

CHAPTER 40A

STATE BOARD OF REAL ESTATE APPRAISERS

Authority

N.J.S.A. 45:14F, specifically section 8n; P.L. 1991 c.408.

Source and Effective Date

R.1991 d.598, effective December 16, 1991.
See: 23 N.J.R. 2628(a), 23 N.J.R. 3763(b).

Executive Order No. 66(1978) Expiration Date

Chapter 40A, State Board of Real Estate Appraisers, expires on December 16, 1996.

Notice of Receipt of Petitions for Rulemaking and Action thereon.

See: 25 N.J.R. 3032(b).

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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.).

“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 edu-

cational 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.

“Market value” means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised and acting in what they consider their own best interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

“Residential” means one to four residential units.

“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.

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”.

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. More than 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
5. Has real estate appraisal experience as described in N.J.A.C. 13:40A-2.4.

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).

13:40A-2.3 Educational requirements for certification as a general real estate appraiser

(a) In order to be eligible to take the Board approved examination for the certification of general real estate appraisers, an applicant shall be required to complete 165 classroom hours, as defined in N.J.A.C. 13:40A-1.2, of courses in subjects related to real estate appraisal. The required 165 classroom hours shall include a course on the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation, which the applicant shall have taken subsequent to April 27, 1987. Classroom hours completed for the certified residential classification and the licensed classification may be included within the required 165 classroom hours.

(b) The Board shall grant credit toward the classroom hour requirement only where the length of the educational offering is at least 15 classroom hours and where the individual successfully completes an examination pertinent to that educational offering.

(c) The applicant may obtain credit for the classroom hour requirement from 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; proprietary schools as approved by the Board.

(d) The Board may credit various appraisal courses toward the 165 classroom hour educational requirement. Applicants shall demonstrate that their education included coverage of all the topics listed below with particular emphasis on the appraisal of non-residential properties.

1. Influences on Real Estate Value;
2. Legal Considerations in Appraisal;
3. Types of Value;
4. Economic Principles;
5. Real Estate Markets and Analysis;
6. Valuation Process;
7. Property Description;
8. Highest and Best Use Analysis;
9. Appraisal Math and Statistics;
10. Sales Comparison Approach;
11. Site Value;
12. Cost Approach;
13. Income Approach;
14. Valuation of Partial Interests; and
15. Appraisal Standards and Ethics.

(e) Experience may not be substituted for education.

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

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

13:40A-2.4 Experience requirements for certification as a general real estate appraiser

(a) Each person applying for certification as a general real estate appraiser shall furnish documentation satisfactory to the Board that:

1. He or she has accumulated at least 2,000 hours of appraisal experience in no less than two nor more than four calendar years; and
2. At least 50 percent (1,000 hours) of the required experience was in non-residential appraisal work.

(b) Acceptable appraisal experience includes, but is not limited to, the following: fee and staff appraisal; ad valorem tax appraisal; review appraisal analysis; real estate counseling; highest and best use analysis; feasibility analysis/study; and teaching of appraisal courses.

(c) The Board shall award experience credit to ad valorem tax appraisers/appraisals when the applicant demonstrates to the satisfaction of the Board that he or she is using similar techniques as appraisers to value properties and that he or she effectively utilizes the appraisal process.

(d) Education may not be substituted for experience.

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

13:40A-2.5 Temporary visiting certificate; certified general real estate appraiser

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

(b) An appraiser certified by another state may apply for no more than three temporary certificates 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.

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

**SUBCHAPTER 2A. CERTIFICATION OF
RESIDENTIAL REAL ESTATE APPRAISERS**

Source and Effective Date

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

**13:40A-2A.1 Eligibility for certification as a residential
real estate appraiser**

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

13:40A-2A.2 Eligibility for admission to examination

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

1. More than 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-2A.3; and
5. Has real estate appraisal experience as described in N.J.A.C. 13:40A-2A.4.

**13:40A-2A.3 Educational requirements for certification as
a residential real estate appraiser**

(a) In order to be eligible to take the Board approved examination for the certification of residential real estate appraisers, an applicant shall be required to complete 120 classroom hours, as defined in N.J.A.C. 13:40A-1.2, of courses in subjects related to real estate appraisal. The required 120 classroom hours shall include a course on the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation, which the applicant shall have taken subsequent to April 27, 1987. Classroom hours completed for the licensed classification may be included within the required 120 classroom hours.

