

Occupational Authorizations

for the meeting of the
 ALC-OCCUPATIONAL LICENSING REVIEW SUBCOMMITTEE
 Thursday, February 15, 2024 at 2:00 PM

Arkansas Appraiser Licensing and Certification Board**CERTIFIED GENERAL APPRAISER**

Authorization Type: Certification # of Individuals Regulated:

Entity Division Name: Appraiser Division of the State Board of Appraisers, Abstracters, and Home Inspectors

Scope of Practice: The Certified General Real Property Appraiser classification qualifies the appraiser to appraise all types of real property. All Certified General appraisers must comply with the Competency Rule of USPAP.

Statutory Requirement(s): The Appraisal Subcommittee (ASC) is a subcommittee of the Federal Financial Institutions Examination Council (FFIEC) which oversees each state's real estate appraisal regulatory framework. The ASC was established by Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) which became law on August 9, 1989. Pursuant to Title XI, one of the ASC's core functions is to monitor the requirements established by the states for certification and licensing of appraisers qualified to perform appraisals in connection with federally related transactions. A.C.A. § 17-14-105 (c) states, "An appraiser shall not perform or be employed to perform an appraisal where the property that is subject to the assignment lies within the borders of the State of Arkansas without first being state-registered, state-licensed, registered apprentice, or state-certified by the State Board of Appraisers, Abstracters, and Home Inspectors.

Pursuant to Arkansas Code §17-4-104, do you provide an automatic licensure to a uniformed service member stationed in the State of Arkansas, a uniformed service veteran who resides in or establishes residency in the State of Arkansas; and the spouse of a uniformed service member who is stationed in, resides in, or establishes residency in the State of Arkansas; 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; and 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?

Fees & Penalties

Fee Type	Fee Description	Amount (\$)	Frequency
Fee	Renewal and application fee	\$300.00	Annually
Fee	Discount of renewal fees	\$75.00	Annually
Fee	Federal National Registry Fee-Passthrough Fee	\$40.00	Annually
Fee	Reinstatement Fee	\$300.00	Once
Penalty	Late fee: for first six months only	\$50.00	Monthly
Fee	Temporary Practice Permit (Maximum of a 6 month term; assignment specific)	\$150.00	Once

Administrative Rules Documents

Document Type	Document
Rules	AALCB_Final_effect_July_1_2022.pdf

Supporting Evidence Documents

No Supporting Evidence Documents Provided

CERTIFIED RESIDENTIAL APPRAISER

Authorization Type: Certification # of Individuals Regulated:

Entity Division Name: Appraiser Division of the State Board of Appraisers, Abstracters, and Home Inspectors

Scope of Practice: The Certified Residential Real Property Appraiser classification qualifies the appraiser to appraise one-to-four residential units without regard to value or complexity. The classification includes the appraisal

Arkansas Appraiser Licensing and Certification Board (Continued)

CERTIFIED RESIDENTIAL APPRAISER (Continued)

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.

Statutory Requirement(s): The Appraisal Subcommittee (ASC) is a subcommittee of the Federal Financial Institutions Examination Council (FFIEC) which oversees each state's real estate appraisal regulatory framework. The ASC was established by Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) which became law on August 9, 1989. Pursuant to Title XI, one of the ASC's core functions is to monitor the requirements established by the states for certification and licensing of appraisers qualified to perform appraisals in connection with federally related transactions. A.C.A. § 17-14-105 (c) states, "An appraiser shall not perform or be employed to perform an appraisal where the property that is subject to the assignment lies within the borders of the State of Arkansas without first being state-registered, state-licensed, registered apprentice, or state-certified by the State Board of Appraisers, Abstracters, and Home Inspectors.

Pursuant to Arkansas Code §17-4-104, do you provide an automatic licensure to a uniformed service member stationed in the State of Arkansas, a uniformed service veteran who resides in or establishes residency in the State of Arkansas; and the spouse of a uniformed service member who is stationed in, resides in, or establishes residency in the State of Arkansas; 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; and 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?

