

NOTICE OF INTENT TO ADOPT A PROPOSED
AMENDMENT TO THE GEORGIA REAL ESTATE APPRAISERS BOARD RULES

CHAPTER 539

RULE 539-3-.04

AND NOTICE OF PUBLIC HEARING

TO ALL INTERESTED PARTIES:

Notice is hereby given that pursuant to the authority set forth below, the Georgia Real Estate Appraisers Board (hereinafter “Board”) proposes amendments to the Georgia Real Estate Appraisers Board Rules, Chapter 539-3 and 539-3-.04 (herein after “proposed rule amendments”).

This notice, together with an exact copy of the proposed rule amendments and a synopsis of the proposed rule amendments, is being disseminated to all persons who have requested, in writing, that they be placed on a distribution list. A copy of this notice, an exact copy of the proposed rule amendments, and a synopsis of the proposed rule amendments may be reviewed during normal business hours of 8:00 a.m. to 4:30 p.m., Monday through Friday, except official State holidays, at the Georgia Real Estate Appraisers Board, Suite 1000 International Tower, 229 Peachtree Street, N. E. Atlanta, Georgia 30303. These documents will also be available for review on the Georgia Real Estate Appraisers Board web page at <http://www.greab.state.ga.us>. Copies may also be requested by contacting the Board office at (404) 656-3916. A public hearing will be held at 9:30 a.m. on November 20, 2019 at the Georgia Real Estate Appraisers Board, Suite 1000 International Tower, 229 Peachtree Street, N. E. Atlanta, Georgia 30303, to provide the public an opportunity to comment upon and provide input into the proposed rule amendments.

At the public hearing, anyone may present data, make a statement, comment or offer a viewpoint or argument whether orally or in writing. Lengthy statements or statements of a considerable technical or economic nature, as well as previously recorded messages, must be submitted for the official record. Oral statements should be concise and will be limited to five (5) minutes per person. Additional comments should be presented in writing. Written comments are welcome. Such written comments must be legible and signed, should contain contact information from the maker (address, telephone number and/or facsimile number, etc.) and be actually received in the office prior to the close of business (4:30 P.M.) on November 12, 2019, to allow for timely processing. Written comments should be addressed to Lynn Dempsey, Georgia Real Estate Appraisers Board, Suite 1000 International Tower, 229 Peachtree Street, N. E. Atlanta, Georgia 30303.

The proposed rule amendments will be considered for adoption by the Board at its meeting on November 20, 2019, at 9:30 a.m. at the Board. According to the Department of Law, State of Georgia, the Georgia Real Estate Appraisers Board has the authority to adopt proposed rule amendments to Rule 539-3-04 (pursuant to authority contained in O.C.G.A. §§ 43-39A-13 and §43-39A-14.1 (e)).

The Board will consider at its meeting on November 20, 2019, whether the formulation and adoption of the proposed rule amendments imposes excessive regulatory cost on any licensee or entity and whether any cost to comply with the proposed rule amendments could be reduced by a less expensive alternative that fully accomplishes the objectives of O.C.G.A. §§ 43-39A-7.

Additionally, at the meeting on November 20, 2019, the Board will consider whether it is legal or feasible to meet the objectives of O.C.G.A. §§ 43-39A-7 to adopt or implement differing actions for businesses as listed in O.C.G.A. § 50-13-4(a)(3)(A), (B), (C) and (D). The Board will consider whether the formulation and adoption of the proposed rule amendments will impact every licensee in the same manner and each licensee is independently licensed, owned and operated in the field of appraisal and appraisal management.

For further information, contact the Board office at (404) 656-3916.

This notice is given in compliance with O.C.G.A. § 50-13-4.

This 21 day of October 2019

A handwritten signature in black ink, appearing to read "Lynn Dempsey". The signature is fluid and cursive, with the first name "Lynn" being more prominent than the last name "Dempsey".

Mr. Lynn Dempsey
Real Estate Commissioner

Posted: October 21, 2019

SYNOPSIS OF PROPOSED AMENDMENTS TO THE
GEORGIA REAL ESTATE APPRAISERS BOARD RULES

CHAPTER 539

RULE 539-3-.04

Purpose: The purpose of the proposed rule amendments is to:

Clarify the requirements under which classified Georgia appraisers can perform evaluations.

Main Features: The main feature of the proposed rule amendments is to:

Eliminate language that has caused confusion in the industry concerning when Georgia appraisers can conduct evaluations.

