

264 CMR 6.00: PRACTICE OF REAL ESTATE APPRAISAL

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6.01: Scope of Practice

(1) Real Estate Appraisal Trainees.

- (a) An Appraisal Trainee or appraiser-in-training may assist a Supervising Appraiser in the performance of Appraisal Assignments but may only perform such work when under the direct supervision of a Supervising Appraiser if the work is outside of the permitted scope of practice for the credential level held by the license or certificate holder.
- (b) The Appraiser Trainee or Appraiser-in-training is permitted to have more than one supervising appraiser.
- (c) An appraisal log shall be maintained jointly by the Supervising Appraiser and the Appraisal trainee or Appraiser-in-training and shall, at a minimum, include the following for each appraisal:
  - 1. type of property;
  - 2. date of report;
  - 3. opinion of value
  - 4. Type of report (as defined in USPAP);
  - 5. client name and address;
  - 6. address of appraised property;
  - 7. description of work performed, including a notation as to what work was directly performed by the Appraisal trainee or Appraiser-in-training;
  - 8. scope of supervision provided;
  - 9. number of work hours; and
  - 10. signature and state license number of the Supervising Appraiser.
- (d) Appraisal Trainees and Appraisers-in-training shall be jointly responsible with the Supervising Appraiser in maintaining and having required access to work-files.
- (e) Appraisal Trainees and Appraisers-in-training must work pursuant to a written contract as described in 264 CMR 6.00 in order to obtain a higher level license.

(2) State-licensed Real Estate Appraisers.

- (a) State-licensed Real Estate Appraisers may appraise:
  - 1. non-complex one-to-four unit residential properties having a transaction value of less than \$1,000,000 and complex one-to-four unit residential properties having a transaction value of less than \$250,000;
  - 2. vacant or unimproved land that is to be utilized for one-to-four unit residential properties, and where the highest and best use is for one-to-four unit residential purposes; and
  - 3. properties as specified by federal law 12 U.S.C. 3301, *et seq.*
- (b) State-licensed Real Estate Appraisers may not appraise subdivisions wherein a development analysis/appraisal is necessary and utilized.

(3) State-certified Residential Real Estate Appraisers.

- (a) State-certified Residential Real Estate Appraisers may appraise:
  - 1. residential properties with one-to-four units and complex one-to-four unit residential property, both without regard to transaction value;
  - 2. vacant or unimproved land that is to be utilized for one-to-four unit residential use and where the highest and best use is for one-to-four family unit residential purposes; and
  - 3. properties as specified by federal law 12 U.S.C. 3301, *et seq.*
- (b) State-certified Residential Real Estate Appraisers may not appraise subdivisions wherein a development analysis/appraisal is necessary and utilized.

