

**CHAPTER 40A****STATE BOARD OF REAL ESTATE APPRAISERS****Authority**

N.J.S.A. 45:14F-8(n).

**Source and Effective Date**

R.1997 d.23, effective December 13, 1996.  
See: 28 N.J.R. 4724(a), 29 N.J.R. 369(a).

**Executive Order No. 66(1978) Expiration Date**

Chapter 40A, State Board of Real Estate Appraisers, expires on December 13, 2001.

**Chapter Historical Note**

Chapter 40A, State Board of Real Estate Appraisers, was adopted as R.1991 d.598, effective December 16, 1991. See: 23 N.J.R. 2628(a), 23 N.J.R. 3763(b). Subchapter 2A, Certification of Residential Real Estate Appraisers, was adopted as R.1993 d.125, effective March 15, 1993. See: 24 N.J.R. 3489(a), 25 N.J.R. 1222(b). Subchapter 7, Apprentice Permits, was adopted as R.1993 d.177, effective April 19, 1993. See: 25 N.J.R. 267(a), 25 N.J.R. 1773(a). Notice of Receipt of Petitions for Rulemaking and Action thereon. See: 25 N.J.R. 3032(b).

Pursuant to Executive Order No. 66(1978), Chapter 40A was re-adopted as R.1997 d.23, effective December 13, 1996. See: Source and Effective Date. As part of R.1997 d.23, effective January 21, 1997, Subchapter 4, Continuing Professional Education, was recodified to Subchapter 5, and a new Subchapter 4, Apprentice Permits, was recodified from Subchapter 7; Subchapter 5, Standards for Appraisals, was recodified to Subchapter 6, and a new Subchapter 5, Continuing Professional Education, was recodified from Subchapter 4; Subchapter 6, General Provisions, was recodified to Subchapter 7, and a new Subchapter 6, Standards for Appraisals, was recodified from Subchapter 5; Subchapter 7, Apprentice Permits, was recodified to Subchapter 4, and a new Subchapter 7, General Provisions, was recodified from Subchapter 6; and Subchapter 8, Certification or Licensure by Endorsement, was adopted as new rules. See, also, section annotations.

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**SUBCHAPTER 1. PURPOSE AND SCOPE; DEFINITIONS****13:40A-1.1 Purpose and scope**

This chapter, as effective December 16, 1991, is promulgated by the Director, Division of Consumer Affairs, with subsequent amendments promulgated by the Board of Real

Estate Appraisers. The rules contained in this chapter implement the provisions of the Real Estate Appraisers Act, P.L.1991, c.68 (N.J.S.A. 45:14F-1 et seq.) and provide for the voluntary licensing and certification of real estate appraisers.

Amended by R.1993 d.125, effective March 15, 1993.  
See: 24 N.J.R. 3489(a), 25 N.J.R. 1222(b).  
Revised text.

### 13:40A-1.2 Definitions

The following words and terms, when used in this chapter, shall have the following meanings, unless the context clearly indicates otherwise:

“Appraisal Foundation” means the Appraisal Foundation incorporated in the State of Illinois as a nonprofit corporation on November 30, 1987, as denominated in Title XI of Publ. L. 101-73 (12 U.S.C. section 3331 et seq.).

“Apprentice” means an individual in the process of acquiring the hours of appraisal experience required for certification or licensure under the direct supervision of a licensed or certified appraiser pursuant to this chapter.

“Board” means the State Real Estate Appraiser Board in the Division of Consumer Affairs.

“Classroom hour” means 50 minutes out of each 60-minute segment. This definition reflects the traditional educational practice of having 50 minutes of instruction and 10 minutes of break time for each scheduled hour of instruction and shall not be interpreted as permitting course providers to decrease the prescribed number of classroom hours. Classroom hours shall be deemed to include time devoted to examinations, which are considered to be part of the course.

“State certified general real estate appraiser” (“SCGRE”) means an individual who has satisfied the experience and education requirements as set forth in this chapter, has successfully completed the Board sponsored examination, and holds a current, valid certificate as a certified general real estate appraiser.

“State certified residential real estate appraiser” (“SCRREA”) means an individual who has satisfied the experience and education requirements as set forth in this chapter, has successfully completed the Board sponsored examination, and holds a current, valid certificate as a certified residential real estate appraiser.

“State licensed real estate appraiser” (“SLREA”) means an individual who has satisfied the experience and education requirements as set forth in this chapter, has successfully completed the Board sponsored examination, and holds a current, valid license for real estate appraisal.

“Uniform Standards of Professional Appraisal Practice (USPAP)” means the published standards set forth by the Appraisal Standards Board of the Appraisal Foundation (1029 Vermont Avenue, NW, Suite 900, Washington, D.C. 20005-3517) annually with an effective date of January 1 of the current year. Said standards include the generally accepted standards of appraisal practice; a history of changes to those standards for the prior year; all statements on Appraisal Standards; all Advisory Opinions issued for general distribution; a Glossary and an Index. The Uniform Standards of Professional Appraisal Practice are hereby incorporated by reference in the established rules for the review and interpretation of the competency and practice of appraisers licensed or certified by the Board.

