

Office of Regulatory Management
Economic Review Form

Agency name	Real Estate Appraiser Board
Virginia Administrative Code (VAC) Chapter citation(s)	18 VAC 130-20
VAC Chapter title(s)	Real Estate Appraiser Board Rules and Regulations
Action title	Amendments to reflect HB284 (2022 Session)
Date this document prepared	April 7, 2023 (revised January 4, 2024)
Regulatory Stage (including Issuance of Guidance Documents)	Exempt – Final (Action 6196 / Stage 9942)

Cost Benefit Analysis

Complete Tables 1a and 1b for all regulatory actions. You do not need to complete Table 1c if the regulatory action is required by state statute or federal statute or regulation and leaves no discretion in its implementation.

Table 1a should provide analysis for the regulatory approach you are taking. Table 1b should provide analysis for the approach of leaving the current regulations intact (i.e., no further change is implemented). Table 1c should provide analysis for at least one alternative approach. You should not limit yourself to one alternative, however, and can add additional charts as needed.

Report both direct and indirect costs and benefits that can be monetized in Boxes 1 and 2. Report direct and indirect costs and benefits that cannot be monetized in Box 4. See the ORM Regulatory Economic Analysis Manual for additional guidance.

Table 1a: Costs and Benefits of the Proposed Changes (Primary Option)

<p>(1) Direct & Indirect Costs & Benefits (Monetized)</p>	<p>Direct Costs: Describe the direct costs of this proposed change here.</p> <p>The regulation executes the statutory requirement that the board require two hours of appraiser bias or fair housing continuing education. The Real Estate Appraiser Board currently requires 28 hours of continuing education per two-year licensing period. Seven hours are required in a specific topic identified in the regulations, and the remaining 21 hours are elective from a set number of sources approved by the board. The bill essentially removes two hours of elective and makes them mandatory towards appraiser bias or fair housing. In that way, this is not a new economic impact, but rather, a transfer payment from one continuing education provider to, potentially, another continuing education provider. The board has provided multiple examples of avenues for sourcing of the requirement, so licensees should have similar flexibility to find these required courses as they do the current elective courses.</p> <p>Indirect Costs: Describe the indirect costs of the proposed change.</p> <p>Any costs created by this change would be considered a transfer payment, as it does not create a new requirement, rather directs regulants to specific courses to fulfill an existing requirement.</p> <p>Direct Benefits: Describe the direct benefits of this proposed change here.</p> <p>It is not clear what the direct monetary benefit would be. A survey of available studies indicates that unconscious bias courses impact individuals awareness of unknown biases; however, there is not much evidence that awareness alone impacts be individual behavior.</p> <p>Indirect Benefits: Describe the indirect benefits of the proposed change.</p> <p>NA.</p>	
<p>(2) Present Monetized Values</p>	<p>Direct & Indirect Costs</p>	<p>Direct & Indirect Benefits</p>
	<p>(a) \$0</p>	<p>(b) \$0</p>
<p>(3) Net Monetized Benefit</p>	<p>\$0</p>	

(4) Other Costs & Benefits (Non-Monetized)	
(5) Information Sources	<p>HB 284 (2022 Session)</p> <p>December 17, 2020 Report of the United Kingdom’s Equality and Human Rights Commission titled “Unconscious Bias and Diversity Training – What the Evidence Says”,</p> <p>https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/944431/20-12-14_UBT_BIT_report.pdf</p>

Table 1b: Costs and Benefits under the Status Quo (No change to the regulation)

(1) Direct & Indirect Costs & Benefits (Monetized)	The change is required by law and the Board cannot exercise the discretion to retain the status quo. The change effects what types of classes are required, and with out the change, the potential transfer payment between providers would be avoided. The Real Estate Appraiser Board’s Continuing Education requirement and total hours are mandated by statute and could not be reduced via regulation.	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) 0	(b) 0
(3) Net Monetized Benefit	0	
(4) Other Costs & Benefits (Non-Monetized)	0	
(5) Information Sources		

Impact on Local Partners

Use this chart to describe impacts on local partners. See Part 8 of the ORM Cost Impact Analysis Guidance for additional guidance.

Table 2: Impact on Local Partners

This change is not expected to impact local partners.

Impacts on Families

Use this chart to describe impacts on families. See Part 8 of the ORM Cost Impact Analysis Guidance for additional guidance.

Table 3: Impact on Families

This change is not expected to impact families, as it simply adjusts the type of required courses, not the overall number or cost of the courses that are required.

Impacts on Small Businesses

Use this chart to describe impacts on small businesses. See Part 8 of the ORM Cost Impact Analysis Guidance for additional guidance.

Table 4: Impact on Small Businesses

The change is not expected to impact small businesses, as it only changes the content of the courses, not the quantity or cost of the content.

Changes to Number of Regulatory Requirements

Table 5: Regulatory Reduction

For each individual action, please fill out the appropriate chart to reflect any change in regulatory requirements, costs, regulatory stringency, or the overall length of any guidance documents.

*Change in Regulatory Requirements**

VAC Section(s) Involved*	Authority of Change	Initial Count	Additions	Subtractions	Net Change
20-10	Statutory:	0	0	0	0
	Discretionary:	13	0	0	0
20-110	Statutory:	0	1	0	+1
	Discretionary:	14	1	0	+1
20-220	Statutory:	4	0	0	0
	Discretionary:	3	6	0	+6
Total Net Change of Statutory Requirements:					+1
Total Net Change of Discretionary Requirements:					+7

**Note: This regulatory change became effective on August 16, 2023. The initial count listed in this table reflects the requirements as of July 31, 2023.*

Cost Reductions or Increases (if applicable)

VAC Section(s) Involved*	Description of Regulatory Requirement	Initial Cost	New Cost	Overall Cost Savings/Increases
N/A	N/A	N/A	N/A	N/A

Other Decreases or Increases in Regulatory Stringency (if applicable)

VAC Section(s) Involved*	Description of Regulatory Change	Overview of How It Reduces or Increases Regulatory Burden
20-110	Requires that as part of required appraiser continuing education a licensed appraiser must complete a minimum two-hour course on either fair housing or appraisal bias.	Prior to the regulatory change, licensees were required to complete 28 hours of continuing education. Of the 28 hours, seven (7) hours were mandated to be training in

		<p>USPAP updates. The other 21 hours were in elective topics.</p> <p>As a result of the change, nine (9) hours of continuing education are in mandated topics (USPAP updates and fair housing/appraisal bias), and 19 hours may be in elective topics.</p> <p>The change reduces flexibility for licensees to meet continuing education requirements.</p>
20-220	<p>Requires that any course related to appraisal bias designed to meet the mandatory continuing education requirement must be directly applicable to the rendering of an opinion of value by an appraiser, and specifies five topics that must be included in the course.</p>	<p>The regulatory change mandates standards that appraisal bias courses must meet in order to be accepted for continuing education credit for licensees.</p> <p>Training providers that might wish to offer an appraisal bias course must tailor their program to meet the new requirements in the regulation.</p>

Length of Guidance Documents (only applicable if guidance document is being revised)

Title of Guidance Document	Original Length	New Length	Net Change in Length
N/A	N/A	N/A	N/A

*If the agency is modifying a guidance document that has regulatory requirements, it should report any change in requirements in the appropriate chart(s).