



**Virginia
Regulatory
Town Hall**

**Notice of Intended Regulatory Action
Agency Background Document**

Agency Name:	18
VAC Chapter Number:	130
Regulation Title:	Real Estate Appraiser Board Rules and Regulations
Action Title:	Amending
Date:	02/05/01

This information is required prior to the submission to the Registrar of Regulations of a Notice of Intended Regulatory Action (NOIRA) pursuant to the Administrative Process Act § 9-6.14:7.1 (B). Please refer to Executive Order Twenty-Five (98) and Executive Order Fifty-Eight (99) for more information.

Purpose

Please describe the subject matter and intent of the planned regulation. This description should include a brief explanation of the need for and the goals of the new or amended regulation.

The purpose of the proposal is to:

Make general clarifying changes;

Incorporate changes to criteria set forth by the Appraiser Qualifications Board and standards set forth by the Appraisal Standards Board of the Appraisal Foundation;

Review fees for compliance with the Callahan Act; and

Make other changes which may result from the Board's periodic review of the regulations.

Basis

Please identify the state and/or federal source of legal authority to promulgate the contemplated regulation. The discussion of this authority should include a description of its scope and the extent to which the authority is mandatory or discretionary. The correlation between the proposed regulatory

action and the legal authority identified above should be explained. Full citations of legal authority and, if available, web site addresses for locating the text of the cited authority must be provided.

Section 54.1-2013 of the Code of Virginia states that the Board "may do all things necessary and convenient for carrying into effect the provisions of this chapter and all things required or expected of a state appraiser certifying and licensing agency under Title 11 of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (12 U.S.C. § 3301 et seq.)" (FIRREA). FIRREA was passed by Congress in 1989 as a result of the savings and loan crisis and requires the state licensing of real estate appraisers. FIRREA created the Appraisal Subcommittee which monitors and reviews the practices, procedures, activities, and organizational structure of the Appraisal Foundation. The Appraisal Foundation consists of the Appraiser Qualifications Board (AQB) and the Appraisal Standards Board (ASB). The AQB sets minimum qualifications all states must use in licensing appraisers. The ASB promulgates the Uniform Standards of Professional Appraisal Practice (USPAP) which are incorporated into the Board's regulations. AQB Qualifications Criteria and USPAP can be found at www.appraisalfoundation.org.

Substance

Please detail any changes that would be implemented: this discussion should include a summary of the proposed regulatory action where a new regulation is being promulgated; where existing provisions of a regulation are being amended, the statement should explain how the existing regulation will be changed. The statement should set forth the specific reasons the agency has determined that the proposed regulatory action would be essential to protect the health, safety or welfare of citizens. In addition, a statement delineating any potential issues that may need to be addressed as the regulation is developed shall be supplied.

Clarify language contained in 18 VAC 130-20-30.4 and 18 VAC 130-20-180.K.2 regarding criminal convictions by adding "A certified copy of a final order, decree or case decision by a court with the lawful authority to issue such order decree or case decision shall be admissible as prima facie evidence of such conviction."

Move the language contained in 18 VAC 130-20-40.3 to 18 VAC 130-20-30 which will make the requirement applicable to all applicants, not just reciprocal applicants. This provision was in place when Virginia applicants were required to take a rules and regulation portion of the examination and reciprocal applicants were not. Currently, no applicants are required to take a rules and regulation examination.

In Part III, Renewal of License, add language permitting an individual to renew a license on inactive status. This would permit the licensee to retain the license without meeting the continuing education requirements and to activate the license at a future time. Currently, licensees who are not currently practicing take the continuing education to renew their license, which is a significant financial burden, or let the license expire and reapply, meeting all current entry requirements.

Make the following changes based on changes in AQB criteria:

Require trainees who remain in the classification in excess of two years to complete continuing education in the third and successive years.

Delete the continuing education requirement contained in 18 VAC 130-20-110 (requires 3 of the 28 hours to be a Board approved course on recent developments in federal, state and local real estate appraisal law and regulation and the Uniform Standards of Professional Appraisal Practice) and replace it with a 7-hour requirement for a USPAP update course.

Replace 18 VAC 130-20-180.H.3 regarding record keeping requirement for supervising appraisers with "The appraiser trainee shall be entitled to obtain copies of appraisal reports he or she prepared. The supervising appraiser shall keep copies of appraisal reports for a period of at least five years or at least two years after final disposition of any judicial proceedings in which testimony was given, whichever period expires last."

Make distance learning course criteria currently applicable only to prelicense courses applicable to continuing education courses. See 18 VAC 130-20-230.

Consider permitting courses approved by the Appraiser Qualifications Board to meet Board requirements without further review. 18 VAC 130-20-200 currently requires that AQB approved courses be submitted for approval and review like all other courses.

Make other changes as set forth by the Appraiser Qualifications Board or the Appraisal Standards Board.

Review all fees in accordance with the Callahan Act.

Make other changes which result from a periodic review and receipt of comments during the public comment period.

Alternatives

Please describe, to the extent known, the specific alternatives to the proposal that have been considered or will be considered to meet the essential purpose of the action.

Failure to adopt these changes will result in noncompliance with the federal guidelines set forth by the AQB and ASB. Failure to adopt other changes will result in regulations not being as clear as possible and increased noncompliance.

The Department will consider comments received regarding any proposed alternatives.

Family Impact Statement

Please provide a preliminary analysis of the potential impact of the proposed regulatory action on the institution of the family and family stability including to what extent the regulatory action will: 1) strengthen or erode the authority and rights of parents in the education, nurturing, and supervision of their children; 2) encourage or discourage economic self-sufficiency, self-pride, and the assumption of responsibility for oneself, one's spouse, and one's children and/or elderly parents; 3) strengthen or erode the marital commitment; and 4) increase or decrease disposable family income.

The proposed changes are expected to have no impact on families.