

TITLE 4. PROFESSIONS AND OCCUPATIONS  
CHAPTER 46. BOARD OF APPRAISAL

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**ARTICLE 1. GENERAL PROVISIONS**

**R4-46-701 Definitions:**

**1. APPRAISAL MANAGEMENT SERVICES** means the process of receiving a request for the performance of real property appraisal services from a client, and for a fee paid by the client or appraiser, entering into an agreement with one or more independent appraiser who are part of an appraiser panel or database to perform the real property appraisal services contained in the request.

**In these rules, unless the context otherwise requires:**

**R4-46-702 Registration  
A.R.S. § 32-3662**

**A.** Registration applications shall be written and on forms provided by the Board and accompanied by certifications that include, at a minimum, the following information:

(1) The name, business address, telephone contact, and the e-mail address of the person (entity) seeking registration plus the designation of an agent for service of process as follows:

**a.** An in-state appraisal management company, (Domestic) shall designate an agent for service of process in this state.

**b.** A foreign appraisal management company (Non-resident) shall provide either a certificate of authority issued by the Secretary of State or a copy of the company’s filing with the Secretary of State appointing an agent for service of process in this state.

**c.** The physical and mailing addresses, phone numbers, and email addresses for the principal office and all branch offices conducting business .

(2) The name, residential address, business address, day-time telephone number and email address for all individuals/entities (including stockholders) who own 10% or more of the appraisal management company.

(3) The name, residential address, business address, day-time telephone number and email address for all individual(s) authorized by the appraisal management company to contract with clients or independent appraisers for the performance of appraisals.

(4) The application shall include proof of a valid surety bond in the amount of \$20,000 and shall meet the additional specifications in R4-46-704. The surety bond shall indemnify the Arizona Board of Appraisal, panel appraisers, and public claimants. The bond shall be maintained to the original amount of \$20,000 within seven (7) business days of being drawn down and shall be maintained for at least one year after an Appraisal Management Company’s registration is terminated, canceled, revoked or otherwise ends.

(5) An application fee in the amount stipulated on the form and as provided for in the rule.

(6) On applications for registration and annually thereafter, applicants and registrants shall make the following certifications:

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a. That the applicant/registrant has a system in place to verify that all Arizona appraisers on its panel have a current and valid license or certificate in good standing issued by the Arizona Board of Appraisal.

b. That the applicant/registrant has a system in place to review the work of all independent appraisers performing appraisal services for the Appraisal Management Company and that the services are conducted in conformity with the Uniform Standards of Professional Appraisal Practice. These reviews shall be completed as Standard 3 Reviews by certified Arizona appraisers with geographic competency. The Board reserves the right to inspect the policy, review log and the appraiser panel records upon written request.

c. That the applicant/registrant shall maintain a record of each request for appraisal services applicable to Arizona properties as well as the name of the appraiser performing the appraisal service and the fee paid to the appraiser. Such records shall be made available to the Arizona Board of Appraisal upon written request by the Board.

d. That the applicant/registrant has designated a controlling person and that individual has accepted the responsibilities as the controlling person.

e. That the applicant/registrant has a system in place to train those who select individual appraisers for real property services in this state, to ensure that the selectors have appropriate training in placing appraisal assignments.

f. That there are no unpaid invoices or accounts payable to Arizona licensed or certified appraisers for services received that are over 45 days past due at the time of certification.

g. That the AMC shall adhere to A.R.S. §32-3675.

(7) Any other information required by the Board deemed reasonable in scope and content and necessary for the implementation and administration of the statutes and rules.

**B.** An Appraisal Management Company which operates in this state under more than one business name (dbas or “doing business as”) shall apply for registration with the Board for each name under which it does business.

**C.** An appraisal management company having been issued a valid registration shall comply with the following:

1. Shall maintain with the Board the name and address of a registered agent for service of process and shall furnish in writing to the Board any changes to the information on file within 5 business days.

2. An Appraisal Management Company shall maintain a complete record of all requests for appraisal services referred to state licensed and certified appraisers, the amount of fees collected from clients, as well as payments made to the appraisers and shall make such information available to the Board upon written request.

