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Exempt Action: Final Regulation Agency Background Document

Agency name	Real Estate Appraiser Board
Virginia Administrative Code (VAC) Chapter citation(s)	18VAC130-20
VAC Chapter title(s)	Real Estate Appraiser Board Rules and Regulations
Action title	Correction to 18VAC130-20-180
Final agency action date	March 16, 2026
Date this document prepared	March 23, 2026

This information is required for executive branch review pursuant to Executive Order 19 (2022) (EO 19), any instructions or procedures issued by the Office of Regulatory Management (ORM) or the Department of Planning and Budget (DPB) pursuant to EO 19. In addition, this information is required by the Virginia Registrar of Regulations pursuant to the Virginia Register Act (§ 2.2-4100 et seq. of the Code of Virginia). Regulations must conform to the Regulations for Filing and Publishing Agency Regulations (1 VAC 7-10), and the *Form and Style Requirements for the Virginia Register of Regulations and Virginia Administrative Code*.

Brief Summary

Provide a brief summary (preferably no more than 2 or 3 paragraphs) of this regulatory change (i.e., new regulation, amendments to an existing regulation, or repeal of an existing regulation). Alert the reader to all substantive matters. If applicable, generally describe the existing regulation.

The Real Estate Appraiser Board (“the Board”) is amending the Real Estate Appraiser Board Rules and Regulations to conform with the federal standards for the development and reporting of real property appraisals set forth in the Uniform Standards of Professional Appraisal Practice (“USPAP”).

The action amends 18VAC130-20-180 to restore a provision which requires licensees of the Board to comply with USPAP standards when developing a real property appraisal. This provision was inadvertently removed from the regulation in final amendments that were adopted October 28, 2025, and its removal impairs the Board’s ability to enforce USPAP Standard #1, which applies to real property appraisal development.

This action is exempt from the Administrative Process Act under § 2.2-4006(A)(4)(c) of the Code of Virginia, which states, in part:

A. The following agency actions otherwise subject to this chapter and § 2.2-4103 of the Virginia Register Act shall be exempted from the operation of this article:

4. Regulations that are:

c. Necessary to meet the requirements of federal law or regulations, provided such regulations do not differ materially from those required by federal law or regulation, and the Registrar has so determined in writing. Notice of the proposed adoption of these regulations and the Registrar's determination shall be published in the Virginia Register not less than 30 days prior to the effective date of the regulation.

Mandate and Impetus

Identify the mandate for this regulatory change and any other impetus that specifically prompted its initiation (e.g., new or modified mandate, internal staff review, petition for rulemaking, periodic review, or board decision). For purposes of executive branch review, "mandate" has the same meaning as defined in the ORM procedures, "a directive from the General Assembly, the federal government, or a court that requires that a regulation be promulgated, amended, or repealed in whole or part."

Section 1110 [12 U.S.C. 3339] of Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA – Real Estate Appraisal Reform) requires that real estate appraisals be performed in accordance with, and reviewed for compliance with, generally accepted standards as evidenced by the appraisal standards promulgated by the Appraisal Standards Board of the Appraisal Foundation, known as USPAP.

Section 54.1-2013 of the Code of Virginia states, in part:

The Board shall have all of the powers of a regulatory board under Chapter 2 (§ 54.1-200 et seq.). The Board may do all things necessary and convenient for carrying into effect the provisions of this chapter, Chapter 20.2 (§ 54.1-2020 et seq.), 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. § 3331 et seq.). The Board shall promulgate necessary regulations.

The Board shall include in its regulations ... provisions for the enforcement of standards of professional appraiser practice...

All regulations established by the Board shall satisfy any minimum criteria that are necessary in order that the federal financial institution's regulatory agencies recognize and accept licenses for licensed residential real estate appraisers, certified residential real estate appraisers, certified general real estate appraisers, and appraisal management companies issued by the Board.

USPAP Standard #1 establishes the federal standard that real estate appraisers must follow when developing a real property appraisal. Section 18VAC130-20-180 establishes the regulatory standards for real estate appraisers and allows for the Board to address instances or cases of non-compliance with USPAP standards.

On October 28, 2025, the Board adopted final amendments to the Real Estate Appraiser Board Rules and Regulations. The amendments made changes to 18VAC130-20-180 that removed language which specified that licensees must adhere to USPAP standards when developing a real property appraisal. The amendments became effective January 14, 2026. Upon review, staff discovered that the Board could not enforce USPAP Standard #1 pertaining to appraisal development as a result of the change to 18VAC130-20-180. Accordingly, the current regulation is not consistent with applicable federal standards.

Statement of Final Agency Action

Provide a statement of the final action taken by the agency including: 1) the date the action was taken; 2) that the agency has “adopted final amendments” to the regulation; 3) the name of the agency taking the action; and 4) the title of the regulation. A suggested statement is, “On [insert date] the Board/Department of [insert name] adopted final amendments to the [title of regulation(s)].”

On March 16, 2026, the Real Estate Appraiser Board adopted a final amendment to the Real Estate Appraiser Board Rules and Regulations.