

## 101-02-02-05. Licensed real property appraiser

1. **Education.** Fifteen of the **ninety hours** must include the successful completion of the national **uniform standards of professional appraisal practice course**, or its equivalent. Equivalency must be determined through the appraisal qualifications board course approval program or by an alternate method established by the appraisal qualifications board. Sixty of the ninety hours must be comprised of appraisal-specific education related to the valuation of real estate and fifteen hours may be comprised of appraisal-related subject matter, as approved as such, by the board.
  - a. A classroom hour is defined as fifty minutes out of each sixty-minute segment.
  - b. Credit toward the classroom hour requirement may only be granted where the length of the educational offering is at least fifteen hours, and the individual successfully completes an examination pertinent to that educational offering.
  - c. Open-book examinations are not acceptable in qualifying education courses.
  - d. Uniform standards of professional appraisal practice education credit shall only be awarded when the class is instructed by an appraisal qualifications board certified instructor.
  - e. Credit for the classroom requirement may be obtained from the following:
    - (1) Colleges or universities;
    - (2) Community or junior colleges;
    - (3) Real estate appraisal or real estate related organizations;
    - (4) State or federal agencies or commissions;
    - (5) Proprietary schools; and
    - (6) Other providers approved by the board.
  - f. Credit toward the classroom hour requirement may be awarded to teachers of appraisal courses.
  - g. There is no time limit regarding when qualifying education credit must have been obtained.
  - h. Various appraisal courses may be credited toward the ninety classroom hour education requirement. Applicants must demonstrate that their education involved substantially equivalent coverage of the topics listed below, with particular emphasis on the appraisal of one to four unit residential properties.
    - (1) Influences on real estate value.
      - (a) Physical and environmental.
      - (b) Economic.
      - (c) Governmental and legal.
      - (d) Social.
    - (2) Legal considerations in appraisal.
      - (a) Real estate versus real property.
      - (b) Real property versus personal property.
      - (c) Limitations on real estate ownership.
      - (d) Legal rights and interests.
      - (e) Forms of property ownership.
      - (f) Legal descriptions.
      - (g) Transfer of title.

- (3) Types of value.
  - (a) Market value or value in exchange.
  - (b) Price.
  - (c) Cost.
  - (d) Investment value.
  - (e) Value in use.
  - (f) Assessed value.
  - (g) Insurable value.
  
- (4) Economic principles.
  - (a) Anticipation.
  - (b) Balance.
  - (c) Change.
  - (d) Competition.
  - (e) Conformity.
  - (f) Contribution.
  - (g) Increasing and decreasing returns.
  - (h) Substitution.
  - (i) Supply and demand.
  - (j) Surplus and productivity.
  
- (5) Real estate markets and analysis.
  - (a) Characteristics of real estate markets.
  - (b) Absorption analysis.
  - (c) Role of money and capital markets.
  - (d) Real estate financing.
  
- (6) Valuation process.
  - (a) Definition of the problem.
  - (b) Collection and analysis of data.
  - (c) Analysis of highest and best use.
  - (d) Application and limitations of each approach to value.
  - (e) Reconciliation and final value estimate.
  - (f) The appraisal report.
  
- (7) Property description.
  - (a) Site description.
  - (b) Improvement description.
  - (c) Basic construction and design.
  
- (8) Highest and best use analysis.
  - (a) Four tests.
  - (b) Vacant site or as if vacant.
  - (c) As improved.
  - (d) Interim use.
  
- (9) Appraisal statistical concepts.
  - (a) Mean.
  - (b) Median.
  - (c) Mode.
  - (d) Range.
  - (e) Standard deviation.
  
- (10) Sales comparison approach.
  - (a) Research and selection of comparables.
  - (b) Elements of comparison.
  - (c) Adjustment process.
  - (d) Application of sales comparison approach

- (11) Site value.
  - (a) Sales comparison.
  - (b) Land residual.
  - (c) Allocation.
  - (d) Extraction.
  - (e) Plottage and assemblage.
  
