

The Vermont Statutes Online

Title 26: Professions and Occupations

Chapter 69: REAL ESTATE APPRAISERS

§ 3311. Definitions

As used in this chapter:

(1) "Act" means the Federal Financial Institutions Reform, Recovery, and Enforcement Act of 1989, Pub. L. No. 101-73, as amended.

(2) "Appraisal" means an analysis, opinion, or conclusion relating to the value of specified interests in or aspects of identified real estate or identified real property.

(3) "Appraisal management company" means an entity that acts as a broker in acquiring finished appraisals from real estate appraisers licensed under this chapter and that supplies the appraisals to third parties.

(4) "Appraiser" or "real estate appraiser" means a person licensed under this chapter.

(5) "AQB" means the Appraisal Qualifications Board of the Appraisal Foundation as referenced in the Act. Under the provisions of the Act, the AQB establishes the minimum education, experience, and examination requirements for real property appraisers to obtain a state license or certification.

(6) "ASC" means the Appraisal Subcommittee of the Federal Financial Institutions Examination Council created pursuant to the Act. The ASC oversees the real estate appraisal process as it relates to federally related transactions as defined in the Act.

(7) "Board" means the Board of Real Estate Appraisers established under this chapter.

(8) "Disciplinary action" means any action taken by the Board against a licensed real estate appraiser or applicant premised on a finding that the person has engaged in unprofessional conduct. The term includes all sanctions of any kind, including obtaining injunctions, refusing to grant or renew a license, suspending, revoking, or restricting a license, and issuing warnings. (Added 1989, No. 264 (Adj. Sess.), § 1; amended 1993, No. 217 (Adj. Sess.), § 1; 2009, No. 103 (Adj. Sess.), § 40; 2013, No. 27, § 37.)

§ 3312. Prohibitions; penalty; exemption

(a) Unless licensed in accordance with the provisions of this chapter, no person may:

(1) Perform an appraisal in a federally related transaction when a licensed or certified appraiser is required by the Act.

(2) Use in connection with his or her name any letters, words, or insignia indicating that he or she is a state certified or licensed real estate appraiser.

(b) An individual who violates a provision of subsection (a) of this section shall be subject to the penalties provided in 3 V.S.A. § 127(c).

(c) A registered appraisal management company shall not be required to be licensed in order to acquire and provide finished appraisals to third parties. (Added 1989, No. 264 (Adj. Sess.), § 1; amended 1993, No. 217 (Adj. Sess.), § 2; 2007, No. 29, § 48; 2009, No. 103 (Adj. Sess.), § 41.)

§ 3313. Board of real estate appraisers

A board of real estate appraisers is established. The board shall consist of six members appointed by the governor pursuant to 3 V.S.A. §§ 129b and 2004. Three members shall be real estate appraisers licensed under this chapter who have been actively engaged in the full-time practice of real estate appraising for five years preceding appointment and have been practicing in Vermont for the two-year period immediately preceding appointment. Two members shall be public members who shall have no direct financial interest personally or through a spouse, parent, child, brother, or sister in real estate appraising. One member shall be a public member actively engaged in the business of banking, including lending for the purpose of buying real property, or shall be a person who is a consumer of appraisal services in the regular course of his or her business. (Added 1989, No. 264 (Adj. Sess.), § 1; amended 1991, No. 92, § 2; 1993, No. 217 (Adj. Sess.), § 3; 1999, No. 133 (Adj. Sess.), § 30; 2005, No. 27, § 95; 2009, No. 103 (Adj. Sess.), § 42.)

§ 3314. Board; powers and duties

(a) The Board shall administer the provisions of this chapter in a manner that conforms in all respects with the requirements of the Act.

(b) In addition to its other powers and duties under this chapter, the Board shall:

(1) receive and review applications;

(2) collect the registry fee as required by the Act and transmit that fee to the ASC. The registry fee shall be in addition to State licensing and registration fees;

(3) annually publish a roster of all licensees and transmit the roster to the ASC as required by the Act;

(4) register appraisal management companies; and

(5) perform other functions and duties as may be necessary to carry out the provisions of this chapter. (Added 1989, No. 264 (Adj. Sess.), § 1; amended 2009, No. 103 (Adj. Sess.), § 43; 2013, No. 27, § 38.)

§ 3315. Rules

(a) The Board may adopt rules necessary to implement the provisions of this chapter.

