed by the Board and completed and signed by the applicant. All applications shall include the appropriate fees. The Board will not approve an application which is incomplete or is submitted without the correct fees.

204 Current Fees:

Fees imposed by the Board are hereby set as follows and are non-refundable:

A. **Initial Registration Fee:** $250.00 per calendar year, prorated based upon date of receipt of the application and payment, as follows:

Date of receipt:	
January 1 through June 30	$250.00
July 1 through December 31	$375.00

(Includes registration through December 31 of the following calendar year.)

B. **Registration Renewal Fee for Good Standing Status:** $250.00 per calendar year.

C. **Initial Registration or Renewal Fee for Inactive Status:**

Fee for upcoming calendar year	$25.00/year
Fee for remainder of current calendar year	$ 0.00

D. **Delinquent Renewal Fees:** A delinquent renewal fee must be paid in addition to all other renewal fees if the registrant fails to adhere to renewal of registration requirements.

1. Delinquent Renewal Application Fees: (Due along with application)

Required information received:	
December 2 through December 31	$50.00
January 1 through January 31	$100.00
February 1 through last day of February	$150.00

March 1 through March 31	$200.00
April 1 and thereafter	$250.00

2. Delinquent Certificate of Insurance Fees: A registrant's license to conduct home inspections in Arkansas shall be suspended on the day following the ending date of the latest complete certificate of liability insurance on file at the Board office. Removal of Suspended Status for delinquent submission of a certificate of insurance is contingent upon payment of the following applicable fees, and any other requirements set forth herein regarding reinstatement of Good Standing Status from Suspended Status.

Certificate received between ending date of policy and:	
End of 30th day thereafter	$50.00
31st through 60th day thereafter	$100.00
61st through 90th day thereafter	$150.00
91st through 120th day thereafter	$200.00
On or after 121st day thereafter	$250.00

E. **Returned Check Fee:** Fee for checks returned for insufficient funds:

Bank or State Treasurer Fee plus	$25.00

F. **Pre-Registration Course Provider Fees:** (per curriculum):

Initial qualifying fee (non-refundable):	$200.00 for first year
Annual renewal fee	$100.00/year

G. **Continuing Education Course Provider Fees:** (per course):

Initial qualifying fee (Includes first course)	$45.00 for first year
Additional course filing fee:	$25.00 for first year
Annual renewal fee per course	$25.00/year

205 **Rule Making:** From time to time, the Board will promulgate Rules and Regulations under the authority granted by the Legislature to implement the provisions of the Act. Such rules and regulations shall be consistent with the Act and be in the collective, best overall interest of consumers of home inspection services in Arkansas, home inspectors who provide those services, and all citizens of the State of Arkansas. The Board follows the procedural requirements of the Arkansas Administrative Procedure Act. Additionally, the Board is required to abide by the provisions of A.C.A. §10-3-309.

A. Initiation of Rule-Making: The process of adopting a new rule or amending or repealing an existing rule (hereinafter referred to "rule-making") may be initiated by the Board by asking the staff or a committee to submit proposed drafts. Additionally, the Board staff may request permission of the Board to initiate rule-making.

B. Petition to Initiate Rule-Making: Third parties may initiate rule-making to adopt, amend, or repeal a rule by filing a petition with the Board to initiate rule-making. The petition must contain the name, address, and telephone number of the petitioner, the specific rule or action requested, the reasons for the rule or action requested, and facts showing that the petitioner is regulated by the Board or has a substantial interest in the rule or action requested.

1. The petition to initiate rule-making shall be filed with the Board Chair.
2. Within thirty (30) days after submission of the petition, the Board will either deny the petition, stating its reasons in writing, or will initiate rule-making.

C. Record of Rules: The Board shall maintain copies of all official versions of its Rules and Procedures in addition to all correspondence, summaries, etc. associated with the adoption and implementation of each version.

300 Registration and Renewal Requirements & Procedures

301 General Requirements:

A. Who Must Register: All persons who advertise as a home inspector, and/or perform or attempt to perform a home inspection for a fee, in the state of Arkansas, shall first register with the Board and comply with the Arkansas Home Inspector Registration Act and the provisions of these Rules and Procedures.

B. Who Is Exempt from Registering:

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 under this subchapter 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. These Rules and Procedures shall not apply to:
   a. 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;
   b. A person who inspects his or her own home; or
   c. A public entity that inspects its residential units with its own personnel specifically trained for the inspection.

C. Reputation & Competency: The applicant shall be of good moral character, 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.

D. Disciplinary History: An applicant shall be in good standing as a Home Inspector in every jurisdiction where licensed or registered. The applicant shall not currently have a registration or license which is suspended, revoked, or surrendered in connection with a disciplinary action, or which is the unresolved subject of discipline in any jurisdiction prior to applying for registration in Arkansas.

E. Criminal Background Check

1. Pre-Licensure Criminal Background Check: Pursuant to Ark. Code Ann. § 17-3-101 *et seq.*, an individual may petition for a pre-licensure determination of whether his/her criminal record will disqualify him/her from licensure and whether he/she may obtain a waiver to be licensed.

a. The individual must obtain the pre-licensure criminal background check petition form from the Board.
b. The Board will respond with a decision in writing to a completed petition within a reasonable time.
c. The Board's response will state the reason(s) for its decision.
d. All decisions of the Board in response to the petition will be determined by the information provided by the individual.
e. Any decision made by the Board in response toa pre-licensure criminal background check petition is not subject to appeal.
f. The Board will retain a copy of the petition and response, and it

~~will be reviewed during the formal application process.~~

~~**2. Criminal Record:** An applicant for registration or renewal is not eligible to receive or hold a license issued by the Board if that person has pleaded guilty or nolo contendere to, or has been found guilty of, any of the offenses listed in Ark. Code Ann. § 17-3-102 (a) or (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, Ark. Code Ann. § 16-90-140, *et seq.*, or otherwise previously sealed, pardoned or expunged under prior law.~~

~~**3.** Nothing in this section precludes the board from taking emergency action against a licensee as authorized under § 25-15-211 for the sake of public health, safety, or welfare.~~

~~**F. Age:** The applicant shall be at least 18 years old at the time he or she submits his or her application.~~

~~**G. Identification:** The Board may require each applicant for registration to furnish, at his or her expense, a recent passport-type photograph of him/herself, as well as any other information or form of identification deemed necessary by the Board.~~

~~**H. Education:** Any new applicant shall have graduated from a State accredited high school or shall have earned a State accredited high school equivalency diploma. The Board may require proof of the same.~~

~~**I. Board Discretion:** Applicants who do not meet all of the requirements and qualifications of this Section may nevertheless be approved for initial registration or registration renewal by resolution of the Board. However, detailed records and an explanation of that action must be made part of that person's registration records. The Board reserves the right to hold for a reasonable length of time for investigation, the application of any applicant before approving an initial or renewal registration.~~

~~1. If an applicant has been convicted of a crime listed in Ark. Code Ann. §17-3-102(a) or (e) the Board may waive disqualification or revocation of a license based on the conviction if a request for a waiver is made:~~

~~a. By an affected applicant for license; or~~

~~b. By the individual holding a license subject to revocation.~~

~~2. 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 license of the applicant does not pose a threat to the health or safety of the public.~~

3. If an individual has a valid criminal conviction for an offense that could disqualify him/her from receiving license, the disqualification shall not be considered for more than five (5) years from the date of the conviction or incarceration or on which probation ends, whichever date is the latest, if the individual:
    a. Was not convicted of an offense in Ark. Code Ann. §17-3-102(e)
    b. Was not convicted for committing a violent or sexual in nature offense; and
    c. Has not been convicted of any other offense during the five-year disqualification period.

4. The Board shall not, as a basis upon which license may be granted or denied:
    a. Use vague or generic terms, including without limitation the phrase "moral turpitude" and "good character"; or
    b. Consider arrests without a subsequent conviction.

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

6. The Board will respond with a decision in writing and will state the reasons for the decision.

7. An appeal of a determination under this section will be subject to the Administrative Procedures Act. Ark. Code Ann. § 25-15-201, *et seq.*

J. The Board shall grant a license 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".

302 Initial Registration Procedures

A. Items Required from the Initial Applicant (See Section 304):
1. Initial Application Form
2. Initial Application Fee
3. Liability Insurance Certificate
4. Pre-Registration Education Certificate (See 304D2)
5. Competency Examinations Certificates
6. Proof of Completion of Apprenticeship (unless waived by the Board)

B. Effective Dates and Deadlines: Initial home inspector registrations are issued on a calendar year basis extending from the date of approval by the Board through December 31st of each year. Applications for initial registration must be submitted no less than 5 (five) State business days prior to the next scheduled meeting of the Board in order to be considered at that meeting. Applicants are encouraged to contact the Board office to determine that date.

C. Reciprocity

1. It is the intent of the General Assembly to ensure that an individual may be credentialed to work in Arkansas if he or she generally demonstrates the

skills and ethics required by state law based on the individual's experience and credentials in another state.

2. It is not the intent of the General Assembly to cause the Board to engage in simple comparisons of the required hours of training and other personal qualifications under Arkansas's occupational licensing statutes with those qualifications required in the state where the individual is credentialed.

3. **Required Qualifications**: An applicant applying for reciprocal licensure shall meet the following requirements:

   a. Shall hold a substantially similar license in another United States jurisdiction. A license from another state is substantially similar to an Arkansas Home Inspector registration if the other state's licensure qualifications require:
      i. At least eighty (80) hours of pre-registration home inspector education; and
      ii. Proof of successful passage of the *National Home Inspector Examination* (NHIE) and the current version of the *Standards and Ethics Examination* of the American Society of Home Inspectors (ASHI).
   b. Shall hold his/her home inspector license in good standing and shall provide a letter from the licensing authority attesting the disciplinary status of the home inspector and show that he/she has not had a license revoked for:
      i. An act of bad faith; or
      ii. A violation of law, rule, or ethics.
   c. Shall not hold a suspended or probationary license in a United States jurisdiction.

4. **Required Documentation:** An applicant shall submit a fully executed application, with the required fee, and the documentation described below:

   a. As evidence that the applicant's license from another jurisdiction is substantially similar to Arkansas', the applicant shall submit the following information:
      i. Evidence of current and active licensure in that state. 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; and
      ii. Evidence that the other state's licensing requirements match those listed in Sec. 3(a)(i)-(ii). The Board may verify this information online or by telephone to the other state's licensing board.
   b. To demonstrate that he/she meets the requirement in Sec. 3(b)-(c), the applicant shall provide the board with:
      i. The names of all states in which the applicant is currently or has been previously licensed;
      ii. Letters of good standing or other information from each state in which the applicant is currently or has ever been licensed showing that he/she has not had his/her licensed revoked for the reasons listed in Sec. 3(b)(i)-(ii), and does not hold a license on suspended or probationary status as described in Sec. 3(c). the Board may verify this information online or by telephone with the other state's licensing board.
   c. As evidence that the applicant is sufficiently competent in home inspections, he/she shall:

i. Provide proof that he/she has passed the *National Home Inspector Examination* (NHIE) and the current version of the *Standards and Ethics Examination* of the American Society of Home Inspectors (ASHI).
ii. Submit letters of recommendation (or home inspection reports).

5. Temporary and Provisional License

a. The Board shall issue a temporary and provisional license immediately upon receipt of the application, the required fee, and the documentation required under Sec. 4(a)-(b).
b. A temporary and provisional license shall be effective for at least 90 days or until the Board makes a decision on the application, unless the Board determines that the applicant does not meet the requirements in Sec. C(3)(a)-(c), in which case the temporary and provisional license shall be revoked immediately.
c. An applicant may provide the rest of the documentation required above in order to receive a license, or the applicant may provide only the information necessary for the issuance of a temporary and provisional license.

6. License for a Person From a State that Does Not License Home Inspectors

a. **Required Qualifications:** An applicant from a state that does not license home inspectors shall meet the following requirements:
i. The applicant shall be sufficiently competent in the profession of home inspections; and
ii. Has passed the *National Home Inspector Examination* (NHIE) and the current version of the *Standards and Ethics Examination* of the American Society of Home Inspectors (ASHI).
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 profession of home inspections:
i. Proof that he/she has passed the *National Home Inspector Examination* (NHIE) and the current version of the *Standards and Ethics Examination* of the American Society of Home Inspectors (ASHI).
ii. Submit letters of recommendation (or home inspection reports).

D. Automatic Licensure for Uniformed Service Members

1. Ark. Code Ann. §17-4-101, *et seq.* provides for the automatic licensing of uniformed service veterans. As used in this section, a "uniformed service veteran", means a former member of the United States Uniformed Services discharged under circumstances other than dishonorable.

2. The Board shall grand automatic licensure to an individual who is the holder in good standing of a license with similar scope of practice issued by another state, territory or district of the U.S. 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 (2)(a) or (b) above;

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 this state.

3. The Board shall grant such automatic licensure upon receipt of all of the below:

a. Payment of the initial licensure fee;

b. Evidence that the individual holds a license with a similar scope of practice in another state; and

c. Evidence that the individual is qualified under (a).

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

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

303 Registration Renewal Procedures

A. Notification of Registration Expiration: The Board shall mail a notice of upcoming registration expiration and a renewal application, to each currently registered inspector no more than sixty (60) days and no less than forty five (45) days before the expiration date of his or her registration.