Amended by R.1993 d.125, effective March 15, 1993.  
See: 24 N.J.R. 3489(a), 25 N.J.R. 1222(b).

Revised definitions “State certified general real estate appraiser”; added definitions “State certified residential real estate appraiser”; moved definition “Residential”.

Amended by R.1997 d.23, effective January 21, 1997.  
See: 28 N.J.R. 4724(a), 29 N.J.R. 369(a).

Added “Apprentice” and “Uniform Standards of Professional Appraisal Practice (USPAP)”; and deleted “Market value” and “Residential”.

## SUBCHAPTER 2. CERTIFICATION OF GENERAL REAL ESTATE APPRAISERS

### Subchapter Historical Note

“General” added to Subchapter 2 title by R.1993 d.125, effective March 15, 1993. See: 24 N.J.R. 3489(a), 25 N.J.R. 1222(b).

### 13:40A-2.1 Eligibility for certification as a general real estate appraiser

In order to be eligible for certification as a general real estate appraiser, an applicant shall be required to successfully complete the Board approved examination for the certification of general real estate appraisers.

Amended by R.1993 d.125, effective March 15, 1993.  
See: 24 N.J.R. 3489(a), 25 N.J.R. 1222(b).  
Revised section.

### 13:40A-2.2 Eligibility for admission to examination

(a) An applicant for certification as a general real estate appraiser shall present evidence to the satisfaction of the Board that he or she is:

1. At least 18 years of age;
2. Of good moral character, as established by references from individuals, schools and other records acceptable to the Board;
3. Has a high school diploma or its equivalent;
4. Has completed the educational requirements described in N.J.A.C. 13:40A-2.3; and

In (a), inserted reference to forms provided by Board and amended the period in which to accumulate appraisal experience; and added (e).

### 13:40A-3.5 (Reserved)

Repealed by R.1994 d.88, effective February 22, 1994.

See: 25 N.J.R. 4863(a), 26 N.J.R. 1106(a).

Section was "Temporary licenses".

### 13:40A-3.6 Temporary visiting licenses

(a) Upon application to the Board and payment of a registration fee, an appraiser licensed in another state may be issued a temporary visiting license for a specific appraisal assignment, provided that the individual submits satisfactory proof to the Board that the individual has a current valid license to practice in another state which has requirements for licensure as a real estate appraiser substantially equivalent to those of New Jersey.

(b) An appraiser licensed by another state may apply for no more than three temporary licenses within one calendar year, except as provided in (c) below.

(c) The Board may, in its discretion, waive the requirements of (b) above for good cause shown.

(d) As a condition of receiving a temporary visiting license an applicant shall consent to service of process within the State.

Amended by R.1993 d.125, effective March 15, 1993.

See: 24 N.J.R. 3489(a), 25 N.J.R. 1222(b).

Revised (a).

Amended by R.1997 d.23, effective January 21, 1997.

See: 28 N.J.R. 4724(a), 29 N.J.R. 369(a).

Added (d).

## SUBCHAPTER 4. APPRENTICE PERMITS

### 13:40A-4.1 Purpose and scope

The rules in this chapter establish a voluntary real estate appraiser apprentice program for individuals in the process of acquiring the appraisal experience required in order to be licensed or certified pursuant to this chapter.

Amended by R.1997 d.23, effective January 21, 1997.

See: 28 N.J.R. 4724(a), 29 N.J.R. 369(a).

Section was "Special Course Requirement; Uniform standards of professional appraisal practice".

### 13:40A-4.2 Application for apprentice permit; general requirements

(a) Each applicant for an apprentice permit shall submit, with a completed application form and the permit fee set forth in N.J.A.C. 13:40A-7.1, proof satisfactory to the Board that he or she:

1. Is at least 18 years of age;

2. Is of good moral character, as established by references from individuals, schools and other records acceptable to the Board;

3. Has a high school diploma or its equivalent; and

4. Has successfully completed the educational requirements set forth in N.J.A.C. 13:40A-4.3.

Amended by R.1997 d.23, effective January 21, 1997.

See: 28 N.J.R. 4724(a), 29 N.J.R. 369(a).

In (a), amended N.J.A.C. reference; and in (a)1, substituted "At least 18" for "More than 18".

### 13:40A-4.3 Educational requirements

(a) To be eligible to receive an apprentice permit, an applicant shall have successfully completed:

1. One course covering Basic Principles of Appraising at least 30 classroom hours in length; and

2. One course covering the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation (USPAP) at least 15 classroom hours in length within six months prior to the filing of the application for an apprentice permit.

(b) The Board shall grant credit for the courses required pursuant to (a) above only if the individual has successfully completed an examination pertinent to that educational offering.