Yes

Fees & Penalties			
Fee Type	Fee Description	Amount (\$)	Frequency
Fee	Renewal or Application Fee	\$300.00	Annually
Fee	Federal National Registry Fee-Passthrough Fee	\$40.00	Annually
Fee	Upgrade Fee: Initial three takes of exam	\$50.00	Once
Penalty	Late Fee -- for first six months only	\$50.00	Monthly
Fee	Reinstatement Fee	\$300.00	Once
Fee	Upgrade Fee: Retake of exam three additional times	\$50.00	Once
Fee	Discount of renewal fees	\$75.00	Annually
Fee	Temporary Practice Permit (maximum of a six month term; assignment specific)	\$150.00	Once

Administrative Rules Documents	
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Rules	AALCB_Final_effect_July_1_2022.pdf

Supporting Evidence Documents

No Supporting Evidence Documents Provided

STATE LICENSED APPRAISER

Authorization Type: Licensure # of Individuals Regulated: 57

Entity Division Name: Appraiser Division of the State Board of Appraisers, Abstracters, and Home Inspectors

Scope of Practice: 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. 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. 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

Arkansas Appraiser Licensing and Certification Board (Continued)

STATE LICENSED APPRAISER (Continued)

residential units. The classification does not include the appraisal of subdivisions for which a development analysis/appraisal is necessary. All State Licensed Real Property Appraisers must comply with the Competency Rule of the Uniform Standards of Professional Appraisal Practice.

Statutory Requirement(s): The Appraisal Subcommittee (ASC) is a subcommittee of the Federal Financial Institutions Examination Council (FFIEC) which oversees each state's real estate appraisal regulatory framework. The ASC was established by Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) which became law on August 9, 1989. Pursuant to Title XI, one of the ASC's core functions is to monitor the requirements established by the states for certification and licensing of appraisers qualified to perform appraisals in connection with federally related transactions. A.C.A. § 17-14-105 (c) states, "An appraiser shall not perform or be employed to perform an appraisal where the property that is subject to the assignment lies within the borders of the State of Arkansas without first being state-registered, state-licensed, registered apprentice, or state-certified by the State Board of Appraisers, Abstracters, and Home Inspectors.

Pursuant to Arkansas Code §17-4-104, do you provide an automatic licensure to a uniformed service member stationed in the State of Arkansas, a uniformed service veteran who resides in or establishes residency in the State of Arkansas; and the spouse of a uniformed service member who is stationed in, resides in, or establishes residency in the State of Arkansas; 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; and 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?

Yes

Fees & Penalties

Fee Type	Fee Description	Amount (\$)	Frequency
Fee	Discount of renewal fees	\$75.00	Annually
Fee	Federal National Registry Fee-Passthrough	\$40.00	Annually
Fee	Reinstatement Fee	\$300.00	Once
Fee	Renewal or Application Fee	\$300.00	Annually
Fee	Upgrade Fee: Initial three takes of exam	\$50.00	Once
Fee	Upgrade Fee: Retake of exam three additional times	\$50.00	Once
Penalty	Late Fee for first six months only	\$50.00	Monthly
Fee	Temporary Practice Permit (Maximum of six month term; assignment specific)	\$150.00	Once

Administrative Rules Documents

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Supporting Evidence Documents

No Supporting Evidence Documents Provided

REGISTERED APPRENTICE APPRAISER

Authorization Type: Registration # of Individuals Regulated:

Entity Division Name: Appraiser Division of the State Board of Appraisers, Abstracters, and Home Inspectors

Scope of Practice: The scope of practice for the Registered Apprentice 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. A Registered Apprentice appraiser is subject to direct control and supervision by a qualified state-certified appraiser supervisor. All Registered Apprentice appraisers must comply with the Competency Rule of the Uniform Standards of Professional Appraisal Practice for all assignments.

Statutory Requirement(s): The Appraisal Subcommittee (ASC) is a subcommittee of the Federal Financial Institutions Examination Council (FFIEC) which oversees each state's real estate appraisal regulatory framework.

