

SUPPLEMENTS

8. Report by AMC Advisory Committee
9. Report by Enforcement Committee
22. Discussion and possible action to propose amendments to 22 TAC §153.21 concerning Appraiser Trainees and Sponsors

Report by AMC Advisory Committee

TALCB Board Members

Walker Beard
Chair

Jamie S. Wickliffe
Vice Chair

Laurie C. Fontana
Secretary

Clayton Black

Patrick M. Carlson

Luis F. De La Garza, Jr

Keith Kidd

Mark A. McAnally

Shannon K. McClendon

Douglas E. Oldmixon
Commissioner

AMC Advisory Committee Report November 22, 2013

Members: Jamie Wickliffe, Chair, Sara Oates and Lawrence McNamara

The AMC Advisory Committee held a committee meeting on November 4, 2013.

Committee Members in attendance: Jamie Wickliffe, Sara Oates and Lawrence McNamara.

Other Board Members in attendance: Laurie Fontana

Staff in attendance: Kerri Lewis, Acting General Counsel, Tony Slagle, Government Affairs Specialist, Troy Beaulieu, Managing Attorney, Kyle Wolfe, Staff Attorney, and Jeff Strawmyer, Chief Investigator.

Public in attendance: Bobby Crisp representing ATA, Jennifer Miller and Matt Barr representing a la mode, inc., John Passero.

The Committee had a demonstration of a portal software product used by a la mode to see the difference between a software tool for use by AMCs and lenders and a "portal" that might fall under the jurisdiction of the Board. The Committee also began discussions regarding potential policies with regard to regulation of AMC on issues that have arisen in the industry.

Items that the Committee is watching developments of and that will be discussed at future meetings are:

- AMCs' disqualification of appraisers for failure to complete background checks in addition to those required by the Board, dismissed complaints or use of trainees;
- Future audits of AMCs regarding compliance with certain statutory and rule requirements;
- The need for a Recovery Fund or Bond requirement;
- Development of a definition for "prompt payment"; and
- Development of more FAQs to provide guidance for AMCs.

The Committee intends to meet again prior to the February Board meeting.

Report by Enforcement Committee

TALCB Board Members

Walker Beard
Chair

Jamie S. Wickliffe
Vice Chair

Laurie C. Fontana
Secretary

Clayton Black

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Douglas E. Oldmixon
Commissioner

Enforcement Committee Report November 22, 2013

Members: Jamie Wickliffe, Chair, Laurie Fontana and Shannon McClendon

Since the August Board meeting, the Enforcement Committee held a committee meeting on November 4, 2013.

Committee Members in attendance: Jamie Wickliffe, Laurie Fontana and Shannon McClendon.

Staff in attendance: Kerri Lewis, Acting General Counsel, Tony Slagle, Government Affairs Specialist, Troy Beaulieu, Managing Attorney, Kyle Wolfe, Staff Attorney, Jeff Strawmyer, Chief Investigator, and Larry Ray, Investigator.

Public in attendance: Joe Woller, representing FACT, Bobby Crisp representing ATA, Ted Whitmer, John Passero.

The Committee discussed several USPAP definitions and requirements that were brought to their attention by a member of the public who thought some more clarification was needed. Of the specific items discussed, the Committee decided to develop safe harbor policies for enforcement purposes for the USPAP definition of "appraisal report" and the USPAP requirements for documentation of a workfile. The Committee plans to circulate drafts of these policies to stakeholders for input before bringing a proposal to the full Board. The Committee would also like the Board to present these guidelines to AQB as input for revisions to these definitions in the 2016 Criteria. The first exposure draft from AQB on the 2016 Criteria is expected to be out in six months.

The Committee continues to work on the preparation of a flow chart of the complaint process for the website and discuss various aspects of complaint processing, including the process for litigation and settlement.

Specific recommendations that the Enforcement Committee supports that are on the agenda for action today are:

- Adoption of Proposal of an amendment to delete the jurisdictional exception provision from Rule 155.1;
- Adoption of an amendment to add "reexamination" to Rule 153.24 concerning Complaint Processing; and
- Proposal of an amendment to Rule 153.20 to clarify that a sponsor's refusal to sign an appraisal log for experience that is actually and lawfully acquired by a trainee under that sponsor subject to sanctions.

The Committee appreciates the hours spent by staff and the members of the public who came to the committee meeting and participated in the discussions. The Committee will have a short meeting to review proposed safe harbor policies for the USPAP definitions discussed above on November 20th and another meeting will be scheduled prior to the February meeting.

