RULES
OF
TENNESSEE REAL ESTATE APPRAISER COMMISSION
CHAPTER 1255-02
EVALUATION OF APPRAISER EDUCATION

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1255-02-.01 EDUCATIONAL LOGGING.
Each applicant for a license or certificate will be required to prepare an educational log.

(1) The educational log shall provide the following information:
   (a) Date of course
   (b) Name of course
   (c) Content of course
   (d) Provider
   (e) Total classroom hours
   (f) Location of course

(2) An applicant may be required to provide additional information on education if deemed necessary by the Commission.


1255-02-.02 REPEATED COURSES.

(1) If a course has been taken more than once the hourly educational credit for that course will be only be counted once for purpose of satisfying the educational requirements for appraiser licensure or certification.

(2) If a course is repeated, credit will only be granted for that course with the larger number of classroom hours.

(3) If the course were taken for the same number of hours, the number of hours in either course will be credited toward the educational requirement.
1255-02-.03 COURSE PROVIDER APPLICATIONS.

(1) All applicants shall obtain qualifying education credit by successfully completing courses that are approved by the Commission. The Commission shall approve qualifying education courses and course providers based on the qualifications of the providers and the content of the courses. The Commission shall consider the following providers for approval:

(a) colleges or universities
(b) community or junior colleges
(c) real estate appraisal or real estate related organizations
(d) state or federal agencies or commissions
(e) proprietary schools
(f) other providers approved by the Commission.
(g) The Appraisal Foundation or its Boards.

(2) The Commission may approve any qualifying education courses:

(a) individually; or

(b) as a group if multiple courses are being reviewed from the same provider.

(3) Anyone seeking approval as a real estate appraisal course provider, and any real estate appraisal course provider seeking approval of a course or courses, shall submit the following with an application provided by the Commission:

(a) a resume outlining the education and experience of the instructor(s) of such course(s);
(b) a detailed description of the content of each course and the appropriate module(s) for education credit;
(c) the projected schedule for the teaching of such course(s);
(d) notwithstanding approval prior to July 1, 1991, all providers seeking approval of courses shall submit course outlines to the Commission for approval of each course; and
(e) such other information as the Commission may reasonably request.
1255-02-.04 COURSE GUIDELINES.

(1) The following definitions are provided for the terms qualifying education, continuing education, distance education, and interaction.

(a) “Qualifying education” means education that is creditable toward the education requirements for trainee registration or initial licensure or certification under one (1) or more of the three (3) real estate appraiser classifications (Licensed Real Estate Appraiser, Certified Residential Real Estate Appraiser, and Certified General Real Estate Appraiser).

(b) “Continuing education” means education that is creditable toward the education requirements that must be satisfied to renew registration as a trainee or licensure or certification as a Licensed Real Estate Appraiser, Certified Residential Real Estate Appraiser, and Certified General Real Estate Appraiser.

(c) “Distance Education” means the educational process in which instruction does not take place in a traditional classroom setting but rather through other media or nonconventional methods in which teacher and student are separated by distance and sometimes by time and the course provides interaction.

(d) “Interaction” means a reciprocal environment where the student has verbal or written communication with the instructor.

(2) An applicant to be a course provider shall demonstrate to the satisfaction of the Commission that each traditional classroom based course submitted for approval shall:

(a) cover subjects which are reasonably related to the practice of real estate appraisal and suitably advanced to benefit and enrich the students enrolled;

(b) be conducted in a facility that meets the requirements of the Americans with Disabilities Act and contains adequate space, seating, and equipment;

(c) consist of no fewer than two (2) classroom hours for continuing education and fifteen (15) hours with an examination for licensure/certification requirements; and

(d) incorporate appropriate methods for determining whether a student has successfully completed such course. Such methods shall include, but not be limited to:

1. provisions to make up for classes or hours missed by a student; and

2. for qualifying education and the fifteen (15) hour course in the Uniform Standards of Professional Appraisal Practice, a minimum passing requirement of seventy percent (70%) and a comprehensive final examination (or equivalent measure of achievement).

