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Exempt Action Final Regulation Agency Background Document

Agency name	Real Estate Appraiser Board
Virginia Administrative Code (VAC) citation(s)	18 VAC130-30
Regulation title(s)	Appraisal Management Company Regulations
Action title	Amendment to incorporate federally mandated changes
Final agency action date	October 8, 2019
Date this document prepared	October 29, 2019

While a regulatory action may be exempt from executive branch review pursuant to § 2.2-4002 or § 2.2-4006 of the *Code of Virginia*, the agency is still encouraged to provide information to the public on the Regulatory Town Hall using this form. However, the agency may still be required to comply with the Virginia Register Act, Executive Order 14 (as amended, July 16, 2018), the Regulations for Filing and Publishing Agency Regulations (1 VAC7-10), and the *Virginia Register Form, Style, and Procedure Manual for Publication of Virginia Regulations*.

Brief Summary

Please 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.

During its biennial compliance review of Virginia's appraisal management company (AMC) regulatory program administered by the Real Estate Appraiser Board, the Appraisal Subcommittee (ASC) found Virginia's AMC regulation governing owners with past disciplinary action did not comply with 12 CFR 34.214 and determined the Board needed to amend the rule to bring it into compliance with Title XI. This action amends 18 VAC 130-30-30.F of the Board's AMC regulations to conform to both the federal requirement as stated in 12 CFR 34.214 and § 54.1-2021.1.B.h of the Code of Virginia. The amended regulation removes the 10% ownership limit and changes it to any ownership interest.

Section 1103 [12 U.S.C. 3332] of Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA – Real Estate Appraisal Reform) authorizes the ASC to monitor the requirements

established by states for the registration and supervision of the operations and activities of an AMC, as well as to maintain a national registry of AMCs that either are registered with and subject to supervision of a state appraiser certifying and licensing agency or are operating subsidiaries of a federally regulated financial institution.

Code of Federal Regulations § 34.214(a) states, "Appraiser certification or licensing of owners. (1) An AMC subject to State registration pursuant to § 34.213 shall not be registered by a State or included on the AMC National Registry if such AMC, in whole or in part, directly or indirectly, is owned by any person who has had an appraiser license or certificate refused, denied, cancelled, surrendered in lieu of revocation, or revoked in any State for a substantive cause, as determined by the appropriate State appraiser certifying and licensing agency."

Mandate and Impetus

Please 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, board decision, etc.). "Mandate" is defined as "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."

Title XI of FIRREA requires the ASC to maintain the appraisal management company (AMC) registry. Section 1124(d) states an AMC shall not be registered by a State or included on the national registry if such company, in whole or in part, directly or indirectly, is owned by any person who has had an appraiser license or certificate refused, denied, cancelled, surrendered in lieu of revocation, or revoked in any State. The Board is promulgating this regulatory action to conform the regulation to the federal law; there is no agency discretion pursuant to Va. Code § 2.2-4006.A.4.c.

Statement of Final Agency Action

Please provide a statement of the final action taken by the agency including: 1) the date the action was taken; 2) the name of the agency taking the action; and 3) the title of the regulation.

The Real Estate Appraiser Board reviewed and adopted the final exempt action to amend the regulation, entitled "Appraisal Management Company Regulations," on October 8, 2019.