(b) The Board shall grant credit toward the classroom hour requirement only where the length of the educational offering is at least 15 classroom hours and where the individual successfully completes an examination pertinent to that educational offering.

(c) The applicant may obtain credit for the classroom hour requirement from 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 may credit various appraisal courses toward the 120 classroom hour educational requirement. Applicants shall demonstrate that their education included coverage of all the topics listed below with particular emphasis on the appraisal of one to four unit residential properties:

1. Influences on Real Estate Value;
2. Legal Considerations in Appraisal;
3. Types of Value;
4. Economic Principles;
5. Real Estate Markets and Analysis;
6. Valuation Process;
7. Property Description;
8. Highest and Best Use Analysis;
9. Appraisal Math and Statistics;
10. Sales Comparison Approach;
11. Site Value;
12. Cost Approach;
13. Income Approach;
14. Valuation of Partial Interests; and
15. Appraisal Standards and Ethics.

(e) Experience may not be substituted for education.

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

Amended by R.1994 d.420, effective August 15, 1994.
See: 26 N.J.R. 902(a), 26 N.J.R. 3460(a).

**13:40A-2A.4 Experience requirements for certification as
a residential real estate appraiser**

(a) Each person applying for certification as a residential real estate appraiser shall furnish documentation satisfactory to the Board that he or she has accumulated at least 2,000 hours of appraisal experience in no less than two nor more than four calendar years.

(b) Acceptable appraisal experience includes, but is not limited to, the following: fee and staff appraisal; ad valorem tax appraisal; review appraisal; appraisal analysis; real estate counseling; highest and best use analysis; feasibility analysis/study; and teaching of appraisal courses.

(c) The Board shall award experience credit to ad valorem tax appraisers/appraisals when the applicant demonstrates to the satisfaction of the Board that he or she is using similar techniques as appraisers to value properties and that he or she effectively utilizes the appraisal process.

(d) Education may not be substituted for experience.

13:40A-2A.5 Temporary visiting certificate; certified residential real estate appraiser

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

(b) An appraiser certified by another state may apply for no more than three temporary certificates 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.

SUBCHAPTER 3. LICENSING OF REAL ESTATE APPRAISERS

13:40A-3.1 Eligibility for licensure

In order to be eligible for licensure, an applicant shall be required to successfully complete the Board-approved examination for the licensure of real estate appraisers.

13:40A-3.2 Eligibility for admission to examination

(a) An applicant shall present evidence to the satisfaction of the Board that he or she is:

1. More than 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 as described in N.J.A.C. 13:40A-3.3, except as provided in N.J.A.C. 13:40A-3.5; and
5. Has real estate appraisal experience as described in N.J.A.C. 13:40A-3.4.

13:40A-3.3 Educational requirements for licensure

(a) Except as provided in N.J.A.C. 13:40A-3.5, in order to be eligible to take the Board approved examination for the licensing of real estate appraisers, an applicant shall be required to complete 75 classroom hours, as defined in N.J.A.C. 13:40A-1.2, of courses in subjects related to real estate appraisal. The required 75 classroom hours shall

include a course on the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation, which the applicant shall have taken subsequent to April 27, 1987.

(b) The Board shall grant credit toward the classroom hour requirement only where the length of the educational offering is at least 15 classroom hours and where the applicant successfully completes an examination pertinent to that educational offering.

(c) The 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 may credit various appraisal courses toward the 75 classroom hour educational requirement. Applicants shall demonstrate that their education involved coverage of all topics listed below, with particular emphasis on the appraisal of one to four unit residential properties.

1. Influences on Real Estate Value;
2. Legal Considerations in Appraisal;
3. Types of Value;
4. Economic Principles;
5. Real Estate Markets and Analysis;
6. Valuation Process;
7. Property Description;
8. Highest and Best Use Analysis;
9. Appraisal Statistical Concepts;
10. Sales Comparison Approach;
11. Site Value;
12. Cost Approach;
13. Income Approach;
14. Valuation of Partial Interests; and
15. Appraisal Standards and Ethics.

(e) Experience may not be substituted for education.