(3) Internet Education/Distance Education for Continuing Education.

(a) Courses given for continuing education via internet or distance education shall make up no more than fifty percent (50%) of the total requirement for education each cycle and may be acceptable to meet the requirements of continuing education if:

1. The course provides interaction.

2. Content approval is obtained from the AQB, a state licensing jurisdiction, or an accredited college, community college, or university that offers distance
education programs and is approved or accredited by the Commission on Colleges, a regional or national accreditation association, or by an accrediting agency that is recognized by the U.S. Secretary of Education. Non-academic credit college courses provided by a college shall be approved by the AQB or the state licensing jurisdiction.

3. Course delivery mechanism approval is obtained from one of the following sources:

(i) AQB approved organizations providing approval of course design and delivery;

(ii) a college that qualifies for content approval in part (2) above that awards academic credit for the distance education course; or

(iii) qualifying college for content approval with a distance education delivery program that approves the course design and delivery that incorporate interactivity.

(4) Continuing educational requirements may be satisfied through the completion of Commission approved distance educational offerings.

(a) Persons or entities seeking Commission approval for a distance educational offering shall submit an outline and description of the entire course and provide documentation which demonstrates the course complies with the following criteria:

1. The educational offering is either:

   (i) presented by an approved or accredited college, community or junior college, or university that offers distance educational programs and credit in other disciplines; or

   (ii) The educational offering is presented by a proprietary school that has been approved by the Tennessee Real Estate Appraiser Commission and the course design and delivery mechanism has been approved by the International Distance Education Certification Center (ID ECC) and the Appraisal Qualifications Board.

2. That the course teaches to the mastery of the subject and at a minimum meets the following criteria:

   (i) Divides the material into major units as approved by the board;

   (ii) Divides each of the major units of content into modules of instruction for delivery on a computer or other approved interactive audio or audio visual programs;

   (iii) Divides the learning objectives for each module of instructions;

   (iv) Specifies an objective, quantitative criterion for mastery used for each learning objective;

   (v) Provides a means of diagnostic assessment of each student’s performance on an ongoing basis during each module of instruction;
(Rule 1255-02-.04, continued)

(vi) Requires the student to demonstrate mastery of all material covered by the learning objectives for the module before the module is completed;

(vii) That the course offering is designed in such a way that the material is presented under an approved instructor who shall be available to answer student questions or provide assistance on a timely basis as necessary;

(viii) The instructor will provide reasonable oversight of a student’s work to ensure that the student who completes the work is the student who enrolled in the course; and

(ix) The course provider must provide documentation of an acceptable method that ensures that the student achieves the classroom hourly equivalent as approved by the Commission. Any form of delivery that provides the student the opportunity to circumvent instructional design strategies that require them to read the material and spend the appropriate amount of time in the course will not be approved.

(5) Approval by the Commission of any continuing or qualification education course shall be valid for a period of two (2) years. However, notwithstanding previous approval by the Commission, any course that has had a substantive change in course content shall be considered a new course and shall be approved by the Commission prior to presenting.

(a) Approval of any continuing or qualifying education course may be extended by the Commission for an additional two years upon written request by the provider.

(b) Failure to timely request an extension prior to the expiration of the Commission’s approval shall result in automatic termination of the educational offering’s approval status.

(6) The Commission may, at any time, audit any offering that has been approved for qualifying or continuing education by the Commission to ensure compliance with all requirements of the laws and rules governing such education. Any provider of continuing or qualifying education shall provide any requested documentation regarding a continuing or qualifying education course within ten (10) days of a request by the Commission.

(7) Each hour of course instruction shall consist of fifty (50) minutes of actual instruction for every sixty (60) minute segment.

(8) The courses listed in rules 1255-2-.05 and 1255-2-.06 are additions to those outlined in other paragraphs and those lists of courses supplement those courses identified in other rules.