- (12) Cost approach.
  - (a) Steps in cost approach.
  - (b) Application of the cost approach.
  
- (13) Income approach.
  - (a) Gross rent multiplier analysis.
  - (b) Estimation of income and expenses.
  - (c) Operating expense ratios.
  
- (14) Valuation of partial interests.
  - (a) Life estates.
  - (b) Undivided interests in commonly held property.
  - (c) Easements.
  
  - (d) Timeshares.
  - (e) Cooperatives.
  - (f) Leased fee estate.
  - (g) Leasehold estate.
  
- (15) Appraisal standards and ethics.

i. **Forty hours may be for distance education.** Distance education is an educational process in which the student and instructor are geographically separated. Distance education includes on-line learning, internet-based instruction, CD-ROM instruction, correspondence courses, and videoconferencing. An acceptable distance education course must:

- (1) Provide interaction between the student and the instructor.
  
- (2) Meet one of the following requirements:
  - (a) The course is presented by a college or university, accredited by the commission on colleges or a regional accreditation association, which offers distance education programs in other disciplines.
  
  - (b) The course is approved for college credit by the American council on education.
  
  - (c) **The course is approved for design and delivery mechanism by the international distance education certification center and for content by the appraiser qualifications board or the board.**
  
- (3) Require the student to successfully complete a written examination proctored by an official approved by the presenting college, university, or sponsoring organization.
  
- (4) Meet the requirements for qualifying education established by the appraiser qualifications board.

- (5) Be equivalent to at least fifteen classroom hours.
- j. Credit awarded for the classroom hour requirement when an individual seeks a different classification than that held may also be awarded for the continuing education requirement of the classification held.
- k. Courses taken in satisfying the qualifying education requirements should not be repetitive in nature. Each course credited toward the required number of qualifying education hours should represent a progression in which the appraiser's knowledge is increased.
- l. Courses that have received approval by the appraiser qualifications board of the appraisal foundation through the appraiser qualifications course approval program may be acceptable by the board without additional state review.

---

## ARTICLE 101-04

### CONTINUING EDUCATION

Chapter  
101-04-01      Continuing Education

#### CHAPTER 101-04-01 CONTINUING EDUCATION

Section 101-04-01-01      Continuing Education Requirements

**101-04-01-01. Continuing education requirements.**

1. **Purpose.** The purpose of continuing education is to ensure that the appraiser participates in a program that maintains and increases that individual's skill, knowledge, and competency in real estate appraising.
2. **Requirements.** All apprentice, licensed, and certified permittees must meet a minimum level of continuing education. This minimum level has been set at **forty-two** hours over a **three-year** education renewal period. Of the forty-two hours, appraisers must successfully complete the seven-hour national uniform standards of professional appraisal practice update course, or its equivalent, every two years. Equivalency must be determined through the appraisal qualifications board course approval program or by an alternate method established by the appraisal qualifications board. Twenty-one hours of the forty-two hours must include appraisal-specific education related to the valuation of real estate and fourteen hours may be comprised of appraisal related subject matter, approved as such, by the appraisal board.
  - a. The necessary forty-two hours may be obtained at any time during the three-year renewal period, except for the required national uniform standards of professional appraisal practice requirement.
  - b. Verification of the necessary forty-two hours must be submitted by the end of the three-year renewal period.

