

Economic Impact Statement
LSA Document #11-428

IC 4-22-2.1-5 Statement Concerning Rules Affecting Small Businesses

The Indiana Real Estate Commission (Commission) has determined that this proposed rule will impose minimal requirements or costs on small businesses.

Estimated Number of Small Businesses Subject to this Rule:

The Commission estimates that the total of number of active licensees currently subject to this rule is 135.

Estimated Average Annual Administrative Costs That Small Businesses Will Incur:

This rule change will not require any additional administrative costs for small businesses.

Estimated Total Annual Economic Impact on Small Businesses:

This rule change may have an economic impact of approximately \$27,000 on any small business, provided that they do not use the course toward their already required continuing education. This course can be counted as part of the required continuing education, which would result in an economic impact on small business of \$0.

Supporting Data, Studies, and Analyses:

Independent review of real estate appraiser licensee disciplinary files
Fourth Exposure Draft of Proposed Revisions to the Future Real Property Appraiser Qualification Criteria issued June 17, 2011, by the Appraiser Qualifications Board
Survey of all Indiana licensed and certified appraisers

Regulatory Flexibility Analysis of Alternative Methods:

The Commission determined that this rule change is the most effective way to address the issues it intends to address.

Explanation of Preliminary Determination:

The Commission determined that the benefits that would result from this proposed rule change will outweigh any costs greatly. The rule change will benefit consumers by potentially reducing the number of poorly prepared or fraudulent appraisals, which can cause consumers increased distress or even bankruptcy or foreclosure. This rule change could also potentially reduce litigation and administrative costs, reduce expert witness fees, and increase efficiency in investigating and prosecuting appraisal fraud.

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