

RULES
OF
GEORGIA REAL ESTATE APPRAISERS BOARD

CHAPTER 539-1
SUBSTANTIVE REGULATIONS

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539-1-.16 Appraiser Classifications and Their Education, Examination, and Experience Requirements. Amended.

539-1-.16 Appraiser Classifications and Their Education, Examination, and Experience Requirements. Amended.

(9) A State Registered Real Property Appraiser classified on or after August 1, 2006, shall be given credit for his or her first one thousand hours of appraisal experience only if it was earned in appraisal assignments performed under the direct supervision of a supervising appraiser. A State Registered Real Property Appraiser classified before August 1, 2006, may earn his or her appraisal experience under the rule in effect at the time he or she became classified until January 1, 2008, at which time only experience earned under rules in effect on or after August 1, 2006, shall receive credit.

(a) For the purpose of this rule, “supervising appraiser” means a State Certified General Real Property Appraiser or a State Certified Residential Real Property Appraiser.

(b) In order for the first 1,000 hours of appraisal experience to qualify for credit, the certified appraiser supervising another classified appraiser shall not be an employee of or an independent contractor with the supervised appraiser nor an employee of or an independent contractor with a firm in which the supervised appraiser has a controlling ownership interest.

(c) At the time of supervising a state registered real property appraiser, the supervising appraiser must be in good standing and must not have received a suspension or revocation of an appraisal classification within the last five years.

(d) Experience credit shall be given only for experience earned while the applicant has a classification in this or another state.

(e) On or after August 1, 2006, an appraiser who is supervising or who agrees to supervise the work of another appraiser shall enter into a written agreement with the appraiser to be supervised prior to undertaking any appraisal work that will be utilized for appraisal experience credit under this rule. The written agreement shall at a minimum contain provisions that:

1. identify the full name of the type of classification held by each appraiser as follows:
 - a. State Registered Real Property Appraiser,
 - b. State Licensed Real Property Appraiser,
 - c. State Certified Residential Real Property Appraiser,

- d. State Certifies General Real Property Appraiser, or
 - e. the name used by another State's regulatory agency, if the appraiser is not classified in Georgia but is in another State;
2. identify the classification number issued by the Board to each appraiser or similar number issued by another State's regulatory agency if the appraiser is not classified in Georgia;
 3. identify the date of the end of the renewal period for each appraiser's classification;
 4. state the supervised appraiser and supervisor's business relationship; for example, but not limited to, employee, independent contractor, or both are employees or independent contractors with the same firm;
 5. the supervising appraiser is in good standing and has not received a suspension or revocation of an appraisal classification within the last five years.
 6. indicate how each appraiser will be compensated for appraisal activities undertaken during the term of the contract and how each will be compensated when the contract ends for work begun but not completed prior to the termination of the contracts;
 7. identify the scope of duties the supervised appraiser is authorized to undertake, which must not be inconsistent with this rule or the Appraiser Act, and must at least include provisions that:
 - a. all appraiser assignments must be solicited and obtained in the name of the supervising appraiser or the supervising appraiser's firm (if an appraisal assignment is solicited and obtained in the name of the state registered real property appraiser, the resulting appraisal may not be used for experience credit under this rule);
 - b. all appraisal reports shall be transmitted or delivered to the client or customer by the supervising appraiser or his or her designee other than the supervised appraiser;
 - c. the supervising appraiser will accept responsibility for supervised appraiser's work by signing the appraisal report and certifying that it complies with generally accepted appraisal procedures and is in compliance with the standards required by the federal financial institutions regulatory agency that regulates the financial transaction if the appraisal assignment was undertaken for such a purpose;
 - d. the supervising appraiser shall review the report before signing it; and
 - e. the supervising appraiser shall personally inspect along with the state registered real property appraiser each property appraised until such time as the supervising appraiser determines that the state registered real property appraiser is competent in inspecting properties. The Board will deem a registered appraiser to have demonstrated competence in inspecting residential properties after having performed at least twenty inspections of one to four family residential properties in the presence of a supervising appraiser while performing an appraisal