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

13:40A-3.4 Experience requirements for licensure

(a) In order to be eligible to take the Board approved examination for the licensing of real estate appraisers, an applicant shall furnish documentation satisfactory to the

Board that he or she has accumulated at least 2,000 hours of appraisal experience in no less than two nor more than four calendar years.

(b) Acceptable appraisal experience includes, but is not limited to, the following: fee and staff appraisal; ad valorem tax appraisal; review appraisal; appraisal analysis; real estate counseling; highest and best use analysis; feasibility analysis/study; and teaching of appraisal courses.

(c) The Board shall award experience credit to ad valorem tax appraisers/appraisals when the applicant demonstrates to the satisfaction of the Board that he or she is using similar techniques as appraisers to value properties and that he or she effectively utilizes the appraisal process.

(d) Education may not be substituted for experience.

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.

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).

SUBCHAPTER 4. CONTINUING PROFESSIONAL EDUCATION

13:40A-4.1 Special course requirement; Uniform standards of professional appraisal practice

(a) At least once every six years, all licensed and certified real estate appraisers shall be required to attend a 15-hour minimum length course and pass an examination, given in conjunction with the course, on the Uniform Standards of Professional Appraisal Practice.

(b) The course requirement set forth in (a) above is in addition to the 20-hour per biennial cycle requirement set forth in N.J.A.C. 13:40A-4.3.

Repeal and New Rule, R.1994 d.251, effective May 16, 1994.
See: 26 N.J.R. 903(a), 26 N.J.R. 2137(a).
Section was "Requirements for certification and licensure renewal."

13:40A-4.2 Requirements for licensure and certification renewal

(a) The purpose of continuing education activities is to ensure that the appraiser participates in a program that maintains and increases his or her skill, knowledge and competency in real estate appraising.

(b) The Board shall not issue a license or certificate renewal for any biennial period unless the applicant submits, with the renewal application, proof that he or she completed courses of continuing professional education of the types and number of credits hereinafter specified, unless an extension has been granted pursuant to N.J.A.C. 13:40A-4.9. Proof of completion of the required number of continuing education credits shall be in the form outlined in N.J.A.C. 13:40A-4.7.

New Rule, R.1994 d.251, effective May 16, 1994.
See: 26 N.J.R. 903(a), 26 N.J.R. 2137(a).

13:40A-4.3 Credit hour requirements; carryover prohibited

(a) Except as set forth in (d) below, all licensed and certified real estate appraisers shall be required to complete a minimum of 20 hours of approved continuing education activities within each biennial renewal cycle. No more than four hours of credit per biennial renewal cycle may be awarded for courses on changes in the Uniform Standards of Professional Appraisal Practice.

(b) All courses must be a minimum of three and one-half hours in length. One hour of credit shall be awarded for each classroom hour of instruction provided in any approved offering.

(c) Applicants who participate in continuing education activities beyond minimum requirements shall not carry over credit into future renewal cycles.

(d) An applicant renewing a license or certificate for the first time shall submit proof of completion of continuing education requirements as follows:

1. If the initial license or certificate was issued during the first year of a biennial period: proof of 20 hours;
2. If the initial license or certificate was issued during the first six months of the second year of a biennial period: proof of 10 hours; and

3. If the initial license or certificate was issued during the last six months of the second year of a biennial period, no continuing education hours are required for renewal.

New Rule, R.1994 d.251, effective May 16, 1994.
See: 26 N.J.R. 903(a), 26 N.J.R. 2137(a).

13:40A-4.4 Pre-approval of course offerings

(a) The Board shall maintain a list of all approved courses, lecturers and programs at the Board's offices and shall furnish this information upon request.

(b) An applicant seeking to take a course for continuing professional education credit which has not been pre-approved by the Board may apply to the Board for pre-approval of the course offering. The applicant shall submit information similar to that which is required to be supplied by course providers, as more fully detailed in N.J.A.C. 13:40A-4.8(a)2.

(c) Determinations as to whether to award credit for an offering which has not been pre-approved shall be entirely within the Board's discretion.

New Rule, R.1994 d.251, effective May 16, 1994.
See: 26 N.J.R. 903(a), 26 N.J.R. 2137(a).