(b) The Board shall adopt rules relating to procedures for processing applications, issuing licenses, registering trainees, inspecting records, and instituting and conducting disciplinary proceedings. (Added 1989, No. 264 (Adj. Sess.), § 1; amended 1991, No. 92, § 3; 1993, No. 217 (Adj. Sess.), §§ 4, 5; 2013, No. 27, § 39.)

§ 3316. Licensing and registration fees

Applicants and persons licensed under this chapter shall pay the following fees:

(1) Application	\$125.00
(2) Initial license	\$150.00
(3) Biennial renewal	\$315.00
(4) Temporary license	\$150.00
(5) Prelicensing course review	\$100.00
(6) Continuing education course review	\$100.00
(7) Appraiser trainee annual registration	\$100.00
(8) Appraisal management company registration application	\$125.00
(9) Appraisal management company registration renewal	\$500.00

(Added 1989, No. 264 (Adj. Sess.), § 1; amended 1991, No. 92, § 4; 1991, No. 167 (Adj. Sess.), § 56; 1993, No. 217 (Adj. Sess.), § 6; 2005, No. 202 (Adj. Sess.), § 19; 2009, No. 103 (Adj. Sess.), § 44.)

§ 3317. Application

An individual who desires to be licensed under this chapter shall apply to the board in writing on a form furnished by the board. The application shall be accompanied by payment of the required fee. (Added 1989, No. 264 (Adj. Sess.), § 1.)

§ 3318. Examination

The Board shall examine applicants for using an AQB-approved qualifying examination for the credential sought by the applicant. (Added 1989, No. 264 (Adj. Sess.), § 1; amended 1991, No. 92, § 5; 1993, No. 217 (Adj. Sess.), § 7; 2013, No. 27, § 40.)

§ 3319. Temporary practice

The board shall issue a temporary license to an individual, after filing of an application and fee, who is a certified or licensed real estate appraiser in another jurisdiction if all of the following apply:

(1) The property to be appraised is part of a federally related transaction for which a licensed or certified appraiser is required by the Act.

(2) The applicant's business is of a temporary nature.

(3) The applicant registers with the board. (Added 1989, No. 264 (Adj. Sess.), § 1; amended 1991, No. 92, § 6; 1993, No. 217 (Adj. Sess.), § 8.)

§ 3319a. Appraiser trainee registration

(a) A person who has completed a course of instruction approved by the AQB may work as a certified residential or certified general appraiser trainee provided the person is registered with the Board. An appraiser trainee shall work under the direct supervision of an appraiser who holds either a certified residential or a certified general license in good standing and has held the certified residential or certified general license for at least the minimum number of years required by the AQB. An appraiser trainee may perform activities within the scope of practice of the license sought provided that the supervising appraiser reviews and signs all resulting appraisals. The supervising appraiser shall be professionally responsible for such activities performed by the trainee. As used in this section, "good standing" means that the appraiser supervisor holds a current, unrestricted license.

(b) To be credited toward the hourly experience requirement for licensure, the trainee shall inspect each property appraised with the trainee's supervisor.

(c) Notwithstanding subsection (b) of this section, the Board may, in its discretion, give credit for training hours, not exceeding 10 percent of the total hourly experience requirement, for hours worked or training given that does not include or is unrelated to a site inspection. (Added 1993, No. 217 (Adj. Sess.), § 9; amended 2003, No. 60, § 18; 2005, No. 27, § 96; 2005, No. 148 (Adj. Sess.), § 37; 2013, No. 27, § 41.)

§ 3320. Licensure by reciprocity

The Board shall waive all licensing requirements for an appraiser applicant holding a valid certification from another state if:

(1) the appraiser licensing and certification program of the other state is in compliance with the provisions of the Act; and

(2) the appraiser applicant holds the valid certification from a state whose requirements for certification or licensing meet or exceed the licensure standards established by this chapter. (Added 1989, No. 264 (Adj. Sess.), § 1; amended 1993, No. 217 (Adj. Sess.), § 10; 2013, No. 27, § 42.)

§ 3320a. Appraisal management companies

(a) An appraisal management company acts as a broker in acquiring finished appraisals from real estate appraisers and supplying the appraisals to third parties, but appraisal management companies are not licensed to perform real estate appraisals under this chapter. Acting as an appraisal management company includes:

(1) administering or assigning work to licensed real estate appraisers;

(2) receiving requests for real estate appraisals from clients;

(3) receiving a fee paid by clients for acquiring real estate appraisals; or

(4) entering into an agreement with one or more real estate appraisers to perform appraisals.