1255-02-.05 **COURSE CONTENT GUIDELINES--QUALIFYING EDUCATION.**

(1) Acceptable Courses. An applicant applying for licensure as a state licensed real estate appraiser or for certification as a state certified residential or state certified general real estate appraiser shall meet his or her respective qualifying education requirements outlined in rules 1255-1-.05, 1255-1-.07 and 1255-1-.08 by successfully completing courses in the following areas:
(a) Courses on basic real estate appraisal principles, which include, but are not limited to the following course topics:

1. real property concepts and characteristics:
   (i) basic real property concepts
   (ii) real property characteristics
   (iii) legal description

2. legal considerations in real estate appraisal:
   (i) forms of ownership
   (ii) public and private controls
   (iii) real estate contracts
   (iv) leases

3. influences on real estate values:
   (i) governmental
   (ii) economic
   (iii) social
   (iv) environmental, geographic and physical

4. economic principles:
   (i) classic economic principles
   (ii) application and illustrations of the economic principles

5. overview of real estate markets and analysis:
   (i) market fundamentals, characteristics, and definitions
   (ii) supply analysis
   (iii) demand analysis
   (iv) use of market analysis

6. ethics and how they apply in appraisal theory and practice

(b) Courses on basic real estate appraisal practices/procedures, which include, but are not limited to the following course topics:

1. overview of approaches to value
2. valuation procedures:
   (i) defining the problem
   (ii) collecting and selecting data
   (iii) analyzing
   (iv) reconciling and final value opinion
   (v) communicating the appraisal

3. property description:
   (i) geographic characteristics of the land/site
   (ii) geologic characteristics of the land/site
   (iii) location and neighborhood characteristics
   (iv) land/site considerations for highest and best use
   (v) improvements – architectural styles and types of construction

4. residential applications
   (c) Courses on residential market analysis and highest and best use, which include but are not limited to the following course topics:

1. residential markets and analysis:
   (i) market fundamentals, characteristics, and definitions
   (ii) supply analysis
   (iii) demand analysis
   (iv) use of market analysis

2. highest and best use:
   (i) test constraints
   (ii) application of highest and best use
   (iii) special considerations
   (iv) market analysis
   (v) case studies

(d) Courses on residential appraiser site valuation and cost approach, which include, but are not limited to the following course topics:
1. site valuation:
   (i) methods
   (ii) case studies

2. cost approach:
   (i) concepts and definitions
   (ii) replacement/reproduction cost new
   (iii) accrued depreciation
   (iv) methods of estimating accrued depreciation
   (v) case studies

(e) Courses on residential sales comparison and income approaches, which include, but are not limited to the following course topics:

1. valuation principles and procedures – sales comparison approach
2. valuation principles and procedures – income approach
3. finance and cash equivalency
4. financial calculator introduction
5. identification, derivation and measurement of adjustments
6. gross rent multipliers
7. partial interests
8. reconciliation
9. case studies and applications

(f) Courses on residential report writing and case studies, which include, but are not limited to the following course topics:

1. writing and reasoning skills
2. common writing problems
3. form reports
4. report options and USPAP compliance

(g) Courses on statistics modeling and finance, which include, but are not limited to the following course topics:

1. statistics
2. valuation models (AVM’s and mass appraisal)
3. real estate finance

(h) Courses on advanced residential applications and case studies, which include, but are not limited to the following course topics:
1. complex property, ownership and market conditions
2. deriving and supporting adjustments
3. residential market analysis
4. advanced case studies

(i) Courses on general appraiser market analysis and highest and best use, which include, but are not limited to the following course topics:
1. real estate markets and analysis:
   (i) market fundamentals, characteristics and definitions
   (ii) supply analysis
   (iii) demand analysis
   (iv) use of market analysis
2. highest and best use:
   (i) test constraints
   (ii) application of highest and best use
   (iii) special considerations
   (iv) market analysis
   (v) case studies