3. The applicant/registrant shall make available to the Board any and all records that are required to be kept or records deemed by the Board to be pertinent to an investigation of a complaint against an applicant/ registrant.

4. The registered entity shall designate a controlling person responsible for ensuring compliance with all statutes and rules and shall file with the Board a certification identifying the controlling person and that individual’s certification accepting responsibilities as the controlling person.

5. A registrant shall notify the Board in writing within 5 business days of any change in its designated controlling person or the controlling person’s contact information.

- 93 6. All records required to be maintained under these rules shall be retained for five years  
94 and for two additional years after the conclusion of any judicial proceeding or litigation  
95 involving the matter
- 96 7. At any time a document filed with the Board becomes inaccurate the  
97 applicant/registrant shall promptly file with the Board an amendment correcting that  
98 information within 10 business days.
- 99 8. Upon written request by the client or payer of the appraisal fee to the registrant the  
100 registrant shall disclose to its client or payer the actual fees paid to an appraiser for  
101 appraisal services, separately from any other fees or charges for appraisal management  
102 services and, upon written request, shall make that information available to the Board
- 103 9. The registrant shall disclose to an appraiser within their engagement documents  
104 verification of the State Registration number of the appraisal management company.
- 105 10. The registrant shall not attempt to coerce, directly or indirectly the appraiser to accept  
106 an assignment if the appraiser states that he/she lacks competency or lacks geographic  
107 competency to complete the appraisal assignment and the registrant shall in no way  
108 penalize the appraiser by reducing the number of assignments made to that appraiser,  
109 refusing to pay fees owed or imposing any other penalty.
- 110 11. A registrant shall, at all times, maintain a current list of their appraisal panel and  
111 shall provide a copy of that list to the Board upon written request.
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115 **R4-46-703 Exemptions**

116 **A.R.S. § 32-3663**

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118 **A.** Attorneys or other persons or entities not involved in appraisal management as described herein  
119 and who may order appraisals from independent appraisers from time to time for use in litigation, judicial  
120 process, and other specific use shall be exempt.

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122 **Board policy on Appraisal Shops will be covered in a Substantive Policy Statement separately from**  
123 **this document.**

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125 **R4-46-704 Fee; Bond**

126 **A.R.S. § 32-3667**

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128 **A.** The fee for initial registration shall be \$2,500 regardless of the number of appraisers on the  
129 appraiser panel. The two year renewal registration fees shall be \$2,500 regardless of the number of  
130 appraisers on the appraiser panel.

131 **B.** In the event that a registered Appraisal Management Company changes the name under which it  
132 conducts business in Arizona, the Appraisal Management Company shall:

- 133 1. Maintain the \$20,000 surety bond under the former name of the Appraisal Management  
134 Company for one year from the effective date of the name change.  
135 2. Obtain a \$20,000 surety bond under the new name of the Appraisal Management Company  
136 pursuant to the requirements of paragraph A.  
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- 139 C. Application fees are not refundable.
- 140 D. Each applicant/registrant shall maintain a valid surety bond in the amount of \$20,000 and submit
- 141 proof of such bond at the time of initial application, upon renewal, upon maintaining the bond
- 142 after a draw-down and at any time requested to do so by the Board in addition to the requirements
- 143 of R4-46-702(B)(4):
- 144 1. The bond shall be in favor of the State Board of Appraisal for the benefit of the State Board,
- 145 appraiser panel members or public claimants. The bond is subject to claims by the Board for
- 146 failure of an Appraisal Management Company to comply with the financial obligations set forth in
- 147 A.R.S. §32-3662 *et seq.* and the rules promulgated pursuant thereto or by any person who is
- 148 damaged by the failure of the principal to provide appraisal management services.
- 149 2. On receipt by the Board of notice of intent to cancel a bond by a corporate surety, the Board
- 150 shall immediately notify the principal of the bond of the effective date of the cancellation and that
- 151 the principal shall furnish a like bond before the cancellation date or within seven (7) business
- 152 days after mailing the notice by the Board or the Board may pursue disciplinary action against the
- 153 principal of the bond. Principal shall maintain or replace the bond to \$20,000 after each draw
- 154 down and bond shall remain in effect for the life of the registration and for one year after
- 155 expiration, revocation, surrender, or cessation of business by the AMC.
- 156 3. At the time of initial registration or renewal registration the bond shall be prepaid for one (1)
- 157 year and continually prepaid in one (1) year increments thereafter.