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- (4) State-certified General Real Estate Appraisers. State-certified General Real Estate Appraisers may appraise all types of non-complex and complex real property, both residential and non residential.
- (5) Temporary Licensed Appraisers. See 264 CMR 7.02(3): *Temporary Registration.*
- (6) Supervising Appraisers.
- (a) Basic Requirements.
1. Supervising Appraisers whose license is suspended or under a period of probation or stayed suspension may not supervise lower level Licensees. No individual may serve as a Supervising Appraiser if they have been subject to any disciplinary action within the last three years that affects their legal ability to engage in appraisal practice.
  2. Supervising Appraisers may not be an employee of, or independent contractor reporting to, an Appraisal Trainee, Appraiser-in-training, or corporate entity controlled by such a Licensee to whom they are supervising.
  3. Supervising Appraisers may not supervise more than three Appraisal Trainees or Appraisers-in-training.
  4. Supervising Appraisers must cooperate with Appraisal Trainees and Appraisers-in-training when those individuals seek to obtain a higher level license based on the supervision provided.
  5. Each Supervising Appraiser supervising an Appraisal Trainee or Appraiser-in-training is responsible for that individual's physical site inspection skills. The Supervising Appraiser shall personally inspect at least five appraised properties with the Appraisal Trainee or Appraiser-in-training. The Supervising Appraiser must personally inspect additional properties until the Supervising Appraiser determines that the Appraisal Trainee or Appraiser-in-training is competent in accordance with USPAP for the property type.
  6. All Supervising Appraisers and Appraisal Trainees or Appraisers-in-training must sign the Appraisal Reports prepared in part or in whole by the Appraisal Trainees or Appraisers-in-training. However, if the client requires Appraisal Trainees or Appraisers-in-training not sign the report, but does not prohibit the said individuals from participating in the work, Appraisal Trainees or Appraisers-in-training may participate in an appraisal so long as the Supervising Appraiser states both the names and license numbers of any participating Appraisal Trainees or Appraisers-in-training as well as summarizing the extent of their participation in the certification.
  7. Supervising Appraisers are fully responsible for the appraisal and the contents of the Appraisal Report. Any Appraisal Trainee or Appraiser-in-training who assisted in the assignment is also responsible.
  8. Prior to commencing any supervision, Supervising Appraisers must complete a Board approved course regarding the requirements and responsibilities of trainees and Supervisory Appraisers which meets the criteria of the AQB in accordance with federal law, 12 U.S.C. 3345(a).
- (b) Record-keeping.
1. Supervising Appraisers must maintain written policies and procedures that outline their process for determining the competence of Appraisal Trainees or Appraisers-in-training to ensure compliance with the competency rule of USPAP.
  2. Supervising Appraisers must ensure that an appraisal log is maintained as required by 264 CMR 6.01(1)(c).
  3. Supervising Appraisers must ensure that the Appraisal Trainee or Appraiser-in-training maintains an adequate work file. The Supervising Appraiser may review, alter, correct, or make other recommendations regarding the work file, but must note any corrections that have been made in writing to ensure that the corrected work can be distinguished from that done by the Appraisal Trainee or Appraiser-in-training without assistance.
  4. In instances, where an Appraisal Trainee or Appraiser-in-training does not sign the appraisal report, the Supervising Appraiser must list, in writing in the report, the name, qualifications, and specific portions of the appraisal process performed by the Appraisal Trainee or Appraiser-in-training.

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5. Supervising Appraisers shall obtain a signed contract prior to commencing supervision of an Appraisal Trainee or Appraiser-in-training. This contract must be retained for at least five years after the termination of the supervisory relationship. This contract must contain the following:
- The full name, credentials, license numbers, and office address of the Supervising Appraiser as well as the Appraisal Trainee or Appraiser-in-training.
  - A description of how compensation will be arranged for appraisal activities performed during the term of the contract.
  - A description of the scope of duties the Appraisal Trainee or Appraiser-in-training is authorized to undertake, which must be consistent with USPAP, Massachusetts law, and 264 CMR.
  - A statement that the Supervising Appraiser shall be the sole source of supervision and assistance on any appraisal assignment unless otherwise stated in writing within an appraisal report.
  - A statement describing that the Appraisal Trainee or Appraiser-in-training shall sign an Appraisal Report that they have worked on unless the scope of work and certification of that report otherwise gives credit to the Appraisal Trainee or Appraiser-in-training for work performed.