(j) Courses on general appraiser sales comparison approaches, which include, but are not limited to the following course topics:
1. value principles
2. procedure
3. identification and measurement of adjustments
4. reconciliation
5. case studies

(k) Courses on general appraiser site valuation and cost approach, which include, but are not limited to the following course topics:
1. site valuation:
   (i) methods
   (ii) case studies

2. cost approach:
   (i) concepts and definitions
   (ii) replacement/reproduction cost new
   (iii) accrued depreciation
   (iv) methods of estimating accrued depreciation
   (v) case studies

(l) Courses on general appraiser income approach, which include, but are not limited to the following course topics:
   1. overview
   2. compound interest
   3. lease analysis
   4. vacancy and collection loss
   5. estimating operating expenses and reserves
   6. reconstructed income and expense statement
   7. tabilized net operating income estimate
   8. direct capitalization
   9. discounted cash flow
   10. yield capitalization
   11. partial interests
   12. case studies

(m) Courses on general appraiser report writing and case studies, which include, but are not limited to the following course topics:
   1. writing and reasoning skills
   2. common writing problems
   3. report options and USPAP compliance
4. case studies

(n) The fifteen (15) hour National USPAP course or its equivalent, which includes, but is not limited to the following course topics:

1. Preamble and Ethics Rules
2. Standard 1
3. Standard 2
4. Standards 3 to 10
5. Statements and Advisory Opinions

(2) If appropriate, the Commission may grant partial credit for courses that cover one (1) or more modules.

(3) Unacceptable Courses. Examples of some courses that are not eligible for approval of qualifying education, but could be acceptable for continuing education are listed below. The following list does not represent all of the courses which are not acceptable for qualifying education:

(a) Courses which focus all or a majority of their instruction on only one (1) comparatively narrow aspect of real estate appraising and which examine that one (1) aspect in depth. Examples are:

1. estimating building costs
2. estimating accrued depreciation
3. cash equivalency
4. use of financial calculators in appraising
5. subdivision analysis
6. valuation of partial interests

(b) Courses which focus primarily on advanced concepts/methods, a specialized aspect of real estate appraising, or appraising one specific type of property. Example of these types of courses are those which focus primarily on the following topics:

1. real estate investment analysis
2. feasibility analysis
3. condemnation appraising/right of way appraising
4. review appraising
5. mass appraisal
6. litigation/testifying as an expert witness
(Rule 1255-02-.05, continued)

7. appraising condominiums
8. appraising manufactured housing
9. appraising office buildings
10. appraising farms
11. appraising land
12. appraising machinery and equipment

(c) Courses intended specifically to prepare students for a real estate appraisal licensure/certification examination.

(4) Qualifications of Instructors for Qualifying Education.

(a) At least one of the course instructors for the National Uniform Standards of Professional Appraisal Practice Course shall be an Appraiser Qualifications Board Certified instructor who is also a state certified residential real estate appraiser or state certified general real estate appraiser.

(b) The instructor shall not have been disciplined by any licensing or certifying body in any manner. For purposes of this rule “disciplined” means any order containing a finding of improper conduct by the instructor. An instructor may make a written request to the Commission to have this restriction waived. The Commission shall consider the request and the Commission may grant or deny the request based on the discretion of the Commission.

(c) An instructor must satisfy at least one (1) of the following qualification requirements in order to be approved by the Commission:

1. a baccalaureate degree in any field and three (3) years of experience directly related to the subject matter taught,
2. a master's degree in any field and one (1) year of experience directly related to the subject matter taught,
3. a masters or higher degree in a field that is directly related to the subject matter taught,
4. five (5) years of real estate appraisal teaching experience directly related to the subject matter taught, or
5. seven (7) years of real estate appraisal experience directly related to the subject matter taught.