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159 **R4-46-705 Owner Requirements**

160 **A.R.S. § 32-3668**

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- 162 A. An appraisal management company applying for registration may not be owned by a person or
- 163 have any principal of the company who has had any financial, real estate or mortgage lending industry
- 164 license or certificate refused, denied, canceled, revoked or voluntarily surrendered in this state or in any
- 165 other state. This requirement may be waived by appeal and at the discretion of the Board
- 166 B. An Appraisal Management Company whose owner(s) or principal(s) have had a financial,
- 167 appraisal, real estate or mortgage lending industry license or certificate refused, denied, canceled, revoked
- 168 or voluntarily surrendered, in this state or any other state are not prohibited from seeking registration in this
- 169 state. The Board shall consider the following factors when determining whether such an Appraisal
- 170 Management Company may be granted registration in this state:
- 171 1. The facts underlying the refusal, denial, cancellation, revocation or voluntary surrender of the
- 172 license or certificate.
- 173 2. Whether the refusal, denial, cancellation, revocation or voluntary surrender of the license or
- 174 certificate involved findings of relating to fraud, dishonesty, misrepresentation, or deceit on the
- 175 part of the license/certificate holder.
- 176 3. The length of time that has elapsed since the refusal, denial, cancellation, revocation or
- 177 voluntary surrender of the license or certificate.
- 178 4. Any efforts undertaken by the owner/principal to rehabilitate himself/herself and make
- 179 restitution to the any victims, if applicable.
- 180 5. Other factors in mitigation or aggravation deemed relevant by the Board.
- 181 C. Each person who owns, is an officer of, or has a financial interest of 10% or more, including
- 182 stockholders, in an appraisal management company applying for registration in this state shall:
- 183 1. Be of good moral character.

- 184 2. Submit to a background investigation. The background investigation shall include:  
185 a) Department of Public Safety fingerprint check  
186 b) FBI background check  
187 c) Search of participating states for AMC license revocation, suspension, or other action  
188 d) Search of the National Registry Database for negative action regarding an appraisal  
189 license or certification  
190 e) Search of any Federal Databases that may result from future Federal legislation  
191 enacted.

192 **D.** The Board shall conduct the searches for participating state AMC registration and licensing checks  
193 through the National Registry, or other venues as directed by the Board.

194 **E.** The FBI background check and DPS fingerprint check are to be initiated and paid for by the  
195 applicant at the direction of the Board of Appraisal with the results to be sent directly to the Board of  
196 Appraisal from DPS and the FBI.

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198 **R4-46-706 Controlling Person**

199 **A.R.S. § 32-3669**

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201 **A.** The Appraisal Management Company's controlling person shall:

202 1. Certify to the Board that the person has never had any financial, appraisal, real estate or  
203 mortgage lending industry license or certificate issued by this state, or any other state, refused,  
204 denied, canceled, revoked or voluntarily surrendered. This requirement may be waived by  
205 appeal and at the discretion of the Board.

206 2. Submit to a background investigation as determined by the Board in accordance with R4-  
207 46-704B.

208 3. Be of good moral character.

209 **B.** An Appraisal Management Company whose designated controlling person has had a financial,  
210 appraisal, real estate or mortgage lending industry license or certificate refused, denied, canceled, revoked  
211 or voluntarily surrendered, in this state or any other state are not prohibited from seeking registration in this  
212 state. The Board shall consider the following factors when determining whether such an Appraisal  
213 Management Company may be granted registration in this state:

214 1. The facts underlying the refusal, denial, cancellation, revocation or voluntary surrender of  
215 the license or certificate.

216 2. Whether the refusal, denial, cancellation, revocation or voluntary surrender of the license  
217 or certificate refusal, denial, cancellation, revocation or voluntary surrender of the license or  
218 certificate.