DIFFERENCES BETWEEN THE EXISTING RULE AND THE PROPOSED
AMENDMENTS TO THE GEORGIA REAL ESTATE APPRAISERS BOARD

CHAPTER 539

Rule 539-3-.04. Standards for Developing and Reporting an Evaluation Appraisal

In lieu of and notwithstanding anything to the contrary found in Rules [539-3-.01](#) and [539-3-.02](#) herein, if an appraiser performs an Evaluation Appraisal, as hereinafter defined, the appraiser shall perform such appraisal subject to the following requirements:

- (1) An "Evaluation Appraisal" is defined as follows:

An appraisal which is limited in its scope and development to the requirements for Evaluations as set forth for a lender by a federal financial institutions regulatory agency ~~or any nonfederal financial institutions regulatory agency as the case may be~~ and as defined in and consistent with the Interagency Appraisal and Evaluation Guidelines ("Evaluation Guidelines") promulgated by the Office of the Comptroller of the Currency, et al., ~~effective December 10, 2010.~~

- (2) An Evaluation Appraisal may be performed for any transaction that qualifies to be performed as an Evaluation under the Interagency Appraisal and Evaluation Guidelines ("Evaluation Guidelines") promulgated by the Office of the Comptroller of the Currency, et al., effective December 10, 2010.

~~Transactions for which an Evaluation Appraisal is permitted:~~

- (a) The transaction has a value equal to or less than the threshold amount of \$250,000.00;
- (b) The transaction involves a business loan with a transaction value equal to or less than a business loan threshold of \$1,000,000.00 and is not dependent on the sale of, or rental income derived from, real estate as the primary source of repayment; or
- (c) The transaction involves an existing extension of credit at a lending institution provided that:
 - (1) There has been no obvious and material change in market conditions or physical aspects of the property that threaten the adequacy of the institution's real estate collateral protection after the transaction, even with the advancement of new monies; or,
 - (2) There is no advancement of new monies other than funds necessary to cover reasonable closing costs;

(3) Development and Content of Evaluation Appraisals:

At a minimum, the development and content of an Evaluation Appraisal shall contain the following comply with the guidelines set forth in the Interagency Appraisal and Evaluation Guidelines ("Evaluation Guidelines") promulgated by the Office of the Comptroller of the Currency, et al.

- (a) Location of the real property;
- (b) Description of the real property and its current and projected use;
- (c) An estimate of the property's market value in its actual physical condition, use and zoning designation as of the effective date of the evaluation, with any limiting conditions; A valuation method that does not provide a property's market value or sufficient information and analysis to support the value conclusion is not acceptable as an Evaluation Appraisal. While a broker price opinion (BPO), a competitive market analysis (CMA), an automated valuation model (AVM), and a tax assessment value (TAV) may be useful in developing an Evaluation Appraisal, the information obtained from these methods of valuation is insufficient standing alone to meet all of the criteria necessary to be an Evaluation Appraisal.
- (d) A description of the method used to confirm the property's actual physical condition and the extent to which an inspection was performed;
- (e) A description of the analysis that was performed and the supporting information that was used in valuing the property;
- (f) A description of any supplemental information that was used in the development of the Evaluation Appraisal when using an analytical method, such as an automated valuation model, or technological tool;
- (g) A list of all sources of information used in the development of the Evaluation Appraisal including the following:
 - (1) External data sources such as market sales databases and public tax and land records;
 - (2) Property-specific data such as previous sales data for the subject property, tax assessment data, and comparable sales information;
 - (3) Evidence of a property inspection;
 - (4) Photos of the property;

- ~~(5) A description of the neighborhood;~~
- ~~(6) Local market conditions;~~
- ~~(7) Name and contact information for the appraiser who prepares the Evaluation Appraisal;~~
- ~~(8) A signature for the appraiser who prepares the Evaluation Appraisal;~~
- ~~(9) Factors setting forth the transaction conditions consistent with [539-3-.04](#) (2).~~

~~(4) If the Evaluation Appraisal is prepared for a nonfederal financial institution and said institution is not regulated by a federal financial institutions regulatory agency, and if USPAP compliance is not required by said institution for the appraisal reporting format, then the Evaluation Appraisal may be prepared in any reporting format, such as, but not limited to a self-contained appraisal report, a summary appraisal report, and a restricted use appraisal report if the reporting format meets the requirements of the nonfederal financial institution.~~

(4.5) Certification. The Evaluation Appraisal report shall include the following items in language substantially similar to the following: I certify that, to the best of my knowledge and belief:

- the statements of fact contained in this report are true and correct.
- the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions, and conclusions.
- I have no (or the specified) present or prospective interest in the property that is the subject of this report, and I have no (or the specified) personal interest or bias with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved in this assignment.
- my engagement in this assignment or in any future assignment is not contingent upon developing or reporting predetermined results.
- my compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
- my analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Georgia Real Estate Appraiser Classification and Regulation Act and the Rules and Regulations of the Georgia Real Estate Appraisers Board.
- I have (or have not) made a personal inspection of the property that is the subject of this report. (If more than one person signs the report, this certification must clearly specify which individuals did and which individuals did not make a personal inspection of the appraised property.)
- no one provided significant professional assistance to the person signing this report. (If there are exceptions, the name of each individual providing significant professional assistance must be stated and the professional assistance provided must be disclosed.)

Authority: O.C.G.A. Secs. [43-39A-13](#), [43-39A-18](#).