(c) An applicant may obtain credit for the classroom hour requirement from any of the following: colleges, universities, community colleges or junior colleges accredited by the New Jersey Department of Higher Education or any State accrediting agency approved by the Board; real estate appraisal or real estate related organizations as approved by the Board; State or Federal agencies or commissions as approved by the Board; and proprietary schools as approved by the Board.

(d) The Board shall not grant credit for correspondence courses or for video and remote television educational offerings.

Amended by R.1997 d.23, effective January 21, 1997.

See: 28 N.J.R. 4724(a), 29 N.J.R. 369(a).

In (a)2, amended completion period for professional standards course.

### 13:40A-4.4 Annual apprentice permit renewal

All apprentice permits shall be valid for a period of one year. An apprentice may renew his or her annual permit a maximum total of three times, upon submission to the Board of a renewal application, the permit renewal fee, and a log in the form set forth in N.J.A.C. 13:40A-4.7.

### 13:40A-4.5 Responsibilities of apprentice

(a) The holder of an apprentice permit issued by the Board shall work only under the "direct supervision," as

that term is defined in N.J.A.C. 13:40A-4.6, of a "supervising appraiser," who shall be an individual licensed or certified by this Board who has acknowledged in writing his agreement to perform the responsibilities of a supervisor set forth in 13:40A-4.6. Prior to commencing any work as an apprentice, the holder of an apprentice permit shall inform the Board in writing of the identity of any individuals who have agreed to serve as a "supervising appraiser" for the apprentice. The holder of an apprentice permit shall inform the Board in writing, within seven days, in the event that any individual previously designated as a "supervising appraiser" ceases to agree to perform the responsibilities of a "supervising appraiser," or in the event that any individual not previously designated as a "supervising appraiser" agrees to supervise the work product of the apprentice.

(b) The holder of an apprentice permit issued by the Board shall have the following duties and responsibilities:

1. The apprentice shall maintain and submit to the Board upon application for permit renewal a log which meets the requirements set forth in N.J.A.C. 13:40A-4.7;
2. The apprentice shall ensure that the log is available at all times for inspection by the Board;
3. When performing appraisal assignments, the apprentice shall carry on his person the permit issued by the Board;
4. In the event a supervisor can no longer provide direct supervision to an apprentice, the apprentice shall return the permit within 30 days to the Board; and
5. The Board shall reissue the permit to the apprentice when the apprentice has obtained a new supervising appraiser.

Amended by R.1997 d.23, effective January 21, 1997.  
See: 28 N.J.R. 4724(a), 29 N.J.R. 369(a).  
Added (b)4 and (b)5.

#### 13:40A-4.6 Responsibilities of supervising appraiser

(a) Any individual designated as a "supervising appraiser" by the holder of an apprentice permit shall acknowledge in writing to the Board that he or she agrees to perform all responsibilities set forth in (b) below.

(b) A supervising appraiser shall have the following duties and responsibilities:

1. The supervisor shall at all times be responsible for and provide direct supervision of the work performed by the apprentice. For purposes of this section, to "directly supervise" means:
  - i. To personally review the work product of the apprentice; and

- ii. To approve and sign each appraisal report including work product prepared by the apprentice or in which the apprentice has made a professional contribution and to sign all such reports and certify that all such reports have been independently and impartially prepared in compliance with the Uniform Standards of Professional Appraisal Practice, these rules and applicable statutory standards.

2. The supervisor shall, at least once a month, sign the log required to be kept by the apprentice pursuant to N.J.A.C. 13:40A-4.6 and shall set forth thereon his or her license or certification number.

3. The supervisor shall provide the apprentice with a copy of any final appraisal report in which the apprentice's work product has been utilized or in which the apprentice made a professional contribution.

4. The supervisor shall immediately notify the Board, in writing, in the event that he or she ceases to perform the responsibilities set forth in this section.

Amended by R.1997 d.23, effective January 21, 1997.  
See: 28 N.J.R. 4724(a), 29 N.J.R. 369(a).  
Added (b)4.

#### 13:40A-4.7 Real estate appraiser apprentice log

(a) A real estate appraiser apprentice shall maintain a log on forms provided by the Board which shall include the following information concerning each appraisal assignment in which the apprentice participates:

1. The name and address of the client;
2. The type of appraisal report;
3. The address of the appraised property;
4. A description of work performed; and
5. The number of hours claimed for the assignment.

(b) Appraisal logs submitted to the Board shall indicate the nature of the apprentice's participation in each assignment and the apprentice shall set forth within the log, for each assignment, information indicating whether the apprentice was involved in obtaining, calculating, or preparing:

1. Land/site inspections and descriptions;
2. Building inspections and descriptions;
3. Neighborhood descriptions and analysis;
4. Highest and best use analysis;
5. Research of comparable sales and analysis;
6. Cost analysis;
7. Income analysis (only for apprentices whose experience includes income properties);
8. Meaningful sales analysis;
9. Correlation of data into final value; and