Arkansas Appraiser Licensing and Certification Board (Continued)

REGISTERED APPRENTICE APPRAISER (Continued)

The ASC was established by Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) which became law on August 9, 1989. Pursuant to Title XI, one of the ASC's core functions is to monitor the requirements established by the states for certification and licensing of appraisers qualified to perform appraisals in connection with federally related transactions. A.C.A. § 17-14-105 (c) states, "An appraiser shall not perform or be employed to perform an appraisal where the property that is subject to the assignment lies within the borders of the State of Arkansas without first being state-registered, state-licensed, registered apprentice, or state-certified by the State Board of Appraisers, Abstracters, and Home Inspectors.

Pursuant to Arkansas Code §17-4-104, do you provide an automatic licensure to a uniformed service member stationed in the State of Arkansas, a uniformed service veteran who resides in or establishes residency in the State of Arkansas; and the spouse of a uniformed service member who is stationed in, resides in, or establishes residency in the State of Arkansas; 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; and 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?

Yes

Fees & Penalties

Fee Type	Fee Description	Amount (\$)	Frequency
Fee	Discount of renewal fees	\$75.00	Annually
Fee	Renewal or application fee	\$200.00	Annually
Fee	Reinstatement Fee	\$200.00	Once
Fee	Upgrade Fee: Initial three takes of exam	\$100.00	Once
Fee	Upgrade Fee: Retake of exam three additional times	\$100.00	Once
Penalty	Late Fee: for first six months only	\$50.00	Monthly

Administrative Rules Documents

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Supporting Evidence Documents

No Supporting Evidence Documents Provided

STATE REGISTERED APPRAISER

Authorization Type: Registration # of Individuals Regulated: 46

Entity Division Name: Appraiser Division of the State Board of Appraisers, Abstracters, and Home Inspectors

Scope of Practice: The State Registered appraiser classification qualifies the appraiser to perform appraisals on any type of property except (1) when the purpose of the appraisal is for use in federally related transactions; (2) if the client requires a state licensed or certified appraiser. The State Registered appraiser must include in all appraisal 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 (USPAP).

Statutory Requirement(s): A State Registered credential level was created by Act 1256 of 2001 by the Arkansas General Assembly. A.C.A. § 17-14-105(c) states, "An appraiser shall not perform or be employed to perform an appraisal where the property that is subject to the assignment lies within the borders of the State of Arkansas without first being state-registered, state-licensed, registered apprentice, or state-certified by the State Board of Appraisers, Abstracters, and Home Inspectors."

Pursuant to Arkansas Code §17-4-104, do you provide an automatic licensure to a uniformed service member stationed in the State of Arkansas, a uniformed service veteran who resides in or establishes residency in the State of Arkansas; and the spouse of a uniformed service member who is stationed in, resides in, or establishes residency in the State of Arkansas; 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; and a uniformed service member who

Yes

Arkansas Appraiser Licensing and Certification Board (Continued)

STATE REGISTERED APPRAISER (Continued)

is killed or succumbs to his or her injuries or illness in the line of duty if the spouse establishes residency in the state?

Fees & Penalties

Fee Type	Fee Description	Amount (\$)	Frequency
Fee	Discount of renewal fees	\$75.00	Annually
Fee	Reinstatement Fee	\$200.00	Once
Fee	Renewal or Application Fee	\$200.00	Annually
Penalty	Late Fee: For first six months only	\$50.00	Monthly

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Supporting Evidence Documents

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ALC – Occupational Licensing Review Subcommittee
Occupational Entity Questionnaire

Arkansas Appraiser Licensing and Certification Board

Responses to the following questions are due via email to Subcommittee staff no later than the 15th of the month immediately preceding the month the occupational authorization is scheduled for review by the Subcommittee.

1. Would consumers be at risk of substantial harm if Arkansas did not have this occupational authorization?

Yes. The Federal Financial Institutions Reform, Recovery, and Enforcement Act of 1989 requires the credentialing of real property appraisers for federally related transactions, therefore Arkansas consumers would have issues when trying to purchase real property in Arkansas that requires federal financial involvement.

What instances of specific and substantial harm have been documented in the past year?

No, there has not been an instance of specific and substantial harm to a consumer in the past year, although there have been instances of complaints being filed by both consumers and secondary market lenders.

2. How many complaints were made to the occupational entity by consumers being harmed by unauthorized practitioners? **One this past year.**

An unlicensed appraiser from New Mexico prepared an appraisal report of a restaurant in Texarkana, Arkansas. There are potential significant errors and flawed methodologies in the report which could indicate violations of the Uniform Standards of Professional Appraisal Practice and Arkansas State Law.

