



STATE OF MICHIGAN
JOCELYN BENSON, SECRETARY OF STATE
DEPARTMENT OF STATE
LANSING

April 27, 2023

NOTICE OF FILING

ADMINISTRATIVE RULES

To: Secretary of the Senate
Clerk of the House of Representatives
Joint Committee on Administrative Rules
Michigan Office of Administrative Hearings and Rules (Administrative Rule #21-052-LR)
Legislative Service Bureau (Secretary of State Filing #23-04-15)
Department of Licensing and Regulatory Affairs

In accordance with the requirements of Section 46 of Act No. 306 of the Public Acts of 1969, being MCL 24.246, and paragraph 16 of Executive Order 1995-6, this is to advise you that the Michigan Office of Administrative Hearings and Rules filed Administrative Rule #2021-052-LR (Secretary of State Filing #23-04-15) on this date at 11:25 A.M. for the Department of Licensing and Regulatory Affairs entitled, "Real Estate Appraisers – General Rules".

These rules take effect immediately upon filing with the secretary of state unless adopted under section 33, 44 or 45a(9) of the administrative procedures act of 1969, 1969 PA 306, MCL 24.233, 24.244, or 24.245a. Rules adopted under these sections become effective 7 days after filing with the secretary of state.

Sincerely,

Jocelyn Benson
Secretary of State

Lashana Threlkeld, Departmental Supervisor
Office of the Great Seal

Enclosure



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
LANSING
MICHIGAN OFFICE OF ADMINISTRATIVE HEARINGS AND RULES
SUZANNE SONNEBORN
EXECUTIVE DIRECTOR

ORLENE HAWKS
DIRECTOR

April 27, 2023

The Honorable Jocelyn Benson
Secretary of State
Office of the Great Seal
Richard H. Austin Building – 1st Floor
430 W. Allegan
Lansing, MI 48909

Dear Secretary Benson:

Re: Administrative Rules – Michigan Office of Administrative Hearings and Rules
Administrative Rules #: 2021-52 LR

The Michigan Office of Administrative Hearings and Rules received administrative rules, dated May 16, 2022 for the Department of Licensing & Regulatory Affairs “**Real Estate Appraisers - General Rules**”. We are transmitting these rules to you pursuant to the requirements of Section 46 of Act No. 306 of the Public Acts of 1969, being MCL 24.246, and paragraph 16 of Executive Order 1995-6.

Sincerely,

Michigan Office of Administrative Hearings and Rules



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
LANSING

ORLENE HAWKS
DIRECTOR

CERTIFICATE OF ADOPTION

By authority conferred on the Michigan Board of Real Estate Appraisers by Section 308 of the Occupational Code, 1980 PA 299, MCL 339.308; and on the Director of the Department of Licensing and Regulatory Affairs by Sections 202, 205, 210, 2601, 2605, and 2617 of the Occupational Code, 1980 PA 299, MCL 339.202, 339.205, 339.210, 339.2601, 339.2605, and 339.2617; and Executive Reorganization Order Nos. 1991-9, 1996-2, 2003-1, 2008-4, and 2011-4, MCL 338.3501, 445.2001, 445.2011, 445.2025, and 445.2030.

R 339.23101, R 339.23203, R 339.23303, R 339.23307, R 339.23309, R 339.23315
R 339.23317, and R 339.23321 of the Michigan Administrative Code are amended.

Date: 12/20/2022

Adopted by:

A handwritten signature in black ink, appearing to read "Orlene Hawks", written over a horizontal line.

Orlene Hawks

Director

Department of Licensing and Regulatory Affairs



STATE OF MICHIGAN

GRETCHEN WHITMER
GOVERNOR

DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS

ORLENE HAWKS
DIRECTOR

LEGAL CERTIFICATION OF RULES

I certify that I have examined the attached administrative rules, dated May 16, 2022, in which the Department of Licensing and Regulatory Affairs proposes to modify a portion of the Michigan Administrative Code entitled “**Real Estate Appraisers—General Rules**” by:

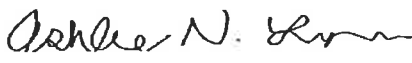
- ◆ Amending R 339.23101, R 339.23203, R 339.23303, R 339.23307, R 339.23309, R 339.23315, R 339.23317, and R 339.23321.

The Legislative Service Bureau has approved the proposed rules as to form, classification, and arrangement.