B. Items Required for Registration Renewal (See Section 304):

1. Renewal Application Form
2. Renewal Application Fee
3. Liability Insurance Certificate
4. Continuing Education Reporting Form & Documentation
5. Copies of Inspection Reports if requested by the Board (in accordance with A.C.A. §17-52-307(a)

C. Effective Dates & Renewal Deadlines: Renewed home inspector registrations are issued on a calendar year basis extending from January 1st through December 31st of each year. All fully completed items required for registration renewal must be received by the Board not later than December 1 of the year in which the registration expires. A Delinquent Renewal Application Fee, as defined in Section 204D1 above must accompany any or all items (including corrections) submitted after December 1. At the December meeting, the Board shall consider the fully completed renewal applications that were submitted after December 1, but no less than 5 State business days before the December meeting. Any fully completed renewal applications received by the Board office after that deadline, and up to and including December 31, shall not be considered until the first meeting of the next calendar year. If a fully completed renewal application (meaning all "Items Required for Registration Renewal" as defined in Section 303B) is submitted prior to the expiration of their current license at the end of December 31st, they may continue to perform inspections until notified otherwise by the Board

~~D. **Late Renewal:** Any applicant for renewal who has not submitted a fully completed renewal application form to the Board office on or prior to the date of expiration of their current registration (December 31st) shall be placed in Lapsed Status and shall not be authorized to conduct home inspections in the state of Arkansas until the Board has determined that renewal requirements have been fully satisfied.~~

~~304 Definitions – Items Required for Registration or Renewal~~

~~A. **Application Forms:** A properly and fully completed application for initial registration or renewal must be submitted to the Board office on a form prescribed by the Board.~~

~~1. No person who is registered under one (1) name as provided in these regulations shall engage in business as a home inspector under any other name unless the other name(s) is also included on the most recent application and is also registered.~~

~~2. A person applying for registration for the first time shall have their signature on their application witnessed by a notary public and attested to thereon.~~

~~3. The application shall include but not be limited to a listing of:~~

~~a. All current licenses held that are issued by an agency of the State of Arkansas; and~~

~~b. All current and past home inspector licenses issued by an agency of any State government.~~

~~B. **Application Fees:**~~

~~1. The required registration or registration renewal fee as specified in Section 204 above shall accompany the application in the form of a check or money order. Applications received without the appropriate fee may be returned without action.~~

~~2. The Board shall waive the initial application fee if the applicant:~~

~~a. Is receiving assistance through the Arkansas Medicaid Program; the Supplemental Nutritional Program; the Special Supplemental Nutrition Program for Women, Infants, and Children; the Temporary Assistance for Needy Families Program; or the Lifeline Assistance Program;~~

~~b. Was approved for unemployment within the last twelve (12) months; or~~

~~c. Has an income that does not exceed two hundred percent (200%) of the federal poverty income guidelines.~~

~~C. **Liability Insurance Requirements**~~

~~1. **Coverage**: All registered home inspectors must maintain current general liability insurance in the amount of at least one hundred thousand dollars ($100,000.00) issued by an insurance company licensed, or surplus lines approved, to do business in the state of Arkansas.~~

~~2. **Reporting**: It is the responsibility of the home inspector to make sure that a certificate of active general liability insurance coverage, as specified below, and proving coverage of the home inspector, as defined above, has been physically received by the Board office on or before the date of expiration of coverage of the previous certificate/policy. If the latest certificate of general liability insurance on file with the Board reflects that the policy has expired, the Board shall notify the home inspector by certified U.S. mail upon such expiration and concurrently the registration of that home inspector shall be placed in Suspended Status, as required under A.C.A §17-52-318(d)(1) until the home inspector complies with Section 304C herein. Until such time, it shall be unlawful for the home inspector to conduct home inspections for a fee in the state of Arkansas. If such certificate is not received by the Board by the date of expiration of the previous certificate/policy on file with the Board, a delinquent renewal fee shall apply as specified in Section 204D2, and the home inspector shall be listed on the Board website as Suspended as required under A.C.A §17-52-318(d)(2).~~

~~3. **Specifications:** An original certificate of insurance must be delivered or mailed to the Board office (fax or electronic copies are not permitted) which reflects that the~~

applicant, or registered home inspector, has procured the required general liability insurance. The certificate must include the following information:

a. Name and address of the insured individual home inspector (not just his or her company or employer).
b. Name of the insured's agent, agency, business address, and telephone number.
c. Name of the firm providing the insurance (the carrier).
d. Amount of each type of coverage being provided.
e. The insurance policy number.
f. The "Arkansas Home Inspector Registration Board, 900 W. Capitol Ave. Ste. 400, Little Rock, AR 72201" must be named as the certificate holder.
g. The beginning and ending dates of the coverage.
h. Signature of the issuing agent.

D. Pre-Registration Education:

1. **Requirements:** The first-time applicant shall submit documents with the application attesting to the successful passage of a Board approved comprehensive pre-registration home inspector education curriculum consisting of no less than eighty (80) hours of classroom/on-site instruction taken within the 12 months preceding the date of receipt of their completed application for registration, as well as proof of completion of an apprenticeship, unless waived by the Board, where all course modules or topics are taken during one continuous period.
   a. An apprenticeship shall include three on-site inspections, at least one that includes an accessible attic, and one that includes an accessible crawl space;
   b. The apprenticeship shall not exceed a total of ten (10) hours;
   c. The ratio shall be one apprentice home inspector applicant per one licensed, experienced, home inspector;
   d. The apprenticeship requirement may be waived by the Board on its own motion or upon written request of the applicant; and
   e. A request of the Board to waive the apprenticeship requirement shall not be an administrative hearing as contemplated by the Arkansas Administrative Procedure Act. A.C.A. § 25-15-201, *et seq.*
2. **Exemptions:** The following persons shall be exempt from the pre-registration education requirements for initial registration, but not from the requirements concerning the competency examinations. Appropriate verifiable documentation of all exemption criteria is required.
   a. City inspectors currently certified by the International Code Council; and
   b. Applicants who hold a current Residential Contractor's license and have been licensed as a contractor for ten (10) years prior to their date of application to become registered as a home inspector.

E. Competency Examinations: The first-time applicant shall submit documents with the application attesting to the successful passage of the following examinations, which must be taken in person at a facility designated by each of the organizations providing the examinations:

1. The current version of the *National Home Inspector Examination* (NHIE) as provided by the Examination Board of Professional Home Inspectors, Inc. (http://homeinspectionexam.org); and
2. The current version of the *Standards and Ethics Examination* as provided by the American Society of Home Inspectors® (http://ashi.com).

F. Continuing Education Credit Reporting Form: The Board Continuing Education Credit (CEC) Reporting Form shall be completed in its entirety to list Board-approved completed courses and that are being submitted for continuing education credit. It shall be submitted along with certificates of completion from the provider(s) of the education along with the inspector's registration renewal application each year. Copies

of the CEC Form, certificates, and other documents which substantiate the continuing education hours submitted to the Board shall be retained by the inspector for at least 2 years after submission.

G. Inspection Reports: As stated in A.C.A §17-52-307, as part of an investigation or as a condition of renewal, the Board may require an inspector to submit inspection reports and other documents to be reviewed by the Board. Further, requests by the Board for copies of inspection reports shall supersede any contract of client privacy or confidentiality, whether written or oral.

305 Continuing Education:

A. General Requirements:

1. As a condition of annual registration renewal, each home inspector who will have been registered for twelve (12) months or more upon expiration of their current registration shall have completed continuing education coursework as specified herein.
2. The Board must approve all courses prior to presentation in order for each to qualify for submission for continuing education credit. It is the sole responsibility of the home inspector to verify that any course is currently approved for credit by the Board at the time it is taken. This can be accomplished by referencing the web site of the Board at www.ahirb.org or by telephoning the Board office at (501) 683-3710.
3. Each course must be completed in its entirety by the registrant in order for any of the course credit hours to be eligible for home inspector continuing education credit.
4. An inspector can claim continuing education credits for a given course only once within two consecutive training years, even if he or she has successfully completed the course multiple times.
5. Upon appropriate showing of a bona fide health or other hardship, the Board may consider and grant an individual exception to the continuing education requirements.
   a. Loss of income resulting from cancellation of a license is not a bona fide hardship.
   b. Requests for exceptions shall be submitted in writing not less than sixty days prior to the date of license renewal and shall include an explanation and verifiable documentation of the hardship.
6. Submission of a Continuing Education Credit Claim Form whose content cannot be substantiated may be the basis for denial of the requested credit, denial of registration renewal, or other disciplinary action by the Board.

B. **Annual Hours Required:** Fourteen (14) hours of continuing education coursework shall be completed to fulfill annual registration renewal requirements as follows:

1. Classroom Courses:

   a. At least eight (8) hours of coursework must be completed in person by the home inspector with a Board approved instructor teaching the course face-to- face.
   b. Classroom coursework must be completed during the 24 months preceding the first day of the home inspector's next Board-approved registration period.
   c. Continuing education classroom course credit may also be achieved by completing individual modules of a Board-approved comprehensive pre-registration classroom curriculum if allowed/offered by the provider of such curriculum.
   d. Continuing education classroom course credit may also be achieved by the home inspector if he/she is in an instructional setting that permits live real- time communication and interaction with an instructor who is not face-to-face with the inspector, provided however that the Board has approved the specific method whereby student attendance and/or testing at the specific offering can be verified.

2. Distance Learning Courses:

a. No more than six (6) hours of completed coursework may be submitted for registration renewal credit that is completed by written correspondence or through any means where the home inspector does not have the ability to communicate/interact with the instructor in a live real-time setting.

b. This coursework must be completed during the 12 months preceding the first day of the home inspector's next Board-approved registration period.

C. Course Content Required:

1. Effective December 1, 2018, all home inspectors who will have been registered for at least sixty (60) months preceding their next effective date of renewal shall have completed at least two (2) hours of Board-approved continuing education in each of the following core subject areas during the preceding forty-eight (48) months:
   a. Structural Systems
   b. Exterior
   c. Roofing
   d. Plumbing
   e. Electrical
   f. Heating
   g. Air Conditioning
   h. Interiors
   i. Insulation and Ventilation
   j. Fireplaces and Solid Fuel Burning Appliances
   k. The Standards of Practice and Code of Ethics
   m. Report Writing
2. Effective with those continuing education courses approved by the Board to be offered beginning January 1, 2015, the Board shall designate which core subject area that each course fulfills and shall list the same with each approved course on the Board website.
3. Effective with the renewal of home inspector registrations for the 2016 calendar year, the Board staff shall provide the Board with a report of each home inspector's continuing education record reflecting fulfillment of course content requirements whenever an individual home inspector's registration is being reviewed by the Board for any reason. Such report shall be transmitted to the home inspector annually with their notice of renewal.

306 Certificates of Registration: Certificates of registration shall be issued to an applicant after compliance with the registration or renewal requirements of this section. No registration or renewal of registration will be issued if any the requirements in this section are not fully complied with.

A. Certificates shall be consecutively numbered. The number shall be preceded with a "HI-" prefix and the numbers assigned shall be an extension of the series started when registration of home inspectors began in Arkansas in 1997. Numbers shall be unique to individual inspectors. When a registration is renewed, or reinstated, that inspector's previous registration number shall be used again for that inspector. No number shall be reassigned to another inspector.

B. Certificates of registration of a home inspector shall be issued for a period of at least one (1) year.

C. Registration certificates shall be maintained in sound, fully legible condition and shall be replaced as necessary. The inspector shall have his registration certificate with him at the inspection site and shall present it to anyone who may request to see it.

307 Changes in Registration Data: Persons who are registered or who have an application of any kind pending before the Board are responsible for notifying the Board of any changes in information provided on their application. Changes shall be submitted on the appropriate Board form (available at www.ahirb.org) not later than two weeks after the change becomes effective.

308 Registration Status: The status of the registration of Home Inspectors shall be classified as follows:

A. Good Standing – The status of a home inspector whose registration has been approved by the Board and is under no restriction by law, regulation, or Board action.

B. Inactive – The status of a home inspector who has voluntarily submitted the appropriate application and fees to temporarily discontinue the practice of home inspection.

1. A home inspector whose registration is in good standing may place his or her registration in an inactive status at any time. The request for inactive status shall be submitted on a form prescribed by the Board.
2. Continuation of Inactive Status requires renewal of that status with the Board and payment of the Inactive Status Renewal fee annually unless the Inactive inspector wishes to reactivate their registration, in which case there are other requirements for reactivation as stated in Section 309A. The Board will mail renewal notifications to the last address provided by the inactive inspector at the same time it notifies Inspectors in Good Standing of their renewal requirement.
3. The Board shall have the authority by a majority vote to waive or modify these renewal requirements based on a written appeal to the Board by the inactive inspector. A written description of the actions taken by the Board on any such waiver or modification shall be signed by the Board chairman and made a permanent part of the inspector's registration file.
4. Inactive inspectors must reactivate their registration before they are eligible to again conduct home inspections in Arkansas.
5. A home inspector may place his or her registration in Inactive Status following suspension due to failure to provide proof of general liability insurance provided that:
   a. The insurance was not renewed, and
   b. The inspector submits an original Board Attestation of Abstinence Form whereupon the individual swears that he or she has not conducted home inspections since the day after expiration of their previous general liability insurance policy, and
   c. The inspector pays the Delinquent Certificate of Insurance Fee as specified in Section 204D2.

C. Lapsed – The status of a home inspector who has failed to renew their registration on or prior to its expiration date.

D. Pending – The status of an individual who has submitted the appropriate documentation and fees to be considered by the Board for initial, renewal, or reactivation of registration.

E. Revoked – The status of a home inspector who has been directed by the Board to permanently discontinue the practice of home inspection.

F. Surrendered – The status of a home inspector who notifies the Board that he or she will no longer be conducting home inspections prior to the expiration date of their registration.

G. Suspended – The status of a home inspector who has by law, regulation, or Board action been directed to temporarily discontinue the practice of home inspection.

H. Unregistered – The status of an individual who is conducting home inspections as defined herein, or offering, or advertising to do the same without being registered by the Board.

309 Registration Reactivation Procedures

A. General Registration Reactivation: All registered home inspectors whose registration is not in Good Standing Status and who desire to reactivate their home inspector registration to Good Standing Status shall submit the items enumerated below to the Board. However, those individuals whose registration has been suspended for failure to submit proof of current general liability insurance shall follow procedures as enumerated in Section 309E below. All items must be submitted to the Board at least 30 days prior to the next regularly scheduled meeting of the Board in order to be considered at that

~~meeting.~~

~~1. A properly completed application for renewal of registration.~~

~~2. The Registration Renewal fee, as defined in Section 204.~~

~~3. The Delinquent Renewal Application Fee, as defined in Section 204, unless reactivating a registration on Inactive Status.~~

~~4. The Board Attestation of Abstinence Form, whereupon the individual swears that he or she has not conducted home inspections from the date their registration was no longer in Good Standing until the date of receipt of the application for renewal.~~

~~5. Complete and exact printed copies of the last three home inspection reports which were delivered to clients while in Good Standing. Upon receipt of the these fully completed items, designated members of the Board shall review the inspection reports submitted to determine if the reports are in substantial compliance with the Standards of Practice. If the reports do not comply with the Standards of Practice, the Board may take appropriate action in accordance with 601 below.~~

~~6. Proof of having completed continuing education which has been approved by the Board during the period when his or her registration was not in Good Standing as follows:~~

~~a. 14 hours for the calendar year for which the reactivation is requested, and~~

~~b. 7 hours for each calendar year (or portion thereof) prior to the calendar year for which reactivation is requested.~~

~~c. Continuing education credit submitted to reactivate a registration may be earned in one lump sum immediately prior to reactivation, or may be earned over the entire time period while not in Good Standing. Regardless, all such credit requested shall conform to the same proportions of classroom vs distance learning credit for Annual Hours Required, and shall also fulfill all requirements for Course Content Required. For the purpose of registration reactivation, and in the event of a reasonable hardship, the Board may grant minor variance in the proportions of classroom vs. distance learning credit, and the Course Content Required.~~

~~**B. Chronology:** Upon receipt of all items required above, the Board staff shall prepare a concise summary in chronological order of the history of the events whereby the applicant's Good Standing Status was discontinued. Said summary shall be available for review by the Board at the meeting where the reactivation shall be considered.~~

~~**C. Burden of Proof:** The applicant shall bear the burden of proof that they are rehabilitated following the suspension, surrender, or revocation of their registration, that they can engage in the conduct authorized by the registration without undue risk to the public health, safety and welfare, and that they are otherwise qualified for the license pursuant to A.C.A. §17-52-301 et seq.~~

~~**D. Conditions of Reinstatement:** The Board may impose any appropriate conditions or limitations on a reinstatement to protect the public health, safety and welfare, and or may require that the person seeking reinstatement sit for and successfully complete the competency examination.~~

~~**E. Registration Reactivation Following Suspension for Failure to Submit Proof of Insurance:**~~

~~1. All individuals whose registration has been placed on Suspended Status due to failure to submit proof of current general liability insurance to the Board office in accordance with these regulations shall cause such proof to be delivered to the Board office. The Board staff shall notify the registrant of receipt of such proof by no later than the end of the business day following receipt. Upon such notification, the registrant shall submit an original Board Attestation of Abstinence Form whereupon the individual swears that he or she has not conducted home inspections from the day after expiration of their previous general liability insurance policy until the date of receipt of the new certificate of current general liability insurance coverage. Such form shall be accompanied by the appropriate Delinquent Certificate of Insurance Fee as specified in~~

Section 204D2. Upon receipt of the original Attestation of Abstinence Form and Delinquent Certificate of Insurance Fee, the Board staff shall concurrently notify the registrant by telephone and standard mail that his or her registration has been returned to Good Standing Status.

