

Good morning Mr. Chairman and members of the committee.

My name is Tim Moore and I am a self employed real estate appraiser doing business as Moore Appraisals Inc., located at 1275 Maple Street, Helena, MT. I am currently the chairman of the State Board of Real Estate Appraisers and am here today representing the board who, once again is in unanimous opposition to this bill.

I testified before you several weeks ago and told you at that time that we would be proposing new rules at our March 8th meeting. I have included in my handout a copy of these new proposed rules. One changes the 100 mile rule previously mentioned, to a geographic competency regulation, and the other increases the number of trainees per mentor from two to three.

I have also included a copy of a page from the Appraiser Qualification Criteria that is scheduled to take effect on January 1, 2008. Under item C you will note that the Federal Guidelines for number of trainees is a maximum of three per mentor, unless a more stringent program for monitoring is put in place. While I personally believe that three trainees is at least one to many, the Board would like to follow the guidelines, if possible. I will point out that these are simply guidelines at this point with no penalty for not following them, however to provide consistency across the county, it is encouraged.

The board feels that these rule changes will address the issues that have been brought before you in both Senate Bill #5 and this bill, SB 422. We would appreciate the opportunity to address these changes in rule, rather than the proposed statute.

At present, the rule making process is in progress with the Dept. of Labor checking the wording to make sure it is acceptable and proper, and then a public hearing will be scheduled. I believe that the time frame will work so that the Board could adopt these rules at our June meeting and that they would go into effect immediately. I don't anticipate any significant opposition to the adoption of the rules, however I can't promise that there won't be any. All we can do at this point is go through the process and hopefully adopt the rules in June.

If for whatever reason, you feel the need to continue to send a message to the Board by passing this bill, then I would request that there be some type of wording inserted that would give a deadline for these new rules to be placed into effect, and that if they were so adopted, then this bill would not go into law. If for some reason these rules were not to be adopted in a reasonable amount of time, then SB422 could go into effect and take the place of the proposed rules. The Board would have no problem with this type of arrangement, however once again stating that our preference would be to see the bill be defeated at this time. I am uncertain as to why there is such a mistrust of our Board, as we have never done anything underhanded or deceitful, that I know of. I understand that there is a perception that we have been protectionist of our profession, however in my view we have done our best to protect the public and improve the professionalism of our appraisers. I appreciate the opportunity to bring you this information and request your assistance in bring this matter to a conclusion, whatever that may be.

Thank you for your time.

Tim J. Moore, IFAS
Chairman - Montana Board of Real Estate Appraisers

24.207.517 TRAINEE REQUIREMENTS

10) A trainee shall perform qualifying experience within Montana .

Deleted: and within a 100 mile radius of the mentor's business address for residential appraisals. A trainee is not geographically limited for non-residential assignments in Montana

24.207.518 MENTOR REQUIREMENTS

(i) be limited to mentoring a total of three trainees at any particular time.

Deleted: two

(j) be limited to mentoring trainees in geographic areas where the mentor is competent to perform appraisals.

TRAINEE REAL PROPERTY APPRAISER CLASSIFICATION

Please consult the **CRITERIA APPLICABLE TO ALL APPRAISER CLASSIFICATIONS** for additional requirements.

I. General

A. The scope of practice for the Appraiser Trainee Classification is the appraisal of those properties which the supervising Certified appraiser is permitted by his/her current credential and that the supervising appraiser is qualified to appraise.

B. The Appraiser Trainee shall be entitled to obtain copies of appraisal reports he/she prepared. The supervising appraiser shall keep copies of appraisal reports for a period of five years, or at least two years after final disposition of any judicial proceedings in which the appraiser provided testimony related to the assignment, whichever period expires last.

C. All Appraiser Trainees must comply with the COMPETENCY RULE of USPAP.

II. Examination: There is no examination requirement for the Appraiser Trainee Classification, but the trainee shall pass examinations in the prerequisite courses in order to earn credit for core education courses.

III. Qualifying Education: As the prerequisite for application, an applicant must have completed 75 creditable class hours as specified in the required Core Curriculum Appendix. Additionally, applicants must pass the Core Curriculum examinations and pass the 15-Hour National USPAP Course and examination.

IV. Experience: No experience is required as a prerequisite for the Appraiser Trainee Classification.

V. Training

A. The Appraiser Trainee shall be subject to direct supervision by a supervising appraiser in good standing, who shall be state certified.

B. The supervising appraiser shall be responsible for the training, guidance, and direct supervision of the Appraiser Trainee by:

1. Accepting responsibility for the appraisal report by signing and certifying the report complies with USPAP;

2. Reviewing and signing the Appraiser Trainee appraisal report(s); and
3. Personally inspecting each appraised property with the Appraiser Trainee until the supervising appraiser determines the Appraiser Trainee is competent, in accordance with the COMPETENCY RULE of USPAP for the property type.

C. The Appraiser Trainee is permitted to have more than one supervising appraiser, but a supervising appraiser may not supervise more than three trainees, at one time, unless a state program in the licensing jurisdiction provides for progress monitoring, supervising certified appraiser qualifications, and supervision and oversight requirements for supervising appraisers.

D. An appraisal log shall be maintained by the Appraiser Trainee and the supervising appraiser jointly. At a minimum, the appraisal log requirements are:

1. Type of property;
2. Date of report;
3. Address of appraised property;
4. Description of work performed by the trainee and scope of the review and supervision of the supervising appraiser;
5. Number of actual work hours by the trainee on the assignment; and
6. The signature and state certification number of the supervising appraiser.

Separate appraisal logs shall be maintained for each supervising appraiser if applicable.

E. The supervising certified appraiser shall be in good standing in the training jurisdiction and not subject to any disciplinary action within the last two years that affects the supervisor's legal eligibility to engage in appraisal practice.