assignment; and

8. after the termination of the relationship, the supervised appraiser shall, during normal business hours, have access to all appraisal files on which he or she worked for purposes of submitting to the Board any data the Board requires;
- (f) The supervising appraiser and the supervised appraiser shall jointly maintain an appraisal log that includes at least the following information for each appraisal performed in the format available on the Board's web site:
 - a. the address of the property appraised;
 - b. the type of property appraised;
 - c. the date of the value estimate;
 - d. a notation of whether the supervising appraiser inspected the property along with the state registered real property appraiser;
 - e. a description of the work performed by the state registered real property appraiser and the scope of the review and supervision of the supervising appraiser;
 - f. the actual number of hours worked on the assignment by the state registered real property appraiser; and
 - g. the signature and state classification number of each appraiser;
 - (g) Any appraiser seeking to use this experience for a higher classification shall attached to his or her log a copy of any written agreements under which he or she obtained the first 1,000 hours of experience governed by this rule.
 - (h) The supervising appraiser must comply with the requirements of 43-39A-18(b)(12) to retain for a period of five years the original or a true copy of each appraisal report prepared or signed by each appraiser and all supporting data assembled and formulated by the appraisers in preparing each such appraisal report.
 - (i) A state registered real property appraiser may concurrently enter into active such written agreements with more than one supervising appraiser, provided that each supervisor is informed of the existence of any other written agreement and given a copy of it.

Authority O.C.G.A. §§43-39A-3, 43-39A-8, & 43-39A-13.

CHAPTER 539-3

STANDARDS FOR APPRAISALS

539-3-.01 Federally Related Transactions
539-2-.02 Standards for Developing and Reporting an Appraisal
539-3-.03 Review Appraisals
539-3-.04 Repealed

539-3-.01 Federally Related Transactions.

(1) A federally related transaction is any real estate related financial transaction that (A) a federal financial institutions regulatory agency or the Resolution Trust Corporation engages in, contracts for, or regulates; and (B) requires the services of an appraiser.

(2) In developing and reporting an appraisal of real property in a federally related transaction, an appraiser must comply with the standards required by the federal financial institutions regulatory agency that regulates the financial transaction for which the appraisal assignment was undertaken. For each appraisal assignment, it is the responsibility of the appraiser to determine what standards a federal financial institutions regulatory agency requires.

(3) In developing and reporting an appraisal of real property in a federally related transaction; an appraiser must take reasonable efforts to identify and report (a) the identity of the current owner of the property, (b) whether the property is listed for sale and identify and state in the appraisal report all list prices within the preceding year reported by reliable sources; (c) whether the property is under contract for sale, and (d) whether the property has sold or had deed transfer within the last three years prior to the effective date of the appraisal.

(4) While documenting compliance with this requirement may be met in a variety of ways, an appraiser who attaches to the appraisal report the following items, obtained contemporaneously with the appraisal, shall be deemed to have met the requirements of this rule:

(a) a copy of the most recently recorded deed transferring ownership of the property or county tax records showing the name(s) of the property's current owner(s) of record;

(b) a copy of any existing listing agreements or documentation from a multiple listing service that reflects any listing periods and list prices of the property and its owner(s). (The appraiser must also identify and state in the appraisal report all list prices within the preceding year reported by reliable sources); and

(c) a written statement signed by the party ordering the appraisal that such party has disclosed to the appraiser all pending agreements to sell the property of which it is aware and has supplied to the appraiser all written agreements to sell the property of which it is aware.

Authority O.C.G.A. §§ 43-39A-8, 43-39A-13, & 43-39A-18.

539-3-.02 Standards for Developing and Reporting An Appraisal. Amended.

(1) In developing and reporting an appraisal of real property, an appraiser shall not:

- (a) perform any appraisal assignment beyond the scope of authority granted in the appraiser classification held;
- (b) fail to disclose clearly and accurately the appraiser classification and number granted to the appraiser by the state;
- (c) fail to employ correctly methods and techniques that are necessary to produce a credible appraisal. Unless the appraiser expressly provides a credible real estate appraisal justification in the appraisal report, the appraiser may not vary from the following guidelines:

1. appraisers reaching a conclusion of value for a real property must:

- a. Obtain all data used in every appraisal from a reliable source and verify that data from at least one additional reliable source. For purposes of this Chapter a reliable source shall be one typically utilized by appraisers in the area and includes, but is not limited to, a personal inspection by the appraiser; publicly filed records; property tax records; an appropriate local multiple listing service; and commercially available data based and publications reasonably relied upon by appraisers in the ordinary course of their business. An appraiser may also rely upon information obtained from real estate appraisers, brokers, closing attorneys, sellers, and buyers provided that the appraiser maintains (1) documentation of any information obtained from appraisers, brokers, closing attorneys, sellers, and buyers and (2) the name and telephone number and/or address of each source in the appraiser's file for at least five years;
- b. Obtain for the appraiser's file the Tax Assessor's 100% market value;
- c. identify and state in the appraisal report any list prices of the property if listed within the preceding year reported by reliable sources; and
- d. comment on the impact on the market value of the subject of foreclosure activity in the market area of the subject property.