What specific action was taken by the occupational entity?

The appraiser has failed to respond to the complaint. Therefore, the case will move to an administrative hearing.

3. How many complaints were made to the occupational entity by consumers being harmed by authorized practitioners?

The Board received 39 complaints in 2023. However, 25 of these complaints were filed by secondary market lenders.

What specific action was taken by the occupational entity? **The Board uses a**

Disciplinary Matrix in the adjudication of complaints. Each complaint is

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Occupational Entity Questionnaire

Arkansas Appraiser Licensing and Certification Board considered and resolved by the Board individually. Resolutions typically include additional education, probation, and additional monitoring. In a case where there are significant ethical or competency issues, the Board may suspend the appraiser's credential for a period of time, or issue a civil penalty of up to \$1,000 per violation of the Uniform Standards of Professional Appraisal Practice or Arkansas State Law. The majority of the complaints resolved by the Board, in recent history, has been done so through consent agreements or conditional dismissals. These actions are also reported to a national registry that is viewable by lending institutions and other licensing entities across the country.

4. Were any applicants who otherwise met authorization requirements denied an authorization in the past year? If so, why? **No applicants were denied.**
5. How much does the occupational entity collect annually in fees, and what are annual expenses?

Annual Fees (FY23): \$481,019.05

Annual Expenses (FY23): \$486,973.59

How much money does the occupational entity have in reserves?

\$1,361,857.32

6. If the occupational entity has a positive amount in reserves, when was the last time reserve funds were used? For what purpose?
The Appraiser Division does have a positive amount in reserves. Since 2018, the Appraiser Division has given a discount on renewal fees. In addition, the Board pays for the processing fees charged by our provider for online payments, and the cost of both a state and federal background check. For FY23, the total for the processing fees was \$5,671 and the background checks were \$5,365.
7. Does the occupational entity have any other sources of revenue?
Yes. Over the past three years the Appraiser Division was awarded a total of \$189,650 from the Appraisal Subcommittee through a State Appraiser Regulatory Agencies Support Grant.

ALC – Occupational Licensing Review Subcommittee
Occupational Entity Questionnaire

Arkansas Appraiser Licensing and Certification Board

Could occupational authorization fees be reduced without causing the occupational entity to be underfunded?

To decrease our fund balance, since 2018 the Appraiser Division has given a \$75 per year discount on renewal fees for appraisers. This has saved appraisers a total of approximately \$434,625. The yearly discount is reviewed annually to ensure that the Division is not underfunded. The Division works to ensure that the annual expenses and the annual fees are balanced, however if the annual fee was permanently reduced the Division would have to tap into more of the reserve and possibly even stop covering the processing fees and background check costs. The Division also relies on the federal support grants to help keep costs down for appraisers, however those grants are not a guarantee annually.

8. How many applicants for the occupational authorization fail each year?

Less than five per year.

Does the occupational entity track how many applicants that do not progress are veterans, women, or minorities? **No.**

9. Can applicants complete the training requirements for this occupational authorization with vocational or non-traditional education (e.g., apprenticeships)?

Applicants cannot complete the education requirements with vocational or non-traditional education, however the Board currently requires apprenticeship and has recently added a provision into the rules to allow for another program applicants can complete in lieu of the traditional supervisor/supervisee requirements of an apprenticeship.

What percentage of applicants complete apprenticeships?

All applicants for licensure by the Board, with the exception of State Registered Real Property Appraiser Credential holders, must complete an apprenticeship.

10. In what ways would removal of the occupational authorization or reduction of occupational authorization requirements be harmful to current authorization holders?

The Federal Financial Institutions Reform, Recovery, and Enforcement Act of 1989 requires licensure for appraisers who participate in federally related transactions. If

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Occupational Entity Questionnaire

Arkansas Appraiser Licensing and Certification Board
the occupational authorization requirement was removed, current authorization holders or even potential holders would be barred from completing appraisals for federally related transactions. The same would be if the requirements are reduced, as the Act sets the standards for licensure requirements that the individual states must adhere to.