219 3. Findings of fraud, dishonesty, misrepresentation, or deceit on the part of the  
220 license/certificate holder.

221 4. The length of time that has elapsed since the refusal, denial, cancellation, revocation or  
222 voluntary surrender of the license or certificate.

223 5. Any efforts undertaken by the owner/principal to rehabilitate himself/herself and make  
224 restitution to the any victims, if applicable.

225 6. Other factors in mitigation or aggravation deemed relevant by the Board.

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229 **R4-46-707 Employee Requirements**

230 **A.R.S. § 32-3670**

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232 An Appraisal Management Company shall require that all employees of an Appraisal Management  
233 Company, or any person working on behalf of an appraisal management company, who have the  
234 responsibility of selecting independent appraisers for the performance of real property appraisal services for  
235 the appraisal management company or providing administrative appraisal review services on a completed  
236 appraisal, be appropriately trained and qualified in compliance with the statutes and rules. The training  
237 may consist of courses prepared by qualified and recognized educators or may be written by the Appraisal  
238 Management Company and shall be repeated and updated as deemed necessary by the Appraisal  
239 Management Company. The class may consist of courses prepared by qualified and recognized educators  
240 or may be written by the entity itself but in either case, shall be developed, implemented and delivered  
241 within 6 months of an appraisal management company's registration approval. Criterion for the training  
242 shall include:

- 243 1) USPAP overview
- 244 2) The Appraisal Process
- 245 3) Scope of Work
- 246 4) Complexity of various assignments
- 247 5) Competency in product type and geographic location
- 248 6) Understanding scope of work for each license or certification level

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250 **R4-46-708 Annual Certifications**

251 **A.R.S. § 32-3672**

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253 **A.** Each Appraisal Management Company registered in this state shall certify to the Board on an  
254 annual basis all certifications as stated in R4-46-702(B)(6).

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256 **R4-46-709 Appraiser Independence; Prohibitions**

257 **A.R.S. § 32-3674**

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259 **A.** An Appraisal Management Company shall not provide to an independent appraiser an anticipated,  
260 estimated, encouraged or desired value for a subject property or a proposed or target amount to be loaned to  
261 the borrower, except that a copy of the sales contract for purchase transaction may be provided. "Owner's  
262 estimates of value" or other value opinions may not be included on any forms or communications sent by  
263 Appraisal Management Company to the appraiser.

264 **B.** The registrant shall not permit any employee, agent, third party, or controlling principal to engage in  
265 any of the following activities:

- 266 1) The registrant shall not require the appraiser to collect the appraisal fee from a borrower,  
267 homeowner, or third party.
- 268 2) The appraiser shall not be required to provide the registrant with the appraiser's digital  
269 signature or seal.

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275 **R4-46-710 Payment**

276 **A.R.S. § 32-3675**

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278 A. Except in cases of breach of contract or substandard performance of services, each appraisal  
279 management company shall make timely payment to an independent appraiser for the completion of an  
280 appraisal or valuation assignment within forty-five days after the date on which the independent appraiser  
281 transmits or otherwise provides the completed appraisal or valuation study to the appraisal management  
282 company or its assignee. Failure to remit timely payment timely may be grounds for disciplinary action by  
283 the Board up to and including the assessment of civil penalties, suspension or revocation of the Appraisal  
284 Management Company's registration.

285 B. "Completed appraisal" means delivery of the signed appraisal report to the Appraisal Management  
286 Company. Subsequent requests by the Appraisal Management Company to the appraiser for additional  
287 support of valuation or correction of factual and objective data shall not extend the payment date beyond 45  
288 days from delivery of assigned appraisal.

289 C. An Appraiser shall comply with an Appraisal Management Company's request for additional data  
290 support of estimate of value or correction of factual and objective data errors within 3 business day of  
291 request or as otherwise agreed upon in writing by both parties or be subject to complaint process to the  
292 Board by the AMC.

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294 **R4-46-711 Appraisal reports; alterations; use**

295 **A.R.S. § 32-3676**

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297 A. The registrant shall not alter, amend or change an appraisal report submitted by a licensed or  
298 certified appraiser in any way except as may be required by federal law or national reporting requirements.