- c. Uniform standards of professional practice (USPAP) continuing education credit shall only be awarded when the class is instructed by an appraisal qualifications board certified instructor.
- d. All continuing education courses taken in this state must be approved by the board.
- e. Courses taken out of this state may be approved for credit, provided the state in which the course was taken has approved the course for appraiser education.
- f. A course which has not had prior approval may be approved on an individual basis.
- g. All continuing education must be taken in blocks of at least two hours.
- h. A classroom hour is defined as fifty minutes out of each sixty-minute segment.
- i. With the exception of distance education, no examination is required for continuing education courses.
- j. Credit for the classroom requirement may be obtained from the following:
  - (1) Colleges or universities.
  - (2) Community or junior colleges.
  - (3) Real estate appraisal or real estate related organizations.
  - (4) State or federal agencies or commissions.
  - (5) Proprietary schools.
  - (6) Other providers approved by the state certification or licensing board.
- k. Credit may be granted for education offerings which are consistent with the purpose of continuing education stated in subsection 1 and cover real estate related appraisal topics such as:
  - (1) Ad valorem taxation.
  - (2) Arbitration.
  - (3) Business courses related to practice of real estate appraisal.
  - (4) Construction estimating.
  - (5) Ethics and standards of professional practice.
  - (6) Land use planning, zoning, and taxation.
  - (7) Management, leasing, brokerage, and timesharing.
  - (8) Property development.
  - (9) Real estate appraisal (valuations or evaluations).
  - (10) Real estate law.
  - (11) Real estate litigation.
  - (12) Real estate financing and investment.
  - (13) Real estate appraisal-related computer applications.
  - (14) Real estate securities and syndications.
  - (15) Real property exchange.
- l. A professional real estate appraisal organization meeting may be granted credit, provided it is a formal education program of learning which contributes to the real estate appraisal profession.
- m. Real estate appraisal-related field trips may be granted credit. However, transit time to or from the field trip location should not be included when awarding credit if instruction does not occur.
- n. Continuing education credit may be granted for participation, other than as a student in appraisal educational processes and programs. Examples of activities

for which credit may be granted are teaching, program development, authorship of textbooks, or similar activities which are determined to be equivalent to obtaining continuing education.

- (1) Ten hours may be granted for authorship of textbooks, publications, or similar activities provided the document contributes to the appraisal profession.
- (2) One and one-half hours of credit for each one hour of instruction may be granted for teaching appraisal courses;
- (3) Teaching of a course with the same, or substantially the same subject content may be claimed only once for credit within a three-year renewal cycle.

o. **Fourteen hours may be granted for distance education.** Distance education is defined as any educational process based on the geographical separation of provider and student e.g., CD-ROM, on-line learning, correspondence courses, videoconferencing, or similar activities. Distance education courses may be acceptable to meet the continuing education requirement provided that the course is approved by the board and meets one of the following conditions:

- (1) The course is presented to an organized group in an instructional setting with a person qualified and available to answer questions, provide information, and monitor student attendance, and is a minimum of two classroom hours and meets the requirements for continuing education courses established by the appraiser qualifications board.
- (2) The course has been presented by an accredited commission on colleges or a regional accreditation association, college, or university that offers distance education programs in other disciplines, has received approval for college credit by the American council on education, or is approved for design and delivery mechanism by the international distance education certification center and for content by the appraiser qualifications board or the board. Additionally, the course must meet the following requirements:
  - (a) The course is equivalent to a minimum of two classroom hours in length and meets the requirements for real estate appraisal-related courses established by the appraiser qualifications board.
  - (b) The student successfully completes a written examination proctored by an official approved by the presenting college or university or by the sponsoring organization consistent with the requirements of the course accreditation; or if a written examination is not required for accreditation, the student successfully completes the course mechanisms required for accreditation which demonstrate mastery and fluency. Said mechanisms must be present in a course without an examination in order to be acceptable.

p. A course with the same or substantially the same subject content may be claimed only once for credit within a three-year renewal cycle.

q. Excess hours of education earned in one renewal period cannot be carried over to the next renewal period.

r. **Courses that have received approval by the appraiser qualifications board of the**

appraisal foundation through the appraiser qualifications course approval program may be acceptable by the board without additional state review.

- s. Courses that are taken as a result of a disciplinary action may not be credited toward continuing education.

**History:** Effective October 1, 1992; amended effective October 1, 1998; February 1, 2003.

**General Authority:** NDCC 43-23.3-12, 43-23.3-19

**Law Implemented:** NDCC 43-23.3, 43-23.3-19