Discussion and possible action to propose amendments to
22 TAC §153.21 concerning Appraiser Trainees and
Sponsors



**PROPOSED RULE ACTION FROM
NOVEMBER 22, 2013 MEETING OF
THE TEXAS APPRAISER LICENSING AND CERTIFICATION BOARD**

Chapter 153. Rules Relating to Provisions of the Texas Appraiser Licensing and Certification Act

22 TAC §153.21 concerning Appraiser Trainees and Sponsors

The Texas Appraiser Licensing and Certification Board (TALCB) proposes amendments to 22 TAC §153.21, Appraiser Trainees and Sponsors. The amendments are proposed to implement a new Appraiser Trainee & Supervisor Course to meet the Appraisal Qualifications Board's 2015 criteria. Given these requirements, the Education Subcommittee of the Board also recommended that sponsors should no longer be allowed to designate another certified appraiser who is not approved as a sponsor to supervise a trainee.

Kerri Lewis, Acting General Counsel, has determined that for the first five-year period the proposed amendments are in effect, there will be no fiscal implications for the state or for units of local government as a result of enforcing or administering the sections. There is no anticipated significant impact on small businesses, micro-businesses or local or state employment as a result of implementing the sections. The anticipated economic cost to persons who are required to comply with the proposed amendments will be the cost of an additional 4 hours of education charged by course providers.

Ms. Lewis also has determined that for each year of the first five years the sections as proposed are in effect the public benefit anticipated as a result of enforcing the sections will be better educated appraiser trainees and supervisors.

Comments on the proposal may be submitted to Kerri Lewis, Acting General Counsel, Texas Appraiser Licensing and Certification Board, P.O. Box 12188, Austin, Texas 78711-2188 or to general.counsel@talcb.texas.gov. The deadline for comments is 30 days after publication in the Texas Register.

The amendments are proposed under Texas Occupations Code, §1103.151, which authorizes the Texas Appraiser Licensing and Certification Board to adopt rules relating to certificates and licenses and §1103.152, which authorizes TALCB to prescribe qualifications for appraisers that are consistent with the qualifications established by the Appraiser Qualifications Board.

The statute affected by these amendments is Texas Occupations Code, Chapter 1103. No other statute, code or article is affected by the proposed amendment.

§153.21 Appraiser Trainees and Sponsors

(a) A person desiring to be an appraiser trainee under the sponsorship of one or more state certified appraisers may apply to the board on the approved application for trainee authorization. In addition to the requirements set forth in §1103.353 of the Act, a prospective appraiser trainee must:

(1) complete 75 creditable classroom hours as set forth in the Trainee Core Curriculum of the Appraiser Qualifications Board; ~~and~~

(2) pass the 15 hours National USPAP course and examination; ~~and~~

(3) beginning January 1, 2015, complete a Board approved Appraiser Trainee/Sponsor course

TITLE 22. Examining Boards

Part VIII. Texas Appraiser Licensing and Certification Board

Chapter 153. Rules Relating to Provisions of the Texas Appraiser Licensing and Certification Act

(b) Once a person is approved as an appraiser trainee by the board, the person may perform appraisals or appraiser services only under the active, personal and diligent direction and supervision of a sponsoring certified appraiser. The trainee's authorization to perform appraisals or appraisal services terminates if:

(1) the appraiser trainee approval expires due to nonpayment of the renewal fee or failure to satisfy the educational or experience requirements for renewal; or

(2) the trainee's authority to act has been suspended or revoked by the board.

(c) – (e) no change

(f) A certified appraiser may be added as a sponsor during the term of an appraiser trainee's authorization, by completing a form approved by the board, and paying a fee set by the board, and beginning January 1, 2015, completing a Board approved Appraiser Trainee/Sponsor course and shall assume all the duties, responsibilities, and obligations of an appraiser trainee sponsor as specified in these rules.

(g) – (h) no change

(i) Certified appraisers may sponsor no more than three trainees at one time. Notification of sponsorship of an appraiser trainee must be provided in writing to the board on a form approved by the board with the appropriate fee prior to the assumption of sponsorship. Termination of sponsorship of an appraiser trainee must be provided in writing to the board on a form approved by the board with the appropriate fee prior to the release from sponsorship. ~~A sponsor may designate another certified appraiser to serve as an authorized supervisor on specific appraisal projects for which state authorization is required. An authorized supervisor assumes the same responsibilities as a sponsor when supervising the work of an appraiser trainee.~~

(j) Certified appraisers who sponsor appraiser trainees must approve and sign the appraiser trainee's appraisal log and experience affidavit at least quarterly and provide the trainee with access to any appraisals and work files completed under the sponsor or any authorized supervisor designated by the sponsor.

(k) Certified appraisers who sponsor appraiser trainees ~~or serve as an authorized supervisor~~ must be in good standing and not subject to any disciplinary action within the last three years that affected the sponsor's ~~or supervisor's~~ legal eligibility to engage in appraisal practice. Disciplinary action taken against the sponsor ~~or supervisor~~ within the last three years that did not affect the sponsor's ~~or supervisor's~~ legal eligibility to engage in appraisal practice must be disclosed to the trainee prior to sponsorship.