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300 **R4-46-712 Enforcement; Grounds for disciplinary action**

301 **A.R.S. § 32-3678**

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303 A. The Board may censure an appraisal management company, conditionally or unconditionally  
304 suspend or revoke any registration issued under this article or impose civil penalties not to exceed fifteen  
305 thousand dollars (\$15,000) per violation if, in the opinion of the Board, an appraisal management company  
306 is attempting to perform, has performed or has attempted to perform any of the following acts:

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1. Committing any act in violation of applicable statutes.

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2. Violating any rule adopted by the Board in the interest of the public and consistent with this  
309 article.

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3. Violating any order of the Board or refusing to comply with a Board subpoena.

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4. Making any false or misleading statement.

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5. Suppressing or withholding from the board any information that the applicant possesses and  
313 that, if submitted by the applicant, would have rendered the applicant ineligible to be registered  
314 pursuant to rules adopted by the board.

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322 **R4-46-713. Complaints; Investigations; Informal Proceedings;**  
323 **Refusal to Appear**  
324 **A.R.S. § 32-3679**  
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326 **A. Complaints**

327 1. The Board shall investigate a written complaint, including an anonymous complaint or a  
328 complaint made on the Board's own motion, against an Appraisal Management Company alleging  
329 violations of A.R.S. Title 32, Chapter 36, or this Chapter, if the complaint provides information  
330 that meets the minimum criteria. Minimum criterion for a complaint includes but is not limited to:

- 331 a. The name of the respondent/Appraisal Management Company against
- 332 whom allegations are being made;
- 333 b. The action that is the basis of the complaint;
- 334 c. The time-frame in which the action occurred;
- 335 d. Each violation alleged to have been committed by the respondent; and
- 336 e. A copy of the report, if the complaint includes allegations concerning an appraisal or
- 337 consulting assignment.

338 2. Upon receipt of a complaint:

- 339 a. Board staff shall review the complaint and determine, in consultation with Board
- 340 counsel if necessary, whether the complaint meets jurisdictional criteria.
- 341 b. Within 14 days after receipt of a complaint the Board shall notify the respondent, as
- 342 prescribed in A.R.S. § 41-1092.04, of the complaint and the requirement that the
- 343 respondent file a written response within 30 days from the date on the notice. The Board
- 344 shall provide a copy of the complaint with the notice and request that the respondent
- 345 address the issues in the complaint. If relevant to the allegations contained in the
- 346 complaint, the Board shall also require that the respondent provide all of the following to
- 347 the Board: the appraisal report, appraisal review, or consulting assignment, and the work
- 348 file, or any other documents or business records of the respondent relating to the
- 349 complaint.
- 350 c. If the respondent requests more time to respond, the Board shall grant a single
- 351 extension of time that does not exceed 30 days.

352 **B. Initial Review and Investigation**

353 1. Within 90 days after receipt of a response or expiration of the time for response, the Board shall  
354 conduct an initial Review of the matter to determine whether further investigation is necessary. If  
355 the Board determines further investigation is necessary, the Board may employ or assign an  
356 investigator or investigators and shall notify the respondent of the pending investigation.

357 2. If a respondent's name is placed on a public meeting agenda, the Board shall mail a letter to  
358 the respondent not less than seven days before the scheduled meeting, providing the respondent  
359 with a copy of the posted notice of the public meeting.

360 3. If the respondent is present at the initial review, the Board may request that the respondent  
361 participate in an informational interview. A respondent may refuse to participate in an  
362 informational interview. The Board may use any Information presented at the informational  
363 interview in other proceedings related to the complaint.

364 4. At the initial review, the Board shall consider the complaint; any response; the appraisal report,  
365 appraisal review, consulting assignment, and the work file when applicable. Based upon the  
366 information reviewed, the Board may dismiss the matter, request or subpoena additional  
367 information, order a limited or full investigation, or invite the respondent to an informal hearing,  
368 based on the information reviewed.