400 The Practice of Home Inspection in Arkansas

401 Standards of Practice

Introduction: These Standards of Practice shall be followed and complied with by registered home inspectors in Arkansas. Any Arkansas law which conflicts with the Standards of Practice, shall take precedence. Underlined terms are defined within Section 401.14 – Standards of Practice Glossary.

Purpose and Scope

1 The purpose of these Standards of Practice is to establish a minimum and uniform standard for home *inspectors* who subscribe to these Standards of Practice. *Home Inspections* performed to these Standards of Practice are intended to provide the client with objective information regarding the condition of the *systems* and *components* of the home as inspected at the time of the *home inspection*. Redundancy in the description of the requirements, limitations, and exclusions regarding the scope of the home inspection is provided for emphasis only.

2 *Inspectors* shall:

A. adhere to the Code of Ethics of the Arkansas Home Inspector Registration Board as set forth in Section 402 of these Rules and Procedures.

B. *inspect readily accessible*, visually observable, *installed systems* and *components* listed in these Standards of Practice. The inspector must strive to inspect these components and not arbitrarily determine them to be inaccessible.

C. *report*:

1. those *systems* and *components inspected* that, in the professional judgment of the *inspector*, are not functioning properly, are significantly deficient, are *unsafe*, or are near the end of their service lives. The inspector is not to consider '*near the end of service life*' as a reason not to inspect systems and components.
2. recommendations to correct, or monitor for future correction, the deficiencies *reported* in 401.2.2.C.1, or items needing *further evaluation*. (Per Exclusion 401.13.2.A.5 *inspectors* are NOT required to determine methods, materials, or costs of corrections.)
3. reasoning or explanation as to the nature of the deficiencies *reported* in 401.2.2.C.1, that are not self-evident.
4. *systems* and *components* designated for inspection in these Standards of Practice that were present at the time of the *home inspection* but were not *inspected* and the reason(s) they were not *inspected*.

3 These Standards of Practice are not intended to limit *inspectors* from:

A. including other inspection services or *systems* and *components* in addition to those required In Section 401.2.2.B.
B. designing or specifying repairs, provided the *inspector* is appropriately qualified and willing to do so.
C. excluding *systems* and *components* from the inspection if requested by the client.

Structural Components

1 The *inspector* shall
A. *inspect*
1. the *structural components* including the foundation and framing.
2. by probing a *representative number* of *structural components* where deterioration is suspected or where clear indications of possible deterioration exist. Probing is NOT required when probing would damage any finished surface or where no deterioration is visible or presumed to exist.
3. the readily accessible attic space regardless of whether or not it is floored unless adverse conditions exist.

B. *describe*
1. the methods used to *inspect under-floor crawl space* and attics.
2. the foundation.
3. the floor structure.
4. the wall structure.
5. the ceiling structure.
6. the roof structure.

2 The *inspector* is NOT required to
A. provide any *engineering* or architectural service or analysis.
B. offer an opinion as to the adequacy of any *structural system* or *component*
C. enter *under-floor crawl space* areas that have less than 24 inches of vertical clearance between *components* and the ground or that have an access opening smaller than 16 inches by 24 inches.

Exterior

1 The *inspector* shall:
A. *inspect*:
1. *siding*, flashing and trim.
2. all exterior doors.
3. attached or adjacent decks, balconies, stoops, steps, porches, and their associated railings.
4. eaves, soffits, and fascias where accessible from the ground level.
5. vegetation, grading, surface drainage, and retaining walls that are likely to adversely affect the building.
6. adjacent or entryway walkways, patios, and driveways.
B. *describe* :
1. *siding*.

2 The *inspector* is NOT required to *inspect*:
- A. screening, shutters, awnings, and similar seasonal accessories.
- B. fences.
- C. geological or soil conditions.
- D. *recreational facilities*.
- E. outbuildings other than garages and carports.
- F. seawalls, break-walls, and docks.
- G. erosion control and earth stabilization measures.

Roofing

1 The *inspector* shall:
- A. *inspect*:
  1. roofing materials.
  2. flashing.
  3. skylights, chimneys, and roof penetrations.
- B. *describe*:
  1. roofing materials.
  2. methods used to *inspect* the roofing.

2 The *inspector* is NOT required to *inspect*:
- A. antennae.
- B. interiors of flues or chimneys that are not *readily accessible*.
- C. other *installed* accessories.

3 Roofs that are of a pitch less than 6 to 12 must be inspected by walking on them unless adverse conditions exist. Roofs that are of a pitch equal to or greater than 6 to 12 may be inspected by viewing them at least from eave level if eaves are safely accessible with a 12' ladder used according to manufacturer's instructions.

Plumbing

1 The *inspector* shall:
- A. *inspect*:
  1. interior water supply and distribution *systems* including all fixtures and faucets.
  2. drain, waste and vent *systems* including all fixtures.
  3. water heating equipment and hot water supply *system*.
  4. vent *systems* , flues, and chimneys.
  5. fuel storage and fuel distribution *systems*.
  6. drainage sumps, sump pumps, and related piping.
- B. *describe* :
  1. water supply, drain, waste, and vent piping materials.
  2. water heating equipment including energy source(s).
  3. location of main water and main fuel shut-off valves.

2 The *inspector* is NOT required to:
- A. *inspect*::
  1. clothes washing machine connections.
  2. interiors of flues or chimneys that are not *readily accessible*.
  3. wells, well pumps, or water storage related equipment.
  4. water conditioning *systems*.
  5. solar water heating *systems*.
  6. fire and lawn sprinkler *systems*.
  7. private waste disposal *systems*.

B. determine:
1. whether water supply and waste disposal *systems* are public or private.
2. water supply quantity or quality.

C. operate *automatic safety controls* or manual stop valves

Electrical

1 The *inspector* shall:
A. *inspect*:
1. service drop.
2. service entrance conductors, cables, and raceways.
3. service equipment and main disconnects.
4. service grounding.
5. interior *components* of service panels and sub-panels.
6. conductors.
7. overcurrent protection devices.
8. a *representative number* of *installed* lighting fixtures, switches, and receptacles.
9. ground fault circuit interrupters.

B. *describe*:
1. amperage and voltage rating of the service.
2. the location of main disconnect(s) and sub-panels.
3. presence of solid conductor aluminum branch circuit wiring.
4. presence or absence of smoke detectors.
5. *wiring methods*.

2 The *inspector* is NOT required to:
A. *inspect*:
1. remote control devices.
2. *alarm systems* and *components*.
3. low voltage wiring *systems* and *components*.
4. ancillary wiring *systems* and *components* not a part of the primary electrical power distribution *system*.

B. measure amperage, voltage or impedance.

Heating

1 The *inspector* shall:
A. open *readily openable access panels*.
B. *inspect*:
1. *installed* heating equipment.
2. vent *systems*, flues, and chimneys.

C. *describe*:
1. energy source(s).
2. heating *systems*.

2 The *inspector* is NOT required to:
A. *inspect*:
1. interiors of flues or chimneys that are not *readily accessible*.
2. heat exchangers.
3. humidifiers or dehumidifiers.
4. electronic air filters.
5. solar space heating *systems*.

B. determine heat supply adequacy or distribution balance

Air Conditioning

1 The *inspector* shall:
A. open *readily openable access panels*.
B. *inspect*:
1. central and through-wall equipment.
2. distribution *systems*.
C. *describe*:
1. energy source(s).
2. cooling *systems*.
2 The *inspector* is NOT required to:
A. *inspect* electronic air filters.
B. determine cooling supply adequacy or distribution balance.
C. *inspect* window air conditioning units

Interiors

1 The *inspector* shall *inspect*:
A. walls, ceilings, and floors.
B. steps, stairways, and railings.
C. countertops and a *representative number* of *installed* cabinets.
D. a *representative number* of doors and windows.
E. garage doors and garage door operators.
2 The *inspector* is NOT required to *inspect*:
A. paint, wallpaper, and other finish treatments.
B. carpeting.
C. window treatments.
D. central vacuum *systems*.
E. *household appliances*.
F. *recreational facilities*.

Insulation and Ventilation

1 The *inspector* shall:
A. *inspect*:
1. insulation and vapor retarders in unfinished spaces.
2. ventilation of attics and foundation areas.
3. mechanical ventilation *systems*.
B. *describe*:
1. insulation and vapor retarders in unfinished spaces.
2. absence of insulation in unfinished spaces at conditioned surfaces.
2 The *inspector* is NOT required to disturb insulation.

Fireplaces and Solid Fuel Burning Appliances

1 The *inspector* shall:
A. *inspect*:
1. *system components*.
2. chimney and vents.
B. *describe*:
1. fireplaces and *solid fuel burning appliances*.
2. chimneys.

2 The *inspector* is NOT required to:
- A. *inspect*:
  1. interiors of flues or chimneys.
  2. firescreens and doors.
  3. seals and gaskets.
  4. automatic fuel feed devices.
  5. mantles and fireplace surrounds.
  6. combustion make-up air devices.
  7. heat distribution assists (gravity fed and fan assisted).
- B. ignite or extinguish fires.
- C. determine draft characteristics.
- D. move fireplace inserts and stoves or firebox contents

General Limitations & Exclusions

1 General limitations:
- A. The *inspector* is NOT required to perform any action or make any determination not specifically stated in these Standards of Practice
- B. Inspections performed in accordance with these Standards of Practice
  1. are not *technically exhaustive*.
  2. are not required to identify concealed conditions, latent defects, or consequential damage(s)

- C. These Standards of Practice are applicable to buildings with four or fewer dwelling units and their garages or carports.

2 General exclusions:
- A. Inspectors are NOT required to determine:
  1. conditions of systems or components which are not readily accessible
  2. remaining life expectancy of any system or component
  3. strength, adequacy, effectiveness, or efficiency of any system or component
  4. the causes of any condition or deficiency
  5. methods, materials, or costs of corrections
  6. future conditions including, but not limited to, failure of systems and components
  7. the suitability of the property for any specialized use
  8. compliance with regulatory requirements (codes, regulations, laws, ordinances, etc.)
  9. market value of the property or its marketability
  10. the advisability of purchase of the property
  11. the presence of potentially hazardous plants or animals including, but not limited to, wood destroying organisms or diseases harmful to humans including molds or mold like substances
  12. the presence of any environmental hazards including, but not limited to, toxins, carcinogens, noise, and contaminants in soil, water, and air.
  13. the effectiveness of any system installed or method utilized to control or remove suspected hazardous substances
  14. operating costs of systems or components
  15. acoustical properties of any system or component

16. soil conditions relating to geotechnical or hydrologic specialties

B. Inspectors are NOT required to offer:
1. or perform any act or service contrary to law
2. or perform engineering services
3. or perform any trade or any professional service other than home inspection
4. warranties or guarantees of any kind

C. Inspectors are NOT required to operate:
1. any system or component which is shut down or otherwise inoperable
2. any system or component which does not respond to normal operating controls
3. shut-off valves or manual stop valves

D. Inspectors are NOT required to enter:
1. any area which will, in the opinion of the inspector, likely be dangerous to the inspector or other persons or damage the property or its systems or components
2. under-floor crawl spaces or attics which are not readily accessible

E. Inspectors are NOT required to inspect:
1. underground items including, but not limited to underground storage tanks or other underground indications of their presence, whether abandoned or active
2. items which are not installed
3. installed decorative items
4. items in areas which are not entered in accordance with 401.13.2.D
5. detached structures other than garages and carports
6. common elements or common areas in multi-unit housing, such as condominium properties or cooperative housing

F. Inspectors are NOT required to:
1. perform any procedure or operation which will, in the opinion of the inspector, likely be dangerous to the inspector or other persons or damage the property or its systems or components
2. describe or report on any system or component which is not included in these standards and was not inspected.
3. move personal property, furniture, equipment, plants, soil, snow, ice, or debris.
4. dismantle any system or component, except as explicitly required by these Standards of Practice.

Standards of Practice Glossary

Alarm Systems
Warning devices installed or free-standing including, but not limited to smoke detectors, carbon monoxide detectors, flue gas and other spillage detectors, security equipment.

Automatic Safety Controls
Devices designed and installed to protect systems and components from unsafe conditions.

