This explanatory statement concerns the Washington State Department of Licensing's adoption of changes to:

WAC 308-125-025 Application process to register as a real estate appraiser trainee
WAC 308-125-030 Examination prerequisite general classification
WAC 308-125-040 Examination prerequisite state-certified residential classification
WAC 308-125-045 Examination prerequisite state-licensed classification
WAC 308-125-070 Experience Requirements
WAC 308-125-095 Responsibilities of the appraiser supervisor

The Administrative Procedure Act (RCW 34.05.325(6)) requires agencies to complete a concise explanatory statement before filing adopted rules with the Office of the Code Reviser. This statement must be provided to anyone who gave comment about the proposed rule making.

Once persons who gave comment during this rule making have had a chance to receive this document, the Department of Licensing will file the amended rules with the Office of the Code Reviser. These rule changes will become effective 31 days after filing (approximately January 28, 2016).

The Department of Licensing appreciates your involvement in this rule making process. If you have any questions, please contact Damon Monroe, Agency Rules Coordinator, at (360) 902-3843 or e-mail at dmonroe@dol.wa.gov.

What are the agency’s reasons for adopting this rule?

Amending these rules is necessary to ensure the Agency is in compliance with Title XI of the Financial Institutions, Reform, Recovery and Enforcement Act (FIRREA) as amended by the 2010 Dodd-Frank Wall Street Reform and Consumer Protection Act.

These changes update education requirements for all classification levels; implement housekeeping changes recommended by the Real Estate Appraiser Commission, and update experience requirements to be consistent with statute.

Summary of all public comments received on this rule proposal and the agency’s response to those comments:

Written comments were received:

1. Dave Cook, Yakima County Assessor; Keith Willnauer, Whatcom County Assessor; and Lloyd Hara, King County Assessor provided written comments recommending alternative application tracks under RCW 18.140.020 for employees of Washington Assessor’s offices.
2. Peter Van Nortwick, Clark County Assessor, provided a written comment proposing the recommendation from Cook, Willnauer, and Hara be modified to allow Assessor’s office employees to become licensed appraisers, but not offer an alternative to the application track to become a certified appraiser.

Verbal comments were received
   1. James Hall, Pierce County Assessor’s Office, provided verbal comments to the Real Estate Appraiser Commission concerning the challenges faced by employees of Washington State Assessor’s offices when attempting to become a licensed or certified appraiser.

These comments pertain to modifying RCW 18.140.020. While these comments, concerns, and recommendations are outside the scope of the proposed rule changes, specifically changes to WAC 308-125-070, the Real Estate Appraiser Commission, the Department of Licensing, and county assessors have formed a workgroup to study and compare the criteria required to become an assessor to the criteria required to become an appraiser and will be reporting the workgroup’s findings in 2016.

Oral testimony was heard at the hearing:
   1. Dean Potter, Chair of the Real Estate Appraiser Commission, testified that the Real Estate Appraiser Commission is in favor of the rule changes as written.

   2. Stan Sidor, Certified General Real Estate Appraiser, testified in favor of the rule changes as written. Mr. Sidor also commented that there is a concern among the industry that appraisers performing Single Family Residential appraisals are now required to have a 4-year college degree to be eligible for the appraiser credential. Mr. Sidor asked the Department to share these concerns with the Appraiser Qualifications Board during future interactions.

   3. Mark Therrien, Certified General Real Estate Appraiser, testified that the criteria requirements and non-competitive entry salaries have become a huge barrier to entry into the industry.

The comments and concerns pertaining to the criteria requirements are outside the scope of the Rules hearing. However, these comments and concerns are duly noted and will be shared with the Appraisal Subcommittee Policy Manager at its next visit.

WAC Changes: None.