13:40A-4.5 Acceptable course topics

(a) The Board shall approve only those continuing education activities and course topics as are deemed by the Board to be consistent with the purpose of continuing education. Examples of such course topics may include, but are not limited to: changes in the Uniform Standards of Professional Appraisal Practice; ad valorem taxation; arbitration; business courses related to practice of real estate appraisal; construction estimating; land use planning; zoning and taxation; management, leasing, brokerage, time-sharing; property development; real estate appraisal (valuation/evaluations), law, litigation, financing and investment; real estate appraisal related computer applications; real estate securities and syndication; and real property exchange.

(b) The Board shall approve only such continuing education programs as are available and advertised on a reasonably nondiscriminatory basis to all real estate appraisers in the State.

New Rule, R.1994 d.251, effective May 16, 1994.
See: 26 N.J.R. 903(a), 26 N.J.R. 2137(a).

13:40A-4.6 Sources of continuing education

(a) The licensee or certificate holder may obtain continuing education credits from the following:

1. Training programs offered by State or Federal agencies or commissions;

2. Educational programs provided during trade organization conferences;

3. Colleges or universities accredited by the New Jersey Department of Higher Education or any state accrediting agency approved by the Board; community or junior colleges accredited by the New Jersey Department of Higher Education; proprietary schools;

4. Seminars offered by real estate appraisal or real estate related organizations;

5. Seminars offered by vendors of commercial products, provided that at least one other commercial vendor from a different company participates in the seminar;

6. Participation, other than as a student, in appraisal education processes and programs, as approved by the Board.

i. Examples of activities for which credit may be granted include teaching appraisal courses, developing appraisal programs, authoring appraisal textbooks or articles, or participating in other like activities deemed by the Board to be equivalent to obtaining continuing education;

ii. No more than 10 hours of credit per biennial renewal cycle may be awarded for activities qualifying under this paragraph; and

7. Courses approved for initial certification and licensing, as referenced in N.J.A.C. 13:40A-2.3(d), 2A.3(d) and 3.3(d) provided the applicant has not previously taken the course in the six year period immediately preceding the biennial renewal deadline.

(b) The award of credit is subject to Board approval of the course offering either prior to filing the renewal application or upon submission of documentation required pursuant to N.J.A.C. 13:40A-4.7 at the time of license or certificate renewal.

New Rule, R.1994 d.251, effective May 16, 1994.
See: 26 N.J.R. 903(a), 26 N.J.R. 2137(a).

13:40A-4.7 Required documentation

(a) Documentation of continuing education requirements shall consist of the following:

1. For courses, seminars or training programs approved by the Board, a completed "Uniform Continuing Education Form" or other certified form acceptable to the Board; or a signed and dated certification, from both the applicant and course instructor(s), attesting that the applicant attended the course listed and satisfactorily completed all course requirements.

2. For participation other than as a student in appraisal education processes or programs:

i. A written request for continuing education credit which shall include at least the following information:

(1) A description of the activities for which credit is sought;

(2) The number of credits sought;

(3) The time spent on such activities;

(4) The reasons the applicant believes such activities meet the Board's continuing education requirements; and

(5) Any further information as may be requested by the Board;

ii. For publication of a book or an article in a professional journal, submission of the book or article;

iii. For teaching or research appointments, a statement of appropriate school authority verifying the appointment and a statement of the subject matter to be taught or the nature of the research to be performed.

(b) For courses, seminars or training programs which have not been pre-approved by the Board:

1. A copy of the course description and/or outline; and

2. A completed "Uniform Continuing Education Form" or other certified form acceptable to the Board or a signed and dated certification, from both the applicant and course instructor(s), attesting that the applicant attended the course listed and satisfactorily completed all course requirements.

(c) Falsification of any information submitted with the renewal application may result in penalties and/or the suspension or revocation of a license or certification.

New Rule, R.1994 d.251, effective May 16, 1994.
See: 26 N.J.R. 903(a), 26 N.J.R. 2137(a).