~~**Component**~~
~~A part of a system.~~

~~**Decorative**~~
~~Ornamental; not required for the proper operation of the essential systems and components of a home.~~

~~**Describe**~~
~~To identify (in writing) a system or component by its type or other distinguishing characteristics.~~

~~**Dismantle**~~
~~To take apart or remove any component, device or piece of equipment that would not be taken apart or removed by a homeowner in the course of normal maintenance.~~

~~**Engineering**~~
~~The application of scientific knowledge for the design, control or use of building of structures, equipment or apparatus.~~

~~**Further Evaluation**~~
~~Examination and analysis by a qualified professional, tradesman or service technician beyond that provided by the home inspection.~~

~~**Home Inspection**~~
~~The process by which an inspector visually examines the readily accessible systems and components of a home, and which describes those systems and components in accordance with these Standards of Practice.~~

~~**Household Appliances**~~
~~Kitchen, laundry, and similar appliances, whether installed or free-standing.~~

~~**Inspect**~~
~~To examine any system or component of a building in accordance with these Standards of Practice, using normal operating controls and opening readily openable access panels.~~

~~**Inspector**~~
~~A person hired to examine any system or component of a building in accordance with these Standards of Practice.~~

~~**Installed**~~
~~Attached such that removal requires tools.~~

~~**Normal Operating Controls**~~
~~Devices such as thermostats, switches or valves intended to be operated by the homeowner.~~

~~**Readily Accessible**~~
~~Available for visual inspection without requiring moving of personal property, dismantling, destructive measures, or any action which will likely involve risk to persons or property.~~

~~**Readily Openable Access Panel**~~

~~A panel provided for homeowner inspection and maintenance that is readily accessible, within normal reach, can be removed by one person, and is not sealed in place.~~

~~**Recreational Facilities**~~
~~Spas, saunas, steam baths, swimming pools, exercise, entertainment, athletic, playground or other similar equipment and associated accessories.~~

~~**Report**~~
~~Communicate in writing.~~

~~**Representative Number**~~
~~One component per room for multiple similar interior components such as windows and electric outlets; one component on each side of the building for multiple similar exterior components.~~

~~**Roof Drainage Systems**~~
~~Components used to carry water off a roof and away from a building.~~

~~**Shut Down**~~
~~A state in which a system or component cannot be operated by normal operating controls.~~

~~**Siding**~~
~~Exterior wall covering and cladding; such as: Aluminum, Asphalt, Brick, Cement/Asbestos, Exterior Insulation & Finish System, Stone, Stucco, Veneer, Vinyl, Wood, etc.~~

~~**Solid Fuel Burning Appliances**~~
~~A hearth and fire chamber or similar prepared place in which a fire may be built, and which is built in conjunction with a chimney; or a listed assembly of a fire chamber, its chimney and related factory-made parts designed for unit assembly without requiring field construction.~~

~~**Structural Component**~~
~~A component which supports non-variable forces or weights (dead loads) and variable forces or weights (live loads).~~

~~**System**~~
~~A combination of interacting or interdependent components, assembled to carry out one or more functions.~~

~~**Technically Exhaustive**~~
~~An investigation that involves dismantling, the extensive use of advanced techniques, measurements, instruments, testing, calculations, or other means.~~

~~**Under-floor Crawl Space**~~
~~The area within the confines of the foundation and between the ground and the underside of the floor.~~

~~**Unsafe**~~
~~A condition in a readily accessible, installed system or component which is judged to be a significant risk of personal injury during normal, day-to-day use; the risk may be due to damage, deterioration, improper installation, or a change in accepted residential construction standards.~~

~~**Wiring Methods**~~

~~Identification of electrical conductors or wires by their general type, such as "non-metallic sheathed cable" ("Romex"), "armored cable" ("bx") or "knob and tube," etc.~~

~~**402 Code of Ethics:** This Code of Ethics shall be followed and complied with by registered home inspectors in Arkansas. Any Arkansas law which conflicts with this Code of Ethics, shall take precedence.~~

~~1. Inspectors shall avoid conflicts of interest or activities that compromise, or appear to compromise, professional independence, objectivity, or inspection integrity.~~

~~A. Inspectors shall not inspect properties for compensation in which they have, or expect to have, a financial interest.~~

~~B. Inspectors shall not inspect properties under contingent arrangements whereby any compensation or future referrals are dependent on reported findings or on the sale of a property.~~

~~C. Inspectors shall not directly or indirectly compensate realty agents, or other parties having a financial interest in closing or settlement of real estate transactions, for the referral of inspections or for inclusion on a list of recommended inspectors, preferred providers, or similar arrangements.~~

~~D. Inspectors shall not receive compensation for an inspection from more than one party unless agreed to by the client(s).~~

~~E. Inspectors shall not accept compensation, directly or indirectly, for recommending contractors, services, or products to inspection clients or other parties having an interest in inspected properties.~~

~~F. Inspectors shall not repair, replace, or upgrade, for compensation, systems or components covered by the Standards of Practice, for one year after the inspection.~~

~~2. Inspectors shall act in good faith toward each client and other interested parties.~~

~~A. Inspectors shall perform services and express opinions based on genuine conviction and only within their areas of education, training, or experience.~~

~~B. Inspectors shall be objective in their reporting and not knowingly understate or overstate the significance of reported conditions.~~

~~C. Inspectors shall not disclose inspection results or client information without client approval. Inspectors, at their discretion, may disclose observed immediate safety hazards to occupants exposed to such hazards, when feasible.~~

~~3. Inspectors shall avoid activities that may harm the public, discredit themselves, or reduce public confidence in the profession.~~

~~A. Advertising, marketing, and promotion of inspectors' services or qualifications shall not be fraudulent, false, deceptive, or misleading.~~

~~B. Inspectors shall report substantive and willful violations of this Code to the Board.~~

4. A.C.A. §17-52-321 states:

(a) It is an unfair business practice for a home inspector, a company that employs the inspector, or a company that has a financial interest in a company employing a home inspector to do any of the following:

(1) Perform or offer to perform for an additional fee any repairs to the property on which the inspector or the inspector's company has prepared a home inspection report in the past twelve (12) months;

(2) Inspect for a fee any property in which the inspector or the inspector's company has any financial interest or any interest in the transfer of the property;

(3) Offer or deliver any compensation, inducement, or reward to the owner of the inspected property, the broker, or the agent for the referral of any business to the inspector or the inspection company; or

(4) Accept an engagement to make an inspection or to prepare a report in which the employment itself or the fee payable for the inspection is contingent upon the conclusions in the report, pre-established findings, or the close of escrow.

(b) (1) A home inspection report shall not be used in any manner other than that agreed to in writing by the inspector and his or her client.

(2) Transfer of an inspection report or portion of a report to any third party absolves the inspector and his or her client of any responsibility for liability for claims or adverse actions arising from the use.

403 Home Inspection Reports:

A. **Identification:** All written or electronic home inspection reports presented to clients shall prominently contain:

1. The printed name, registration number, mailing address, and phone number of the home inspector;
2. The date of the inspection;
3. The full physical address of the inspected property; and
4. The name of the client.

B. **Content:** All written or electronic home inspection reports presented to clients shall, at a minimum, list each and every item required to be inspected by the Standards of Practice. Each such 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. Any other 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.

C. **Retention:** The home inspector shall retain an exact copy of all home inspection reports presented to clients for a period of at least one (1) year following the date of the inspection.

500 Complaint Process: Upon its own motion or upon consideration of a complaint submitted in accordance with the procedure set forth herein, the Board may take action against persons holding themselves out to be home inspectors in Arkansas whether or not those persons are or

were properly registered as home inspectors in the state. The authority to do so is A.C.A. §17-52-302(3) and 17-52-306(4). If multiple complaints have been received pertaining to a given person, they may be combined into one Board action.

501 Procedure for Complaints Against Registered Home Inspectors: The board will consider a complaint against a home inspector provided the following have been complied with:

A. Before submitting a complaint to the Board, the complainant shall contact the inspector involved in writing, clearly stating the specific complaint and the remedy desired.
   1. Before any modification or repairs are made to the conditions giving rise to the complaint, the inspector shall be given reasonable opportunity to view and discuss those conditions with the complainant. When the nature of those conditions are such as to present an unsafe condition or when failure to act will cause further damage, the complainant should so advise the inspector and may make any minimal changes needed to protect life and preserve and protect the property.
   2. Should the process in 501.A.1 fail to produce a mutually agreeable resolution of the complaint, the aggrieved may submit a complaint to the Board.

B. Complaints shall be submitted on a board prescribed form. All instructions on the form must be complied with. Upon receipt of an initial complaint:
   1. The Board shall acknowledge to the complainant in writing that their complaint has been received.
   2. If a vague or incomplete complaint is received, the Board may notify the complainant that additional information is needed and may hold the complaint without further action until the shortcomings of the complaint submission are resolved to the satisfaction of the Board.

C. Once the complaint is properly completed, the Board shall send a letter of notification, along with a copy of the complaint, to the inspector involved, at his or her last known address informing him or her that the complaint has been received and directing him or her to respond to the Board within fourteen (14) calendar days of the date on the notification letter.

D. Should the parties to a complaint reach resolution of the complaint prior to final action by the Board, the complainant shall notify the Board in writing. The notification shall include a description of the resolution. Such resolution may be cause for the Board to cease any further action on the complaint. However, the Board may pursue discipline under Section 600 below.

502 Procedure for Complaints Against Persons Not Registered:

A. Anyone who is aware of a person holding himself out to be a home inspector in Arkansas who is not properly registered may file a complaint against that person on the appropriate Board form. Upon receipt of such a complaint, the Board or its representative will:
   1. Acknowledge receipt of the complaint in writing to the person filing it.
   2. Determine whether the Board holds any record of the alleged offender ever having applied for registration or having been registered.
   3. Conduct other investigation of the circumstances described in the complaint as needed to support or disprove that a violation of the Registration Act has occurred.

B. Based upon the information developed in their investigation, the Board may:
   1. Dismiss the complaint.
   2. Issue a Cease and Desist letter to the offender.
   3. Choose to conduct a hearing under the provisions of the Arkansas Administrative Procedures Act and these rules.

C. When action regarding a complaint has been completed, the person filling the complaint shall be notified in writing of the action taken.

600 Disciplinary Process: Pursuant to A.C.A. §17-52-301 *et seq*., the Board is granted disciplinary powers. The Board shall exercise those powers judiciously and consistent with the purpose and responsibilities of the Board.

601 Grounds for Disciplinary Action: The Board may, upon its own motion or upon written complaint of any person, and after notice and hearing as prescribed by the Administrative Procedures Act, suspend or revoke the registration of any registered home inspector, place the inspector on probation contingent upon specified acts or conditions and/or issue a fine up to the amount of $1,000 per occurrence for:

A. Violation of any provision of A.C.A. §17-52-301 *et seq*. or any of these rules.
B. Falsifying any application for registration or otherwise providing any false information to the Board.
C. Conviction in any jurisdiction of any misdemeanor involving moral turpitude or of any felony. A plea of nolo contendere or no contest shall be considered a conviction for the purposes of this section.
D. Any actions demonstrating un-trustworthiness, incompetence, dishonesty, gross negligence, material misrepresentation, fraud or unethical conduct in any dealings subject to A.C.A. §17-52-301 *et seq*.;
E. Adjudication of insanity;
F. Use of advertising or solicitation which is false, misleading, or is otherwise deemed unprofessional by the Board;
G. Employing directly or indirectly any unregistered person to perform any actions subject to regulation unless under the direct supervision of a properly registered home inspector.
H. Habitual or excessive use of intoxicants or illegal drugs;
J. Failure to meet continuing education requirements within the proper time period.
K. Failure to complete inspection reports which are in substantial compliance with the Standards of Practice or failure to comply with the Code of Ethics.

602 Emergency Action:

A. Emergency Notice of Hearing: If the Board finds that the public health, safety, or welfare imperatively requires emergency action and incorporates that finding in its order, the Board can summarily suspend, limit, or restrict a registration. The notice requirement in Section 601 does not apply and shall not be construed to prevent a hearing at the earliest time practicable.
B. Emergency Order: An emergency adjudicative order shall contain findings that the public health, safety and welfare imperatively require emergency action and the action taken by the Board. The written order shall include notification of the date on which Board proceedings are scheduled for completion.
    1. Written Notice: The written emergency adjudicative order shall be immediately delivered to persons who are required to comply with the order by utilizing one or more of the following procedures:
        a. Personal delivery;
        b. Certified mail, return receipt requested to the last address on file with the Board;
        c. First class mail to the last address on file with the Board;
        d. Fax (electronic facsimile transmission) may be used as the sole method of delivery if the person required to comply with the order has filed a written request that Board orders be sent by fax and has provided a fax number for that purpose.

603 Public Notice of Disciplinary Action: In those instances where the Board suspends or revokes a registration, notice of such action shall be published on the Board's Internet site. Notice may also be sent to appropriate publications which will communicate those actions to potential participants in a residential real estate transaction. If a registration is

~~revoked, notice shall be sent to any Arkansas State Board or Commission where such individual is currently licensed.~~

~~**700 Home Inspector Education Providers:** Any and all organizations or business entities desiring to obtain, or currently having, pre-registration or continuing education accreditation from the Board, shall comply with the requirements of this Section. Only home inspector educational offerings approved in accordance with this section shall be accepted by the Board to meet any educational requirements for Arkansas registered home inspectors as specified in these Rules and Procedures.~~

~~**701 Prior Course Approval Required:**~~

~~**A.** To insure that home inspectors will receive anticipated educational credits, courses must be approved by the Board before the courses are presented. Requests to the Board for new or renewed accreditation of educational offerings may be submitted at any time but must be received by the Board at least 60 calendar days prior to the presentation of the course.~~

~~**B.** If unforeseeable circumstances preclude approval prior to presentation, a non-profit home inspector professional association or state agency, presenting or sponsoring training in core subjects, may submit a request for approval up to ten (10) calendar days after the conclusion of the course. An explanation of the circumstances involved must accompany the approval request. The same decision criteria shall be applied by the Board whether the approval being sought is considered before or after the course presentation.~~

~~**702 Term of Accreditation:** Any course accreditation for Continuing Education Courses or for a Comprehensive Pre-Registration Curriculum shall be for a maximum of two years from the day after Board approval. Approval for one period, does not guarantee approval for any subsequent period.~~

~~**703 Types of Accreditation:**~~

~~**A Comprehensive Pre-Registration Curriculum:** The Board requires initial applicants to complete a comprehensive pre-registration home inspector education curriculum consisting of no less than eighty (80) hours of classroom/on-site instruction where all course modules or topics are taken during one continuous period. See Section 705 (Course Content) below for a description of the required subject matter. Individual course modules or topics of a Board approved Pre-Registration Curriculum may also be offered individually to registered, Arkansas home inspectors seeking continuing education credit if so allowed by the provider.~~

~~**B Continuing Education Courses:** The Board requires Arkansas registered home inspectors to submit proof annually of having completed 14 hours of continuing education prior to the renewal of their registration for the subsequent year. Courses offered can consist of any number of whole hours. See Section 705 (Course Content) below for a description of the allowed subject matter. Courses may be conducted by an instructor in a classroom setting (Classroom), or by correspondence, Internet, video conferencing or other method where the student and instructor are not face-to-face in the same location (Distance Learning).~~

~~**704 Procedures For Accreditation of Educational Offerings:** Each organization, government agency, or business entity seeking accreditation for educational courses for prospective or current Arkansas registered home inspectors must submit an application to the Board for each comprehensive pre-registration curriculum, or for each individual continuing education course, for which approval is sought. Each module or topic included in a comprehensive pre-registration curriculum shall be treated as an individual course for purposes of this Section. However, retraction by the Board of accreditation for an individual module of a comprehensive pre-registration curriculum shall invalidate accreditation for the entire curriculum as a comprehensive offering.~~

A. **Items Required for Each Course/Module:** The request for accreditation for each course or curriculum module/topic must include but not be limited to the items below. Additional items required from providers of a pre-registration curriculum are noted in Section 705B below.

1. **Application Form** – A Board Application for Accreditation of Educational Course must be submitted containing the contact information of the provider, the official course/topic title, the number of hours of accreditation sought, the instructor(s) who will be teaching the specific course, and an attestation that the provider has read, understands, and shall comply with these Rules and Procedures.
2. **Fees** – Applicable course provider fees must be submitted as specified in Sections 204 F & G. Arkansas non-profit professional home inspector associations may be exempted from continuing education provider fees but shall comply with all other provisions of Section 700.
3. **Course Outline** – A detailed outline/lesson plan must be submitted in the format of a standard business graduated outline setting forth all course subtopics in such detail as would be required by an alternate instructor to ensure that all material is covered. Digital slideshow images, or images of Internet online course screens, shall not suffice for this requirement.
4. **Digital Presentations** – A full portable digital version of any classroom slideshow presentation must be submitted for each course, if one is used. Digital presentation content and order must coincide with the course outline provided.
5. **Distance Learning Presentations** – A full portable digital version, or the Internet address, of all distance learning presentations, including but not limited to web pages or video presentations must be submitted for each course if utilized. Distance learning presentation content and order must coincide with the course outline provided.
6. **Instructor Credentials** – A standard professional business resume for each instructor must be submitted providing a complete chronological history of relevant employment and teaching experience, along with relevant certifications including effective dates, employers, and accrediting organizations. Promotional biographies shall not be considered.
7. **Student Materials** – A copy of all printed or electronic materials presented to or required to be purchased by the attendee to qualify for successful completion of the course must be submitted.
8. **Course Completion Certificate** – A sample course completion certificate or other document that confirms the student's successful completion of training.

