

**TITLE 4. PROFESSIONS AND OCCUPATIONS**

**CHAPTER 46. DEPARTMENT OF INSURANCE AND FINANCIAL INSTITUTIONS –**

**FINANCIAL INSTITUTIONS DIVISION – REAL ESTATE APPRAISAL**

**ARTICLE 2. REGISTRATION, LICENSURE, AND CERTIFICATION AS AN APPRAISER**

**R4-46-201.01. Application for Designation as a Supervisory Appraiser; Supervision of a Registered Trainee Appraiser**

- A.** An individual who wishes to act as a supervisory appraiser for a registered trainee appraiser shall:
1. Apply for and obtain designation as a supervisory appraiser before providing supervision to a registered trainee appraiser,
  2. Have been state certified for at least three years, and
  3. Apply for designation under A.R.S. § 32-3614.02.
- B.** To apply for designation as a supervisory appraiser, a certified appraiser shall submit to the Department:
1. An application for designation;
  2. A statement whether the applicant for designation has been disciplined in any jurisdiction in the last three years in a manner that affects the applicant's eligibility to engage in appraisal practice and if so, the name of the jurisdiction, date of the discipline, circumstances leading to the discipline, and date when the discipline was completed;
  3. Evidence that the applicant for designation completed a training course that complies with the course content established by the AQB and that is specifically oriented to the requirements and responsibilities of supervisory and trainee appraisers;
  4. A signed affirmation that the applicant for designation will comply with the USPAP Competency Rule for the property type and geographic location in which the supervision will be provided; and
  5. Any other information and documentation that is necessary to meet the qualification criteria established and updated by the AQB.
- C.** Supervision requirements:
1. A registered trainee appraiser may have more than one designated supervisory appraiser.
  2. A designated supervisory appraiser shall not supervise more than three registered trainee appraisers at any one time.
  3. A registered trainee appraiser shall maintain a separate appraisal log for each designated supervisory appraiser and, at a minimum, include the following in each log for each appraisal:
    - a. Type of property,
    - b. Date of report,
    - c. Address of appraised property,
    - d. Description of work performed by the registered trainee appraiser,
    - e. Scope of review and supervision provided by the designated supervisory appraiser,
    - f. Number of actual work hours worked by the registered trainee appraiser on the assignment, and
    - g. Signature and state certificate number of the designated supervisory appraiser.

4. A designated supervisory appraiser shall provide to the Department in writing the name and address of each registered trainee appraiser within 10 days of engagement and notify the Department in writing within 10 days when the engagement ends.
5. If a registered trainee appraiser or designated supervisory appraiser fails to comply with the applicable requirements of this Section:
  - a. The registered trainee appraiser or the designated supervisory appraiser may be subject to disciplinary action under A.R.S. § 32-3631(A)(8), and
  - b. The Director may decline the experience credit hours logged during any period that the registered trainee appraiser or designated supervisory appraiser failed to comply with this Section. The registered trainee appraiser and designated supervisory appraiser shall provide documentation and justification of the non-compliance for review by the Director.

## **ARTICLE 4. APPRAISAL MANAGEMENT COMPANIES**

### **R4-46-403. Change in Controlling Person or Agent for Service of Process; Notice of Adverse Action**

- A.** If any of the information submitted under R4-46-401(B)(2) changes, the controlling person of the registered AMC shall provide to the Department written notice of the change within 10 business days.
- B.** If an individual becomes the controlling person of a registered AMC and the information required under R4-46-401(B)(3) was not previously submitted for the individual, the new controlling person shall ensure that the required information is submitted to the Department within 10 business days after the change in controlling person.
- C.** If a registered AMC is required under A.R.S. § 32-3662(B)(4) to provide the name and contact information for an agent for service of process in this state, the controlling person of the AMC shall provide the Department written notice of any change in the information within 10 business days.
- D.** If the regulated entity, the responsible person, any controlling person, or any direct or indirect owner of the firm has ever been, or is currently, the subject of any complaint, investigation, or disciplinary action against a license, certificate, registration, or membership by any state regulatory agency, or any professional or occupational credentialing authority that resulted in an adverse judgment against them, including any denial, or voluntary surrender, withdrawal, or resignation of a credential in lieu of disciplinary action, the controlling person of the AMC shall provide the Department with written notice of such action within 10 business days after such action has been finalized.

### **R4-46-406. Appeal for Waiver**

- A.** Under A.R.S. §§ 32-3668 and 32-3669, an AMC for which registration is sought under R4-46-401 may not have an owner, controlling person, officer, or other individual with a financial interest in the AMC who has ever had a financial, real estate, or mortgage lending industry license or certificate refused, denied, canceled, voluntarily surrendered in lieu of revocation, or revoked in any state.

- B.** When an appeal is made by the individual who has had a financial, real estate, or mortgage lending industry license or certificate refused, denied, canceled, voluntarily surrendered in lieu of revocation, or revoked in any state for a non-substantive cause and reinstated by the state that revoked the license or certificate, the Director has discretion to grant the appeal.
- C.** To make an appeal for waiver under subsection (B), the individual shall submit an appeal for waiver form, which is available from the Department and on its website.
- D.** In deciding whether to waive the requirement under subsection (B), the Director shall consider the following factors:
  - 1. Whether the refusal, denial, cancellation, voluntary surrender in lieu of revocation, or revocation of a license or certificate was based on a finding of fraud, dishonesty, misrepresentation, or deceit on the part of the appellant;
  - 2. The amount of time that has elapsed since the refusal, denial, cancellation, voluntary surrender in lieu of revocation, or revocation of the license or certificate;
  - 3. Whether the act leading to the refusal, denial, cancellation, voluntary surrender in lieu of revocation, or revocation of the license or certificate was an isolated occurrence or part of a pattern of conduct;
  - 4. Whether the act leading to the refusal, denial, cancellation, voluntary surrender in lieu of revocation, or revocation of the license or certificate appears to have been done for a self-serving purpose;
  - 5. The harm caused to victims, if any;
  - 6. Efforts at rehabilitation, if any, undertaken by the appellant and evidence regarding whether the rehabilitation efforts were successful;
  - 7. Restitution made by the appellant to victims, if any; and
  - 8. Other factors in mitigation or aggravation that the Director determines are relevant.