369 5. Board staff may assign each investigator according to the investigator's experience, expertise,  
370 contract terms, and availability. Board staff shall select an investigator who does not have a  
371 business or familial relationship with the respondent. Each investigative report shall contain the  
372 signed certification specified in subsection (B)(6). An investigator's draft report is considered  
373 work product and is, therefore, confidential. The Board may ask for clarification or additional  
374 information after review of a draft report. Upon acceptance by the Board, an investigative report is  
375 considered final. The Board may adopt any or all of the findings in the final report at a public  
376 meeting and may consider any additional, relevant information that is discovered before the matter  
377 is resolved. The investigative report becomes a nonconfidential public document upon resolution  
378 of the complaint.

379 6. When the Board orders an investigation, the following certification shall be included in every  
380 investigative report prepared for the Board and signed by the investigator: " I certify that, to the  
381 best of my knowledge and belief:

382 a. The statements of fact contained in this report are true and correct.

383 b. The reported analyses, opinions, and conclusions are limited only by the reported  
384 assumptions and limiting conditions, and they are my personal, impartial and unbiased  
385 professional analyses, opinions, conclusions, and recommendations.

386 c. I have no present or prospective interest in the property that is the subject of this  
387 investigation, and I have no personal interest with respect to the parties involved in this  
388 investigation.

389 d. I have no bias with respect to any property that is the subject of this investigation or to  
390 the parties involved in this investigation.

391 e. My engagement for this investigation was not contingent upon developing or reporting  
392 any predetermined result or outcome.

393 f. My compensation for this investigation is not contingent upon developing or reporting  
394 any predetermined result or outcome, nor have I been instructed as to any predetermined  
395 result or outcome by the Board, the Board staff, or other parties.

396 g. I have (or have not) made a personal inspection of the property that is the subject of  
397 this investigation.”

398 C. Settlement. Any time after a complaint has been filed against a respondent, the matter may be  
399 resolved by a settlement in which the respondent agrees to accept disciplinary or remedial action by  
400 consent. If the Board determines that the proposed settlement will adequately protect the public, the Board  
401 may enter into a consent agreement with the respondent. A statement made for the purpose of settlement is  
402 not admissible in a formal hearing.

403 **D. Informal Hearing; Disciplinary Action**

404 1. If, based on the initial review or its review of the investigative report, the Board determines that  
405 the respondent is or may be in violation of the Board’s statutes or rules, the Board may request a  
406 voluntary informal hearing with the respondent. The Board shall provide the respondent with a  
407 copy of any final investigative report in the matter, any supporting documentation, and notice of  
408 the date, time, and location of the informal hearing, as prescribed in A.R.S. § 41-1092.04, at least  
409 30 days before the informal hearing. The notice of informal hearing shall include all of the  
410 following:

- 411 a. A statement of the matters asserted and issues involved;
- 412 b. Any request for additional information needed by the Board to prepare for the hearing;
- 413 c. An explanation of the respondent’s right to appear voluntarily with or without legal  
414 counsel who is admitted to practice law in the State of Arizona; and
- 415 d. An explanation of the respondent’s right to a formal hearing under R4-46-714.

416 2. The Board shall provide a copy of the informational material “Introduction to Informal  
417 Hearing,” which explains the rights and responsibilities of the Board and respondent during the  
418 informal hearing. (A copy is also available at the Board office).

419 3. The respondent may request and the Board may grant a continuance upon a showing of good  
420 cause. During the informal hearing the Board shall swear witnesses, question the respondent and  
421 witnesses, and deliberate. The respondent may respond to the Board’s questions, present  
422 witnesses, and ask questions of the Board and all witnesses regarding the matter before it.

423 4. If the Board finds a violation of the statutes or rules, but the violation is not of sufficient  
424 seriousness to merit suspension or revocation, it may offer a consent agreement including an order  
425 of censure or order of discipline that sets a time period and terms of probation sufficient to protect  
426 the public welfare and safety and rehabilitate respondent. The Board may require one or more of  
427 the following as terms of probation:

- 428 i. Training or education;
- 429 ii. Enhanced reporting requirements; or
- 430 iii. Other reasonable measures designed to protect the public and educate or rehabilitate  
431 the respondent.