B. **Items Required for a Pre-Registration Curriculum:** The request for accreditation of an entire comprehensive pre-registration training curriculum shall include all items enumerated in Section 704A above as well as those items enumerated below.

1. An overall schedule of the order and timeframes assigned to each Pre-Registration Curriculum course module and activity.
2. A description of any "field work" or other curriculum activities which have been submitted to fulfill the number of accredited hours requested.
3. The criteria for successful completion of the curriculum.
4. The provider refund policy.

705 Course Content:

A. Continuing Education Courses:

1. The content of continuing education programs shall be consistent with current home inspection licensing laws and with inspection practices that are broad-based and essential to the role of a home inspection general practitioner. The content shall directly relate to home inspection principles and practices such as described in these regulations or to new developments in the fields for which home inspectors have a demonstrated need.
2. The Board shall not approve offerings in mechanical office and business skills such as typing, speed reading, memory development, personal motivation,

salesmanship, sales psychology, sales promotions or other meetings held in conjunction with the general business of a home inspector. Generally, acceptable courses may include, (but are not limited to) topics which are referenced within the following:

a. Home inspector Standards of Practice.
b. Home inspector Codes of Ethics.
c. The current version of the content outline of the National Home Inspector Examination.
d. Arkansas Home inspection laws and regulations.
e. Home inspection documents, forms, contracts, and warranties.
f. Report writing, and legal ramifications of report content.

B. Comprehensive Pre-Registration Curriculum:

1. The content of the comprehensive pre-registration home inspector education curriculum shall specifically include inspection practices that are essential to the role of a home inspection general practitioner and shall include new developments in the fields for which home inspectors have a demonstrated need.
2. The Board shall not approve offerings in mechanical office and business skills such as typing, computer and software operation, speed reading, memory development, personal motivation, salesmanship, sales psychology, sales promotions or other topics that are ancillary to the primary tasks of home inspection.
3. The minimum acceptable curriculum for Board approval shall specifically cover, but is not limited to, the following topics related to residential real property of four or less residences:
   a. The full content of the current version of the ASHI Standards of Practice.
   b. The current version of the ASHI Code of Ethics.
   c. The content outline of the National Home Inspector Examination.
   d. Home inspection documents, forms, contracts, and warranties.
   e. Report writing, and legal ramifications of report content.

706 Notification Of Curriculum Changes:

A. It is the responsibility of each provider planning to conduct an approved curriculum to keep the Board apprised in writing of all changes to individual course/module content, or instructor replacements/substitutions where the Board has not previously approved a particular instructor to teach a course. Such notice shall be submitted to the Board at least 30 days in advance of such offerings, and the same shall not commence without prior written approval of the Board. Curriculum or individual module approval may be withdrawn for failure to comply with the provisions of these regulations.

B. In order to permit the greatest flexibility in assigning qualified instructors to curriculum modules, each school is encouraged to submit (with their initial filing) a list of those modules that each instructor may be called upon to teach. This list should accompany the requested information regarding qualifications for each instructor, and the Board shall examine the instructor's qualifications with respect to each module on his or her respective list.

707 Advertising Restrictions: All schools advertising Board accredited education courses shall comply with the following requirements:

A. All online advertising for a particular course shall allow the prospective student to reference the Board approval number easily and directly for that course.

B. All advertising and written or oral statements shall avoid the use of exaggerated or un-provable claims and misrepresentations. In discussing or describing a student's possible or potential economic future in the field of home inspection, no misleading or deceptive claims may be made.

~~708 **Attendance Policies:** Providers of education shall have and adhere to a published attendance policy. As a minimum, the policy shall provide that a student not be absent more that fifteen percent of the approved hours of training~~

~~A. Attendance shall be accurately recorded in no more than two (2) hour increments.~~

~~B. Programs of study will be reported in clock hours.~~

~~709 **Documents To Be Provided To Students:** Certificates will be provided to all inspectors successfully completing Board-accredited courses.~~

~~A. Certificates shall contain the following information: The name of school, provider or sponsor; the name of the student; the course titles and approval numbers assigned by the Board; the course location if applicable; the number of completed continuing education hours for each course; and the signature of an approving authority and/or instructor.~~

~~B. The certificates shall be 8½ x11 inches.~~

~~C. Education providers will maintain copies of the documents which include Board approval of their education offerings and academic records for all students who enrolled. Likewise the records must identify those students who successfully completed the educational offerings. Those records must be retained at least two years.~~

~~710 **Courses Audits:**~~

~~A. The Board or its Chairman may appoint appropriately qualified persons to audit educational courses. Letters of appointment will be provided to the auditors for auditor identification/authorization purposes and to provide instructions for the audit(s.)~~

~~B. Any educational course/offering which has been approved or is pending approval by the Board may be audited. Such audits may be announced or unannounced to the course provider. The provider will waive all fees for the course and any texts or hand out materials. Upon completion of the audit, the auditor will prepare a Results Of Audit report and submit it to the Board as directed in his appointment letter. The Board will notify course providers of the outcome of such audits.~~

~~C. Failure of a provider to substantially follow the course outline submitted with the approval request may result in denial or revocation of Board approval. Likewise, the Board may assign a probationary status to a course and request that specific corrections be made. Follow up audits may be made to evaluate whether appropriate corrections have been made and whether further action is warranted.~~

~~D. Auditors who personally pay the attendance fees for a course which is approved may choose to take continuing education credits and apply it to their annual requirement. Otherwise, they may not claim the credits.~~

~~711 **Hearings Regarding Denial Or Revocation Of School Or Course Approval:**~~

~~A. Upon denial of accreditation by the Board, or upon the decision of the Board to withdraw such accreditation, the Board shall notify the applicant of the denial and of their right to request a hearing within thirty days from the date of receipt of the notice of denial.~~

~~B. In the event the applicant requests a hearing within such thirty days, the Board shall give notice of the grounds for its refusal to approve and shall conduct a hearing concerning such refusal in accordance with the provisions of the Arkansas Administrative Procedures Act.~~

~~800 **Definitions:** The following words and terms, when used in these regulations, unless a different meaning is provided or is plainly required by the context, shall have the following meanings:~~

~~A. **"A.C.A." or "Arkansas Code Annotated"** – The codified, annotated laws of Arkansas.~~

~~B. **"The Act"** – The Arkansas Home Inspectors Registration Act as codified in A.C.A. §17-52-301 *et seq.*, as may be amended.~~

~~C. **"Board"** – The Arkansas Home Inspector Registration Board, created by Act 1328 of 2003.~~

~~D. **"Code of Ethics"** – The minimum level of ethical behavior which is to be exhibited by a licensed home inspector in this state in conducting their home inspection practice.~~

~~E. **"Competency examination"** – A written examination to establish whether an applicant possesses an adequate level of knowledge of home inspection procedures and components, including but not limited to the Standards of Practice and Code of Ethics.~~

~~F. **"Continuing Education Credit (CEC)"** – Credit awarded for completion of one hour of a Board approved educational course or event. Also, see the definition of "hour" below.~~

~~G. **"Core subjects"** – Subject areas that are key to the conduct of a comprehensive home inspection. They include: 1) Structural systems; 2) Exterior components of the weather shell of a residential structure less the roof; 3) Roof systems; 4) Plumbing Systems; 5) Electrical systems; 6) Heating and air conditioning systems; 7) Interior components; 8) Insulation and ventilation systems; 9) Fireplaces and solid fuel burning appliances; 11) the Standards of Practice and Code of Ethics; and 12) Report writing.~~

~~H. **"Curriculum"** – A complete set of educational classes designed to fulfill the Pre-Registration Home Inspector Education requirements for initial registration in their entirety. Each individual class session or sessions that are conducted as part of a curriculum, and that address one particular topic, and for which credit hours may be separately obtained, shall be referred to as a module.~~

~~I. **"Home inspection"** – A visual inspection of a residential unit and its attached carports and garages and the operation of the building's systems by using the controls normally operated by the owner.~~

~~J. **"Home inspection report"** – A written report prepared for a fee and issued by a home inspector to document the results of a home inspection.~~

~~K. **"Home inspector"** – A person who engages in the business of performing home inspections for compensation and who in the pursuit of that business offers to inspect or inspects the condition of a private residence.~~

~~L. **"Hour"** – A clock hour with at least fifty (50) continuous minutes of instruction as in a course or event. Instruction does not include meals, breaks or time devoted to announcements or other administrative tasks.~~

~~M. **"Module"** – Each individual class session or sessions that are conducted as part of a curriculum, and that address one particular topic, and for which credit hours may be separately obtained.~~

~~N. **"Publication" – The process of m**aking public Board documents available to the public.~~

~~O. **"Receipt date" or "Date of receipt"** – For materials being delivered TO the Board, the date of receipt shall be the actual date on which such is delivered to the physical or post office address of the Board. For materials being sent FROM the Board, the date of receipt shall be 1) the date of physical delivery or date of delivery of a notification of an attempt to deliver in person or by a delivery service to the address designated by the Board, or 2) the next business day after the postmark date if sent at least by First Class U.S. Mail.~~

~~P. **"Standards of Practice"** – The minimum tasks which must be performed, as well as those which are not required to be performed, by a licensed home inspector in this state in conducting a home inspection.~~

State of Arkansas

Department of Labor and Licensing Rules implementing the

Arkansas Appraiser Licensing and Certification Act, The Appraisal Management Company Registration Act, the Abstracters' Licensing Law of 1969, and the Arkansas Home Inspector Registration Act

Effective Date: [upon approval by the Arkansas Legislative Council]

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Chapter 1 General Applicability

Rule 1 General Provisions

(a) Purpose – These Rules of the Arkansas State Board of Appraisers, Abstracters, and Home Inspectors are set forth for the purpose of interpreting and implementing the Arkansas Appraiser Licensing and Certification Act, Appraisal Management Company Registration Act, Abstracters' Licensing Law of 1969, and Arkansas Home Inspectors Registration Act, Arkansas Code Annotated §17-14-101, §17-11-101, and §17-52-301 *et seq*. These acts establish the board and grant it full responsibility for licensure of appraisers, abstracters, and home inspectors. They also provide for the regulation of the appraisal practice, the business of abstracting, and the practice of home inspection.

(b) Citation – These rules shall be known and may be cited as the Arkansas State Board of Appraisers, Abstracters, and Home Inspectors Rules.

(c) Severability – If any provision of these rules or the application thereof to any person or circumstance is invalid, such invalidity shall not affect other provisions or applications of these rules; they can be given effect without the invalid provision or application. To this end, the provisions of these rules are declared to be severable.

(d) Defined Terms – 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, Arkansas Code Annotated §17-14-101, §17-14-401, §17-11-101, and §17-52-301 *et seq.*, shall have the same meanings when used in these rules, unless the context or subject matter clearly requires a different interpretation. Further terms may be defined in subsequent chapters of these rules.

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

Rule 2 Board Meetings, Operation, and Compensation

(a) Board Meetings

(1) The board meets at least twice each calendar year to examine applicants for licensure, hear complaints, and transact other business that comes before it. 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 Arkansas Freedom of Information Act, Arkansas Code Annotated §25-19-101 *et seq.*

(b) Board Operations

(1) Board officers shall be Chairman, Vice Chairman and Treasurer. 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 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 Arkansas Freedom of Information Act, Arkansas Code Annotated §25-19-101 *et seq.*

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

(E) 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, §17-14-101

et seq., §17- 14-201 et seq., and §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, shall submit this roster at least monthly to the Appraisal Subcommittee. This roster may be published and periodically updated and provided to all interested parties at cost.

(5) Board compensation and expense reimbursement – Each member of the board shall receive a per diem pursuant to Arkansas Code Annotated §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. Appropriate expenses are the reimbursable expenses a member of the board necessarily incurs in the discharge of the board member's official duties. Request for compensation and reimbursement of appropriate expenses shall not be processed for payment unless sufficient funds are available for that purpose within the appropriates for this board.

Rule 3 General Licensure Information

(a) All individuals licensed, registered, or certified by the board 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. The license, 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. 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) Pursuant to Arkansas Code Annotated §17-5-101*et seq.*, an applicant may receive a waiver of his or her initial licensure fee, if eligible. Eligible applicants are applicants who:

(A) 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;

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

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

(2) Applicants shall provide documentation showing his or her receipt of benefits from the appropriate State Agency as follows:

(A) For those applicants receiving assistance under section (1)(A) above, documentation from the Arkansas Department of Human Services;

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

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

(3) 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 section (1) above and may be required by the board to submit documentation for verification purposes. Applicants shall also attest that any documentation provided under section (2) above 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 Annotated §17-3-102(a) or (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, § 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 A.C.A. § 17-3-102(a) or (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 Administrative Procedures Act.

(e) Pre-licensure Criminal Background Check

(1) Pursuant to Arkansas Code Annotated §17-3-103, an individual may petition for a pre-licensure 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 pre-licensure 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(s) 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 pre-licensure 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

(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 U.S. 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 (1) (A) or (B) above;

(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) A completed written "Uniformed Service Member Application" form. 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 Section (1) above.

(3) The expiration date of a license for a deployed uniform service member or spouse will be extended for one hundred and 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 and 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 Section (1) above.

(g) Application Denial – 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. The board shall afford the applicant an opportunity for a hearing before the board to show cause why the application should not be denied. 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. All proceedings concerning the denial shall be governed by the Arkansas Administrative Procedures Act. The applicant has the burden of establishing entitlement to the license.

Rule 4 Declaratory Orders

(a) 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 board has authority. 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. 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 a board. 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(s), agency rule(s), or agency order(s) 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.

(8) Request for a hearing, if desired.

(c) The board may hold a hearing to consider a petition for declaratory order. If a hearing is held, it shall be conducted in accordance with Arkansas Code Annotated §25-15-208 and §25-15-213, and the board's rules for adjudicatory hearings.

(d) 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. 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.

Chapter 2 – Appraisers

Rule 1 Purpose

The board's purpose in promulgating this Chapter is to implement the provisions of the Arkansas Appraiser Licensing and Certification Act, § 17-14-101 *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.*

Rule 2 Definitions

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

(a) "AQB" means Appraiser Qualification Board.

(b) "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.

(c) "PAREA" means practical applications of real estate appraisal.

(d) "Residential" means composed of one-to-four residential units.

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

(1) Formally agrees to supervise the work of a specific registered apprentice appraiser.

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

(3) Has successfully completed the four-hour supervisor/trainee course offered by the Arkansas State Board of Appraisers, Abstracters, and Home Inspectors or other approved education provider.

