

BEFORE THE BOARD OF REAL ESTATE APPRAISERS
DEPARTMENT OF LABOR AND INDUSTRY
STATE OF MONTANA

In the matter of the amendment of) NOTICE OF AMENDMENT
ARM 24.207.504 pertaining to)
qualifying and continuing education)
requirements)

TO: All Concerned Persons

1. On January 12, 2018, the Board of Real Estate Appraisers (board) published MAR Notice No. 24-207-41 regarding the proposed amendment of the above-stated rule, at page 56 of the 2018 Montana Administrative Register, Issue No. 1.

2. The board has thoroughly considered the comments received. A summary of the comments and the board responses are as follows:

COMMENT 1: Numerous commenters opposed amending ARM 24.207.504 to allow applicants to obtain 100% of qualifying education through online courses instead of limiting it to 50%. The commenters questioned if sufficient data exists to support the board's conclusion that the current rule acts as a barrier to entry to practice. The commenters argued that in-person courses are invaluable in helping candidates develop personal relationships with other candidates and allow for sharing ideas and data, especially because Montana is a "non-disclosure" state (i.e., sales prices are not part of the public record). The commenters stated that the personal relationships and connections obtained through in-person education improve the public's trust in Montana licensed real estate appraisers.

RESPONSE 1: The board does not dispute the value of networking among real estate appraiser professionals and notes that the amendment will not prohibit candidates from choosing to attend face-to-face educational opportunities. However, the board rejects the idea that networking at qualifying education events is a viable method to obtain sales price data. To obtain accurate information, real estate appraisers in Montana subscribe to the Multiple Listing Service or similar services that collect sales prices.

While candidates may have previously been content to travel out of state for education, trainees have recently requested the board waive the in-person education component and allow all education to be taken online. These requests, coupled with information that there are few or no qualifying in-person education courses offered in Montana, demonstrated sufficient evidence of a barrier to practice. This amendment will also spare trainees the extra time and expense for travel, lodging, and meals to obtain qualifying education outside of Montana.

The board recognizes there is a shortage of real estate appraisers in the state of Montana. Further, in-person, face-to-face training is not a requirement of the Appraisal Qualifications Board of the Appraisal Foundation. Lacking evidence that

in-person education is superior to online education, the board rejects the conclusion that in-person training is "better."

The mission of the board is to set and enforce minimum qualifications for licensure. The qualifying education component and necessary hours of experience are required as a prerequisite to taking an examination. If a candidate is successful in passing the examination, the license applicant has demonstrated the necessary minimum qualifications for licensure.

COMMENT 2: One commenter supported the amendment, stating that allowing all qualification education to be obtained online is reasonable and will help maintain adequate numbers of qualified appraisers.

RESPONSE 2: The board appreciates all comments received in the rulemaking process.

3. The board has amended ARM 24.207.504 exactly as proposed.

BOARD OF REAL ESTATE APPRAISERS
THOMAS STEVENS, CERTIFIED
GENERAL APPRAISER
PRESIDING OFFICER

/s/ DARCEE L. MOE
Darcee L. Moe
Rule Reviewer

/s/ GALEN HOLLENBAUGH
Galen Hollenbaugh, Commissioner
DEPARTMENT OF LABOR AND INDUSTRY

Certified to the Secretary of State April 3, 2018.