(b) An appraisal management company does not include:

(1) a government agency;

(2) a bank, credit union, licensed lender, or savings institution;

(3) a person or entity that has as its primary business the performance of appraisals in

accordance with this chapter but who or which, in the normal course of business, engages the services of a licensed appraiser to perform appraisals or related services that the person or entity cannot perform because of the location or type of property in question, work load, scope of practice required by an assignment, or to otherwise maintain professional responsibility to clients.

(c) An appraisal management company shall register with the Board prior to conducting business in this State. An application shall include a registration fee and information required by the Board that is necessary to determine eligibility for registration.

(d) When contracting for the performance of real estate appraisal services, an appraisal management company shall only engage the professional services of an appraiser licensed and in good standing to practice pursuant to this chapter.

(e) A registrant's employee reviewing finished appraisals shall be certified or licensed in good standing in one or more states and shall be certified at a level that corresponds with or is higher than the level of licensure required to perform the appraisal. (Added 2009, No. 103 (Adj. Sess.), § 45; amended 2013, No. 27, § 43.)

§ 3321. Renewals

(a) A license issued under this chapter shall be renewed biennially upon payment of the required fee and upon satisfactory completion of the minimum continuing education requirements established by AQB during the immediately preceding two-year period.

(b) If an individual fails to renew in a timely manner, he or she may renew the license within 30 days of the renewal date by satisfying all requirements of AQB for reactivation and payment of an additional late renewal penalty.

(c) The Board may reactivate the license of an individual whose license has lapsed for more than 30 days upon payment of the renewal fee, the reactivation fee, and the late renewal penalty, provided the individual has satisfied all requirements of AQB for reactivation.

(d) The Board may require, by rule, as a condition of reactivation, that an applicant undergo review of one or more aspects of the applicant's professional work in the practice of real estate appraising provided that the manner and performance results of the review be specified by the Board. Such a review requirement shall:

(1) be adopted reasonably in advance of the time when it is first required to be met; and

(2) provide for compliance if the applicant shows that within the two years preceding renewal, the applicant underwent a satisfactory quality review for other purposes and that review was substantially equivalent to a review required under this section.

(e) An appraisal management company shall renew its registration biennially. (Added 1989, No. 264 (Adj. Sess.), § 1; amended 1993, No. 217 (Adj. Sess.), §§ 11, 12; 2009, No. 103 (Adj. Sess.), § 46, eff. May 12, 2010; 2011, No. 66, § 11, eff. June 1, 2011; 2013, No. 27, § 44.)

§ 3322. Use of license number; consumer fee disclosure

(a) Each licensee or registrant shall be assigned a license or registration number which shall be used in a report, a contract, engagement letter, or other instrument used by the licensee or registrant in connection with the licensee's or registrant's activities under this chapter. The license number shall be placed adjacent to or immediately below the title the

licensee is entitled to use under this chapter. The licensed appraiser shall ensure that the registration number and the appraiser's fee for appraisal services shall appear adjacent to or immediately below the appraisal management company's registered name on documents supplied to clients or customers in this state.

(b) The licensed appraiser shall include within the body of the appraisal report the amount of the appraiser's fee for appraisal services. (Added 1989, No. 264 (Adj. Sess.), § 1; amended 1993, No. 217 (Adj. Sess.), § 13; 2009, No. 103 (Adj. Sess.), § 47; 2011, No. 66, § 11, eff. June 1, 2011.)

§ 3323. Unprofessional conduct

(a) The following conduct by a licensee and the conduct set forth in 3 V.S.A. § 129a constitute unprofessional conduct. When that conduct is by an applicant or a person who later becomes an applicant, it may constitute grounds for denial of a license:

(1) Procuring or attempting to procure a license under this chapter by knowingly making a false statement, submitting false information, refusing to provide complete information in response to a question in an application for licensure, or through any form of fraud or misrepresentation.

(2) An act or omission involving dishonesty, fraud, or misrepresentation with the intent to benefit the licensee or another person or with the intent to injure another person.

(3) Violation of any of the standards for the development or communication of real estate appraisals established under the Act.

(4) Failure or refusal to exercise reasonable diligence in developing an appraisal, preparing a report, or communicating an appraisal.