(4) Refer to Rule 9 of this Chapter for additional qualifications.

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

(1) For loans or other extensions of credit, the amount of the loan or extension of credit.

(2) For sales, leases, purchases, and investments in or exchanges of real property, the market value of the real property interest involved.

(3) 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

(4) For condemnation appraisals, the value will be the total market value of the property before any acquisition of property occurs.

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

Rule 3 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) Existing credential holders (except for Registered Apprentice and State Registered appraisers) in good standing in any jurisdiction shall be considered in compliance with current AQB *Real Property Appraiser Qualifications Criteria* if they have passed an AQB approved qualifying examination for that credential.

(A) This applies to reciprocity, temporary practice, renewals, and applications for the same credential (except for Registered Apprentice and State Registered appraisers) in another jurisdiction.

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

(3) The board adopts the 2024 USPAP as published and amended by the Appraisal Foundation. This adoption shall include all parts of USPAP including the introductory sections for the purpose of judging those applicants, registrant, 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, 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) Federally related transactions. 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) Non-federally related transactions. 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).

Rule 4 General licensure and certification information

(a) Licensure and Certification – If upon passing the required appropriate examination, an applicant is found by the board 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 and seal

(1) Each registered, licensed, and certified appraiser, at his or her own expense, shall secure, upon authorization by the board, a seal, or rubber stamp, the form of which shall be approved by the board.

(2) In addition to the personal seal or rubber stamp, 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 state seal and in addition shall contain other matters as shall be prescribed by the board.

(4) Registrations, licenses, and certificate documents, pocket cards, and seals shall remain the property of the state and upon any suspension, revocation, or denial of a license or certificate, the individual holding the related license or certificate document and pocket card shall:

(A) Return them to the board within ten (10) days of notification by the board; and

(B) Cease to use seals or stamps immediately upon receipt of notice.

(d) Individual license, certificates, and pocket cards

(1) In addition to the individual license or certificate to be issued to each qualified individual, the board shall furnish to each individual a pocket card, in a digital format, which shall:

(A) Certify that the person whose name appears on the pocket card is a:

(i) State-registered appraiser.

(ii) Registered apprentice appraiser.

(iii) State-licensed appraiser.

(iv) State-certified residential appraiser; or

(v) State-certified general appraiser; and

(B) Indicate any current restrictions of that licensee's practice.

(2) Each registered licensee or certificate holder shall:

(A) Carry his or her pocket card upon his or her person at all times when conducting any real estate appraisal-related activity; and

(B) Exhibit it upon demand.

(e) Replacement license or certificate – a registered licensee or certificate holder may, by filing a written request, obtain a duplicate registration, license, or certificate:

(1) Which has been lost, damaged, or destroyed; or

(2) If the name of the licensee or certificate holder has been lawfully changed.

(f) 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 non-temporary basis in another state and chooses to be licensed or certified in Arkansas on a non-temporary 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 non-temporary basis.

(4) An appraiser holding the classification of "State Registered" or "Registered Apprentice Appraiser" will not be assessed a national registry fee.

Rule 5 General education approval and requirements

(a) General requirements for education offerings

(1) The board may approve or disapprove all course offerings for qualifying education and continuing education.

(A) 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.

(B) The board 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.

(C) The board may recognize any educational offering recommended or approved by AQB of the Appraisal Foundation.

(D) The board shall accept all courses approved through AQB's Course Approval Program (CAP) without additional approval by the board.

(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.

(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 board; or

(G) The Appraisal Foundation or its boards.

(4) Experience may not be substituted for education, except for those individuals under Chapter 1 Rule 3(e).

(5) Distance education is defined as any education process based on the geographical separation of student and instructor. Components of distance education include synchronous, asynchronous, and hybrid.

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

(i) Synchronous courses provide for instruction and interaction substantially the same as on-site classroom courses. Synchronous courses meet class hour requirements if they comply with requirements (a)(2) and (3) above.

(B) In asynchronous educational offerings, the instructor and student interaction are non-simultaneous; the students' progress at their own pace and follow a structured course content and quiz/exam schedule.

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

(a) the course provides interaction. Interaction is a reciprocal environment where the student has verbal or written communication with the instructor; and

(b) Content approval is obtained from the AQB, the Board, or an accredited college, community college, or university that offers distance education programs and is approved or accredited by the Commission on Colleges, a regional or national accreditation association, or by an accrediting agency that is recognized by the US Secretary of Education. Non-academic credit college courses provided by a college shall be approved by the AQB or the board; and

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

(1) The AQB; or

(2) AQB approved organizations providing approval of course design and delivery (such as The Appraisal Foundation or other independent approved entity); or

(3) a college or university that qualifies for content approval in (i)(b) above 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.

(d) 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.

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

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

(a) In-person sessions meet (a)(2) and (3) above,

(b) Synchronous course sessions meet (a)(2) and (3) above,

(c) Asynchronous course sessions must meet (a)(2), (3), and (4)(B) above.

(6) A list of approved education providers and courses is available on the board's website. 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:

(A) A course completion certificate,

(B) A timed outline provided by the education provider, and

(C) A course description from the education provider.

(7) 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. Approval may be extended by an additional two (2) years on the written request by the provider. 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) All persons or providers requesting approval from the board for an education course shall submit to the board a completed "Education Course Approval Application" that is found on the board's electronic licensing platform. The application must be accompanied by the following:

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

(B) A copy of the course materials; and

(C) Instructor resume(s); and

(D) All AQB course delivery mechanism approval certificates, if applicable; and

(E) Applicable fees.

(10) Upon approval, the board may assign the course a number. The course provider may use the course number in the course syllabus, all course materials, and all written advertising materials for the course.

(11) 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.

(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 person 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.)

(a) An AQB certified Instructor or an approved professional association's instructor.

(C) Proctor(s) shall be approved, in advance, by the board.

(14) Examination Proctor Duties

(A) Be satisfied that the person taking the examination is the person registered for the course. This should be verified with a picture ID and another identification document (driver's license, student ID card, etc.).

(B) Be in the room while the student is taking the exam. Assure that the student does all the work him/herself without aids of any kind including books, notes, conversation with others, or any other external resource. If the exam calls for mathematical calculations, a non-programmable hand-held calculator may be used.

(C) The proctor shall see that the student adheres to the time limit requirement specified for the examination. The examination must be completed in one sitting. If the examination is interrupted for any reason, the examination can be re-started only by notifying the board that the examination was interrupted, 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 him/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) Class hours will be credited only for educational offerings with content that follows the AQB-required core curriculum for each respective credential classification.

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

(B) The AQB-required core curriculum is to be followed by major headings with the classroom hours for each.

(2) 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 AQB.

(A) The AQB 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.

(B) 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 AQB.

(3) Class hours may be obtained only where:

(A) The minimum length of the educational offering is at least fifteen (15) hours; 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) Courses taken to satisfy the qualifying education requirements must not be repetitive. Courses shall foster problem-solving skills in the education process by utilizing case studies as a major teaching method when applicable.

(6) <u>15-Hour National USPAP Course requirements</u>

(A) Applicants must:

(i) Take the 15-Hour National USPAP Course, or its AQB-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 AQB-certified USPAP instructor who is also a state-certified appraiser in good standing.

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

(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 USPAP Course and examination.

(7) In addition to the generic requirements described in Rule 5(a) above, distance education courses intended for use as qualifying education must include a written, closed-book final examination proctored by a board-approved proctor.

(A) Bio-metric proctoring is acceptable.

(B) The term "written" as used herein refers to an exam that might be:

(i) Written on paper; or

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

(C) Oral exams are not acceptable.

(D) 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) 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.

(A) 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.

(B) 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 Rule 5(a) above, asynchronous distance education courses intended for use as continuing education must include at least one (1) of the following:

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

(i) Remote proctoring, including bio-metric procedures as noted in Rule 5(b) above is acceptable.

(ii) The term "written" as used herein refers to an exam that might be:

(a) Written on paper; or

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

(iii) Oral exams are not acceptable; or

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

(8) Real estate appraisal-related field trips may be acceptable for credit toward the continuing education requirements. However, transit time to or from the field trip may not be included when awarding credit unless instruction occurs during said transit time.

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

(A) Equivalency shall be determined through the AQB Course Approval Program or by an alternate method established by the AQB.

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

(C) Individuals who are credentialed in more than one (1) jurisdiction shall not have to take more than one (1) 7-Hour National USPAP Course within a two-calendar-year period for the purposes of meeting AQB Criteria.

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

(E) AQB-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) 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.

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

(11) 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.

(A) 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) 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 Chapter 1 Rule 3(e).

(A) The board may allow credential holders impacted by a state- or federally declared disaster than 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 board may, per continuing education cycle, award continuing education credit to credentialed appraisers who attend a single board 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 board must ensure that the credentialed appraiser attends the meeting for the required period of time.

Rule 6 Discipline: Grounds, Complaints, and Adjudication

(a) Grounds for disciplinary action – The board 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, § 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 or this board rules.

(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 Annotated §17-3-102.

(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 board rules.

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

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

(B) 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, 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 these rules may have been violated.

(5) 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.

(A) 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.

(B) 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 Arkansas Freedom of Information Act of 1967, Arkansas Code Annotated §25-19-101 *et seq.;* or

(B) Unless otherwise required by law.

(10) Disciplinary hearings shall be conducted according to the Arkansas Administrative Procedures Act, Arkansas Code Annotated §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.

Rule 7 General Qualifications for Registration, Licensure, or Certification

(a) The board 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 §17-14-101 *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 these rules 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 Annotated §17-3-102 and comply with the criminal background check requirements as listed below.

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

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

(e) 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.

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

(2) All applications shall include the appropriate fees.

(3) The board will not consider an application which is incomplete or with which the correct fees have not be 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.

(i) 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.

(ii) 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.

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

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

(ii) 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 Chapter 1 Rule 3(e).

Rule 8 General Examination, Experience Criteria and PAREA

(a) Examination criteria – 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 board, to take and pass an AQB-approved qualifying examination for the credential.

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

(b) Experience criteria – education may not be substituted for experience, except as shown in subdivision (3) of this section.

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

(A) 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.

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

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

(3) 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.

(4) Practicum courses that are approved by the AQB (CAP) or the board can satisfy the non-traditional client experience requirement.

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

(i) 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.

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

(iii) 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.

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

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

(i) Appraisal.

(ii) Appraisal review.

(iii) Appraisal consulting; and

(iv) Mass appraisal.

(B) All appraisal experience must be UPAP compliant.

(6) 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 board's discretion that the work is compliant with USPAP must be provided as part of the board's experience verification process to support the experience claimed.

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

(8) At a minimum, the applicant must be prepared to substantiate, on request by the board, the experience claimed with:

(A) A true copy of appraisal assignment reports.

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

(C) True copies of time records or calendars which support actual work time associated with the assignments.

(9) The verification for experience credit claimed by an applicant shall be on the forms prescribed by the board, which shall include:

(A) Type of property.

(B) Date of report.

(C) Address of appraised property, including city name.

(D) Description of work performed by the applicant and scope of the review and supervision of the supervising appraiser.

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

(F) The signature and credential number of the supervising appraiser, if applicable.

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

(10) The board 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.

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

(c) Practical Applications of Real Estate Appraisal (PAREA) – PAREA programs approved by the AQB utilize simulated experience training and serve as an alternative to the traditional Supervisor/Trainee experience model, under section (b) above. To qualify as creditable experience, AQB-approved PAREA programs shall:

(1) Contain, at a minimum, the content specified in the Practical Applications of Real Estate Appraisal section of *The Real Property Appraiser Qualification Criteria.*

(2) Require participants to possess the following prerequisites prior to commencement of training:

(A) For the State Licensed Module: 150 hours of qualifying education as specified in the Required Core Curriculum for the State Licensed Residential Real Property Appraiser classification.

(B) For the Certified Residential Module: 200 hours of qualifying education as specified in the Required Core Curriculum for the Certified Residential Real Property appraiser classification; and

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

(ii) Successful completion of an AQB-approved PAREA program for the State Licensed Real Property Appraiser classification.

(3) Provide an adequate number of Mentors to ensure timely and competent mentoring for all program participants.

(4) Ensure Mentors meet or exceed the following qualifications:

(A) 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

(B) 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. 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; and

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

(A) State Licensed

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

(ii) Demonstration reports must represent a variety of assignment types and property types that are consistent with the State Licensed program content; and

(iii) Reports must comply with the edition of USPAP that is in effect at the time.

(B) Certified Residential

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

(ii) Demonstration reports must represent a variety of assignment types and property types that are consistent with the Certified Residential program content; and

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

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

(A) Participants may not receive partial credit for PAREA training.

(B) 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.

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

(D) 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

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

(A) For participants completing an approved State Licensed program:

(i) State Licensed classification: 100 percent of the required experience hours.

(ii) Certified Residential classification: 67 percent of the required experience hours.

(iii) Certified General classification: 33 percent of the total required experience, none of which is eligible towards the required non-residential hours.

(B) For participants completing an approved Certified Residential program:

(i) State Licensed classification: 100 percent of the required experience hours.

(ii) Certified Residential classification: 100 percent of the required experience hours.

(iii) Certified General classification: 50 percent of the total required experience, none of which is eligible towards the required non-residential hours.

Rule 9 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 Record Keeping 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) As a prerequisite for application, an applicant must have completed seventy-five (75) hours of qualifying education.

(A) The required courses are:

(i) Basic Appraisal Principles	30 Hours
(ii) Basic Appraisal Procedures	30 Hours
(iii) 15-Hour National USPAP Course (or its equivalent)	15 Hours

(B) Additionally, applicants must pass the course examinations and pass the 15-Hour National USPAP Course, or its AQB-approved equivalent and the examination as a part of the 75 hours.

(2) All qualifying education must be completed within the five (5) 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) An appraisal experience log shall be maintained jointly by the supervisory appraiser and the registered apprentice appraiser.

(A) 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 board.

(B) 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.

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

(5) 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.

(A) 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.

(B) 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.

(C) 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.

(D) 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) 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 AQB, which is specifically

oriented to the requirements and responsibilities of supervisory appraisers and registered apprentice appraisers.

(A) The course must be completed by the registered apprentice appraiser prior to obtaining a registered apprentice appraiser credential from the board.

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

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

Rule 10 State-Licensed Real Property Appraiser Credential

(a) General – Please consult Rule 8 General Examination, Experience Criteria and PAREA for additional requirements.

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

(A) the appraisal of non-complex one-to-four residential units having a transaction value less than one million dollars ($1,000,000), and

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

(2) 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.

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

(4) For non-federally related transaction appraisals, the market value

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

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

(b) Examination

(1) The AQB-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 AQB-approved examination are completion of:

(A) One hundred fifty (150) creditable class hours as specified in Rule 10(c) below; 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 (150) creditable class hours as listed below.

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

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

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

(D) Residential Appraiser Market Analysis & Highest and Best Use, fifteen (15) hours

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

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

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

(2) As a part of the one hundred fifty (150) required hours, the applicant shall successfully complete the *15-Hour National USPAP Course,* or its AQB-approved equivalent, and successfully pass the examination.