432 5. For any Board action other than a letter of concern or a letter of remedial action, the Board shall  
433 request that the respondent sign a consent agreement, which may include findings of fact and  
434 conclusions of law, depending on the severity of the violation, but shall identify and explain each  
435 violation found. If the respondent is aggrieved by the Board's decision to issue a letter of concern  
436 or letter of remedial action, the respondent may request a formal hearing in writing, within 30 days  
437 from the date the written notice of the outcome of the informal hearing is received.

438 6. In resolving a complaint, the Board shall consider mitigating and aggravating circumstances,  
439 including but not limited to:

- 440 a. Whether a violation is intentional;
- 441 b. Whether the respondent has a prior disciplinary history;
- 442 c. The time that has elapsed since the violation, and any prior violation;
- 443 d. Whether any prior violation is similar to the present violation;
- 444 e. The complexity of the assignment;
- 445 f. Whether the assignment was outside the respondent's competence; and
- 446 g. Whether the respondent has taken courses or enacted other measures after a violation  
447 to prevent future violations.

448 **E. Summary Suspension.** If the Board finds that the public health, safety, or welfare imperatively  
449 requires emergency action, and incorporates a finding to that effect in its order, the Board may order a  
450 summary suspension pending proceedings for revocation or other action. If an order of summary  
451 suspension is issued, the Board shall serve the respondent with a written notice of summary suspension and  
452 formal hearing, listing the charges against the respondent and setting the date for the formal hearing as soon  
453 as is reasonably possible, but in no event more than 60 days from service of the written notice.

454 **F. Refusal to Appear.** A respondent may refuse a request to appear at an informal hearing. If the  
455 respondent refuses to appear or does not appear, the Board may schedule the matter for a formal hearing.

456 **G. 12-Month Review.** If a matter is not resolved within 12 months from receipt of the response, the  
457 Board shall schedule the matter for review at each regularly scheduled Board meeting to determine whether  
458 good cause exists to continue the investigation. If, after completing its investigation, the Board finds that  
459 further action against the respondent is not warranted, the Board shall dismiss the matter.

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#### 461 **R4-46-714 Formal Hearing Procedures**

##### 462 **A.R.S. § 32-3679**

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464 **A.** The Board shall issue a notice of hearing and formal complaint for formal disciplinary  
465 proceedings if:

- 466 1. After an informal hearing, the Board determines that censure, the assessment of civil  
467 penalties, suspension or revocation may be warranted;
- 468 2. After an informal hearing, the respondent refuses to sign a consent agreement offered  
469 by the Board; or

470 3. After completing its investigation, the Board finds that censure, the assessment of civil  
471 penalties, suspension or revocation may be warranted.

472 **B.** Except as provided in R4-46-713(E), the Board shall provide notice of a formal hearing to a  
473 respondent at least 30 days before the date set for the hearing. The Board shall notify the respondent by  
474 certified mail to the statutory agent or the controlling person designated by the Appraisal Management  
475 Company. Unless otherwise specified, any notice provided for in these rules is complete upon deposit in  
476 the U.S. mail or by service as permitted under A.R.S. § 41-1092.04.

477 **C.** On its own motion or the motion of a party, the Board may hear a case or have the case heard by  
478 an administrative law judge. The Board may accept, reject, or modify the administrative law judge's  
479 recommended decision as prescribed by A.R.S. § 41-1092.08, and shall issue a final order.

480 **D.** Board Hearings

481 1. The Board may conduct a hearing without adherence to the rules of evidence used in  
482 civil proceedings. The Board shall include the respondent's application and disciplinary  
483 records as evidence in the hearing record.

484 2. In all hearings required or permitted by statute, order of the Board, or these rules, the  
485 party seeking relief has the burden of proof and will present evidence first.

486 3. The Board shall conduct each formal hearing according to A.R.S. Title 41, Chapter 6,  
487 Article 10.

488 **E.** If a party fails to appear for a formal hearing without good cause, the Board shall act upon the  
489 evidence without further notice.