I approve the rules as to legality pursuant to the Administrative Procedures Act, MCL 24.201 *et seq.* and Executive Order No. 2019-6. In certifying the rules as to legality, I have determined that they are within the scope of the authority of the agency, do not violate constitutional rights, and are in conformity with the requirements of the Administrative Procedures Act.

Dated: January 24, 2023

Michigan Office of Administrative Hearings and Rules

By: 
Ashlee N. Lynn,
Attorney



Since 1941

Legal Division

Kevin H. Studebaker, Director

CERTIFICATE OF APPROVAL

On behalf of the Legislative Service Bureau, and as required by section 45 of the Administrative Procedures Act of 1969, 1969 PA 306, MCL 24.245, I have examined the proposed rules of the Department of Licensing and Regulatory Affairs dated May 16, 2022, amending R 339.23101, R 339.23203, R 339.23303, R 339.23307, R 339.23309, R 339.23315 R 339.23317, and R 339.23321 of the Department's rules entitled "Real Estate Appraisers – General Rules." I approve the rules as to form, classification, and arrangement.

Dated: January 25, 2023

LEGISLATIVE SERVICE BUREAU

By 

Rachel M. Hughart,
Legal Counsel

DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS

DIRECTOR'S OFFICE

REAL ESTATE APPRAISERS - GENERAL RULES

Filed with the secretary of state on April 27, 2023

These rules take effect immediately upon filing with the secretary of state unless adopted under section 33, 44, or 45a(9) of the administrative procedures act of 1969, 1969 PA 306, MCL 24.233, 24.244, or 24.245a. Rules adopted under these sections become effective 7 days after filing with the secretary of state.

(By authority conferred on the Michigan board of real estate appraisers by section 308 of the occupational code, 1980 PA 299, MCL 339.308; and on the director of the department of licensing and regulatory affairs by sections 202, 205, 210, 2601, 2605, and 2617 of the occupational code, 1980 PA 299, MCL 339.202, 339.205, 339.210, 339.2601, 339.2605, and 339.2617; and Executive Reorganization Order Nos. 1991-9, 1996-2, 2003-1, 2008-4, and 2011-4, MCL 338.3501, 445.2001, 445.2011, 445.2025, and 445.2030)

R 339.23101, R 339.23203, R 339.23303, R 339.23307, R 339.23309, R 339.23315, R 339.23317, and R 339.23321 of the Michigan Administrative Code are amended, as follows:

PART 1. GENERAL PROVISIONS

R 339.23101 Definitions.

Rule 101. (1) As used in these rules:

(a) "Board" means the Michigan board of real estate appraisers created under section 2603 of the code, MCL 339.2603.

(b) "Code" means the occupational code, 1980 PA 299, MCL 339.101 to 339.2677.

(c) "Transaction value" means either of the following:

(i) For loans or other extensions of credit, or for sales, leases, purchases, and investments, or in exchanges of real property, the market value of the real property interest involved.

(ii) For the pooling of loans or interests in real property for resale or purchase, the amount of the loan or market value of the real property calculated with respect to each loan or interest in real property.

(2) A term defined in articles 1 to 6 and 26 of the code, MCL 339.101 to 339.606 and 339.2601 to 339.2637, has the same meaning when used in these rules.

PART 2. LICENSING

R 339.23203 Appraisal experience for licensure; satisfactory evidence.

Rule 203. An applicant's experience hours must comply with 1 of the following requirements:

(a) All of the following requirements:

(i) Appraisal experience, demonstrated by copies of reports and file memoranda. The applicant shall submit a detailed log to the department that includes all of the following information:

(A) Date of each appraisal assignment.

(B) Property address.

(C) Property type.

(D) Description of work performed by the applicant.

(E) Scope of the review and level of supervision of the applicant's supervisory certified appraiser consistent with the AQB criteria, as that term is defined in section 2601(b) of the code, MCL 339.2601, and R 339.23203a.

(F) A clear indication of the time devoted to each appraisal.

(ii) Work samples that must include the signature and state certification number of the supervisory certified appraiser.

(iii) Experience in each of the following areas of the appraisal process:

(A) Defining the appraisal problem.

(B) Gathering and analyzing data.

(C) Applying all appropriate valuation approaches, including cost approach, market approach, income approach, and methodology.

(D) Arriving at an opinion of value.

(E) Reporting the opinion of value.