6. Except for the seven (7) hour and fifteen (15) hour National Uniform Standards of Professional Appraisal Practice Courses, the instructor must have authored, developed or taken the course or its equivalent prior to teaching and shall provide the Commission with evidence thereof. For the purposes of the seven (7) hour and the fifteen (15) hour National Uniform Standards of Professional Appraisal Practice Courses, the instructor must be certified by the Appraiser Qualifications Board and be a state certified real estate appraiser.
1255-02-.06 COURSE CONTENT GUIDELINES - CONTINUING EDUCATION

(1) The course must involve a minimum of two (2) classroom hours of instruction on acceptable real estate appraisal or related topics.

(2) The course must contribute to the goal of maintaining or increasing the knowledge, skill and competence of real estate appraisers with regard to the performance of real estate appraisals in a manner that best serves the public interest. Courses are not acceptable if they would contribute only generally to the appraiser's knowledge of the business field, rather than specifically to operating an appraisal business.

(3) Courses that satisfy the qualification education course content are acceptable as continuing education. The Uniform Standards of Professional Appraisal Practice (USPAP) course may be approved as both qualifying education and repeated for continuing education credit.

(4) These guidelines provide examples of topics that are considered to be either acceptable or unacceptable. These lists are not all-inclusive and are included for illustrative purposes to assist education providers in understanding the course content requirements under this program.

(a) Acceptable real estate appraisal topics include, but are not limited to, the following:

1. ad valorem taxation
2. appraisal arbitration, dispute resolution
3. courses related to the practice of real estate appraisal or consulting
4. development cost estimating
5. ethics and standards of professional practice, USPAP
6. land use planning, zoning
7. management, leasing, timesharing
8. property development, partial interests
9. real estate law, easements, and legal interests
10. real estate litigation, damages, condemnation
11. real estate financing and investment
12. real estate appraisal related computer applications
13. real estate securities and syndication

(b) Unacceptable real estate topics include the following:
1. real estate fundamentals
2. real estate sales (and related topics)
3. real estate license law
4. agency law
5. business topics:
   (i) advertising/marketing
   (ii) bookkeeping
   (iii) business administration
   (iv) business law
   (v) computer principles/programming systems
   (vi) office management/systems
   (vii) personnel management
   (viii) principles of management
   (ix) typing/word processing
6. personal development topics:
   (i) communications (oral or written)
   (ii) interpersonal communications
   (iii) memory improvement
   (iv) public speaking
   (v) speed reading
   (vi) stress management
   (vii) time management
7. other topics:
   (i) appraiser examination preparation

(5) Qualifications of Instructors for Continuing Education.
   (a) The course owner/affiliated entity must have a written policy regarding instructor qualifications that requires the use of instructors who satisfy at least one of the following qualification requirements at a minimum:
1. The instructor must not have been disciplined by any licensing or certifying body in any manner. For purposes of this rule “disciplined” shall be defined as any letter, order or any other document or hearing which resulted in a finding of improper conduct by the instructor. An instructor may make written request to have this requirement waived. The Commission shall consider these requests on an individual basis. However, nothing in this rule shall create the right to a contested case hearing as defined by the Administrative Procedures Act.

2. Instructors must either:
   (i) possess three (3) years of experience directly related to the subject matter to be taught; or
   (ii) possess a baccalaureate or higher degree in a field directly related to the subject matter to be taught; or
   (iii) possess three (3) years of experience teaching the subject matter to be taught.
   (iv) a combination of education and experience equivalent to (i), (ii), or (iii) above.


1255-02-.07 RECORDS.

The provider of any course(s) approved by the Commission shall maintain accurate and permanent records on all students enrolled in such course(s). The records shall include all information and ratings considered in determining whether students successfully complete such course(s). Such records shall be made available upon request to the Commission or its authorized representative.


1255-02-.08 INSPECTIONS.

By applying for the Commission’s approval of any course in real estate appraisal, the provider applicant agrees to permit periodic inspections and monitoring by the Commission or its authorized representative for the purpose of evaluating facilities, course content, instructor performance, or any other relevant aspect of the administration and conduct of such course. The provider applicant also agrees to provide the Commission, on a quarterly basis, with a list of all scheduled courses for the quarter, including the time, date and location of such courses, in order to facilitate such inspection.