(l) To obtain Board approval of an Appraiser Trainee/Sponsor course, a course provider must submit form ATS-0, Appraiser Trainee/Sponsor Course Approval, adopted herein by reference, and which is published and available from the Board at PO Box 12188, Austin, Texas 78711-2188, www.talcb.texas.gov, and satisfy the Board that all required content set out in form ATS-0 is adequately covered. Approval of an Appraiser Trainee/Sponsor course shall expire two years from the date of Board approval. An approved Board Appraiser Trainee/Sponsor course may be delivered through classroom or distance education. The delivery mechanism for distance education courses offered by a non-academic provider must be approved by an AQB-approved organization providing approval of course design and delivery.

(m) Sponsors who complete the Appraiser Trainee/Sponsor course may receive continuing education credit for the course.

This agency hereby certifies that the amendments have been reviewed by legal counsel and found to be within the agency's legal authority to adopt.

Filed with the Office of the Secretary of State on November , 2013.

Kerri Lewis
Acting General Counsel
Texas Appraiser Licensing and Certification Board



**APPRAISER TRAINEE/SPONSOR COURSE APPROVAL
MINIMUM REQUIRED COURSE TIME - 4 HOURS**

Provider Name

Title of Course

Name of Text or Workbook and Author

Part 1 - AQB Requirements

Qualifications and Credentialing Entities

The Creation and Role of The Appraisal Foundation

Location

FOR TALCB USE ONLY

Included Not Included

Role of AQB in Establishing Criteria for Real Property Appraisers

Role of Professional Appraiser Organizations

Required Regulatory State Appraiser "Credentials" vs "Voluntary" Appraiser Organization Designations

Qualifications for Appraiser Credentials

AQB Minimum Qualifications for the Trainee Appraiser

AQB Minimum Qualifications for the Licensed Residential Appraiser

AQB Minimum Qualifications for the Certified Residential Appraiser

AQB Minimum Qualifications for the Certified General Appraiser

Summary Matrix Outlining Minimum Education, Experience and Exam for Each Credential

AQB Minimum Qualifications for Sponsor Appraisers

Individual Jurisdictional Qualifications

Explanation of AQB Minimum Qualifications, with the State or Jurisdictional Ability to Require Qualifications that Exceed the AQB Minimum

Overview of USPAP

Sections of USPAP Relevant to Trainee Appraisers Including Ethics Rule, Competency Rule, Scope of Work Rule, Record Keeping Rule, Standard 1 and Standard 2

Requirements, Expectations and Responsibilities of the Sponsor Appraiser

	Location	Included	Not Included
Sponsor Appraiser is to Provide the Trainee Appraiser with a Basic Understanding of USPAP Requirements	_____	<input type="checkbox"/>	<input type="checkbox"/>
Sponsor Appraiser is to Understand the AQB Minimum Requirements of Both the Sponsor Appraiser and the Appraiser Trainee as well as the Requirements of the Credentialing Jurisdiction that may Exceed Those of the Criteria	_____	<input type="checkbox"/>	<input type="checkbox"/>
Sponsor Appraiser is to Provide Proper Guidance to the Trainee Appraiser When He or She Selects a Specific Credentialing Path	_____	<input type="checkbox"/>	<input type="checkbox"/>
Sponsor Appraiser is to Monitor the Trainee Appraiser's Progress in Satisfying Both the Education and Experience Requirements Necessary to Achieve His or Her Selected Credentialing Path	_____	<input type="checkbox"/>	<input type="checkbox"/>
Sponsor Appraiser is to Verify that the Sponsor Appraiser and Trainee Appraiser are Properly Documenting All Appropriate Experience Logs	_____	<input type="checkbox"/>	<input type="checkbox"/>
Sponsor Appraiser is to Accompany the Trainee Appraiser on All Inspections Until the Trainee Appraiser is Competent to Conduct Inspections Independently, and Has Met All Specific Requirements Pertaining to Property Inspection Established by the Credentialing Jurisdiction	_____	<input type="checkbox"/>	<input type="checkbox"/>
Sponsor Appraiser is to Monitor and Provide Assignments and Duties to Ensure that the Trainee Appraiser is Developing an Understanding and Progression of Knowledge and Experience of All Applicable Valuation Methodologies and Approaches to Value	_____	<input type="checkbox"/>	<input type="checkbox"/>
Sponsor Appraiser is to Verify that the Trainee Appraiser is Properly Identified and Acknowledged in the Appraisal Report and in Compliance with USPAP	_____	<input type="checkbox"/>	<input type="checkbox"/>
Sponsor Appraiser is to Immediately Notify the Trainee Appraiser if the Sponsor Appraiser is No Longer Qualified to Supervise and/or Sign the Trainee Appraiser's	_____	<input type="checkbox"/>	<input type="checkbox"/>
Trainee Appraiser Expectations and Responsibilities			
Trainee Appraiser is to Have a Basic Understanding of the AQB Minimum Requirements to Become a Trainee Appraiser as well as the Requirements of the Credentialing Jurisdiction that may Exceed Those of the Criteria	_____	<input type="checkbox"/>	<input type="checkbox"/>
Trainee Appraiser is to Have an Understanding that the Sponsor Appraiser - Appraiser Trainee Relationship is a Long-Term Commitment by Both Parties	_____	<input type="checkbox"/>	<input type="checkbox"/>
Trainee Appraiser is Inherently Connected to the "Good Standing" of the Sponsor Appraiser	_____	<input type="checkbox"/>	<input type="checkbox"/>
The Selection of a Sponsor Appraiser Should Reflect the Experience and Competency that Best Reflects the Trainee Appraiser's Credentialing Path	_____	<input type="checkbox"/>	<input type="checkbox"/>
Options for the Trainee Appraiser if a Sponsor Appraiser is No Longer Qualified to Serve as a Sponsor Appraiser	_____	<input type="checkbox"/>	<input type="checkbox"/>
Trainee Appraiser is to Have an Understanding of How to Determine if an Appraiser is Qualified and in Good Standing to be a Sponsor Appraiser by Searching the ASC National Registry and/or Jurisdictional Websites	_____	<input type="checkbox"/>	<input type="checkbox"/>
Trainee Appraiser is to Understand that it is the Sponsor Appraiser's Responsibility to Monitor the Progression of the Trainee Appraiser's Education and Experience Necessary to Achieve the Trainee Appraiser's Selected Credentialing Path	_____	<input type="checkbox"/>	<input type="checkbox"/>