(iv) Documents that support the information contained in an application, an applicant's experience log, or an affidavit of work experience accepted instead of an experience log before July 1, 2013. The documents and information described in this subdivision must be maintained for not less than 6 years after the date of application.

(b) The requirements of an Appraiser Qualification Board (AQB) approved practical applications or real estate appraisal (PAREA) program. An applicant that meets the requirements of this subdivision shall submit to the department a certificate of completion from the provider of an AQB approved PAREA program.

PART 3. APPRAISER EDUCATION

R 339.23303 Education; submission of documentation by applicants for licensure.

Rule 303. (1) In submitting documentation of prelicensure education obtained before the effective date of the code or from course sponsors that are not approved under these rules, the applicant shall show that the course was designed to teach individuals to perform appraisals or to augment a basic knowledge of appraisals with general information that the instructor then relates to the performance of appraisals.

(2) General educational courses, including business, economics, statistics, or law, or general courses in real estate or real estate law are not considered equivalent to approved prelicensure education unless a relationship to appraisal is shown in the course description, syllabus, or curriculum outline to the extent that 15 or more classroom hours

are specifically related to appraisal. Classroom hours of credit must only be granted for hours that are specifically related to appraisal.

(3) An applicant's submission of documentation of prelicensure education must include all of the following information:

- (a) The date and place the course was taken.
 - (b) The name of the sponsor, the sponsor's current address, and the sponsor's telephone number if available.
 - (c) A copy of the course outline, syllabus, detailed curriculum, or similar information.
 - (d) A copy of the certificate of completion.
 - (e) The number of classroom hours spent in the course. To have the education hours approved by the department, continuing education course sponsors utilizing distance-learning systems shall have an acceptable method of ensuring that the licensee achieves an equivalent to classroom hours.
- (4) In submitting documentation of education from institutions of higher education that are approved to grant degrees that confer credit hours rather than classroom hours, 1 credit hour is equivalent to 10 classroom hours of actual instruction for term credits and 15 classroom hours of instruction for semester credits.
- (5) Documentation to support information on the application for course approval must be maintained for not less than 6 years after the date of the application.
- (6) To assist applicants, the department shall maintain a list of courses that are acceptable to the department.

R 339.23307 Conduct of courses.

Rule 307. (1) A course sponsor shall comply with all of the following requirements:

- (a) A sponsor shall not represent a course to licensees or to the public as meeting the requirements of the code and these rules until the course is approved by the department, unless the course advertises that it has been submitted for approval but has not yet been approved by the department.
- (b) A person shall not solicit for organizational membership, employment, or business-related products and services during qualifying course classroom hours.
- (c) A sponsor shall appoint an individual as coordinator for the sponsor's courses. The coordinator is responsible for supervising the program of courses and ensuring compliance with the code, these rules, and the AQB criteria. The coordinator does not need to be a licensee.
- (d) An instructor who meets the requirements of R 339.23309(3) and (4) shall teach the course.
- (e) Each student or licensee shall be provided with a written syllabus that contains, at a minimum, all of the following information:
 - (i) The course title.
 - (ii) The times and dates of the course offering.
 - (iii) The name, business address, telephone number of the course coordinator, and the name of the instructor.
 - (iv) A detailed outline of the subject matter to be covered and the estimated time to be devoted to each subject.
- (f) A course must not be credited for more than 10 classroom hours of instruction in 1 day. Calculations of classroom hours for a course must not include any of the following:

- (i) Meals.
- (ii) Breaks.
- (iii) Registration.
- (iv) Required reading.
- (v) Outside assignments.

(g) Each course must reflect the most current version of state and federal laws, regulations, and the AQB criteria.

(h) A sponsor shall allow the department to review a course at any time or to inspect the records of a course sponsor during normal business hours.

(i) A sponsor whose programs are transferred to another entity shall arrange for student or licensee records to be maintained permanently by the successor entity. The successor entity shall ensure that student or licensee records are available to students or licensees who need to verify their education.

(2) A proprietary real estate appraiser sponsor licensed under the proprietary schools act, 1943 PA 148, MCL 395.101 to 395.103, shall continuously comply with the proprietary schools act.

R 339.23309 Sponsors; duties; instructors.

Rule 309. (1) A sponsor is responsible for all of the following:

(a) Complying with all laws, rules, and the AQB criteria, relating to appraiser education, including requirements related to class hours, content, course delivery mechanism, instructors, and examinations.