(Rule 1255-2-.09, continued)
Any material change in any information furnished in connection with any application for approval of a course (including, but not limited to, information concerning course content, instructors, and facilities) shall be submitted to and approved by the Commission before taking effect.


### 1255-02-.10 WITHDRAWAL OF APPROVAL.

1. Approval of any course(s) may be withdrawn by the Commission if:
   
   a. The conduct of a provider, an instructor, or any other school representative in either the establishment or conduct of a course violates, or fails to meet the requirements of, the provisions of this chapter or other applicable law;
   
   b. the information contained in the application for approval is materially inaccurate or misleading;
   
   c. the provider, an instructor, or any other school representative disseminates false or misleading information concerning any course;
   
   d. the provider, an instructor, or any other school representative possesses, claims to possess, reveals, or distributes any questions utilized in examinations given by the Commission; or
   
   e. the performance of the instructor is so deficient as to impair significantly the value of a course; provided, however, that the instructor shall receive adequate notice of the discovered deficiency and opportunity to demonstrate satisfactory correction thereof.


### 1255-02-.11 PROMOTIONAL MATERIAL.

Material used for advertising or promoting any course must not be misleading. Any statements or claims made in such materials must be factually supported. The use of misleading materials for advertising or promoting any course constitutes grounds for withdrawal of approval of the course.


### 1255-02-.12 REPETITION OF COURSE CONTENT.

1. The Commission will not award credit for completion of required qualifying real estate appraisal education if the content of any course for which credit is claimed duplicates or repeats the content of a course for which credit has been previously received.

2. A license or certificate holder may obtain continuing education credit for any course taken more than once if the course has undergone a significant update or if the license or certificate holder has not taken the course within the previous five (5) years. This paragraph does not apply to courses in the Uniform Standards of Professional Appraisal Practice.
(Rule 1255-2-.12, continued)

(3) In general, an applicant for trainee registration, licensure, certification or renewal thereof may not claim credit for the same course as both qualifying and continuing education during the same renewal period; however, an applicant for upgrade may claim as qualifying education a course the applicant has taken for continuing education, but only if the applicant successfully completed the course examination.


1255-02-.13 FEES.

(1) The required fee from a course provider for approval of courses fifteen (15) hours or longer shall be two hundred dollars ($200.00) for each course. Once the application has been filed and processed, the application fee may not be refunded.

(2) The required fee from a course provider for approval of courses less than fifteen (15) hours shall be one hundred dollars ($100.00) for each course. Once the application has been filed and processed, the application fee may not be refunded.

(3) Course approval shall be valid for a two year (2)-year period from the date of approval and shall be renewed biennially thereafter.

(a) The provider of an approved course who wishes to renew such approval shall submit an application, on a form approved by the Commission, along with a renewal fee of two hundred dollars ($200.00) for each course fifteen (15) hours and over or one hundred dollars ($100.00) for each course less than fifteen (15) hours, within thirty (30) days prior to the approval’s expiration.

(b) In order to renew course approval and in addition to the payment of the appropriate fee, the provider shall also submit with the application a notarized statement certifying that the provider has not significantly changed the content of the course since its original approval.

(c) If a provider fails to renew course approval within thirty (30) days or the approval’s expiration date, the provider may, upon payment of a fifty dollar ($50.00) penalty, apply for a late renewal. No late renewals or course approval will be granted if over six (6) months have passed since expiration.

(4) The Commission will not require a fee from state supported universities, colleges and junior colleges which provide courses for qualifying or continuing education.


1255-02-.14 INDIVIDUAL REVIEW.

A license or certificate holder can apply on an individual basis for continuing education credit for a course or courses provided by the same provider which is not approved by the Commission. To be considered for credit, the proper form must be received along with a fee of twenty-five dollars ($25.00).