13:40A-4.8 Responsibilities of continuing education providers

(a) All providers of continuing education courses shall:

1. Secure Board approval prior to advertising or otherwise representing that any course is approved for continuing education credit in New Jersey;

2. Submit, for each course for which approval is sought, the following for evaluation by the Board:

i. A detailed description of course content and estimated hours of instruction;

ii. Any printed material describing the course;

iii. A description of the method used to monitor attendance and the policy for making up missed classes;

iv. A curriculum vitae of the instructor(s), including information concerning the specific background which qualifies the instructor to teach the particular course offering; and

v. Any additional information as may be requested by the Board; and

3. Monitor the attendance at each approved course and provide the Board with a roster of attendees within 30 days of the conclusion of the program.

New Rule, R.1994 d.251, effective May 16, 1994.
See: 26 N.J.R. 903(a), 26 N.J.R. 2137(a).

13:40A-4.9 Extensions

(a) An applicant for biennial renewal may request in writing an extension of time to satisfy continuing education requirements.

(b) An extension may be granted at the sole discretion of the Board if the applicant provides evidence satisfactory to the Board that he or she was unable to obtain the required education because of an incapacitating illness, military assignment or other extraordinary circumstance.

(c) Whether to grant an extension request and the length of time of any extension shall be discretionary determinations made on a case-by-case basis by the Board.

(d) The licensee or certificate holder granted an extension of time to satisfy continuing education requirements will be permitted to renew his or her license or certificate for the period of time for which the extension is granted.

New Rule, R.1994 d.251, effective May 16, 1994.
See: 26 N.J.R. 903(a), 26 N.J.R. 2137(a).

SUBCHAPTER 5. STANDARDS FOR APPRAISALS

13:40A-5.1 General requirements

(a) The appraiser shall ensure that all appraisals shall, at a minimum:

1. Conform to the current Uniform Standards of Professional Appraisal Practice ("USPAP") adopted by the Appraisal Standards Board of the Appraisal Foundation which are incorporated herein by reference;

2. Disclose any steps taken that were necessary or appropriate to comply with the Competency Provision of the USPAP;

3. Be based upon the definition of market value as set forth in N.J.A.C. 13:40A-1.2, except as provided for by the Departure Provision of the USPAP;

4. Be written and presented in narrative format or on forms that satisfy all the requirements of this section;

5. Be sufficiently descriptive to enable the reader to ascertain the estimated market value and the rationale for the estimate;

6. Provide detail and depth of analysis that reflect the complexity of the real estate appraised;

7. Analyze and report in reasonable detail any prior sales of the property being appraised that occurred within the following time periods:

i. For one to four family residential property, one year preceding the date when the appraisal was prepared; and

ii. For all other property, three years preceding the date when the appraisal was prepared;

8. Analyze and report data on current revenues, expenses, and vacancies for the property if it is and will continue to be income-producing;

9. Analyze and report a reasonable marketing period for the subject property;

10. Analyze and report on current market conditions and trends that will affect projected income or the absorption period, to the extent they affect the value of the subject property;

11. Analyze and report appropriate deductions and discounts for any proposed construction, or any completed properties that are partially leased or leased at other than market rents as of the date of the appraisal, or any tract developments with unsold units;

12. Include in the certification required by the USPAP an additional statement that the appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan;

13. Contain sufficient supporting documentation with all pertinent information reported so that the appraiser's logic, reasoning, judgment, and analysis in arriving at a conclusion indicate to the reader the reasonableness of the market value reported;

14. Include a legal description of the real estate being appraised, in addition to the description required by the USPAP;

15. Identify and separately value any personal property, fixtures, or intangible items that are not real property but are included in the appraisal, and discuss the impact of their inclusion or exclusion on the estimate of market value; and

16. Follow a reasonable valuation method that addresses the direct sales comparison, income, and cost approaches to market value, reconciles those approaches, and explains the elimination of each approach not used.

(b) If information required or deemed pertinent to the completion of an appraisal is unavailable, the appraiser shall disclose and explain that fact in the appraisal.

(c) An appraiser's failure to comply with the provisions of this subchapter may be construed to be professional misconduct in violation of N.J.S.A. 45:1-21(e).