(b) Providing students or licensees with current and accurate information.

(c) Maintaining an atmosphere that is conducive to learning in the classroom.

(d) Ensuring and certifying the attendance of students or licensees who are enrolled in courses.

(e) Providing assistance to students or licensees and responding to questions relating to course materials.

(f) Supervising all guest lecturers and relating all information that is presented to the practice of real estate appraisal.

(2) Components of distance education include synchronous, asynchronous, and hybrid. Sponsors shall ensure that all forms of distance education comply with the AQB criteria.

(3) In synchronous distance education, the instructor and students shall interact simultaneously online, including phone calls, video chat, live webinars, or web-based meetings.

(4) In asynchronous distance education, the instructor and student's interaction may be non-simultaneous, and the student may progress at his or her own pace and follow a structured course content and quiz-exam schedule.

(5) In hybrid distance courses, also known as blended courses, the student may interact with the instructor both in-person and online through synchronous or asynchronous education.

(6) The course must be equivalent to 15 classroom hours for prelicensure courses and 2 classroom hours for continuing education courses.

(7) A sponsor shall select as instructors only individuals who can demonstrate mastery of the material being taught and who possess 1 of the following qualifications:

- (a) Experience as a faculty member of an institution of higher education that is approved to grant degrees.
 - (b) A state licensed, certified residential, or certified general appraiser with 3 years of appraisal experience.
 - (c) Other experience acceptable to the sponsor for courses other than prelicensure courses.
- (8) Instructors of USPAP shall comply with the AQB instructor certification program as required by the real property AQB criteria.

R 339.23315 Denial, suspension, or rescission of approval to offer courses; violation of code or rules.

Rule 315. A real estate sponsor or instructor is subject to the penalties of section 602 of the code, MCL 339.602, including rescission of course approval, for any of the following reasons:

- (a) Failing to comply with the requirements of the code or these rules.
- (b) Having a high rate of failure on a licensing examination as a result of a lack of competent instruction.
- (c) Making a substantial misrepresentation regarding an appraisal education sponsor or course.
- (d) Pursuing a continued course of misrepresentation or making false promises through agents, salespersons, advertising, or otherwise.

PART 3A. PRELICENSURE EDUCATION

R 339.23317 Prelicensure education; application for course approval; forms; requirements; unacceptable courses.

Rule 317. (1) An application for approval of a prelicensure real estate appraiser education course must be made on forms provided by the department. The department shall accept or reject the application.

(2) The application must include all of the following information:

- (a) The course title.
- (b) The number of classroom hours to be given for completion of the course.
- (c) The name, business address, and telephone number of the sponsor.
- (d) The name, business address, and telephone number of the course coordinator.
- (e) The name, license number, and qualifications of instructors.
- (f) A detailed outline of the subject matter to be covered and the number of classroom hours to be devoted to each topic, as it will appear in the student or licensee syllabus.
- (g) A summary of the required topics for prelicensure that are covered in the course completed on the subject matter matrix provided by the department.
- (h) The methodology for verifying and monitoring attendance, including the class make-up policy. A sponsor shall have a written make-up policy for students or licensees who are absent from all or a part of regularly scheduled class sessions. If there are no opportunities to make up missed sessions, that policy must be stated.
- (i) The standards a student or licensee must meet to complete the course, including assignments, projects, examinations, and the passing score on the examination that must be given at the completion of the course for a student or licensee to demonstrate mastery

of the material covered. For a distance education course, a student must pass a written, closed-book examination proctored by an official approved by the presenting college or university or by the sponsoring organization. Remote proctoring, including bio-metric proctoring, is acceptable. A written examination includes both written on paper or administered electronically on a computer or other device. Oral examinations are not acceptable.

(j) Proof that the sponsor is an entity that may offer prelicensure real estate appraisal education courses under section 2617(2) of the code, MCL 339.2617.

(3) If a sponsor desires to change a course's content, instructors, speakers, or hours of credit, the sponsor shall reapply for departmental approval of the changes to the course by completing an application for course approval, obtained from the department, not less than 30 days before the date the course is offered to students or licensees.

(4) Emergency changes to instructors and speakers that are unable to be submitted to the department not less than 30 days before the date of the continuing education course may be reviewed by the department if the department determines that the applicant was unable to submit the requested change not less than 30 days before the date of the continuing education course and the request submitted with the change supports the nature of the emergency.