Trainee Appraiser is to Understand that it is the Sponsor Appraiser's Responsibility to Provide Assignments and Duties that Ensure that the Trainee Appraiser is Developing an Understanding and Progression of Knowledge and Experience of All Applicable Valuation Methodologies and Approaches to Value

Location

Included Not Included

Trainee Appraiser is to Understand the Responsibility of Both the Trainee Appraiser and the Sponsor Appraiser in Properly Documenting All Appropriate Trainee Appraiser Experience Logs

Trainee Appraiser is to Understand that the Sponsor Appraiser Must Accompany the Trainee Appraiser on All Inspections Until He or She is Competent to Conduct Inspections Independently and has Met All Requirements Pertaining to Property Inspection Established by the Credentialing Jurisdiction

Part 2 - Texas Component

Regulatory Structure of Texas Appraiser Licensing and Certification Board

Review of TALCB Organizational Chart

Role of the Board and Introduction to Board Members

Role of the TALCB in Issuing Appraiser Credentials and Disciplining Appraisers

Qualifications to Become Licensed or Certified by TALCB

TALCB Credentialing Requirements Do Not Exceed those Set Forth by the AQB

Texas Application and Approval Process

Overview of Texas Statute and Rules

Chapter 1103 of the Texas Occupations Code

Overview of Sections 153, 155 and 157 of the Rules of the Texas Appraiser Licensing and Certification Board

Board Rules that Exceed USPAP Requirements (Identify Sections Where Board Rules Differ from USPAP)

Review Rule §153.24 Complaint Processing

Expectations and Responsibilities of the Sponsor Appraiser and Trainee Appraiser

§153.21, Rule Relating to Trainee Appraisers and Sponsors; §153.15, Rule Relating to Experience Requirement, Experience Log and Affidavit

§153.17(c), Rule Relating to Trainee Appraiser Renewal

§153.20(a)(26), Rule Relating to the Obligation of the Sponsor Appraiser to Approve, Sign and Deliver the Appraisal Experience Log and Affidavit to the Trainee Appraiser

Scope of Practice for the Sponsor Appraiser and the Trainee Appraiser

Practicum on Filling Out Experience Logs

Other Relevant Topics

Upcoming, Proposed or Recent Legislative Changes

Location

Included

Not Included

Upcoming, Proposed or Recent Rule Changes

Recent or Recurring Enforcement Issues

FAQ's

What Qualifies as Experience?

What Needs to be in the Work File?

When Should a Sponsor Appraiser Sign the Trainee Appraiser Experience Log?

How Important is an Audit Deadline?

What is the Affidavit?

What is an Investigator for TALCB?

What is an AMC?

Part 3 - Required Elements

Attached

Table of Contents

Course Introduction & Overview

Course Materials

Quiz (10-15 Questions)

Glossary of Definitions