2. appraisers utilizing the market approach for reaching a conclusion of value for a real property must:

- a. identify and describe the market area as a geographic location;
- b. select comparable properties that are the most recent sales and that reflect current market conditions for valuation of the subject property. Absent a credible real estate appraisal explanation for a different definition of most recent sales, most recent sales shall be within one year and in the market area. The most recent sales shall be presumed to be properties that have sold within the preceding year of the *effective* date of the appraisal;
- c. select comparable properties for valuation of a residential property that require the net total of any adjustments to the sales price of a comparable sale not to exceed 15% and the gross total of all adjustments (whether positive or negative) not to

FNMA requires that the property be inspected by the appraiser. USPAP requires the report state who inspected the property.

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exceed 25%, absent a credible real estate appraisal explanation for differing adjustments;



d. select comparable properties for valuation of a property that are located within the market area of the subject. Absent a credible real estate appraisal explanation for a different market area, the market area for residential properties shall be presumed to be comparable properties located first within the same subdivision as the subject and second located within one mile of the subject;

e. identify and list in the appraisal report all dates of sale and sales prices and deed transfers of the subject property within the preceding three years and all dates of sale and sale prices of the comparable properties within the preceding year;



f. comment on instances in the market area of the subject property of transactions in which sales of the same property occurred within six months of each other and such transactions had an increase in sales price of more than 25%.

3. appraisers utilizing the cost approach for reaching a conclusion of value for a real property must include in the appraisal report the relevant replacement cost data from a source reasonably relied upon by appraisers in the ordinary course of their business. Said source must be identified by title on the appraisal report;

4. appraisers utilizing the income approach for reaching a conclusion of value for a real property shall identify in the appraisal report the source of any income data used in the appraisal report; identify any ownership or other interest which such source has in the subject property; and maintain in the appraiser's file for a period of five years written verification of such income data.

(d) commit a substantial error of omission or commission that significantly affects the appraisal;

(e) render appraisal services in a careless or negligent manner;

(f) communicate the appraiser's analyses, opinions, or advice in a manner that is misleading to the client;

(g) fail to include in a report of an appraisal sufficient information to enable the person(s) who are expected to receive or rely on the report to understand it properly;

(h) perform an independent appraisal assignment with partiality or an accommodation of personal interest;

(i) accept an independent appraisal assignment when the employment itself is contingent upon the appraiser's reporting a predetermined estimate, analysis, valuation, or opinion or where the fee to be paid is contingent upon the opinion, conclusions, analysis, or valuation reached or upon the consequences resulting from the appraisal assignment;

(j) perform any appraisal assignment without (1) disclosing any lack of knowledge and/or experience to the client before accepting the assignment; (2) taking all steps necessary to complete the assignment competently; (3) describing the lack of knowledge and/or

experience and the steps taken to complete the assignment competently in the appraisal report; and (4) having the client expressly identify any other persons or entities that the client expects to rely on the appraisal report;

(k) report the results of a real property appraisal without disclosing the nature, extent, and detail of the appraisal processes undertaken;

(l) fail to disclose clearly and accurately in the appraisal report any assumption or any limiting condition that directly affects the appraisal and to indicate its impact on value; ~~and~~

(m) fail to include in an appraisal report a certification that includes the following items in language substantially similar to the following:


I certify that, to the best of my knowledge and belief:

- the statements of fact contained in this report are true and correct.
- the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions, and conclusions.
- I have no (or the specified) present or prospective interest in the property that is the subject of this report, and I have no (or the specified) personal interest or bias with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved in this assignment.
- my engagement in this assignment or in any future assignment is not contingent upon developing or reporting predetermined results.
- my compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
- my analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Georgia Real Estate Appraiser Classification and Regulation Act and the Rules and Regulations of the Georgia Real Estate Appraisers Board.
- I have (or have not) made a personal inspection of the property that is the subject of this report. (If more than one person signs the report, this certification must clearly specify which individuals did and which individuals did not make a personal inspection of the appraised property.)
- no one provided significant professional assistance to the person signing this report. (If there are exceptions, the name of each individual providing significant professional assistance must be stated and the professional assistance provided must

be disclosed.);

(n) falsify any part of an appraisal report;

Permission to modify appraisal without written permission is REQUIRED.