(3) Appraisers holding a valid registered apprentice appraiser credential and who have completed the required seventy-five (75) 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-license 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 board of a demonstrated and proven capability of the applicant to adequately perform assignments of a type permitted by a state-license real property appraisal credential.

Rule 11 Certified Residential Real Property Appraiser Credential

(a) General – Please consult Rule 8 General Examination, Experience Criteria and PAREA for additional requirements.

(1) 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.

(2) 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.

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

(b) Examination

(1) The AQB-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 AQB-approved examination are completion of:

(A) Two hundred (200) creditable class hours as specified in Rule 11(c) below; and

(B) Completion of the requirements specified in the Rule 11(c)(3) or (4) below; 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 Commission on Colleges,

(B) A national or regional accreditation association, or

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

(2) Applicants with a college degree from a foreign country may have their education evaluated for "equivalency" by one 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 subdivisions (3)(A) – (E) of this section:

(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 (3)(C) and (3)(D) of this section that ensures coverage of all topics and hours identified in subdivision (C) of this section.

(4) As an alternative to the requirements in subsections (1) through (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 non-appealable 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, twenty (20) 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 AQB-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) 15-Hour National USPAP Course (or its equivalent), fifteen (15) hours

(D) Residential Appraiser Market Analysis & Highest and Best Use, fifteen (15) hours

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

(F) Residential Sales Comparison and Income Approaches, thirty (30) hours.

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

(H) Statistics, Modeling and Finance, fifteen (15) hours.

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

(J) Appraisal subject matter electives, twenty (20) hours.

(6) As a part of the one hundred fifty (150) required hours, the applicant shall successfully complete the *15-Hour National USPAP Course,* or its AQB-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, twenty (20) 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, twenty (20) 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 subsection (4) of this section must also satisfy the college-level education requirements as specified in subsection (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 board 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.

Rule 12 Certified General Real Property Appraiser Credential

(a) General – Please consult Rule 8 General Examination, Experience Criteria and PAREA for additional requirements.

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

(b) Examination

(1) The AQB-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 AQB-approved examination are completion of:

(A) Three hundred (300) creditable class hours as specified in Rule 12(c)(2) below.

(B) Completion of the college-level education requirements specified in Rule 12(c)(1) below; 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 Commission on Colleges,

(B) A national or regional accreditation association, or

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

(3) Applicants with a college degree from a foreign country may have their education evaluated for "equivalency" by one 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) 15-Hour National USPAP Course, or its equivalent, fifteen (15) hours.

(D) General Appraiser Market Analysis and Highest and Best Use, thirty (30) hours.

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

(F) General Appraiser Site Valuation and Cost Approach, thirty (30) hours.

(G) General Appraiser Sales Comparison Approach, thirty (30) hours.

(H) General Appraiser Income Approach, sixty (60) hours.

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

(J) Appraisal Subject Matter Electives, thirty (30) 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 AQB-approved equivalent, and successfully pass the examination.

(6) Applicants must demonstrate that their education includes the core courses listed in this part, 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, thirty (30) 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, thirty (30) 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 wishing to change to the certified general real property appraiser classification must also satisfy the requirements in subsections (1) through (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 non-residential 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 board 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.

Rule 13 State Registered Real Property Appraiser Credential

(a) General – Please consult Rule 8 General Examination, Experience Criteria and PAREA for additional requirements.

(1) 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.

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

(3) 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 AQB and the board.

(4) 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 seventy-nine (79) hours of qualifying education as listed below.

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

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

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

(D) 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 AQB-approved equivalent and the examination as a part of the seventy-nine (79) hours.

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

Rule 14 Non- Resident 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 non-federally 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 board 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.

(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 Rule 7; 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 Rule 15 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) The term of a temporary practice permit shall extend for the duration of the particular assignment.

(A) 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.

(B) 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 Rule 15 for the individual's credential level.

Rule 15 Renewal Requirements

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

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

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

(b) Applicants may renew electronically through a board-established electronic process.

(1) Credential holders 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.

(c) It is the policy of the board to send electronically a renewal notice to credential holders at the last email address on file with the board at least sixty (60) days prior to the expiration date of the credential. 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) The board will issue a new pocket card 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 a 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) 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.

(1) 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) 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.

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

(2) This includes evidence of completion of the most recent edition of a 7-Hour National USPAP Update Course, or its AQB-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.

(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) 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.

(i) 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 AQB-approved equivalent must be included in those hours.

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

Rule 16 Fees and Payment of Fees

(a) Types of Fees – 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 board:

(1) Application Fee	$125.00
(2) State Licensed, Certified Residential, & Certified General Appraiser	$300.00(Annual)*
(3) Temporary Practice Permit	$150.00(6 Months)
(4) Non-Resident Credential	$300.00(Annual)*
(5) Application Fee (SR & RA)	$200.00*
(6) Renewal Fee (SR & RA)	$200.00*

(7) Delinquent Fees	$50.00(Monthly)
(8) Qualifying Education Course or Seminar Approval	$100.00
(9) Continuing Education Course or Seminar Approval	$100.00
(10) National Registry Fee (Set by ASC)	$40.00(Annual)

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

Chapter 3 – Appraisal Management Company

Rule 1 Purpose

The board's purpose in promulgating this Chapter is to implement the provisions of the Appraisal Management Company Registration Act

Rule 2 Definitions

(a) "AMC" means appraisal management company.

(b) "Assignment" means:

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

(2) The valuation service that is provided as a consequence of such an agreement.

(c) "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 Arkansas Code Annotated § 17-14-401 *et seq.*

(d) "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.

(e) "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.

(f) "Owner" means an individual owning more than ten percent (10%) of an appraisal management company.

(g) "Registrant" means an appraisal management company or person that is registered under this subchapter.

(h) "Subject Individual" means:

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

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

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

(A) An individual who wholly owns a corporation that owns ten (10) percent or more of an appraisal management company;

(B) An individual wholly owning and serving as the only general partner in a limited partnership that owns ten (10) percent or more of an appraisal management company;

(C) An individual wholly owning and managing a limited liability company that owns ten (10) percent or more of an appraisal management company; or

(D) An individual who wholly owns any other type of business entity that owns ten (10) percent or more of an appraisal management company.

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

Rule 3 Registration and Renewal

(a) Before applying for registration in Arkansas, the appraisal management company must be registered with the Arkansas Secretary of State. The appraisal management company must maintain the registered business name with the Arkansas Secretary of State. The appraisal management company must use the registered business name for all transactions in this state.

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

(2) A foreign appraisal management company shall provide a certificate of authority issued by the Arkansas Secretary of State and a copy of the company's filing with the Arkansas 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 board the following information to apply for initial registration and renewal:

(A) A completed written application form, available on the Board's website or from the board office. Required information includes, but is not limited to:

(i) The name, mailing address, website address, and telephone number of the AMC. The name on the application form must match the name registered with the Arkansas Secretary of State.

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

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

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

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

(vi) 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.

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

(viii) The AMC shall submit with the application the required filing fee stipulated on the form.

(ix) 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) The application shall include a signed and dated certification attesting to all the requirements found in Arkansas Code Annotated § 17-14-405 (a)(6).

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

(i) That the AMC maintains for a 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;

(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; and

(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.

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

(2) 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. All proceeding concerning the denial of a certificate of registration shall be governed by the Arkansas Administrative Procedure Act, § 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 months of the expiration of the registration shall be assessed a late fee of fifty dollars ($50) 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) 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. 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 registraion when all other requirements are fulfilled.

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

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

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

(B) 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 submitted by the applicant.

(6) Waiver requests for a disqualifying conviction may be made in accordance with Chapter 1 Rule 3(e).

Rule 4 Appraisal management company National Registry fees

(a) An appraisal management company shall annually submit to the board on February 28 an annual AMC national registry fee that is determined by the Appraisal Subcommittee 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) 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) 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 AMC 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 National Registry.

(f) A late fee of fifty dollars ($50) must be paid for each month or partial month the form and AMC National Registry fees are delinquent.

(g) The AMC National Registry fees collected will be remitted to the Appraisal Subcommittee as invoiced.

Rule 5 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) per month or partial month from the AMC 's expiration date or when the AMC National Registry fees are delinquent.

(d) A criminal history report fee not to exceed fifty dollars ($50).

(1) Paid by the AMC for each person owning more than ten (10%) percent of the appraisal management company.

(2) The amount to be paid is included on the criminal history report authorization form.

(e) The AMC National Registry Fee of twenty-five dollars ($25) is calculated according to Rule 4(c) above.

Rule 6 Registrant responsibilities and duties

(a) The registrant shall comply with the responsibilities and duties outlined in Arkansas Code Annotated § 17-14-407 et seq.

(b) The registrant shall disclose to an appraiser within their engagement documents verification of their AMC Arkansas Registration.

(c) An AMC must submit to the board a notice of business name change within thirty (30) calendar days of the change. Such notification shall be in writing on a form prescribed by the board along with the following:

(1) A corrected surety bond; and

(2) A copy of the Arkansas Secretary of State business registration with the company's new name.

(d) An AMC with a change of individual ownership greater than fifty (50) percent interest in the AMC, shall submit to the board a notice of change of ownership. Such notification shall be in writing on a form prescribed the by the board, along with the following:

(1) A completed surety bond;

(2) A copy of the Arkansas Secretary of State business registration showing a change of registered agent; and

(3) 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.

Rule 7 Discipline: Grounds, Complaints, and Adjudication

(a) Grounds for disciplinary action –

(1) The board 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 these Rules and Arkansas Statutes.

(C) The person has pleaded guilty or nolo contendere to or been found guilty of:

(i) A felony listed in A.C.A. § 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.

(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 Annotated § 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) For a complaint to be considered the complainant shall file the complaint in writing.

(A) Complaints shall be filed within three (3) years from the date of the actions complained of.

(B) The written complaint shall 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 Executive Director, Chief 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 (i.e., appraisal reports, reviews or outlined deficiencies) are available on which to conclude that the Uniform Standards, the State law, or these rules may have been violated.

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

(A) 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.

(B) 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 Executive Director, Chief 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 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 Procedures Act, Arkansas Code Annotated §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.

Rule 8 Audits

(a) An audit of an AMC registered to provide appraisal management services in Arkansas may be conducted by the board.

(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.

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Chapter 4 – Abstracters

Rule 1 Certificate of Registration

(a) The board 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 Arkansas Abstracters' Licensing Law of 1969 §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 Chapter 1, Rule 3(c).

(3) The applicant shall pass the registration exam as described in Rule 2 below.

(c) All applications for certificates of registration shall be made on forms provided by the board and completed and signed by the applicant.

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

(2) All applications shall include the appropriate fees.

(3) The board will not consider an application which is incomplete or with which the correct fees have not be submitted.

(4) 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.

Rule 2 Certificate of Registration – Examination

(a) The examination shall be in the form of written interrogatories as may be prescribed by the board 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) Tests shall be graded either pass or fail. 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 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.

Rule 3 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) Applicants may renew electronically through a board-established electronic process.

(1) Certificate holders 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.

(c) 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. 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) 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.

(A) The notice shall be mailed not more than thirty (30) days following the certificate expiration date.

(B) 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 – 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.

(1) Certificates of registration may be renewed with twelve (12) months by submitting a renewal application and fee.

(2) 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.

Rule 4 Temporary Certificate of Registration

(a) The board 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.

Rule 5 Certificate of Registration – Reciprocity and Out of State Certification

(a) Reciprocity

(1) An applicant for a reciprocal certificate of registration pursuant to Arkansas Code Annotated § 17-1-108(c), (d)(1)(A) shall meet the following requirements:

(A) The applicant shall hold a substantially similar certificate in another United States' jurisdiction.

(i) The applicant shall hold his or her certificate in good standing;

(ii) The applicant shall not have had a certificate revoked for:

(a) An act of bad faith; or

(b) A violation of law, rule, or ethics;

(iii) The applicant shall not hold a suspended or probationary certificate in a United States' jurisdiction.

(B) The applicant shall be sufficiently competent as an abstracter.

(2) An applicant for a reciprocal certificate of registration shall submit a fully executed application, the required fee, and the documentation described below.

(A) 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.

(ii) Evidence that the other state's certification requirements match those listed in Rule 1 above.

(B) To demonstrate the applicant meets the requirement in (a)(1)(A)(ii) & (iii) above, the applicant shall provide the board 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.

(C) 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 Annotated § 17-1-108 shall be issued immediately upon receipt of:

(i) An application;

(ii) the twenty-five-dollar ($25.00) examination fee; and

(iii) the documentation required under (2) above.

(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 (1)

above, 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 Rule 4 above.

(4) An applicant from a state that does not register abstracters shall meet the following requirements in accordance with Arkansas Code Annotated § 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 Annotated § 17-3-102 and does not have a complaint, allegations, or violations 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) 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; and

(4) Notwithstanding the requirements in (b) (1) through (3) above, an applicant:

(A) 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.

Rule 6 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 board for a certificate of authority.

(b) All applications for certificates of authority shall be made on forms provided by the board and completed and signed by the applicant.

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

(2) All applications shall include the appropriate fees.

(3) The board will not consider an application which is incomplete or with which the correct fees have not been submitted.

(4) 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 Annotated §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.

Rule 7 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 (1) 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 board 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) If a holder of a certificate of authority 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.

(A) The notice shall be mailed not more than thirty (30) days following the certificate expiration date.

(B) 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 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.

Rule 8 Fees

(a) Certificate of Registration – Exam	$25.00
(b) Certificate of Registration – Temporary	$15.00
(c) Certificate of Registration – Renewal	$50.00
(d) Certificate of Authority – Application	$25.00
(e) Certificate of Authority – Renewal	$145.00

Rule 9 Discipline

(a) The board is authorized, after a hearing as provided in Arkansas Code Annotated §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 Annotated §17-11-101 *et seq.*;

(2) Upon a conviction of the holder of such a certificate of a crime under § 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 Annotated §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 Annotated §17-11-324;

(2) Failure to properly maintain an abstract plant;

(3) Failure to have employed a registered abstracter as provided in Arkansas Code Annotated §17-11-301; or

(4) Otherwise violating any of the provisions of Arkansas Code Annotated §17-11-101 *et seq.*

(c) All disciplinary proceedings shall be held in accordance with Arkansas Code Annotated §17-11-341 and the Arkansas Administrative Procedure Act, Arkansas Code Annotated §25-15-201 *et seq.*

Chapter 5 – Home Inspectors

Rule 1 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 Board and comply with the Arkansas Home Inspector Registration Act and rules of the board.

(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 Chapter 1, Rule 3 (c).

(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 Section (2) above, a non-resident applicant shall be in good standing as a home inspector in every jurisdiction where registered.

(4) All applicants for registration, renewal, or reinstatement shall be made on forms provided by the board and completed and signed by the applicant. The application shall be made under oath. All applications shall include the appropriate fees. The board shall not consider an application which is incomplete or with 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 him 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 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:

(i) Solely for the benefit of that entity; and

(ii) 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 Chapter 4 Rule 2.

(3) The applicant's passing examination score from a test provider approved by the board pursuant to Chapter 4 Rule 2.