(5) Negligence or incompetence in developing an appraisal, in preparing a report, or in communicating an appraisal.

(6) Accepting an appraisal assignment when the employment itself is contingent upon the appraiser reporting a predetermined analysis or opinion, or where the fee to be paid for the performance of the appraisal assignment is contingent upon the opinion, conclusion, or valuation reached, or upon the consequences resulting from the appraisal assignment.

(7) Violating the confidential nature of governmental records to which the licensee gained access through employment or engagement as an appraiser by a governmental agency.

(8) Violating any term or condition of a license restricted by the board.

(9) Failing to comply with practice standards adopted by the board.

(b) The following conduct by an appraisal management company and the conduct set forth in 3 V.S.A. § 129a constitute unprofessional conduct. An appraisal management company includes agents acting on behalf of the registrant in the acquisition, delivery, or use of a real estate appraisal produced by a licensed real estate appraiser. When that conduct is by an applicant or an entity that later becomes an applicant for registration, it may constitute grounds for denial of a license:

(1) Influencing or attempting to influence the development, reporting, result, or review of a real estate appraisal through coercion, compensation, inducement, intimidation, or other manner intended to affect the independent judgment of a licensed real estate appraiser,

including:

(A) Withholding or threatening to withhold timely payment for a real estate appraisal report.

(B) Withholding or threatening to withhold future business or work opportunities from a licensed real estate appraiser.

(C) Expressly or implicitly promising future business or work-related compensation for a real estate appraiser.

(D) Ordering or paying for real estate appraisal services based on predetermined valuations or other conclusions to be reached by a licensed real estate appraiser.

(E) Requesting or suggesting that a licensed real estate appraiser provide an estimated, predetermined, or desired valuation in a real estate appraisal report or provide estimated values or comparable sales prior to completion of the appraisal report.

(2) Altering or otherwise changing a completed appraisal report submitted by a licensed appraiser.

(3) Using an appraisal report submitted by an appraiser for a transaction other than the one for which it was developed.

(4) Requiring an independent appraiser to enter into an agreement requiring the independent appraiser to defend, to indemnify, or to hold harmless the registrant or other third party for the development, use, or contents of a real estate appraisal. This subdivision shall not affect a licensee's or a registrant's professional liability to consumers or to other licensees or registrants.

(5) Using or possessing an independent licensed real estate appraiser's digital signature, seal, or other similar stamp of endorsement.

(c) Registrants shall only transmit an exact copy of the completed appraisal to the client or other intended user.

(d) After hearing, and upon a finding of unprofessional conduct, the board may take disciplinary action against a licensee, applicant, or registrant. Without limitation, disciplinary action may include any of the following:

(1) suspending or conditioning a license or registration;

(2) requiring a licensee to submit to care or counseling;

(3) requiring that a licensee practice only under supervision of a named person or a person with specified credentials;

(4) requiring a licensee to participate in continuing education in order to overcome specified practical deficiencies;

(5) limiting the scope of the licensee's practice.

(e) Appeals from decisions of the board shall be governed by the provisions of 3 V.S.A. § 130a. (Added 1989, No. 264 (Adj. Sess.), § 1; amended 1993, No. 217 (Adj. Sess.), § 14; 1997, No. 145 (Adj. Sess.), § 55; 2007, No. 29, § 49; 2009, No. 103 (Adj. Sess.), § 48.)

§ 3324. Record retention

(a) A licensee or registrant shall retain all records related to an appraisal, review, or consulting assignment for no less than five years after preparation.

(b) A licensee or registrant shall retain records under this section that relate to a matter in litigation for two years after the litigation concludes or in conformance with the "Uniform Standards of Professional Appraisal Practice," as promulgated by the Appraisal Standards Board of the Appraisal Foundation, whichever period is longer.

(c) With reasonable notice, a licensee or registrant shall produce any records governed by this section for inspection and copying by the board or its authorized agent. (Added 1989, No. 264 (Adj. Sess.), § 1; amended 1993, No. 217 (Adj. Sess.), § 15; 2009, No. 103 (Adj. Sess.), § 49.)

§ 3325. Reporting

An appraiser who reports to the board appraisal work being performed which does not comply with the provisions of this chapter shall not be considered to have violated the ethics provision of the uniform standards of professional practice. (Added 1993, No. 217 (Adj. Sess.), § 16.)