(o) fail to maintain at all times  direct control of the appraiser's signature and the method by which that signature is affixed to an appraisal report. An appraiser may grant permission to another to affix the appraiser's signature to an appraisal report provided that the permission is in writing, the permission extends to only one specific appraisal report, the writing identifies the report and the amount of the opinion of value, and the appraiser maintains a copy of the written permission in the appraiser's work file. An appraiser shall not grant blanket authority to another person to affix the appraiser's signature to an appraisal report or reports; and

(p) use any uniform residential appraisal report form for reporting appraisal work for any purpose other than to report an appraisal.

(2) An appraiser who signs a real property appraisal report prepared by another accepts full responsibility for the appraisal and the contents of the appraisal report.

(3) An appraiser shall not disclose confidential information or the results of an appraisal assignment to anyone other than:

(a) the client and persons specifically authorized by the client;

(b) state enforcement agencies and such third parties as may be authorized by due process of law; and

(c) a duly authorized professional peer review committee.

(4) In developing and reporting an appraisal of real property in a non-federally related transaction; an appraiser must take reasonable steps to identify and report (a) the identity of the current owner of the property, (b) whether the property is listed for sale and identify and state in the appraisal report all list prices within the preceding year, (c) whether the property is under contract for sale, and (d) whether the property has sold within the last three years prior to the effective date of the appraisal.

(5) While documenting compliance with the requirements of paragraph (4) above may be accomplished in a variety of ways, an appraiser who attaches to the appraisal report the following items, obtained contemporaneously with the appraisal, shall be deemed to have met the requirements of this rule:

(a) a copy of the most recently recorded deed transferring ownership of the property or county tax records showing the name(s) of the property's current owner(s) of record,



(b) a copy of any existing listing agreement or documentation from a multiple listing service that reflects a listing period of the property and its owner(s); and

(c) a written statement signed by the party ordering the appraisal that such party has disclosed to the appraiser all pending agreements to sell the property of which it is aware and has supplied to the appraiser all written agreements to sell the property of which it is

aware.

(6) When a client of an appraiser requests an appraisal of a property that was the subject of an appraisal performed by that appraiser for a different client and intended user(s) with a new effective date and if the appraiser uses any data from the original appraisal in the appraisal for the new client, then, unless the appraiser expressly provides a credible real estate appraisal justification in the appraisal report, the appraiser must, at a minimum:

- (a) perform an inspection of the subject property sufficient in scope to provide a credible appraisal;
- (b) re-verify any data from the first appraisal that is being re-used in the new appraisal;
- (c) review the comparable sales that were used in the original appraisal and analyze any comparable sales that have occurred or on which information has become available since the date of the original; and
- (d) identify the new client and intended user(s).

Authority O.C.G.A. §§ 43-39A-8, 43-39A-13, & 43-39A-18.

539-3-.03 Review of Appraisals. Amended.

(1) An appraisal review assignment shall consist of developing and reporting an opinion of the quality of another appraiser's work.

(2) In undertaking an appraisal review assignment, the appraiser must:

- (a) identify for the appraisal review assignment the client, the intended users, the subject, the effective date, the purpose of the assignment, and the scope of work to be performed;
- (b) develop and report a credible opinion of the quality of another appraiser's work including, but not limited to an opinion as to whether the data is adequate and relevant, the appraisal methods used are appropriate, and the analyses, opinions, and conclusions in the work being reviewed are reasonable and appropriate; and
- (c) disclose in the appraiser's report the nature, extent, and detail of the review process undertaken and include all known pertinent information.

(3) Anytime an appraiser develops and reports an opinion of value that agrees or disagrees with the opinion of value developed and reported in an appraisal assignment performed by another appraiser, that opinion is an appraisal, not a review of an appraisal. When the purpose of an appraisal review assignment also requires that the appraiser develop an opinion of value of the subject of the review assignment, that requirement must be identified in the purpose and scope of work of the appraisal review assignment and the appraiser must comply with the applicable standards for developing an appraisal.

Authority O.C.G.A. §43-39A-8 & §43-39A-18(a)(8).

[Rule 539-3-.04 was repealed in its entirety.]