6.02: Mandatory License Identification

- (1) Every holder of a license or certificate issued by the Board, including persons holding temporary and trainee licenses, shall place his or her certificate or license number adjacent to or immediately below the title of the license held by the individual when used in an appraisal report, a contract or other appraisal instrument, as mandated by M.G.L. c. 112, § 186. The titles to be used by licensed real estate appraisers shall be written in the following manner:
- Massachusetts Certified General Real Estate Appraisal # \_\_\_\_\_ or MA C.G.R.E. Appraiser # \_\_\_\_\_ or MA CGREA # \_\_\_\_\_ or MACG # \_\_\_\_\_;
  - Massachusetts Certified Residential Real Estate Appraiser # \_\_\_\_\_ or MA C.R.R.E. Appraiser # \_\_\_\_\_ or MA CGREA # \_\_\_\_\_ or MACR # \_\_\_\_\_;
  - Massachusetts Licensed Real Estate Appraiser # \_\_\_\_\_ or MA L.A.R.E. Appraiser # \_\_\_\_\_ or MA SLREA # \_\_\_\_\_ or MASL # \_\_\_\_\_;
  - Massachusetts Trainee Licensed Real Estate Appraiser # \_\_\_\_\_ or MA Trainee R.E. Appraiser # \_\_\_\_\_ or MA TRREA # \_\_\_\_\_;
  - Massachusetts Temporary Real Estate Appraiser, Level (CG, CR, LA), # \_\_\_\_\_ or MA Temp. R.E. Appraiser, Level (CG, CR, LA), # \_\_\_\_\_ or MA TEMPCG # \_\_\_\_\_ or MA TEMPCR # \_\_\_\_\_; or MA TEMPLA # \_\_\_\_\_;
- (2) “State” may be used in place of “Massachusetts” or “MA”.
- (3) Signatures.
- An electronic or digitized signature shall be protected by a personal identification number or other such mechanism that ensures the use of the signature is always under the personal and sole control of the appraiser.
  - An appraiser must take reasonable steps to prevent unauthorized access to his or her electronic or digitized signature or any signature of any media such as a signature stamp
  - An appraiser may not affix a signature of another appraiser to any Appraisal Report or document in connection with an Appraisal Assignment without specific authorization in accordance with 264 CMR 6.02(3)(f).
  - When a signature is provided in an electronic, digitized or other media format on an Appraisal Report or on any document in connection with an Appraisal Assignment it shall be presumed to have been affixed by the signing appraiser. Any action arising from the Appraisal Assignment shall be pursued by the Board against the appraiser whose signature appears on the report and certification.
  - Failing to maintain sole personal control of an electronic or digitized signature or provided in or in any other media format, shall be grounds for discipline by the Board.

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(f) An appraiser may authorize another to sign or affix his or her signature to an Appraisal Report and certification or any other document in connection with an Appraisal Assignment when:

1. the person placing the signature is clearly identified by name in the report.
2. the Appraisal Report contains language in the certification or in another prominent place in the report, that states the appraiser did not personally sign the report or affix the signature and authorized another person, specifically cited by name, to do so;
3. the appraiser has given written authorization specific to the assignment to the individual signing for the appraiser;
4. the written authorization is included in the workfile and made available to the client; and
5. such an authorization is allowed by the Uniform Standards of Professional Appraisal Practice.

(g) When an appraiser authorizes another to affix his or her signature to an Appraisal Report and certification, the appraiser granting such authority is fully responsible for all elements of the certification, the assignment results, and for the contents of the appraisal report.

6.03: Use of Titles in Firm Advertising

- (1) The titles listed in 264 CMR 6.02 may only be used to refer to individuals who hold a current license or certificate.
- (2) Pursuant to M.G.L. c. 112, § 187, a firm, partnership, corporation, professional association or group may not be licensed and may not be represented or identified as a licensed or certified real estate appraiser.

6.04: Records Retention

A Licensee shall retain originals or true copies of all written contracts engaging his or her services for real property appraisal work, and all reports and supporting data assembled and formulated by the appraiser in preparing such reports for a period of five years, commencing upon the date that the appraisal is submitted to the client. If the appraiser is notified within such five year period that the Appraisal Report is involved in litigation, the five year period for the retention of records shall commence upon the date of the final disposition of such litigation. For purposes of this requirement, notification of a Board complaint or adjudicatory action shall be deemed litigation. If a conflict exists between 264 CMR 6.04, M.G.L. c. 112, § 193, or USPAP, whichever provision requiring retention of records the longest shall govern.

REGULATORY AUTHORITY

264 CMR 6.00: M.G.L. c. 13, § 92; c. 112, §§ 173 through 195.