(4) A certificate of liability insurance pursuant to Chapter 4 Rule 3.

(5) If applicable, other state or local licensure, certification, registration or permit; and

(6) A nonrefundable fee pursuant to Chapter 4 Rule 10.

(d) Certificates of Registration – The board shall issue to each registered holder a certificate in a form as shall be prescribed by the board.

(1) The certificate shall show the name of the registered holder, a certificate number assigned by the board and any other matters as shall be prescribed by the board.

(2) Certificates of registration of a home inspector shall be issued for a period of at least one year.

(3) Certificates of registration shall be maintained in sound, fully legible condition and shall be replaced as necessary. 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 – Initial certificates of registration are valid until December 31st of the calendar year following the issuance of the initial certificate of registration. Renewal certificates of registration are issued on a calendar year basis extending from January 1st through December 31st. For example, an applicant who receives a certificate of registration on March 1, 2023 would hold a valid license until December 31, 2024, at which time the holder would submit a renewal application and receive a certificate of registration for the following calendar extending from January 1, 2025 through December 31, 2025.

Rule 2 Qualifying Education and Examinations

(a) Qualifying Education

(1) An applicant for initial home inspector registration, not applying under Chapter 1 Rule 3 or Chapter 4 Rule 4, shall have successfully completed eighty (80) hours of qualifying education in a course of study pursuant to Chapter 4 Rule 7.

(A) All qualifying education must be completed within the three (3) year period immediately preceding the date of application for initial home inspector registration.

(B) Qualifying education requirements shall only be accepted from education providers and courses approved by the Board.

(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 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 board or testing service administering the examination.

(5) Failure to comply with all instructions, procedures, and appropriate standards of conduct established by the board or the testing service shall be grounds for denial of the application or disciplinary action.

Rule 3 Liability Insurance

(a) Coverage – All registered home inspectors must maintain current general liability 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 board.

(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 non-payment 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) 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. 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. However, 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.

Rule 4 Registration for Out of State Home Inspectors

(a) Automatic Occupational Licensure for Out-of-State Licensure Act

(1) The board 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 § 17-4-102 or any additional state law relating to home inspectors;

(C) Does not have a complaint, allegations, or violations pending for his or her home inspector activity; and

(D) Meets the following requirements:

(i) Applicant shall:

(a) 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

(b) An individual who worked:

(1) 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

(2) At least three (3) years in the home inspector occupation.

(2) 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. 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;

(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) Evidence of current and active license, registration, or certificate in another United States' jurisdiction. 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 requirement in Section (b)(1)(A)(ii) through (iv) above, 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;

(ii) 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 Section (b)(1)(A)(iii) and does not hold a license, registration, or certification on suspended or probationary status as described in Section (b)(1)(A)(iv). 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 Rule 3 above.

(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 section (b)(2) above.

(C) Failure to submit all documentation required under section (b)(2) prior to the expiration of the ninety (90) 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 non-regulated 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.

Rule 5 Renewal

(a) Home inspector registration must be renewed each year, with the exception of initial certificates of registration, or they will be placed in an expired status. Each home inspector registration renewal is December 31st of each year.

(b) An application to renew a registration shall be submitted on a form obtained from the board office or on the board's website. Applicants may renew electronically through the board's electronic licensing portal.

(c) Renewal Notification – The board shall mail 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. However, 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) Registered home inspectors shall file a timely and sufficient renewal application with the board by the renewal date each year. 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 evidence of completion of the required continuing education, a current certificate of insurance, the appropriate renewal fee, and, 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) During the first one hundred and eighty-four (184) days of expired status a registered home inspector may renew their registration by submitting the appropriate renewal form. This includes the payment of the renewal fees, a late fee of fifty dollars ($50) per month or partial month elapsed since the renewal date and submitting the required continuing education reporting form and completion certificates.

(3) After one hundred and 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. This includes the payment of renewal fees and submitting the required continuing education reporting form and completion certificates. This includes evidence of completion of the ASHI Standards of Practice and Code of Ethics course.

(4) 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. This includes payment of the appropriate renewal fee and evidence of the completion of the required continuing education hours.

(A) 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. The required hours must also include evidence of completion of the ASHI Standards of Practice and Code of Ethics course.

(B) 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.

(i) For example – Number of years expired X 14 hours + number of hours due when registration was placed on expired status = Total number of continuing education hours that must be submitted.

(5) 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. 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.

Rule 6 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 section (k)(1) below.

(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) 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. 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. 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 Chapter 4 Rule 7, asynchronous distance education courses intended for use as continuing education must include at least one of the following:

(1) A written examination proctored by an official approved by the college, university, or by the sponsoring organization. Remote proctoring, including bio-metric procedures as noted in Chapter 4 Rule 7 is acceptable. The term "written" as used herein refers to an exam that might be written on paper or administered electronically on a computer workstation or other device. Oral exams are not acceptable; or

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

(f) The board may award continuing education credit to registered home inspectors who attend a board meeting, under the following conditions:

(1) Credit may be awarded for a single board meeting per continuing education cycle. The meeting must be open to the public and must be a minimum of two (2) hours in length. 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) 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.

(1) Loss of income resulting from cancellation of license is not a hardship.

(2) 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. 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) Registered home inspectors shall maintain and submit with registration renewal a Continuing Education Credit Reporting form. The reporting form shall be completed in its entirety to list all completed courses being submitted for continuing education credit. 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.

(2) Elective courses include, but are not limited to:

(A) Business concepts and marketing techniques; and

(B) Report writing/customer relations overview;

Rule 7 General Education Approval, Requirements, and Provider Information

(a) General Requirements for Education Offerings

(1) The board may approve or disapprove all course offerings for qualifying education and continuing education. The approval process shall apply to course content, facilities, text, course delivery mechanism, and other materials utilized in the offering and instructors. 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.

(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) Distance education is defined as any education process based on the geographical separation of student and instructor. Components of distance education include synchronous, asynchronous, and hybrid.

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

(i) Synchronous courses provide for instruction and interaction substantially the same as on-site classroom courses. Synchronous courses meet class hour requirements if they comply with requirements (a)(2) and (3) above.

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

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

(a) the course provides interaction. Interaction is a reciprocal environment where the student has verbal or written communication with the instructor; and

(b) 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 Commission on Colleges, a regional or national accreditation association, or by an accrediting agency that Is recognized by the us Secretary of Education. Non-academic 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 (i)(b) above 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 incorporate interactivity.

(d) 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.

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

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

(a) In-person sessions meet (a)(2) and (3) above,

(b) Synchronous course sessions meet (a)(2) and (3) above,

(c) Asynchronous course sessions must meet (a)(2),(3), and (4)(B) above.

(5) A list of approved education providers and courses is available on the board's website. 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:

(A) A course completion certificate,

(B) A timed outline provided by the education provider, and

(C) A course description from the education provider.

(6) 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. Approval may be extended by an additional two (2) years on the written request by the provider. 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) 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. The application must be accompanied by the following:

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

(B) A copy of the course materials; and

(C) Instructor resume(s); and

(D) All course delivery mechanism approval certificates, if applicable; and

(E) Applicable fees.

(9) Upon approval, the board may assign the course a number. The course provider may use the course number in the course syllabus, all course materials, and 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 person 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.)

(C) Proctor(s) shall be approved, in advance, by the board.

(13) Examination Proctor Duties

(A) Be satisfied that the person taking the examination is the person registered for the course. This should be verified with a picture ID and another identification document (driver's license, student ID card, etc.).

(B) Be In the room while the student is taking the exam. Assure that the student does all the work him or herself without aids of any kind including

books, notes, conversation with others, or any other external resource. If the exam calls for mathematical calculations, a non-programmable hand-held calculator may be used.

(C) The proctor shall see that the student adheres to the time limit requirement specified for the examination. The examination must be completed in one sitting. If the examination is interrupted for any reason, the examination can be re-started only by notifying the board that the examination was interrupted, 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 him/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, a course shall be defined as 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 (b)(2) below.

(C) An exit examination of a minimum of one hundred and twenty-five (125) questions covering all topics in section (b)(2) below is required at the end of the qualifying education program. The questions shall be either multiple choice or true-false or a combination of multiple choice and true-false. Open book examinations shall not be accepted. No student shall be deemed to have successfully completed the program unless he or she has scored a minimum of 70% on the exit examination.

(D) The board shall only grant approval for courses that are part of an overall qualifying education program for a home inspector registration. An education provider must have a complete eighty (80) hour qualifying education program approved by the board.

(E) In addition to the generic requirements described in Rule 7(a) above, distance education courses intended for use as qualifying education must include a written, closed-book final examination. The examination must be proctored in person or remotely by a board approved proctor. Bio-metric proctoring is acceptable. The term "written" as used herein refers to an exam that might be written on paper or administered electronically on a computer workstation or device. Oral exams are not acceptable. The testing must comply with the examination requirements of this section.

(F) No approved education provider shall advertise that it is endorsed, recommended or accredited by the board. 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 – 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. 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:

(A) Exteriors: Exterior study must contain the following, at a minimum.

(i) Identification and inspection of exposed foundations.

(ii) 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.

(iii) Identification and inspection of gutter and drainage control systems.

(iv) Inspection of porches, steps and railings, including the structural composition.

(v) Identification and implications of vegetation, grading and surface drainage, including: retaining walls, walkways and driveways leading to a dwelling entrance.

(B) Interiors: Interior study must contain the following, at a minimum:

(i) Identification and inspection of wall, ceiling and floor defects.

(ii) Identification and inspection of step, stair and railing defects.

(iii) Identification and inspection of countertop, cabinet and island defects, as they pertain to a kitchen or other type room.

(iv) Identification and inspection of interior and exterior door defects.

(v) Identification and inspection of window defects and operation.

(vi) Identification and inspection of garage door defects, garage door opener defects, and garage structure defects, including fire safety and habitability.

(C) Roofing: Roofing study must contain the following, at a minimum:

(i) Identification of the types and styles of roofs.

(ii) 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.

(iii) Identification and inspection of skylights and flashing.

(iv) Identification of chimneys and other penetrations, including proper height and composition.

(D) Plumbing: Plumbing study must contain the following, at a minimum:

(i) Identification and description of the main distribution system, including all fixtures, faucets and materials.

(ii) Identification and description of all drain, waste and vent systems, including all fixtures and materials.

(iii) Identification and description of water heating systems.

(iv) Identification and description of fuel distribution systems and materials.

(v) Description and identification of all drainage control devices, including sump pumps, ejector pumps or other related piping.

(vi) Identification of water source and sewer distribution.

(E) Electrical: Electrical study must contain the following, at a minimum:

(i) 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.

(ii) Identification and inspection of the branch distribution, including fuse boxes, breaker boxes and subpanels.

(iii) Identification and inspection of all overcurrent protection devices and wire type identification.

(iv) Identification and inspection of installed lighting fixtures, switches and receptacles.

(v) Identification and inspection of safety devices, including ground fault circuit interrupters.

(F) Heating, ventilation and air conditioning (HVAC): HVAC study must include the following, at a minimum:

(i) 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.

(ii) Identification and inspection of fuel sources and distribution.

(iii) Identification and inspection of flue pipes and spent gas removal systems.

(iv) Identification and inspection of all related safety devices.

(v) Identification and inspection of installed cooling systems, including central and window mounted systems.

(G) Structural: Structural study must contain the following, at a minimum:

(i) Identification and inspection of all structural components, including floor and wall framing.

(ii) Identification and inspection of all foundation support systems, including poured concrete, concrete block, brick, stone and wood, and all related perimeter footing systems.

(iii) Identification and inspection of water related or seepage related sources.

(iv) Identification and inspection of flood control devices.

(v) Identification and inspection of roof structure and systems related to composition.

(vi) Identification and inspection of under-roof and under-floor ventilation.

(vii) Identification and inspection of insulation and vapor protection systems.

(H) Miscellaneous Appliances: Appliance study must contain the following, at a minimum:

(i) Identification of all fireplaces, solid fuel burning appliances, chimneys and vents.

(ii) 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.

(I) Standards of Practice: Standards of practice study must contain the following, at a minimum:

(i) The full content of the current version of the American Society of Home Inspectors Standards of Practice.

(ii) The current version of the American Society of Home Inspectors Code of Ethics.

(iii) Required disclosures to a client.

(iv) Required report content.

(v) Competent report writing.

(vi) Specific knowledge of business practices and standards of practice.

Rule 8 Standards of Practice, Code of Ethics, and Inspection Reports

(a) Except where in conflict with Arkansas law or the rules of the board, the board adopts the most current American Home Inspectors Association 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 Home Inspectors Association 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 – 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.

(A) 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.

(B) 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.

Rule 9 Discipline: Grounds, Complaints, and Adjudication

(a) Grounds for Disciplinary Action – the board may take appropriate disciplinary action for, but not limited to, the following:

(1) Any violation of the provisions of the Arkansas Home Inspector Registration Act or board rules.

(2) Falsifying any application for registration or otherwise providing false information to the board.

(3) Conviction of any felony listed under Arkansas Code Annotated §17-3-102.

(4) Any actions demonstrating untrustworthiness, incompetence, dishonesty, gross negligence, material misrepresentation, fraud, or unethical conduct in any dealings subject to the Arkansas Home Inspector Registration Act or board rules.

(A) Dishonest, unethical or unprofessional conduct may include, but 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) 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. If any dangerous situations exist, the home inspector is required to report those findings to the home owner.

(iv) The home inspector accepts compensation from more than one 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 Homes Inspector Registration Act or board rules.

(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.

(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 excessing 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) For a complaint to be considered, the complainant shall file the complaint in writing. The written complaint shall specifically state the issues of the

complaint, and the date(s) 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) The registered home inspector will be notified in writing of the complaint. A copy of the complaint and a request for a written response within thirty (30) days shall be furnished to the home inspector. 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) 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. Recommendations may include:

(A) Dismissal of complaint.

(B) Informal proceedings (including, but not limited to, caution letters, corrective action agreements, or consent agreements); or

(C) 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 Annotated §25-19-101 *et seq.*

(c) Hearings

(1) Hearings to revoke or suspend a registration or to impose other disciplinary sanctions are adjudicative hearings. 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 Annotated §25-15-201 *et seq.*

Rule 10 Fees

(a) Types of Fees – the following fees shall be paid for pre-registration applications and for the issuance of original and renewal registrations and for other purposes and activities of the board:

(1) Initial Registration Fee	$250.00
(2) Registration Renewal Fee	$250.00
(3) Delinquent Fee	$50.00 (monthly)
(4) Returned Check Fee	$25.00(plus State Treasure fee)
(5) Change of Address Fee	$10.00
(6) Qualifying Education Course or Seminar Approval Fee	$200.00
(7) Continuing Education Course or Seminar Approval Fee	$45.00
(8) Renewal of Qualifying Education Fee	$100.00
(9) Renewal of Continuing Education Fee	$25.00

*Pursuant to Arkansas Code Annotated §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 shall be paid either by cashier's check, money order or personal check made payable to the Arkansas State Board of Appraisers, Abstracters, and Home Inspectors or electronic payment through the board's electronic licensing platform.

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

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