(5) The department shall notify the sponsor whether the proposed course change is approved. The sponsor shall not offer the course with the proposed changes without departmental approval.

(6) The department may determine that a proposed change cannot be made without the submission of additional supporting documentation or that the extent or number of changes requested require the sponsor to complete a new application for approval.

(7) A department-approved course expires 3 years after the date of the course approval, at which time the course approval is subject to renewal. A sponsor shall notify the department of its intent to renew a previously approved course by submitting course renewal forms provided by the department. All of the following apply regarding course renewal:

(a) The completed course renewal forms must be received by the department not less than 60 days before the expiration date.

(b) If completed renewal forms are received by the department not less than 60 days before the expiration date, the course does not expire until reviewed by the department.

(c) If completed renewal forms are received by the department less than 60 days before the expiration date, approval of the course expires on the expiration date.

(d) Course renewal forms are not valid and are not accepted by the department less than 60 days before the expiration date.

(e) Sponsors requesting approval for a course less than 60 days before the expiration date shall complete and submit to the department an application for original course approval.

PART 3B. CONTINUING EDUCATION

R 339.23321 Continuing education; application for course approval; forms; requirements.

Rule 321. (1) An application for approval of a continuing education course must be made on forms provided by the department. The department shall accept or reject the application.

(2) The completed application forms must be submitted to the department not less than 60 days before the date the course is conducted.

(3) The application must include, but not be limited to, all of the following information:

(a) The course title.

(b) The number of classroom hours to be given for completion of the course.

(c) The name, business address, and telephone number of the sponsor.

(d) The name, business address, and telephone number of the course coordinator.

(e) The name, license number, and qualifications of instructors.

(f) An outline of the subject matter to be covered and the number of classroom hours to be devoted to each topic, as it will appear in the syllabus.

(g) The methodology for verifying and monitoring attendance. A licensee shall attend the entire course to obtain credit for the course. Credit for a distance learning course requires completion of the entire course. A licensee shall not receive credit for attending the same course more than 1 time during the same license renewal cycle.

(h) The standards a licensee must meet to complete the course, including assignments, projects, or examinations. The sponsor, at its discretion, may give course examinations. The sponsor shall require 1 of the following evaluations for an asynchronous distance education course:

(i) A written examination proctored by an official approved by a college or university or by the sponsoring organization. Remote proctoring consistent with the requirements of the AQB criteria is acceptable. A written examination includes both written on paper or administered electronically on a computer or other device. Oral exams are not acceptable.

(ii) Successful completion of prescribed course mechanism required to demonstrate knowledge of the subject matter.

(i) Proof that the sponsor is an entity that may offer continuing education courses under section 2617(2) of the code, MCL 339.2617.

(j) Information to demonstrate that the course meets the requirements of the AQB criteria and is designed to improve and maintain the capability of a licensee to perform activities regulated by the code.

(4) Approval is for a term of 3 years after the date that the department approved the course.

(5) An application for renewal of an approved continuing education course must be made on forms provided by the department. All of the following apply to course renewal:

(a) Course renewal forms must be received by the department not less than 30 days before the approval expiration date.

(b) Course renewal forms are not accepted by the department if submitted less than 30 days before the expiration date.

(c) Sponsors requesting approval for course renewal less than 30 days before the expiration date shall complete and submit to the department an application for original course approval.

(d) If completed renewal forms are received by the department not less than 30 days before the expiration date, the course does not expire until the department reviews the application and makes a decision.

(e) If completed renewal forms are not received by the department pursuant to the time frame established by this subrule, the course approval expires on the expiration date.

(6) Subject to subrule (7) of this rule, all changes to the instructors, speakers, course content, or number of continuing education hours to be awarded for an approved continuing education course must be submitted to the department on forms provided by the department not less than 30 days before the date the continuing education course is offered to licensees.

(7) Emergency changes to instructors and speakers that are unable to be submitted to the department not less than 30 days before the date of the continuing education course may be reviewed by the department if the department determines that the applicant was unable to submit the requested change not less than 30 days before the date of the continuing education course and the request submitted with the change supports the nature of the emergency.

(8) The department may revoke the approval status of any approved continuing education course any time the course fails to comply with these rules.

FILED WITH SECRETARY OF STATE

ON 4/27/2023 AT 11:25 AM