

STATE OF CONNECTICUT
DEPARTMENT OF CONSUMER PROTECTION
NOTICE OF INTENT TO AMEND REGULATIONS

In accordance with the authority granted in Sections 4-168, 20-512 and 20-504 of the Connecticut General Statutes, it is the intention of the State of Connecticut, Department of Consumer Protection to amend the Regulations of Connecticut State Agencies by amending Sections 20-504-3 through 20-504-9, and 20-512-2 through 20-512-6, concerning Real Estate Appraisal.

All interested persons who wish to express their views orally may do so at a public hearing to be held at the Department of Consumer Protection, Room 117, State Office Building, 165 Capitol Avenue, Hartford, Connecticut 06106 at 10:00 a.m. on October 31, 2014.

All interested parties who wish to submit data, views or arguments may do so in writing at any time up to and including the date of the public hearing. Such written materials should be directed to William M. Rubenstein, Commissioner, Department of Consumer Protection, Room 103, State Office Building, 165 Capitol Avenue, Hartford, Connecticut 06106.

A copy of the proposed regulation, the Fiscal Note, and the Small Business Impact Statement applicable to the proposed regulation (as required by Public Act 09-19) are available for inspection at the address cited above, by requesting a copy of the same by telephoning the Department at 860-713-6086, or by viewing the same by clicking on the "Laws and Regulations" link on the Internet homepage of the Department:
www.CT.gov/DCP.

The proposed changes are summarized as follows:

The proposed regulations update existing requirements for real estate appraisers. The qualifications for real property appraisers are set by the Appraiser Qualifications Board of The Appraisal Foundation. The qualifications include education, experience, examination and continuing education. The prerequisites for each of the credentials are reviewed by the Connecticut Real Estate Appraisal Commission under the auspices of the Department of Consumer Protection.

SMALL BUSINESS IMPACT STATEMENT

Prior to adopting a new section or amendment, Section 4-168a of the Connecticut General Statutes (C.G.S.) requires that each state agency consider the affect of such action on small businesses as defined in C.G.S. Section 4-168a. When such a regulatory action may have an adverse affect on small businesses, C.G.S. Section 4-168a directs the agency to consider regulatory requirements that will minimize the adverse impacts on small businesses if the addition of such requirements (1) will not interfere with the intended objectives of the regulatory action and (2) will allow the new section or amendment to remain consistent with public health, safety and welfare.

State Agency submitting proposed regulations: **Department of Consumer Protection**

Subject matter of Regulation: **The Real Estate Appraisal**

In accordance with C.G.S. Section 4-168a, agency staff analyzed the affect on small businesses of the proposed regulations on **08-07-2014** and determined the following:

Check the appropriate box:

- The regulatory action will not have an effect on small businesses.
- The regulatory action will have an effect on small businesses, but will not have an adverse effect on such small businesses.
- The regulatory action may have an adverse effect on small businesses, and no alternative considered would be both as effective in achieving the purpose of the action and less burdensome to potentially affected small business. Alternatives considered include the following:
 - (1) The establishment of less stringent compliance or reporting requirements for small businesses;
 - (2) The establishment of less stringent schedules or deadlines for compliance or reporting requirements for small businesses;
 - (3) The consolidation or simplification of compliance or reporting requirements for small businesses;
 - (4) The establishment of performance standards for small businesses to replace design or operational standards required in the new section or amendment; and
 - (5) The exemption of small businesses from all or any part of the requirements contained in the new section or amendment.
- The regulatory action will have an adverse effect on small businesses that cannot be minimized in a manner that is consistent with public health, safety and welfare.

The Department of Consumer Protection **notified** / (did not notify) the Department of Economic and Community Development of its intent to take the proposed action, and **completed** / (did not complete) the Agency Fiscal Estimate of Proposed Regulations.

This proposed regulation modifies several sections of the current Real Estate Appraisal Regulations to comply with new federal mandates. All appraisers in America whose work involves “federally related transactions” will be subject to these new rules, and as such, these regulations implement the new industry standards. Educational and training requirements are included among the changes, as well as guidelines for required courses. The Department is unable to modify the requirements.

AGENCY FISCAL ESTIMATE OF PROPOSED REGULATION

Agency Submitting Regulation: Department of Consumer Protection

Date: 08-07-2014

Subject Matter of Regulation: Real Estate Appraisal

Regulation Section Nos.: 20-504-3(c); 20-504-4; 20-504-5; 20-504-6; 20-504-7(b); 20-504-9; 20-512-2; 20-512-3; 20-512-4(e); 20-512-5; 20-512-6

Statutory Authority: 4-168; 20-504; 20-512

Other Agencies Affected: n/a

Effective Date Used In Cost Estimate: Upon Passage (Filing with the Secretary of the State).

Estimate Prepared By: Jerry P. Padula, Esq. - DCP

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SUMMARY OF COST AND REVENUE IMPACT OF PROPOSED REGULATION

Agency: Department of Consumer Protection Fund Affected: n/a

	First Year	Second Year	Full Operation
Number of Positions	n/a	n/a	n/a
Personal Services	\$0	\$0	\$0
Other Expenses	\$0	\$0	\$0
Equipment	\$0	\$0	\$0
Grants	\$0	\$0	\$0
Total State Cost or (Savings)	\$0	\$0	\$0
Estimated Revenue Gain or (Loss)	\$0	\$0	\$0
Total Net State Cost or (Savings)	\$0	\$0	\$0

Explanation of State Impact of Regulation:

No fiscal impact is anticipated. The Department of Consumer Protection currently regulates and issues credentials for Real Estate Appraisers, and has done so for many years. No additional costs for enforcement or compliance are anticipated.

Explanation of Municipal Impact of Regulation:

No impact on municipalities is anticipated. The Department has jurisdiction over these regulations.

Explanation of Small Business Impact of Regulation:

This proposed regulation updates several sections of the existing Real Estate Appraisal Regulations to comply with new mandates set forth by The Appraisal Qualifications Board ("AQB") and The Appraisal Foundation, which set national standards for appraisers of properties in "federally related transactions" pursuant to the Banking Committee of the United States Congress. The real estate appraisal industry relies upon these regulations, which also directly impact the business of mortgage lending. Please see the attached Small Business Impact Statement for more details.

Is a regulatory flexibility analysis required pursuant to C.G.S. 4-168a? No.

These amendments clarify the licensure categories and scope of practice, set the parameters for provisional appraisers, and articulate the prerequisites to obtain certification as a state certified general appraiser or state certified residential appraiser.

These regulations make changes to the existing regulations for real estate appraisers to comply with updated federal rules set by the Appraisal Qualifications Board.