SUBCHAPTER 6. GENERAL PROVISIONS

13:40A-6.1 Fee schedule

(a) Charges for credentialing, certification, licensure and other services are as follows:

1. Application fee:	\$100.00
2. Credentialing fee:	\$125.00
3. Initial certification fee, general real estate appraiser:	
i. During the first year of a biennial renewal period:	\$240.00
ii. During the second year of a biennial renewal period:	\$120.00
4. Initial certification fee, residential real estate appraiser:	
i. During the first year of a biennial renewal period:	\$200.00
ii. During the second year of a biennial renewal period:	\$100.00
5. Initial license fee:	
i. During the first year of a biennial renewal period:	\$160.00
ii. During the second year of a biennial renewal period:	\$ 80.00
6. Certification renewal fee for general real estate appraiser, biennial:	\$240.00
7. Certification renewal fee for residential real estate appraiser, biennial:	\$200.00
8. License renewal fee, biennial:	\$160.00
9. Late renewal fee:	\$100.00
10. Temporary visiting registration fee:	\$ 50.00
11. Reciprocity Application fee:	\$ 75.00
12. Reinstatement fee:	\$150.00
13. Duplicate wall certificate fee:	\$ 40.00
14. Duplicate registration certificate fee:	\$ 25.00
15. Change of name or address fee:	\$ 25.00
16. Verification of certification/licensure:	\$ 40.00
17. Verification of continuing education credits:	\$ 40.00
18. Federal surcharge, biennial:	\$ 50.00
19. Apprentice permit fee; annual:	\$ 60.00

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

Revised fee schedule.

Amended by R.1993 d.177, effective April 19, 1993.
See: 25 N.J.R. 267(a), 25 N.J.R. 1773(a).

Added new (a)22.

Amended by R.1994 d.88, effective February 22, 1994.
See: 25 N.J.R. 4863(a), 26 N.J.R. 1106(a).

13:40A-6.2 Disclosure of title and license number

An appraiser shall include on all appraisal reports, whenever his or her signature appears, the appraiser's designation and state license or certification number. The appraiser

shall use only the designations permitted pursuant to N.J.A.C. 13:40A-6.3.

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

13:40A-6.3 Use of designations and abbreviations

(a) The following shall apply in connection with the use of designations and abbreviations on appraisal reports or in any advertisement or public representation:

1. Individuals holding a current valid real estate appraiser certificate or license may use only the following designations and abbreviations to indicate the type of certificate or license held:

Permissible Designation	Permissible Abbreviation
State Certified General Real Estate Appraiser	SCGREA
State Certified Residential Real Estate Appraiser	SCRREA
State Licensed Real Estate Appraiser	SLREA

2. Abbreviations shall appear in capital letters, without a period or space after each letter, and shall not be in type or lettering larger than the individual's name.

3. A certified or licensed appraiser shall use his or her designation or abbreviation only in conjunction with his or her name and not in conjunction with the name of a firm, corporation or partnership. For example, a firm, corporation or partnership shall not be identified as being certified or licensed.

4. An individual who is not certified or licensed pursuant to the Real Estate Appraisers Act, N.J.S.A. 45:14F-1 et seq., shall not use the designations or abbreviations set forth in (a)1 above or any other designation or abbreviation using similar combinations of words or letters to imply that the individual is state certified or licensed.

5. A certified or licensed appraiser shall not permit his or her name and designation to be used on an appraisal where the appraiser has not participated in the appraisal pursuant to the Uniform Standards of Professional Appraisal Practice.

New Rule, 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

Authority

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

Source and Effective Date

R.1993 d.177, effective April 19, 1993.
See: 25 N.J.R. 267(a), 25 N.J.R.

13:40A-7.1 Purpose and scope

The rules in this chapter establish a voluntary real estate appraiser apprentice program for individuals in the process of acquiring the 2,000 hours of appraisal experience required in order to be licensed or certified pursuant to this chapter.

13:40A-7.2 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-6.1, proof satisfactory to the Board that he or she:

1. Is more than 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-7.3.

13:40A-7.3 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 at least 15 classroom hours in length, which the applicant shall have taken subsequent to April 27, 1987.

(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.

13:40A-7.4 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-7.7.

13:40A-7.5 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. 13:40-7.6, 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-7.6. 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-7.7;
2. The apprentice shall ensure that the log is available at all times for inspection by the Board; and
3. When performing appraisal assignments, the apprentice shall carry on his person the permit issued by the Board.

13:40A-7.6 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-7.6 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.

13:40A-7.7 Real estate appraiser apprentice log

(a) A real estate appraiser apprentice shall maintain a log 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
10. Any other components of the appraisal process.