490 **F.** The Board shall make and keep a record of the hearing and, in the case of disciplinary hearings or  
491 if requested by a party or ordered by the Board, a transcript shall be prepared and filed with the Board. If  
492 the transcript is prepared at the request of a party, the party making the request shall pay for the cost of the  
493 transcript, unless the Board, for good cause shown waives assessment of this cost.

494 **G.** A party may request and the Board may grant a continuance of a hearing date or any other  
495 deadline imposed by these rules upon a showing of good cause.

496

497 **R4-46-715. Rehearing or Review of the Board's Decisions**

498 **A.R.S. § 32-3679**

499

500 **A.** Any party in a contested case or appealable agency action before the Board may file a motion for  
501 rehearing or review within 30 days after service of the final administrative decision. Service is complete  
502 upon personal service or five days after the date the decision is mailed by certified mail to the party's last  
503 known address of record or to the statutory agent or controlling person as designated by the Appraisal  
504 Management Company. The party shall attach a full supporting memorandum specifying the grounds for  
505 the motion.

506 **B.** The opposing party may file a response within 15 days after service of the motion for rehearing or  
507 review, or by a date ordered by the Board, whichever is later. The party shall support the response with a  
508 memorandum discussing legal and factual issues.

509 **C.** Either party may request or the Board may order oral argument.

510 **D.** The Board may grant rehearing or review for any of the following causes materially affecting a  
511 party's rights:

512 1. Irregularity in the administrative proceedings of the Board or any other abuse of discretion  
513 which deprived the moving party of a fair hearing;

514 2. Misconduct of the Board or any party;

515 3. Accident or surprise which could not have been prevented by ordinary prudence;

516 4. Newly discovered material evidence which could not with reasonable diligence have been  
517 discovered and produced at the original hearing;

518 5. Excessive or insufficient sanction;

519 6. Error in the admission or rejection of evidence or other errors of law at the administrative  
520 hearing or during the progress of the proceedings or;

521 7. Unjustified decision based upon the evidence, or a decision that is contrary to law.

522 **E.** The Board may affirm or modify the decision or grant a rehearing to any party on all or part of the  
523 issues for any of the reasons set forth in subsection

524 **D.** An order modifying a decision or granting a rehearing shall specify with particularity the grounds  
525 for the order. The rehearing, if granted, shall be limited to matters specified by the Board.

526 **F.** Not later than 30 days after a decision is rendered, the Board may order a rehearing or review on  
527 its own initiative, for any reason which it might have granted relief on motion of a party.

528 **G.** When a motion for rehearing or review is based upon affidavits, they shall be served with the  
529 motion. An opposing party may submit opposing affidavits with the response. Reply affidavits may be  
530 permitted.

531

532 **R4-46-716. Conviction and Judgment Disclosure**

533 **A.R.S. § 32-3679**

534

535 **A.** When an officer, principal, controlling person, or owner of an Appraisal Management Company is  
536 convicted of any act which is or would be punishable as a felony, crime involving moral turpitude, or any  
537 crime which is substantially related to the respective qualifications, functions, and duties of an Appraisal  
538 Management Company, the Appraisal Management Company shall notify the Board within 20 days of  
539 entry of a plea of guilty or conviction.

540 **B.** When a civil judgment based on fraud, misrepresentation, or deceit is entered against an officer,  
541 principal, controlling person, or owner of an Appraisal Management Company, the Appraisal Management  
542 Company shall notify the Board within 20 days of entry of judgment.

543

544 **R4-46-717 Terms and Conditions of Reapplication After**

545 **Revocation**

546 **A.R.S. § 32-3679**

547

548 **A.** An Appraisal Management Company which reapplies after revocation of a registration shall  
549 submit an application for registration consistent with these rules. The applicant shall attach substantial  
550 evidence to the application that the issuance of a registration will no longer constitute a threat to the public  
551 welfare and safety.

552 **B.** The Board shall make a determination of each application that is consistent with the public safety  
553 and welfare.

554

555

556 **SUB NOTE:** Also need to recommend Board approval for opening a Docket and the Notice of Proposed  
557 Rulemaking.

DRAFT